

ASEAN ECONOMIC COMMUNITY STRATEGIC PLAN 2026–2030

I. INTRODUCTION

1. Since its launch in 2015, the ASEAN Economic Community (AEC) has evolved into a highly integrated and cohesive economic community. Emerging as an attractive and competitive economic region, the AEC continues to foster an interconnected market for trade and investment that cultivates individuals' prosperity, promotes opportunities for businesses of all sizes, facilitates the narrowing of the development gap between and within ASEAN Member States and advances cooperation in diverse economic sectors. Together, these endeavours have set the foundations for the seamless movement of goods, services, investment, capital, and skilled labour within ASEAN, enhanced trade and production networks, and established a more unified market for firms and consumers.
2. Carrying on with business as usual will not suffice for this highly dynamic economic region. For ASEAN to become the fourth largest global economy by 2045, countries in the region will need to deepen their economic integration and enhance their agility to address multifaceted challenges. Equally important is ASEAN's ability to pursue meaningful initiatives and programmes to ensure the long-term resilience of its people, businesses, and societies. Looking ahead to 2045, ASEAN is committed to becoming a single and future-ready economy that is anchored on sustainable growth, empowered by advanced technologies, responsive to emerging opportunities, whilst ensuring that inclusivity and sustainability are mainstreamed across all dimensions of its economic integration endeavours.
3. Key megatrends will shape ASEAN's future economic integration, bringing both opportunities and challenges that demand decisive actions from the AEC. Five critical megatrends—geopolitical tensions, shifting trade flows, technological transformation, climate change impacts, and demographic shifts—will have profound and double-edged consequences. Geopolitical tensions may fragment markets and drain capital, but also open doors for ASEAN to forge novel partnerships. Shifts in global trade flows could unlock new opportunities in nascent sectors, while requiring strategic competitiveness. Technological transformation promises efficiency and industrialisation, yet it may displace labour and strain infrastructure. ASEAN's rich carbon sinks position the region well to tackle climate challenges, yet failure to act swiftly could pose significant risks to people, infrastructure, and key commodities, undermining economic progress. Meanwhile, rising incomes will elevate living standards and expand ASEAN's middle class, but an ageing population may shrink the workforce and increase the need for robust social safety nets. Given AEC's strategic role in global supply chains, it is crucial to harness these opportunities while mitigating risks. Therefore, these megatrends have been factored into the vision for AEC's

future – calling for deepened regional integration, broadened partnerships, adoption of emerging technologies, sustainability-driven initiatives, and inclusive economic participation to navigate complexities ahead.

4. Attaining ASEAN's longer term economic vision will require decisive action. The AEC will develop and implement strategic plans in five-year strategic planning cycles to organise efforts and keep work on track. This regular cadence will offer the flexibility to adapt and recalibrate Objectives and Strategic Measures as the world changes, including to account for unforeseen future challenges.
5. The AEC Strategic Plan 2026–2030 will implement the economic aspects of the *ASEAN Community Vision 2045: Resilient, Innovative, Dynamic, and People-Centred ASEAN*. In the first five-year cycle, the AEC Strategic Plan 2026–2030 outlines six (6) Strategic Goals, 44 Objectives and 192 Strategic Measures. To uphold the principles of accountability and transparency in the implementation of this Strategic Plan, performance measures and indicators will be identified to assess the outcome of each Objective as part of each five-year plan.
6. The AEC Strategic Plan 2026–2030 was developed with reference to other goals and objectives that are aligned with ASEAN's long-term ambitions. This includes ASEAN Member States' commitments towards the 2030 United Nations' Sustainable Development Goals (SDGs) and existing ASEAN-led mechanisms to address current and future regional and global challenges and opportunities, including the ASEAN Outlook on the Indo-Pacific (AOIP).
7. The principle of inclusivity and people-centredness are both a goal of this Strategic Plan and a feature of its development process. Various stakeholders played a critical part in developing this document. AEC Sectoral Bodies deliberated on details throughout 2024, while multiple rounds of external consultations were convened with businesses, think-tanks and academia, civil society organisations (CSOs), and External Partners throughout 2023–2024. As the AEC will impact and contribute to the lives of people across ASEAN, a Public Survey for AEC Post-2025 Agenda was also undertaken, ensuring that the public in ten ASEAN Member States and Timor-Leste, granted observer status in 2022, had a voice in developing this Strategic Plan.

II. HEADING TOWARDS THE FUTURE: STRATEGIC GOALS, OBJECTIVES, AND STRATEGIC MEASURES FOR AEC 2030

STRATEGIC GOAL 1. AN ACTION-ORIENTED COMMUNITY:

Realising an integrated single market and production base with new sources of competitiveness

Over the past decade, ASEAN has strengthened its economic integration. Intra-ASEAN trade has consistently accounted for a substantial share of ASEAN's economy, representing over one-fifth of ASEAN's total trade. ASEAN has also seen increasing investment inflows to the region. Remarkably, services trade has surged in the wake of the COVID-19 pandemic, driven by a strong recovery in the manufacturing industry and accelerated digitalisation. There is a strong momentum to enhance and build the next phase of market integration in ASEAN.

In this vein, this Strategic Goal aims to realise an integrated single market, whilst seizing opportunities from new sources of competitiveness, including by taking into account technological innovation and a just and inclusive transition towards sustainable development. To attain this aspiration, eight Objectives will be advanced under this Strategic Goal, namely (a) bolster intra-ASEAN trade in goods; (b) strengthen regional services integration and competitiveness; (c) achieve ASEAN as an attractive investment destination; (d) deepen financial integration and inclusion; (e) facilitate mobility of businesses and people; (f) mobilise new sources of competitiveness; (g) enhance transparency, good governance, and good regulatory practices; as well as (h) advance the harmonisation of standards, technical regulations and conformity assessment procedures. Together, these efforts will shore up ASEAN's standing as a stable and vibrant integrated market, including by minimising barriers, harmonising regulation, enhancing ease of doing business, and reinforcing good governance across cross-border trade and investment activities.

Objective 1.1. Bolster intra-ASEAN trade in goods

To bolster trade in goods, ASEAN's trade initiatives will need to be modern, relevant, and fit-for-purpose in the 21st century environment, capable of addressing multifaceted challenges facing the region's trade ecosystems. Bolstering intra-ASEAN trade in goods will require successfully integrating emerging and advanced technologies into regional trade networks while strategically revisiting competitive sectors. This includes embracing trade-related new and emerging issues (NEIs), advancing sustainable development objectives such as environmental sustainability, supporting the expanding number of MSMEs, and harnessing rapid technological transformation. ASEAN will bolster intra-ASEAN trade in goods which will strengthen regional procedures and practices in minimising negative impacts of barrier elements in non-tariff measures, enhance the use of available mechanisms to resolve trade disputes, and intensify efforts to enhance efficiency of customs processes across the region.

Strategic Measures

Strategic Measures under this Objective are:

- 1.1.1. Enhance intra-ASEAN trade through timely and effective implementation of the ASEAN Trade in Goods Agreement (ATIGA) and its subsequent upgrades, taking into account new and emerging issues (NEIs) relevant to post-2025 environment.
- 1.1.2. Strengthen trade facilitation by enhancing transparency mechanisms, procedures, and practices, as well as minimising the negative impacts of the barrier elements in non-tariff measures.
- 1.1.3. Enhance the utilisation of available mechanisms in the upgraded ATIGA to resolve trade disputes among ASEAN Member States in a timely manner.
- 1.1.4. Enhance intra-ASEAN trade by leveraging ASEAN's innovation and supporting sustainability agenda.
- 1.1.5. Ensure consistent and harmonised classification of commodities to facilitate the smooth flow of goods in the region.
- 1.1.6. Adopt relevant international best practices on trade facilitation and customs.
- 1.1.7. Enhance the efficiency of customs processes through strengthening of existing customs initiatives and optimising the use of modern technologies.
- 1.1.8. Optimise the benefits and effectiveness of regional trade facilitation measures for AEC stakeholders.
- 1.1.9. Strategically cultivate new sectors to invigorate intra-ASEAN trade landscape.

Objective 1.2. Strengthen regional services integration and competitiveness

This Objective seeks to strengthen services integration and competitiveness in ASEAN, building upon the implementation of the ASEAN Trade in Services Agreement (ATISA) and ASEAN Services Facilitation Framework (ASFF) which are paramount to enhancing the region's competitiveness. These will provide an effective basis for ASEAN to negotiate services commitments with trading partners that foster a favourable policy environment for the seamless movement of professionals and cross-border services that create more opportunities for ASEAN nationals, stimulate investment flows, foster innovation, and enhance productivity within the region. Looking towards the future, ASEAN will need to continue unlocking the potential of the services sector through adapting new and emerging trends such as technological transformation, sustainability, and the growing care economy.

