



ASEAN Regional Investment Promotion Action Plan 2025 - 2030



ESCAP
Economic and Social Commission
for Asia and the Pacific

ASEAN Regional Investment Promotion Action Plan 2025-2030

1. Introduction

The ASEAN Regional FDI Action Plan 2025-2030 is a strategic initiative developed in collaboration with the Coordinating Committee on Investment (CCI), ASEAN Secretariat, and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). This plan aims to attract incremental foreign direct investment (FDI) to ASEAN by promoting the region collectively and targeting specific high-potential sectors.

2. Objectives

- To identify and promote sectors with clear and high potential for attracting FDI to ASEAN in the short term (next 2-5 years)
- To develop and implement practical, collaborative action plans for investment promotion that enables ASEAN investment promotion agencies (IPAs) to work together to promote investment across the value chain in high potential sectors
- To focus on sectors where there is potential for each ASEAN member State to attract investment in one or more particular value-chain stream of activities
- To leverage the unique strengths of each ASEAN member state while promoting the region as a whole
- To enhance ASEAN's competitiveness and attractiveness as an investment destination
- To support ASEAN's regional economic integration and sustainable development through targeted FDI and cooperation on investment promotion

3. Strategic Framework for Collaborative ASEAN Investment Promotion

This section defines the scope of investment promotion activities within the ASEAN Regional FDI Action Plan and outlines the central role of Investment Promotion Agencies (IPAs) in its implementation. The framework emphasizes leveraging individual member states' strengths while promoting ASEAN as a cohesive investment destination through:

- Collaborative efforts among IPAs to attract incremental FDI to ASEAN, with each IPA determining their level of participation and resource allocation based on national priorities and capabilities.
- Targeting sectors with diverse value chains that offer investment opportunities across multiple ASEAN countries.
- Developing marketing strategies that highlight ASEAN's collective advantages while showcasing each participating country's unique value propositions across sector-specific value chain activities.
- Implementing coordinated investor outreach that emphasizes ASEAN's integrated market and complementary capabilities.
- Jointly participating in international events and trade fairs to present a unified ASEAN investment proposition.
- Creating and promoting region-wide investment opportunities that leverage multiple countries' strengths.
- Crafting a cohesive narrative that positions ASEAN as a prime investment destination while recognizing individual member states' distinct attributes.

- Facilitating cross-border collaboration to enhance the region's overall attractiveness to investors in target sectors.
- Developing, promoting, and showcasing investment-ready projects at international events and on the Invest in ASEAN website.

The ASEAN Investment Promotion Action Plan is tailored specifically for implementation by ASEAN IPAs because:

- IPAs are the primary agencies responsible for attracting and facilitating foreign direct investment in their respective countries.
- They possess specialized knowledge and networks crucial for effectively promoting investment opportunities and engaging with potential investors.
- Coordinated efforts among IPAs enable ASEAN to present a unified and compelling investment proposition that leverages the region's collective strengths.
- IPAs are uniquely positioned to foster cross-border and cross-sector collaboration, essential for promoting ASEAN as an integrated investment destination.

While IPAs lead this initiative, the involvement of sector-specific bodies and line agencies in each country is crucial for its success. As IPAs work to attract investment in targeted sectors, they should coordinate closely with relevant sectoral authorities to ensure:

- Alignment with broader industry development strategies.
- Access to specialized sector knowledge and regulatory insights.
- Cohesive messaging that reflects both investment opportunities and sector-specific policies.
- Efficient facilitation of investment projects that may require approvals or support from multiple agencies.

This collaborative approach aims to ensure that investment promotion efforts are not only well-coordinated but also deeply informed by sector-specific expertise, enhancing ASEAN's value proposition to potential investors and presenting a comprehensive and compelling case for investment in the region.

4. Sector Analysis and Selection

A comprehensive analysis was conducted to identify sectors with the greatest potential for FDI attraction across ASEAN. The analysis considered factors such as global FDI trends, potential for greenfield investment, contribution to ASEAN's development objectives, diverse value chains, and advantages of promoting ASEAN as a region. Based on this analysis, five sectors were initially identified:

- Carbon capture and storage
- Medical devices
- Biofuels
- Solar PV equipment

An additional evaluation will be conducted in the first quarter of 2024 and identify up to 2 additional sectors that can be considered as attractive for to develop and incorporate into the regional investment promotion action plan.