Strategic Measures

Strategic Measures under this Objective are:

- 1.2.1. Facilitate effective implementation of ASEAN Trade in Services Agreement (ATISA).
- 1.2.2. Work towards adopting high-quality services commitments across existing and new FTAs that can facilitate ASEAN's global engagement on trade in services.
- 1.2.3. Enhance the region's services sectors' competitiveness, including in new and emerging sectors.
- 1.2.4. Implement the ASEAN Services Facilitation Framework (ASFF).

Objective 1.3. Achieve ASEAN as an attractive investment destination

Leveraging on its vast economic potential, ASEAN will strive to be an attractive and globally competitive investment destination. This approach will be underpinned by the implementation of existing ASEAN investment instruments and leveraging ASEAN's potential in unlocking opportunities from emerging megatrends, including technological innovation and sustainable development. Doing so will reinforce the region's distinctive appeal to global investors. During the implementation of the *AEC Blueprint 2025*, more than 90 per cent of 133 investment-related measures across ASEAN Member States were found to be favourable to investors, exceeding both global average of 77 per cent and developing country average of 89 per cent.¹

Building upon these successes, ASEAN commits to ensure effective implementation of its investment-related initiatives, such as the ASEAN Comprehensive Investment Agreement (ACIA) and the ASEAN Investment Facilitation Framework (AIFF). This will enable ASEAN to enhance and retain its position as one of the best investment destinations worldwide which will in turn sustain economic development in the region and improve the well-being of the people of ASEAN.

Strategic Measures

Strategic Measures under this Objective are:

- 1.3.1. Ensure effective and broader implementation of ASEAN's investment liberalisation initiatives.
- 1.3.2. Uphold the protection of investors and their investments in ASEAN.
- 1.3.3. Upgrade and consolidate ASEAN's investment promotion efforts.
- 1.3.4. Continuously enhance investment facilitation and ease of doing business in ASEAN Member States.
- 1.3.5. Promote the mainstreaming of corporate accountability instruments in ASEAN.
- 1.3.6. Establish a rigorous and comprehensive strategies in advancing capital market within ASEAN.

¹ ASEAN and UNCTAD, *ASEAN Investment Report 2024* (2024), accessible via < <https://asean.org/wp-content/uploads/2024/10/AIR2024-3.pdf> >. The investment measures under the *AEC Blueprint 2025* referenced in this context were implemented between 2016 and 2023.

Objective 1.4. Deepen financial integration and inclusion

ASEAN will further efforts on intentionally deepening financial integration and inclusion across the region. This includes strengthening financial services liberalisation, facilitating freer capital flows through improved market access, enhancing payment connectivity to support trade and investment activities across the region, and expanding financial inclusion for wider communities. ASEAN will also promote the use of local currencies to reduce the region's vulnerability to exchange rate fluctuations and external economic and financial shocks, and to lower transaction costs associated with cross-border payments.

Strategic Measures

Strategic Measures under this Objective are:

- 1.4.1. Intensify financial integration via further financial services liberalisation, regional cooperation, enhancements to regulatory coherence, and adoption of relevant global best practices.
- 1.4.2. Further liberalise the capital account to facilitate seamless cross-border investment and financing.
- 1.4.3. Expand and strengthen regional payment connectivity and promote local currency settlement.
- 1.4.4. Further expand financial inclusion to reach the wider communities that are underserved, including unbanked and un-insured populations.
- 1.4.5. Advance seamless financial markets connectivity.

Objective 1.5. Facilitate mobility of businesses and people

Regional mobility is central to services liberalisation in ASEAN. The region has made significant strides in increasing mobility through the ASEAN Agreement on Movement of Natural Persons, which facilitates the mobility of businesses and people across the region. ASEAN will continue its commitment to streamlining processes and reducing barriers to facilitate seamless movement of businesses and people across ASEAN Member States. ASEAN will continue to enhance mobility and improve the employment potential of professionals and talent in the region, including by developing plans to further refine and expand agreements to foster greater ease of travel, promote cross-cultural exchanges, and bolster the socio-economic ties binding the ASEAN community. These efforts will unlock the full potential of human capital and contribute to the dynamism and interconnectedness of the region.

Strategic Measures

Strategic Measures under this Objective are:

- 1.5.1. Develop and implement schemes and initiatives that facilitate mobility of natural persons in the region.

- 1.5.2. Leverage the ASEAN Agreement on the Movement of Natural Persons (MNP) to facilitate talent mobility in the region.
- 1.5.3. Facilitate professionals' mobility in the region, for sectors with high potential and strong demand for specific experts.
- 1.5.4. Review existing mobility-related agreements and initiatives and their implementation and consider developing new Mutual Recognition Arrangements (MRAs) in sectors with high value-added potentials.

Objective 1.6. Mobilise new sources of competitiveness

Mobilising new sources of competitiveness is crucial for ensuring the relevance of ASEAN's integration in the regional and global market. ASEAN is committed to move beyond traditional sectors and harness the region's potential by boosting trade and investment opportunities in promising industries and sectors such as health, care services, and advanced manufacturing.

Strategic Measure

The Strategic Measure included under this Objective is:

- 1.6.1. Promote the potentials of nascent strategic sectors to elevate ASEAN's growth potentials.

Objective 1.7. Enhance transparency, good governance, and good regulatory practices

Transparency, good governance, and sound regulatory practices are critical foundations for ASEAN's economic integration. These factors foster an environment of trust, whilst facilitating effective collaboration among ASEAN Member States. Good governance will ensure that policies are implemented efficiently, reducing bureaucratic bottlenecks, and enhancing the ease of doing business across ASEAN. Sound regulatory practices provide stability and predictability for businesses, which is crucial for attracting investments and sustaining economic growth. Efforts under this Objective seek to enhance transparency, good governance, and good regulatory practices by mainstreaming these principles across the implementation of AEC's initiatives.

Strategic Measure

The Strategic Measure under this Objective is:

- 1.7.1. Mainstream transparency, good governance, and good regulatory practice across all streams of AEC initiatives.

Objective 1.8. Advance the harmonisation of standards, technical regulations, and conformity assessment procedures

Standardisation serves as a basis for market integration and technological development within ASEAN. Harmonising standards with international benchmarks ensures interoperability, facilitates trade, enables removal of technical barriers to trade, and fosters competitiveness. Harmonising standards that support sustainability enables the region to advance the sustainable development agenda, promote eco-friendly practices, achieve resource efficiency, and drive the adoption of renewable technologies. This will facilitate a transition towards a more sustainable and resilient future. Adopting standards with cutting-edge technologies will enable ASEAN to harness the full potential of digitalisation, automation, and emerging technologies.

The benefits of standards are maximised when implemented through competent conformity assessments and when technical regulations are based on good regulatory practices. Through the adoption of international standards² and other standards with innovative region-specific requirements, ASEAN can nurture a culture of innovation that enables economic, industrial, and social development.

Strategic Measures

Strategic Measures under this Objective are:

- 1.8.1. Strengthen and expedite joint ASEAN approaches on standards harmonisation efforts towards alignment with international standards and explore the development of ASEAN standards.
- 1.8.2. Expand standards and conformance initiatives to facilitate development in nascent sectors aiming to reinforce connectivity and integration through technological advancement and sustainable development.
- 1.8.3. Develop review mechanism to ensure the effectiveness and utilisation of ASEAN standards and conformance instruments.
- 1.8.4. Strengthen mutual recognition of conformity assessment results in ASEAN.
- 1.8.5. Strengthen joint ASEAN approaches on issues related to standards and conformance for effective representation and participation in international and regional bodies and associated recognition arrangements.

STRATEGIC GOAL 2. A SUSTAINABLE COMMUNITY: Engendering and mainstreaming climate-responsive elements and policies in all dimensions

During the implementation of the *AEC Blueprint 2025*, sustainable economic development was given a renewed emphasis. As ASEAN recovered from the COVID-19 pandemic, two important documents were adopted, namely the *Framework for Circular Economy for the ASEAN Economic Community* and the *ASEAN Strategy for*

² This refers to the provisions of the *ASEAN Guidelines for Harmonisation of Standards* that provides the use of standards of ASEAN Member States' and other standards in the event of non-availability of appropriate international standards.

Carbon Neutrality. These documents provide guidance for the region to mitigate ASEAN's vulnerability from the impacts of climate change. Carbon dioxide contributes to 77 per cent of ASEAN's greenhouse gases (GHG) emissions and successful decarbonisation is expected to add up to USD 1.0 trillion for the region's economies, attract up to USD 1.1 trillion in green finance, as well as contribute to the creation of up to 12 million jobs by 2030.³

In this context, putting a focus on sustainability in the AEC Strategic Plan 2026–2030 is both timely and essential for sustainable growth. This Strategic Goal is focused on realising a Sustainable Community by engendering and mainstreaming climate-responsive elements and policies in all dimensions. It is intended to unlock economic opportunities as ASEAN facilitates a just, inclusive, orderly, and sustainable transition at the regional level. This transition will build upon synergies to attract foreign investments in the development of green industries, embed globally credible standards, and unlock regional green capabilities.

Ultimately, this Strategic Goal will be attained by 10 Objectives, namely: (a) build a supportive ecosystem to unlock green economy potential, enhance resilience via climate adaptation, and accelerate the decarbonisation of regional supply chains; (b) intensify just and inclusive energy transition; (c) pursue sustainable development of extractive industries; (d) promote sustainable agriculture practices and forest management; (e) facilitate sustainable and inclusive tourism; (f) leverage sustainable finance and investment; (g) advance cooperation on blue economy relevant to the AEC as a new engine of inclusive and sustainable economic growth; (h) engender awareness and capacitate ASEAN businesses, regulators, financial institutions, and policymakers towards green transition; (i) pursue energy security, affordability, and sustainability; as well as (j) promote sustainable and smart mobility. Comprehensive efforts across these Objectives will secure sustainable, resilient, and inclusive economic integration.

Objective 2.1. Build a supportive ecosystem to unlock green economy potential, enhance resilience via climate adaptation, and accelerate the decarbonisation of regional supply chains

Through the adoption of the *Framework for Circular Economy for the ASEAN Economic Community (AEC)* and the *ASEAN Strategy for Carbon Neutrality*, ASEAN recognised the significance of a holistic approach tailored to the region's unique context and needs to chart sustainable economic growth. As part of a global sustainable transition, decarbonisation at the regional level represents a critical pathway toward achieving carbon neutrality, enabling the realisation of future climate goals. At the same time, ASEAN's commitment to circular economy practices—by promoting sustainable production, consumption, and recycling practices—will reduce the carbon footprint of regional industries and support the transition towards a low-carbon future. Achieving these ambitions will require systemic efforts to create a

³ BCG analysis in *ASEAN Strategy on Carbon Neutrality* (2023).

supportive ecosystem, including robust mechanisms to track greenhouse gas emissions, expanded access to financing for green projects, and strengthened policy frameworks.

ASEAN will further advance its sustainable ambitions by building a supportive ecosystem to unlock the potential of the green economy, enhance resilience via climate adaptation, and accelerate the decarbonisation of regional supply chains, without being limited to carbon dioxide. By doing so, ASEAN not only contributes to attaining environmental goals, but also positions itself as a competitive hub for green industries, catalysing resilient and inclusive supply chains that are aligned with global sustainability standards.

Strategic Measures

Strategic Measures under this Objective are:

- 2.1.1. Develop practical and strategic approach to monitor greenhouse gas emission in energy, agriculture, forestry, and land use sectors.
- 2.1.2. Enable key ASEAN stakeholders through awareness programme and best practice sharing on accelerating regional circular economy supply chain.
- 2.1.3. Promote consumer confidence in sustainable consumption practices.
- 2.1.4. Promote common recognition and interoperability amongst carbon markets in ASEAN.
- 2.1.5. Increase regional provision of green services.

Objective 2.2. Intensify just and inclusive energy transition

Building on past and present efforts to improve energy connectivity and market integration for security, accessibility, affordability, and sustainability, this Objective focuses on intensifying a just and inclusive energy transition. The concept of a just energy transition is aligned with the aspiration of the United Nations' Sustainable Development Goals to ensure no one is left behind in the transition to low-carbon and sustainable economies, including in the implementation of efforts in energy transition.

ASEAN's energy intensity reduction stood at 24.5 per cent in 2022 – still progressing towards the 32 per cent target set for 2025. There are significant opportunities to reduce energy consumption and improve efficiency across all sectors. Similarly, with 15.6 per cent renewable energy (RE) share in total primary energy supply (TPES) in 2022, ASEAN will aim to expand the share of renewable energy within the ASEAN energy mix.⁴

Strategic Measures

Strategic Measures under this Objective are:

⁴ ASEAN Centre for Energy, *ASEAN Energy Outlook 8: 2023–2050* (2024), accessible via < <https://aseanenergy.org/wp-content/uploads/2024/09/8th-ASEAN-Energy-Outlook.pdf> >.

- 2.2.1. Promote energy efficiency and conservation to achieve significant reductions in energy intensity.
- 2.2.2. Encourage the growth of renewable energy (RE) within the ASEAN energy mix, including increasing the share of RE in installed power capacity.
- 2.2.3. Optimise the role of decarbonisation technologies in facilitating the transition towards sustainable and lower emission.
- 2.2.4. Foster the development and deployment of carbon capture, utilisation, and storage (CCUS) projects.

Objective 2.3. Pursue sustainable development of extractive industries

ASEAN is committed to fostering sustainable minerals development. This commitment is underpinned by the principles of good governance, proper environmental stewardship, social responsibility, economic value, and commercial viability. By implementing transparent governance frameworks, promoting leading practices in mining operations, and embracing innovation in sustainable technologies, ASEAN aims to position itself as a destination for sustainable minerals development, and as a regional hub for minerals trade. Recognising the importance of responsible resource management, ASEAN strives to ensure the long-term health of ecosystems and communities while developing extractive industries that are conducive to attracting investment.

Strategic Measure

The Strategic Measure included under this Objective is:

- 2.3.1. Advance comprehensive and progressive implementation of sustainable minerals development principles and leading practices across ASEAN Member States to progressively improve governance and economic, social, and environmental outcomes.

Objective 2.4. Promote sustainable agriculture practices and forest management

In the coming decades, ASEAN will face challenges such as increased population, rapid urbanisation, and climate change. By 2030, 70.0 per cent of ASEAN's population will reach middle-income status,⁵ whilst 52.9 per cent of ASEAN's population will reside in urban areas.⁶ ASEAN will need to ensure the continued supply of food for its population amidst dwindling availability of lands for agriculture and forestry use.

To do so, ASEAN will focus on promoting sustainable agricultural practices and forest management where the use of land is intensified sustainably for agricultural and

⁵ Boston Consulting Group, *Final Report: AEC Post-2025 Study: Towards AEC 2045: Options and Potentials for the AEC 2045* (2024)

⁶ Asian Development Bank Institute (ADBI), *Towards A Borderless Community* (2014), accessible via <<https://www.adb.org/sites/default/files/publication/159312/adbi-asean-2030-borderless-economic-community.pdf>>.

forestry practices, producing more food using the same land area. Efforts such as organic farming, water conservation, and crop rotation can be pursued to boost the region's agricultural productivity. Embracing these practices not only fosters economic resilience but also promotes social equity by ensuring access to nutritious food for all.

Strategic Measures

Strategic Measures under this Objective are:

- 2.4.1. Implement sustainable agricultural approaches based on Good Agricultural Practices, Good Aquaculture Practices, and Good Animal Husbandry Practices.
- 2.4.2. Optimise new and appropriate technologies, best practices, and management systems to ensure food safety and address health/disease and environmental issues, particularly in the fast-growing food, agriculture, and forestry sector.
- 2.4.3. Minimise negative effects of agriculture activities on natural resources such as soil, forest, and water to ensure sustainability.
- 2.4.4. Enhance implementation of sustainable forest management practices to safeguard natural ecosystem and livelihood.
- 2.4.5. Enhance processes, productivity, and technology to ensure safety, quality, and compliance with global market standards on food, agriculture, and forestry.
- 2.4.6. Enhance cooperation in the production and promotion of halal food and products.

Objective 2.5. Facilitate sustainable and inclusive tourism

ASEAN will implement efforts to facilitate sustainable and inclusive tourism practices while mitigating the negative impacts of mass tourism on local communities and ecosystems. This aligns with emerging travel trends where tourists seek to contribute to local and regional communities which has driven an increase in sustainable travel options from travel companies.⁷

ASEAN's commitment to sustainable and inclusive tourism has been renewed through the adoption of *ASEAN Framework on Sustainable Tourism Development* in 2023 and the *Action Roadmap for Sustainable Tourism Development* in 2024. These plans encourage the implementation of regional tourism practices that will realise sustainable economic growth, social inclusiveness, resource efficiency and environmental sustainability, cultural diversity and heritage protection, as well as resilience planning and adaptation.

Strategic Measures

Strategic Measures under this Objective are:

⁷ Boston Consulting Group, Final Report: AEC Post-2025 Study: Towards AEC 2045: Options and Potentials for the AEC 2045 (2024)

- 2.5.1. Accelerate adoption of sustainable practices in ASEAN tourism.
- 2.5.2. Develop a network of tourism corridors to promote the region's rich nature-based tourism sites.

Objective 2.6. Leverage sustainable finance and investment

There is a strong global commitment towards advancing responsible business conduct, including by pooling investments that will support efforts in sustainable development. ASEAN will continue to focus attention on leveraging sustainable finance and investments. For instance, investors have a growing appetite to support sustainability efforts, including in the renewable energy supply chain. During 2020–2023, renewable energy-related industries attracted an average of more than USD 27 billion annually, equivalent to one-fourth of total announced greenfield investment activities across the region.⁸

Looking ahead, sustainable investment will be needed to ensure the region has adequate resources to engender and mainstream climate-responsive policies across all economic domains.