5. Scope and Phased Approach

The ASEAN Regional Investment Promotion Action Plan will be developed for a total of six target sectors over the 2025-2030 period, and implemented in two phases:

- Phase I (2025-2027): A detailed action plan for three of the six sectors has been developed with proposed actions for 2025-2030. The action plan focuses on carbon capture and storage, biofuels, and medical devices. In November 2024, the action plan for solar pv production will be added to the document.
- Phase II (2026-2030): In quarter 1 of 2025, the action plan for the remaining two sectors, including a secondary evaluation to identify the two additional sectors, will be developed for implementation over the period of 2026-2030. Potential sectors could include veterinary healthcare, biomass and biomass processing equipment, geothermal energy including equipment manufacturing, smart grid technologies, and renewable energy monitoring and control systems. The sectors with the most potential will be determined through a thorough analysis similar to that which has already been undertaken to identify the initial four sectors.
- This phased approach allows for efficient resource allocation, adaptive strategies, and the application of lessons learned.
- It is important to note that the detailed action plan, provided as an annex to this policy document, is intended to be a non-binding, living document. As the implementation timeline unfolds over the next five years, the action plan will be updated and refined. This dynamic approach allows for the incorporation of feedback from the established monitoring and evaluation mechanisms, as well as the integration of new sectors as they are identified and added to the strategy. This flexibility ensures that the action plan remains responsive to changing market conditions, emerging opportunities, and the evolving needs of ASEAN member states. By maintaining this adaptable framework, ASEAN can ensure that its investment promotion efforts remain current, effective, and aligned with the region's broader economic development goals.
- Bearing in mind the difference in interests and resources of AMS, the activities in the action plan are voluntary, to be implemented with an opt in – opt out approach.

6. Implementation Strategy

The implementation strategy for the ASEAN Regional Investment Promotion Action Plan will focus on executing the detailed action plans developed for the three target sectors: medical devices, biofuels, and carbon capture and storage (CCS). This strategy emphasizes collaboration among IPAs and a flexible approach to maximize the effectiveness of FDI attraction efforts.

Prerequisites for Action Plan Implementation

The first step in implementing the strategy will be to establish an **effective structure**. ESCAP will, with the support of the Services and Investment Division of the ASEAN Secretariat (SID) and the CCI will initiate the development of sector-specific teams or informal working groups, comprised of representatives from interested ASEAN IPAs. These teams will be responsible for executing the action plans for each of the respective sectors. Participating IPAs will allocate staff time and where possible funding, reflecting their available resources. ESCAP and SID will provide guidance and support throughout the implementation process, as well as work to mobilize funding to aid in implementation of the action plan.

Foundation building will be the first critical phase, taking place primarily in 2025. This will involve conducting comprehensive research on each target sector and local ecosystems within ASEAN. The teams, with the support of ESCAP and utilizing the sector analysis completed in June of 2024 as a basis, will develop internal expertise on sector trends, key players, and ASEAN's competitive advantages. ESCAP will also support a mapping of relevant legal and regulatory frameworks across ASEAN countries and identify potential local partners and stakeholders in each sector.

Main Channels of Implementation

- **Direct outreach** to potential investors will begin in 2025 and continue throughout the implementation period. The sector teams will develop target lists of companies using specified criteria and sources outlined in the action plans. A coordinated approach for contacting and nurturing leads should be discussed and developed. Similarly, the SID should consider developing a centralized system for tracking and managing investor contacts to ensure efficient follow-up and avoid duplication of efforts.
- **Engagement with industry multipliers¹** will be an ongoing effort, also starting in early 2025. The teams should initiate contact with key industry associations and organizations for each sector. These multiplier networks will be leveraged to access potential investors and raise ASEAN's profile within the target sectors.
- **Marketing and communication efforts** will be continuous, with increased intensity leading up to key events. The teams, with the support of ESCAP, should develop sector-specific marketing materials highlighting ASEAN's strengths. A collective ASEAN branding for investment promotion should be considered to present a unified message (for instance the Invest in ASEAN brand). Articles should be published in targeted industry publications as specified in each sector plan. ASEAN's own platforms, including its website and social media channels, should be utilized for content distribution. In developing these collaborations with multipliers and marketing communications, the teams should emphasize the unique selling points and competitive strengths of each participating IPA's home country, as well as the various value chain activities present across the ASEAN region. This approach will allow ASEAN to present itself as a unified destination that offers diverse investment opportunities across the entire value chain for each target sector. More specifically, the articles, presentations, and value propositions that could be crafted should aim to highlight how different ASEAN countries excel in various aspects of the sector value chains. For example, in the medical devices sector, one country might be showcased for its strong R&D capabilities, while another could be highlighted for its advanced manufacturing facilities. This comprehensive portrayal will demonstrate to potential investors how they can leverage the complementary strengths of different ASEAN countries to optimize their operations across the entire value chain, reinforcing the attractiveness of ASEAN as an integrated investment destination. The detailed analysis behind the action plan can serve as the basis to develop this marketing material, with each participating IPA adding additional country specific information.