While the appetite for greenfield investment to support sustainable activities grew, international project finance deals for sectors relevant to sustainable development declined in 2023.⁹ This presents opportunities for ASEAN to attract financing in sustainable sectors, supported by existing initiatives such as the ASEAN Taxonomy for Sustainable Finance and the Energy Transition Mechanism, as well as efforts to promote greater consistency, comparability, and reliability of corporate sustainability disclosures in ASEAN, including for MSMEs. These endeavours are pivotal in providing investors with the necessary information for their capital allocation decisions and to price sustainability-related risks. By integrating sustainable finance principles into long-term planning, ASEAN not only fosters economic resilience but also enhances its competitiveness on the global stage.

Strategic Measures

Strategic Measures under this Objective are:

- 2.6.1. Identify and address impediments and restrictions on investments into green sectors.
- 2.6.2. Enhance effective implementation of existing sustainable financing instruments.
- 2.6.3. Develop innovative financing mechanisms, financial solutions, and financial structures to support a just, affordable, credible, and orderly transition in the region.

⁸ ASEAN and UNCTAD, *ASEAN Investment Report 2024* (2024), accessible via < <https://asean.org/wp-content/uploads/2024/10/AIR2024-3.pdf> >.

⁹ Ibid.

- 2.6.4. Pursue regional collaboration to mainstream the adoption of environmental, social, and governance (ESG) standards.
- 2.6.5. Enhance financial commitments for decarbonisation and building climate resilience.

Objective 2.7. Advance cooperation on blue economy relevant to the AEC as a new engine of inclusive and sustainable economic growth

With the adoption of the *ASEAN Leaders Declaration on the Blue Economy* in 2021 and the *ASEAN Blue Economy Framework* in 2023 and the establishment of the ASEAN Coordinating Task Force on Blue Economy (ACTF-BE) in 2024, ASEAN has committed to advance cooperation in the blue economy relevant to the AEC as a new engine of inclusive and sustainable economic growth. To further this Objective, ASEAN will develop initiatives to facilitate the inclusive use, governance, management, and conservation of oceans, seas, freshwater, as well as marine and coastal resources for economic growth, strengthened by engagement and partnership with relevant stakeholders in the region. All activities in the oceans and seas, and action and cooperation in the marine sector, will be carried out in accordance with the 1982 United Nations Convention on the Law of the Sea (UNCLOS).

Strategic Measures

Strategic Measures under this Objective are:

- 2.7.1. Foster the creation of value-added and value-chain of resources from oceans, seas, and fresh water.
- 2.7.2. Advance practices that promote sustainable and inclusive development of the blue economy in ASEAN.
- 2.7.3. Enhance cooperation on combating illegal, unreported, and unregulated (IUU) fishing.
- 2.7.4. Promote collaboration on science, technology, and innovation on blue economy.
- 2.7.5. Ensure effective implementation of the economic aspects of the ASEAN Blue Economy Framework.

Objective 2.8. Engender awareness and capacitate ASEAN businesses, regulators, financial institutions, and policymakers towards green transition

Businesses across ASEAN have contributed to the development of the region's sustainability-related frameworks, including the *ASEAN Strategy for Carbon Neutrality* in 2023. Building upon this consultative approach, this Objective aims to scale the impact of sustainability efforts by engendering awareness and building capacity amongst ASEAN businesses, regulators, financial institutions, and policymakers, to support a green transition.

Strategic Measures

Strategic Measures under this Objective are:

- 2.8.1. Enhance businesses' and financial institutions' capacity in mainstreaming green practices and sustainability in business operations.
- 2.8.2. Provide incentives and support mechanisms to facilitate businesses' and financial institutions' transition to green practices.
- 2.8.3. Encourage sharing of best practices for addressing climate risk and opportunities amongst regulators and policymakers.

Objective 2.9. Pursue energy security, affordability, and sustainability

ASEAN's diverse economic sectors have thrived over the past decade amidst a period of stable and vibrant economic growth. Energy demand from these sectors will continue to rise. In the post-pandemic era, the total primary energy supply (TPES) increased, with rising dependency on fossil fuel imports. For instance, coal constitutes more than one-third of ASEAN's energy mix in 2022. By 2050, fossil fuels are projected to contribute heavily to the region's energy supply, although its share is expected to decline from 76.1 percent in 2022 to 63.4 percent as ASEAN Member States increasingly adopt alternative generation technologies, including expanded use of natural gas and renewable energy sources.¹⁰

The region will continue to face critical challenges to ensure energy security and to generate energy supply sustainably. ASEAN will continue its efforts to pursue energy security, affordability, and sustainability while sustaining its economic momentum.

Strategic Measures

Strategic Measures under this Objective are:

- 2.9.1. Promote favourable policies and frameworks to attract private sector investments that support energy diversification.
- 2.9.2. Deploy advanced, cleaner, and low carbon energy technology by incorporating option on civilian nuclear energy for energy diversification and supply stability.
- 2.9.3. Enhance partnerships between relevant stakeholders to accelerate innovation and the commercialisation of new energy technologies.

Objective 2.10. Promote sustainable and smart mobility

Promoting sustainable and smart mobility is crucial to addressing challenges posed by climate change and heightened urbanisation. By investing in sustainable transportation infrastructure and embracing smart mobility solutions, ASEAN can

¹⁰ ASEAN Centre for Energy, *ASEAN Energy Outlook 8: 2023–2050* (2024), accessible via < <https://aseanenergy.org/wp-content/uploads/2024/09/8th-ASEAN-Energy-Outlook.pdf> >. The 2050 projection scenario is based on AMS Targets Scenario (ATS).

alleviate traffic congestion, reduce air pollution, and minimise transport industries' emissions. Initiatives such as promoting public transportation, integrating non-motorised transport options like cycling lanes, and implementing smart traffic management systems will contribute to more efficient and environmentally friendly urban mobility. Fostering regional cooperation and knowledge sharing on sustainable transportation practices can further accelerate progress towards a greener and more integrated ASEAN community, in line with the region's commitment to achieve carbon neutrality.

Strategic Measure

The Strategic Measure under this Objective is:

- 2.10.1. Foster regional cooperation to bolster the adoption of sustainable and smart mobility solutions.

STRATEGIC GOAL 3. AN ENTERPRISING, BOLD, AND, INNOVATIVE COMMUNITY

Enhancing sectoral cooperation, attuned to emerging trends and developments

Through the implementation of the *AEC Blueprint 2025*, integration in various economic sectors has been bolstered, evident in: connected transport networks in land, air, and sea, with strides toward sustainable transport; strengthened infrastructure and policies to promote ICT adoption; expanded e-commerce transactions for cross-border trade, especially for MSMEs; more integrated and sustainable energy systems; robust cooperation in food, agriculture, and forestry; a more competitive and sustainable tourism sector; supportive conditions for healthcare cooperation; more matured minerals hub; as well as deployed innovative applications of science and technology across ASEAN.

Building upon the progress that ASEAN has achieved, this Strategic Goal aims to realise an enterprising, bold, and innovative ASEAN Community. To achieve this, ASEAN will enhance sectoral cooperation to tackle the challenges of the day through approaches that are knowledge-based, relevant, adaptable, and in line with emerging trends and developments. To implement this Strategic Goal, there are a total of 12 Objectives that will be pursued in the areas of: (a) digital and technology transformation, (b) innovation ecosystem, (c) competition, (d) consumer protection, (e) intellectual property, (f) creative economy, (g) transport, (h) quality tourism, (i) MSMEs integration, (j) minerals, (k) digital infrastructure, and (l) tax cooperation.

Objective 3.1. Accelerate digital and technology transformation

ASEAN's future economic success hinges on its ability to capitalise on its strengths in digital and technological transformation. By 2024, the region's digital economy

revenue is projected to reach USD 122 billion,¹¹ a tenfold increase from USD 12 billion revenue recorded in 2016.¹² This represents an opportunity to elevate the region's growth by harnessing digital and technology transformation. The global market for emerging technologies such as 5G, artificial intelligence, big data, and internet of things is projected to grow up 5.8 times to USD 8 trillion from USD 1.2 trillion in 2020.¹³

To harness the benefits of digitalisation, ASEAN will require focused strategies in areas like robust digital trade, seamless cross-border e-commerce, secure payments and e-invoicing, reliable digital identification and authentication, safe and protected cross-border data flows, strong online safety measures, robust cybersecurity efforts, fostering talent mobility, and embedding sustainability elements in digital transformation. This will be supported by efforts like the ASEAN Digital Economy Framework Agreement (DEFA) which is predicted to double the value of the digital economy to USD 2 trillion by 2030 upon its successful implementation.¹⁴

ASEAN will accelerate digital and technology transformation by promoting a sustainable, open, interoperable, secure, and trusted digital space, serving as a basis to further champion the region as a digital economic community.

Strategic Measures

Strategic Measures under this Objective are:

- 3.1.1. Advance regional industrial potentials through enhanced coordination, intensified knowledge transfer, and seamless cross-border technology cooperation.
- 3.1.2. Propel cross-border paperless trade transaction through seamless exchange of electronic documents, including by expanding the volume and type of electronic documents accepted through ASEAN Single Window, as well as enhancing its technical interoperability with ASEAN partners.
- 3.1.3. Identify and address key obstacles to facilitate efficient cross-border paperless trade logistics across the region.
- 3.1.4. Develop initiatives to intensify information exchange among relevant stakeholders, including customs agencies, postal agencies, and private stakeholders to facilitate seamless cross-border digital trade.
- 3.1.5. Encourage the development of interoperable digital systems, including for e-invoicing, as well as digital identity and authentication.
- 3.1.6. Align regional practices with international norms to reduce barriers in relation to the adoption of appropriate technologies.
- 3.1.7. Catalyse start-up innovations through deepened regional cooperation.

¹¹ Google, Temasek, and Bain & Company, *e-Economy SEA 2024* (2024), accessible via <https://services.google.com/fh/files/misc/e_economy_sea_2024_report.pdf>.

¹² Ibid.

¹³ Boston Consulting Group (BCG) Analysis (2024). Final Report of the AEC Post-2025 Study (2024), based on UNCTAD, *Technology and Innovation Report* (2023), accessible via <<https://unctad.org/tir2023>>.

¹⁴ ASEAN, *Study on the ASEAN Digital Economy Framework Agreement (DEFA)* (2023), accessible via <https://asean.org/wp-content/uploads/2023/10/ASEAN-Digital-Economy-Framework-Agreement-Public-Summary_Final-published-version-1.pdf>.

- 3.1.8. Promote responsible digital growth through comprehensive regulations and enforcement that facilitate secure and seamless cross-border data flows, ensure data protection for business purposes, and strengthen online safety and cybersecurity.
- 3.1.9. Facilitate and advance digital talent mobility and talent-building.
- 3.1.10. Adopt and promote the principle of technology neutrality.
- 3.1.11. Enhance talent development on frontier technologies and innovation through upskilling and reskilling, including digital value chain and digital literacy.
- 3.1.12. Adopt and advance evidence-based and coordinated approach to govern artificial intelligence and facilitate adoption of big data and artificial intelligence.
- 3.1.13. Mainstream decarbonisation in digital and technology transformation.
- 3.1.14. Close the digital divide through affordability and inclusive access for technology and telecommunication solutions.
- 3.1.15. Address obstacles in e-commerce due to illicit trade through strengthened collaboration between government officials, private industries, and enforcement officials.
- 3.1.16. Advance the establishment of a regionally comparable and recognisable unique business identification number to allow seamless cross-border business transactions.

Objective 3.2. Advance innovation ecosystem

ASEAN's efforts on science, technology, and innovation have been on the forefront of its economic cooperation agenda. Gross research and development (R&D) expenditure increased from USD 10.6 billion in 2002 to USD 54.9 billion in 2023. Six ASEAN Member States ranked in the top 55 in the Global Innovation Index amongst a total of 133 economies.¹⁵ To build on these successes and position ASEAN at the forefront of global innovation, the region will need to increase momentum on innovation through strategic investments in research and development, nurture a culture of entrepreneurship, and leverage emerging technologies, such as artificial intelligence and blockchain.

ASEAN will advance its innovation ecosystem through cross-border partnerships, knowledge exchange, and a supportive regulatory environment. This will enable the region to unlock its full potential, empower its people, and position itself as a dynamic hub for innovation on the global stage.

Strategic Measures

Strategic Measures under this Objective are:

¹⁵ WIPO (2024) *Global Innovation Index*, <https://www.wipo.int/web-publications/global-innovation-index-2024/assets/67729/2000%20Global%20Innovation%20Index%202024_WEB2.pdf>

- 3.2.1. Boost ICT innovations and entrepreneurship and technological developments, including among others, on smart city and big data and analytics.
- 3.2.2. Promote sharing of knowledge, information, and best practices of employment strategies to ensure workers' competitiveness amidst the changing world of work.
- 3.2.3. Stimulate adoption and diffusion of innovation and technologies such as internet of things (IoT), big data and cloud-based technology, artificial intelligence, quantum technology, high-performance computing, virtual and augmented reality, additive manufacturing, and biotechnology.
- 3.2.4. Deploy science, technology, and innovation solutions to accelerate growth in key industries with transformative potentials such as in healthcare, circularity, and digital value chains.
- 3.2.5. Strengthen collaboration among academia, research institutions, networks of centres of excellence, and private sector to establish an effective ecosystem for capability development, technology transfer, and strategic commercialisation.
- 3.2.6. Enhance mobility of scientists and researchers from science and technology (S&T) institutions in the public and private sector.
- 3.2.7. Establish innovative support systems to promote and manage regional science, technology, and innovation enterprises arising from spin-offs and joint ventures.
- 3.2.8. Accelerate advancement in space technology through research and capacity development in geoinformatics, satellites, and other applications.

Objective 3.3. Foster fair markets in the region

ASEAN will foster fair markets in the region to enable businesses to compete on a level playing field, within a transparent, equitable, and conducive ecosystem. Fostering fair markets not only promotes entrepreneurship and enhances innovation, but also attracts foreign investment, boosts intra-ASEAN trade, and improves the region's global competitiveness and resilience. This requires robust competition regimes and effective enforcement which will cultivate a competitive culture and achieve sustainable, inclusive, and resilient growth.

Fair competition benefits various stakeholders across ASEAN Member States, leading to lower prices and improved product quality. To effectively enforce competition laws, competition authorities in ASEAN must also cooperate and coordinate to instil trust and stability in regional markets. Strong national competition policies and laws are critical for creating a robust regional market, ensuring that competition principles are seamlessly integrated into regional and domestic economic policies.

Strategic Measures

Strategic Measures under this Objective are:

- 3.3.1. Strengthen national competition regimes.
- 3.3.2. Advance regional cooperation for effective enforcement and convergence of competition law and policy.
- 3.3.3. Cultivate a competition culture in the region.
- 3.3.4. Promote fair markets in ASEAN for sustainable, inclusive, and resilient growth.

Objective 3.4. Empower ASEAN's consumers and safeguard their welfare

Empowering ASEAN's consumers and safeguarding their welfare will foster inclusive growth and sustainable development across the region. By prioritising consumer protection efforts, ASEAN will be able to foster a trusted business environment and ensure that consumers are equipped with the knowledge and resources to make informed choices. ASEAN's agenda for the next five years will reach beyond strengthening the consumer protection regimes of individual ASEAN Member States to advance cross-border coordination with the aim of enabling consumers across the region to exercise their rights and promoting business compliance.

Strategic Measures

Strategic Measures under this Objective are:

- 3.4.1. Strengthen national consumer protection regimes.
- 3.4.2. Establish regionally accepted standards of consumer protection.
- 3.4.3. Advance regional cross-border cooperation in consumer protection.
- 3.4.4. Nurture a culture of consumer empowerment through greater consumer awareness and wider adoption by businesses of fair practices.
- 3.4.5. Address consumer protection challenges arising from the digital age and other emerging trends.

Objective 3.5. Advance an effective, enterprising, and inclusive intellectual property (IP) ecosystem in the ASEAN region

To propel the Intellectual Property (IP) Ecosystem in ASEAN forward, the *ASEAN Intellectual Property Rights Action Plan (AIPRAP) 2030* prioritises the following core principles: effectiveness, enterprising, and inclusivity. ASEAN will focus on optimising efficiency, enforcement, and compliance; fostering innovation, entrepreneurship, and commercialisation; and ensuring inclusive accessibility and opportunities for all. This will empower ASEAN's diverse range of innovators, creators, businesses, MSMEs and underserved groups to thrive amidst the ever-evolving technological advancements

and global emerging megatrends. The AIPRAP 2030 reaffirms ASEAN's collective long-term commitment and dedication to a balanced IP eco-system, elevating the region's innovation capabilities, fostering mutually beneficial technology transfer, attracting high-tech investments, and nurturing and retaining top talent.

To achieve this Objective, ASEAN will fortify and harmonise ASEAN's IP framework, spearhead knowledge-sharing and capacity-building initiatives, elevate the standard of IP service delivery, compliance and enforcement of IP rights reinforce IP enforcement mechanisms region-wide, cultivate a culture of respect for intellectual property rights among all generations in ASEAN, and foster entrepreneurship and innovation in the ASEAN region.

Strategic Measures

Strategic Measures under this Objective are:

- 3.5.1. Strengthen the effectiveness of National IPR Regimes to stimulate economic growth, enabling adaptation to new technological measures and emerging trends.
- 3.5.2. Harmonise regulatory frameworks and advance regional platforms and institutions in intellectual property rights (IPR).
- 3.5.3. Facilitate IP asset creation, management, and commercialisation for economic growth.
- 3.5.4. Foster ASEAN culture of respect for IP, compliance, and enforcement of IP rights.
- 3.5.5. Promote IP for sustainable and inclusive growth in ASEAN.

Objective 3.6. Harness the potential of creative economy

Under this Objective, ASEAN will continue harnessing the potential of the creative economy to drive sustainable and inclusive growth. By leveraging the region's dynamic creative industries, ASEAN will stimulate innovation and enhance its global competitiveness. Through targeted policies and initiatives that support creative sectors such as arts, media, design, and digital content, ASEAN will build a resilient and knowledge-based economy that benefits its people.