¹ Multipliers are organizations and individuals that can provide access to companies and raise ASEAN's profile among key audiences. Since multipliers may not directly or automatically have an interest in supporting ASEAN IPAs, a proposition needs to be developed that provides value and appeals to each multiplier. The detail action plan recommends key multipliers for each target sector and provides suggestions for engaging with them. Multipliers include industry associations, networks, and influential organizations within each target sector that can help ASEAN connect with potential investors and increase awareness of investment opportunities in the region.

- **Event participation** will follow the sector-specific timelines outlined in the action plans. For each event, organizing groups should be formed, comprised of participating IPAs. These groups will coordinate logistics for exhibition booths, speaking opportunities, and meetings. Pre-event outreach will be implemented to schedule meetings with potential investors.

ASEAN IPAs should also consider developing and showcasing national level investment-ready projects in the specific sectors that can be promoted in the marketing materials and at events. Presenting investors with concrete, well-defined project opportunities will significantly enhance the effectiveness of outreach efforts. ESCAP will initially provide support to ASEAN IPAs in developing documentation for investment ready projects, helping to ensure they meet international standards and investor expectations. These projects should also be prominently featured on the Invest in ASEAN website and showcased at events to attract potential investors. By offering a portfolio of investment-ready projects across the region, ASEAN can demonstrate its commitment to facilitating investment and provide tangible entry points for investors in each target sector. This approach is particularly relevant for regional investment promotion efforts as it allows ASEAN to present itself as a cohesive and opportunity-rich destination while still highlighting the unique strengths of individual member countries. By showcasing a diverse range of investment-ready projects across different ASEAN nations, the region can illustrate how investors can leverage complementary capabilities and resources throughout the area. This strategy not only enhances the appeal of ASEAN as an integrated investment destination but also promotes intra-regional cooperation and economic integration. Furthermore, it enables ASEAN to demonstrate the depth and breadth of opportunities available across the entire value chain of each target sector, potentially attracting larger, more comprehensive investments that span multiple countries within the region.

Other Key Components

Capacity building will be an integral part of the implementation strategy. Knowledge-sharing sessions among ASEAN IPAs on sector-specific topics will be organized by ESCAP and the SIDs. Training on effective investor outreach and relationship management will be provided by ESCAP as a part of the ESCAP-CCI ongoing investment promotion trainings to enhance the skills of IPA staff involved in the implementation.

Finally, **adaptive management** will be practiced throughout the implementation period. ESCAP and SID will conduct bi-quarterly reviews of implementation progress will be and share with CCI and strategies will be adjusted based on feedback, market changes, and emerging opportunities.

This implementation strategy provides a framework for executing the detailed action plans across all three sectors currently developed, as well as for the next three that will be developed in phase II. By fostering collaboration, maintaining flexibility, and focusing on continuous improvement, ASEAN aims to significantly enhance its appeal as an investment destination in these key sectors.

6. Practical Guidance for CCI

The action plan will serve as a blueprint for the ASEAN CCI work plan for 2025-2030. It will provide practical guidance for investment promotion activities, including:

- Strategies for collective promotion of ASEAN as an investment destination
- Approaches for engaging with potential investors in target sectors

- Recommendations for marketing and awareness-raising activities
- Frameworks for collaboration between ASEAN IPAs

7. Resource Allocation

Member States, through their respective IPAs, should consider contributing resources, including personnel and when and if possible, budget, for the implementation of the Action Plan. UN ESCAP and the SID will provide support and guidance, as well as work to mobilize resources to support the Action Plan's implementation.

8. Monitoring and Evaluation

A framework will be established to monitor progress and evaluate the effectiveness of the Action Plan, with regular reporting to the ASEAN Economic Ministers.

9. Expected Outcomes

- Increased FDI flows to ASEAN in target sectors
- Enhanced regional value chains
- Improved investment promotion capabilities and collaboration of ASEAN IPAs
- Strengthened positioning of ASEAN as a prime investment destination
- Increased number of cross-border investment projects leveraging complementary strengths of multiple ASEAN countries

10. Endorsement

By endorsing this Action Plan, the ASEAN Economic Ministers:

- Approve the overall strategy, phased approach, and selected target sectors
- Agree to their national IPAs dedicating time and potentially resources to implement the action plan to the extent possible, and based on national circumstances
- Recognize the importance of collaborative, region-wide investment promotion efforts
Endorse the principle of presenting ASEAN as an integrated investment destination while highlighting individual member states' unique strengths