Strategic Measure

The Strategic Measure under this Objective is:

- 3.6.1. Optimise the potentials of the creative economy in the region.

Objective 3.7. Invigorate ASEAN's transport integration and connectivity across air, maritime, and land sectors

In the past decades, ASEAN has put in place regional frameworks and regulatory instruments (e.g., ASEAN Single Aviation Market, ASEAN Single Shipping Market,

ASEAN Framework Agreement on Multimodal Transport) to ensure robust, seamless, and uninterrupted connectivity across the region. ASEAN will continue to strengthen transport integration and connectivity across air, maritime, and land sectors, including by enhancing transport systems and strengthening policy coordination and coherence.

Strategic Measures

Strategic Measures under this Objective are:

- 3.7.1. Strengthen the ASEAN Single Aviation Market (ASAM) for greater connectivity within and beyond ASEAN, safer and more secure skies, and enhanced air traffic management efficiency.
- 3.7.2. Safeguard and elevate the quality of regional land transport network that is efficient, safe, and integrated within ASEAN and with neighbouring countries to support trade and tourism.
- 3.7.3. Advance the realisation of the ASEAN Single Shipping Market (ASSM).
- 3.7.4. Work towards an integrated, efficient, and globally competitive logistics and multimodal transportation system.

Objective 3.8. Reimagine and intensify quality tourism cooperation

Tourism has long been a significant contributor to the ASEAN economy and is expected to continue growing, driven by an increasing middle-class population, greater connectivity and travel options, seamless cross-border payment options, and timely access to information on diverse travel options. By 2030, ASEAN is expected to account for 10.3 per cent market share of global tourists, standing at 187 million tourist arrivals across the region.¹⁶ To maintain the region's relevance to global and regional travellers, ASEAN will reimagine and intensify quality tourism cooperation. It will do so by increasing the competitiveness and resilience of the tourism sector, enhancing immersive experiences through digitalisation, and ensuring high-quality products and services are being delivered to tourists across the region.

Strategic Measures

Strategic Measures under this Objective are:

- 3.8.1. Enhance competitiveness of ASEAN as tourism destination.
- 3.8.2. Foster resiliency in tourism sector to withstand potential shocks and crises.
- 3.8.3. Optimise digital tourism to foster immersive travel experiences.
- 3.8.4. Enhance the value of regional tourism offerings by delivering high-quality products and services.

¹⁶ UN World Tourism Organisation (UNWTO), *Tourism Towards 2030* (2011) accessible via <https://www.globalwellnesssummit.com/wp-content/uploads/Industry-Research/Global/2011_UNWTO_Tourism_Towards_2030.pdf>.

Objective 3.9. Advance inclusive, innovative, competitive business environment to strengthen MSMEs integration in the regional and global value chains

Across ASEAN, micro, small, and medium enterprises (MSMEs) have been an important bedrock of economic growth. There are over 70 million MSMEs across the region, accounting for an impressive 97.2 to 99.9 per cent of all establishments, spread across industries, geographies, and communities. Collectively, MSMEs pack a powerful economic punch, contributing significantly to ASEAN's GDP—an estimated 44.8 per cent—and employing 85.0 per cent of ASEAN's workforce.¹⁷ MSMEs' dynamism has fuelled local economies, fostered innovation, and brought prosperity to countless communities.

As ASEAN seeks to strengthen its position in regional and global value chains for its next phase of economic integration, it will need to boost MSMEs' productivity and ensure their access to diverse financial services options to enhance their competitiveness. At the same time, to promote inclusive growth, the needs of marginalised and vulnerable groups within the MSMEs sector should be addressed. This includes providing support for micro enterprises, women-owned businesses, as well as those from rural communities.

ASEAN will adopt a multi-pronged approach to advance an inclusive, innovative, competitive business environment that strengthens MSMEs' integration into the regional and global value chains, by unlocking the potential of technology across all policy dimensions to empower MSMEs, bolstering policy and regulatory environment for MSMEs' development, investing in reskilling and upskilling initiatives, and fostering a supportive ecosystem to nurture collaboration and partnerships amongst stakeholders.

Strategic Measures

Strategic Measures under this Objective are:

- 3.9.1. Promote MSME productivity through capabilities to innovate and adopt enabling technologies, including greater participation in high-impact industries.
- 3.9.2. Promote MSME access to traditional and alternative finance through enhanced financial literacy and the use of digital technology.
- 3.9.3. Facilitate MSMEs' participation in the regional and global markets.
- 3.9.4. Promote MSME resilience and competitiveness through reskilling and upskilling initiatives.
- 3.9.5. Strengthen the policy and regulatory environment for MSMEs' development and growth.

¹⁷ ASEAN (2021) *ASEAN Strategic Action Plan for SME Development 2016–2025: 2020 KPI Monitoring Report*.

- 3.9.6. Promote tailored programmes and incentives for micro businesses to value-add their exported products, leveraging from digitalisation and future technological advancement trends.
- 3.9.7. Strengthen the collaboration and partnership between private sector and knowledge communities to catalyse innovation and nurture entrepreneurship, such as creation of start-ups.

Objective 3.10. Expand upstream to downstream minerals and metals cooperation

Inclusive and effective cooperation in both upstream and downstream minerals and metals investment, production, and trade requires a multifaceted approach. By implementing sound governance and actively promoting investment in exploration, extraction, and processing of minerals, ASEAN can attract responsible capital, technology, and expertise to develop its mineral sector sustainably. Enhancing governance capacity through training and knowledge exchange will empower ASEAN Member States to adopt leading practices, increase investment, and enhance outcomes. Establishing robust research and data frameworks will provide critical insights into the region's mineral potential, facilitate informed decision-making, and foster collaboration among stakeholders.

Strategic Measures

Strategic Measures under this Objective are:

- 3.10.1. Strengthen trade and investment-related frameworks and strategies to boost domestic and international sustainable investments in all components of the minerals value chain across ASEAN Member States to build ASEAN's resource base, expand production and trade, and generate sustainable value for ASEAN Member States.
- 3.10.2. Strengthen human, institutional, and technical capacities in minerals governance, technologies, R&D, and innovation in the ASEAN minerals sector to facilitate increased investment; higher production, utilisation, and trade in minerals; and sustainable development outcomes.
- 3.10.3. Implement a robust knowledge management and data collection protocol for the ASEAN minerals information system to improve the quality and availability of minerals data and related information to promote investment and inform decision-making.

Objective 3.11. Strengthen digital infrastructure connectivity

ASEAN will strengthen digital infrastructure and connectivity, including by expanding and upgrading broadband networks, fostering the development of data centres, and promoting the adoption of advanced digital technologies. By ensuring seamless, reliable, and inclusive digital connectivity, ASEAN will support innovation, facilitate

efficient cross-border trade, and bridge the digital divide. This will create a more resilient and competitive digital economy.

Strategic Measures

Strategic Measures under this Objective are:

- 3.11.1. Establish secure and resilient digital infrastructure within ASEAN to promote adoption of advanced digital technologies.
- 3.11.2. Strengthen collaboration and partnership in digital infrastructure building and maintenance.

Objective 3.12. Strengthen tax cooperation

ASEAN has made significant strides in enhancing tax cooperation, laying a foundation for more robust financial governance across the region. ASEAN aims to further fortify this collaborative approach to strengthening tax cooperation. Plans include knowledge-sharing on and implementation of tax policies consistent with internationally agreed standards, developing information exchange mechanisms, establishing ways to improve tax certainty, strengthening tax administrations, and undertaking joint enforcement initiatives amongst interested ASEAN Member States. By intensifying tax cooperation, ASEAN seeks to create a fair and transparent fiscal environment that fosters economic growth and resilience, deters tax evasion, and promotes sustainable development.

Strategic Measures

Strategic Measures under this Objective are:

- 3.12.1. Strategically address the issue of double taxation to support economic growth.
- 3.12.2. Enhance withholding tax structures to promote economic integration and the broadening of the investor base in ASEAN debt issuance.
- 3.12.3. Minimise tax avoidance and evasion to ensure fiscal health.
- 3.12.4. Promote best practices sharing on taxation reform strategy for digital economy.
- 3.12.5. Strengthen tax administrations.
- 3.12.6. Promote knowledge-sharing and implementation of tax policies consistent with internationally agreed standards.

STRATEGIC GOAL 4. AN ADAPTABLE AND PRO-ACTIVE COMMUNITY: Strengthening Global ASEAN Agenda

With the implementation of the *AEC Blueprint 2025*, ASEAN has reaffirmed its global standing with External Partners and regional and multilateral fora, and reinforced its critical role as part of global value chains (GVCs). With the entry-into-force of the

Regional Comprehensive Economic Partnership (RCEP) in 2023, as well as ongoing efforts to upgrade ASEAN's internal and ASEAN+1 Free Trade Agreements (FTAs), ASEAN will ensure its economic agreements remain relevant and fit-for-purpose for the 21st century.

ASEAN will build upon its successes to realise an adaptable and pro-active community through a strengthened Global ASEAN Agenda. The Objectives under this Strategic Goal will enhance ASEAN's economic cooperation with External Partners that leverage ASEAN's centrality and expand and elevate the quality of its partnerships and collaborations with Dialogue and External Partners, particularly by advancing free trade agreements and closer economic partnerships (CEP). Additionally, this Strategic Goal also strives to strengthen ASEAN's position in the global value chain. Equally important in advancing this Strategic Goal are efforts to ensure preparedness for future megatrends, which will require ASEAN to strengthen its global competitiveness.

Objective 4.1. Enhance ASEAN's economic cooperation with External Partners

ASEAN will enhance ASEAN's economic cooperation with External Partners by ensuring the region continues to strengthen ASEAN's trade architecture to ensure relevance and promoting economic integration, including through optimising existing free trade agreements (FTA) and comprehensive economic partnerships. This strategic approach will help ASEAN navigate global challenges, foster sustainable growth, and secure a competitive advantage in the global marketplace, ultimately contributing to the prosperity and resilience of the region.

Strategic Measures

Strategic Measures under this Objective are:

- 4.1.1. Strategise and upgrade the existing ASEAN+1 FTAs to ensure they remain modern, comprehensive, forward-looking through the inclusion of new and emerging issues (NEIs) to these FTAs, such as but not limited to, digitising trade facilitation, environment, labour rights, and micro, small, and medium-sized enterprises (MSMEs).
- 4.1.2. Ensure effective implementation of existing comprehensive economic partnerships, including the Regional Comprehensive Economic Partnerships (RCEP).
- 4.1.3. Enhance and strategise economic partnerships with existing External Partners to advance mutual sectoral interests.

Objective 4.2. Amplify ASEAN Centrality in other regional and multilateral fora

Aligned with the *ASEAN Leaders' Declaration on Upholding Multilateralism* adopted in 2021, ASEAN will continue to support an open, inclusive, transparent, and non-

discriminatory rules-based multilateral trading system that is responsive to changing economic realities and promotes a more globally competitive ASEAN. In this vein, ASEAN will amplify ASEAN Centrality in other regional and multilateral fora – not only to pursue cooperation in traditional trade and investment sectors but also to promote complementarities and synergy on cross-cutting initiatives such as climate action, environmental protection, technological advancements, and areas of other mutual interests.

Strategic Measures

Strategic Measures under this Objective are:

- 4.2.1. Elevate economic partnerships with emerging economies and/or regional groupings that share similar strategic importance.
- 4.2.2. Commit to adhere to rules-based multilateral trading system and actively contribute to regional fora.
- 4.2.3. Strategically engage with global and regional institutions to build a mutually beneficial cooperation based on comprehensive evidence-based assessment, particularly but not limited to, in strategic sectors such as technological transformation, sustainability towards realising inclusive economy and narrowing development gap.

Objective 4.3. Elevate ASEAN's position in the global value chain (GVC)

The *AEC Blueprint 2025* and the *ASEAN Work Plan for Enhancing the Global Value Chain (GVC) Agenda 2016–2025* emphasised the need to enhance ASEAN's position in the global value chain (GVC). Ongoing efforts have increased ASEAN's participation in global value chains through an enabling and supportive policy environment, improved statistics, and analytical capacity in support of GVC's related activities, improved trade in services within the GVC, inclusive GVC through the promotion of MSMEs and ASEAN Member States' engagement, as well as greater readiness for future GVC.

Taking forward initiatives in the past decade, ASEAN will further elevate ASEAN's position in the global value chain (GVC). This includes efforts to diversify ASEAN's partners to build the region's supply chain resilience, while exploring competitive and strategic sectors, such as healthcare, metals and mining, electrical machinery, chemicals and energy, semiconductor, agribusiness, and consumer electronics. Today, ASEAN's market share comprises approximately 3 to 15 per cent globally across these sectors.¹⁸

Strategic Measures

Strategic Measures under this Objective are:

¹⁸ Boston Consulting Group, Final Report: AEC Post-2025 Study: Towards AEC 2045: Options and Potentials for the AEC 2045 (2024)

- 4.3.1. Strengthen ASEAN's supply chain resilience by upgrading ASEAN's GVC participation.
- 4.3.2. Enhance ASEAN's GVC competitiveness and resiliency through regional industrial cooperation.
- 4.3.3. Optimise ASEAN's future global value chain potentials.

Objective 4.4. Ensure preparedness for future megatrends

Over the past decade, the region has responded swiftly to megatrends and challenges, from implementing comprehensive efforts to seize opportunities from the fourth industrial transformation,¹⁹ to accelerating the COVID-19 pandemic recovery,²⁰ to addressing digital transformation.²¹ To further strengthen the region's responsiveness, ASEAN will ensure its preparedness for future megatrends by establishing measures to support industrial transformation, including by harnessing evidence-based and data-driven regional policymaking. This is particularly significant given that future megatrends such as demographic shifts, climate change effects, and technology advancements will rapidly reshape the region's economic integration and require precise and fit-for-purpose policy responses.

Strategic Measures

Strategic Measures under this Objective are:

- 4.4.1. Develop favourable regulatory framework in support of industrial transformation.
- 4.4.2. Adapt with the ever-changing dynamics through evidence-based regional policymaking.
- 4.4.3. Improve the response to greater ASEAN data needs.
- 4.4.4. Bridge the gaps towards sustainable development of ASEAN Statistics.

STRATEGIC GOAL 5. A NIMBLE AND RESILIENT COMMUNITY: Empowering the AEC and ASEAN peoples, withstanding shocks, stresses, crises, and volatility

As ASEAN confronts imminent demographic challenges and the escalating impact of climate change, the region will need to find ways to operate effectively amidst greater volatility and disruption, including over the supply of key resources. By 2030, it is expected that ASEAN's population will increase to more than 720 million, an annual growth of 0.8 per cent compared to the population of over 638 million recorded in

¹⁹ ASEAN, *Consolidated Strategy on the Fourth Industrial Revolution for ASEAN (CS4IR)* (2021), accessible via <<https://asean.org/wp-content/uploads/2021/10/6.-Consolidated-Strategy-on-the-4IR-for-ASEAN.pdf>>.

²⁰ ASEAN, *ASEAN Comprehensive Recovery Framework (ACRF)* (2020), accessible via <https://asean.org/wp-content/uploads/ACRF-Implementation-Plan_Pub-2020.pdf>.

²¹ ASEAN, *Bandar Seri Begawan Roadmap: An ASEAN Digital Transformation Agenda to Accelerate ASEAN's Economic Recovery and Digital Economy Integration* (2021), accessible via <https://asean.org/wp-content/uploads/2021/10/Bandar-Seri-Begawan-Roadmap-on-ASEAN-Digital-Transformation-Agenda_Endorsed.pdf>.

2015.²² The structure of ASEAN's population will also shift, with the middle class reaching 485 million people, comprising 70.0 per cent of ASEAN's population in 2030.²³ Supporting this population will require the seamless flow of quality products and services which will require the integration of resilience principles into the AEC's plans to withstand shocks, stresses, and future crises. ASEAN will also need to enable every segment of the population to prosper and attain success even in the face of unforeseen disruptions.

This Strategic Goal is designed to realise a future ASEAN economy that is nimble and resilient, building upon internal strengths to better absorb shocks and strengthen crisis response. This Strategic Goal will be implemented through focused Objectives on: (a) securing a stable and resilient supply chain, (b) building resilient energy supply and infrastructure and establishing coordinated action in safeguarding energy security, (c) ensuring food security and enhancing water resources management, (d) safeguarding macroeconomic resilience and financial stability, (e) advancing ASEAN-wide and ASEAN-ready training and employment efforts, as well as (f) strengthening the AEC by refreshing internal planning and coordination processes. ASEAN's collective efforts, coupled with the empowerment of ASEAN's diverse societies, are key to strong and resilient economic growth.

Objective 5.1. Secure a stable and resilient supply chain

ASEAN's economic growth relies heavily on an interconnected supply chain to facilitate the seamless flow of goods and services. However, recent disruptions such as the COVID-19 pandemic have underscored the vulnerability of global supply chains to shocks. By prioritising resilience, ASEAN can enhance its ability to withstand future disruptions, safeguard critical industries, and preserve economic stability. ASEAN will secure a stable and resilient supply chain by ensuring seamless access to essential goods during crises, while enhancing automation and digitalisation efforts to recover quickly from potential supply chain disruptions. ASEAN will also optimise industrial innovation and diversification to strengthen the supply chain in critical sectors. This is particularly imperative given the heavy reliance on several partners for some key sectors, including food and agriculture, pharmaceuticals, chemicals, mining, metals, and garments,²⁴ which could be subject to greater volatility amidst crises.

Strategic Measures

Strategic Measures under this Objective are:

²² United Nations Department of Economic and Social Affairs (UN DESA), *World Population Prospects 2024* (2024), accessible via <
<https://population.un.org/dataportal/data/indicators/49/locations/96,116,360,418,458,104,608,702,764,626,704,920/start/2020/end/2030/bar/barvertical?df=5032e669-97fb-4aed-9096-bd70fc3b88f1>>.

²³ Boston Consulting Group, Final Report: AEC Post-2025 Study: Towards AEC 2045: Options and Potentials for the AEC 2045 (2024)

²⁴ Ibid.

- 5.1.1. Enhance regional alignment on cross-border trade-related coordination, processes, and systems to minimise impact from regional or global trade disruptions.
- 5.1.2. Enhance automation and digitalisation to accelerate recovery from supply chain disruptions.
- 5.1.3. Optimise ASEAN's industrial innovation to sustain and expand access to ASEAN products.

Objective 5.2. Build resilient energy supply and infrastructure and establish coordinated action in safeguarding energy security

ASEAN's heavy reliance on fossil fuels accounts for 81.9 per cent of its energy supply. This poses a challenge in fulfilling increased demand amidst supply chain disruption and risks.²⁵ ASEAN will build greater resilience in energy supply and infrastructure, while establishing coordinated action in safeguarding energy security. The advancement in decarbonisation of coal trade, expansion of power trading and gas infrastructure, as well as greater energy supply interconnectivity, will enable ASEAN to better withstand potential crises.

Strategic Measures

Strategic Measures under this Objective are:

- 5.2.1. Enhance decarbonisation of coal trade to increase the resiliency and supply security of ASEAN Member States amidst global energy supply disruptions.
- 5.2.2. Expand the multilateral power trading and enhance gas connectivity infrastructure.
- 5.2.3. Enhance renewable energy infrastructure and its interconnection to facilitate seamless integration for ASEAN's infrastructure.
- 5.2.4. Advance future ASEAN's energy interconnectivity, including in land transmission and sub-sea cables.
- 5.2.5. Pool investment to build energy security supporting the development of relevant infrastructure, enhance the power grid, improve cross-border connectivity, and address critical energy demand.
- 5.2.6. Intensify coordinated action in safeguarding energy security, including by implementing the ASEAN Framework Agreement on Petroleum Security and manage potential supply disruptions by the establishment of oil and gas stockpiling.

²⁵ ASEAN Centre for Energy, *ASEAN Energy Outlook 8: 2023–2050* (2024), accessible via < <https://aseanenergy.org/wp-content/uploads/2024/09/8th-ASEAN-Energy-Outlook.pdf> >.

Objective 5.3. Ensure food security and enhance water resources management

In the future, millions across ASEAN will face the impacts of climate change. Rising sea levels and shifting crop harvests are expected to threaten food and water security,²⁶ adding another layer of potential challenges for ASEAN's economy. ASEAN will continue building resilience to ensure food security and water resources management. This will enable the region to better withstand potential crises and emergencies, through measures such as enhanced market connectivity, integrated food security information systems, promotion of investment, access to financing for small-scale farmers, accelerated innovative technologies for agri-food production, enhanced collaboration, the empowerment of a new generation in agriculture, and renewed emphasis on water resources management.

Strategic Measures

Strategic Measures under this Objective are:

- 5.3.1. Increase the resilience of foods, agriculture, and forestry against climate change, natural disasters, and other shocks.
- 5.3.2. Enhance market connectivity and distribution networks for agriculture and food products.
- 5.3.3. Strengthen integrated food security information systems to effectively forecast, plan and monitor supplies and utilisation for basic food commodities.
- 5.3.4. Strengthen existing emergency rice reserve mechanisms, including local-based food resources, to ensure effectiveness and quick release of emergency rice reserves.
- 5.3.5. Promote investment in agricultural research and development (R&D) and infrastructure to address agri-food productivity issues.
- 5.3.6. Facilitate access to financing for small-scale farmers and other stakeholders within the food value chains to enable them to participate in sustainable agri-food systems.
- 5.3.7. Accelerate digital transformation, including adoption of innovative technologies and practices to increase productivity and resilience in agri-food production.
- 5.3.8. Enhance collaboration with the private sector, international organisations, and think-tanks to promote public-private partnerships on the security of agri-food systems.
- 5.3.9. Enhance integrated water resources management.
- 5.3.10. Empower new generation in agriculture through agri-entrepreneurship.

²⁶ Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2023: Summary for Policymakers* (2023), accessible via <https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_SPM.pdf>.

Objective 5.4. Safeguard macroeconomic resilience and financial stability

Financial stability remains as the cornerstone principle for designing and implementing supportive policies and instruments during economic shocks and emergencies. In this regard, ASEAN will safeguard macroeconomic resilience and financial stability. Through coordinated efforts in strengthening regulatory frameworks, enhancing risk management, and integrating fiscal policies, ASEAN aims to increase its levels of accessibility and depth, improve access to international capital markets, reduce the cost of businesses expansion across ASEAN, and enhance the quality of financial market surveillance.²⁷

Strategic Measures

Strategic Measures under this Objective are:

- 5.4.1. Safeguard financial stability to support capital flows and integration through strengthened infrastructure and supportive policies.
- 5.4.2. Integrate risk-financing principles across financial institutions to mitigate and respond to crises such as pandemic and disaster, among others.
- 5.4.3. Leverage from existing regional funding mechanisms and explore innovative mechanisms for responding to emergencies such as pandemic and disaster, among others.
- 5.4.4. Strengthen cooperation in enhancing treasury and public financial management in ASEAN.

Objective 5.5. Advance ASEAN-wide and ASEAN-ready training and employment efforts

Mindful of the potential shift in technological trends and automation, as well as a rapidly ageing population, it is imperative for ASEAN's future economy to empower ASEAN's workforce in close collaboration with the efforts being taken in the socio-cultural pillar. This is crucial as ASEAN's elderly population is expected to double in 2050. Ensuring continued productivity will necessitate tailored measures to advance ASEAN-wide and ASEAN-ready training and employment efforts, particularly in negatively impacted sectors, including in agriculture and several services sectors. Empowering the workforce will also enhance ASEAN's share of value-add to goods and services in the global market in years to come.

²⁷ Boston Consulting Group (2024) Final Report: AEC Post-2025 Study: Towards AEC 2045: Options and Potentials for the AEC 2045

Strategic Measures

Strategic Measures under this Objective are:

- 5.5.1. Encourage the optimisation of the use of secure internet of things (IoT) to intensify and advance manpower training, job creation, job placement, career advancement, labour inspection, and labour protection.
- 5.5.2. Strengthen retraining and reskilling programme in the face of demographic shift.
- 5.5.3. Promote measures to protect gig economy workers.
- 5.5.4. Develop regional continuing education and training (CET) services ecosystem and platforms to promote lifelong learning.

Objective 5.6. Strengthen the AEC by refreshing internal planning and coordination processes

Strengthening the AEC by refreshing internal planning and coordination processes is crucial for realising ASEAN's economic integration objectives. By improving internal processes and coordination mechanisms, such as information exchange platforms and decision-making procedures, ASEAN can ensure the implementation of AEC initiatives is effective and robust. This concerted effort fosters trust among ASEAN Member States, promotes collaboration, and harnesses the collective potential of ASEAN economies by strategically allocating resources to significant efforts that can deepen economic integration and increase global competitiveness.

Strategic Measures

Strategic Measures under this Objective are:

- 5.6.1. Revisit and refresh AEC internal planning and coordination processes.
- 5.6.2. Strengthen institutional environment, foster partnerships, and enhance the sustainability of ASEAN Community Statistical System (ACSS).
- 5.6.3. Enhance dissemination, communication, visibility, and use of ASEAN Statistics.

STRATEGIC GOAL 6. AN INCLUSIVE, PARTICIPATORY, AND COLLABORATIVE COMMUNITY: Leaving no one behind, charting people-centred ASEAN

The implementation of the *AEC Blueprint 2025* advanced an inclusive, innovative, and competitive business environment which has benefitted MSMEs and contributed to the economic success of both businesses and workers. ASEAN will need to continue its comprehensive efforts to engage with the private sector, reinforce public–private partnership, and expand engagement with other stakeholders.

Based on these milestones, this Strategic Goal aims to realise an inclusive, participatory, and collaborative Community, ensuring no one is left behind and charting people-centred ASEAN. In this regard, four (4) Objectives are included to achieve this Strategic Goal by: (a) proactively narrowing the development gap; (b) enhancing the participation of vulnerable and marginalised communities in regional economic integration; (c) intensifying partnerships among public sector, private industries, academia, and civil societies; as well as (d) promoting the collaboration with sub-regional economic cooperation towards the improvement of the wellbeing of the people in the sub-regional areas.

Objective 6.1. Proactively narrow the development gap

More than two decades after the initial commitment to narrow the development gap was launched in 2000, ASEAN will need to continue to empower all people without leaving anyone behind. ASEAN will proactively narrow the development gap by addressing disparities in economic development through capacity-building, enhancing the productivity of informal sectors, widening access to modern technology and education in digital skills, fortifying institutional capacity, integrating resilience to climate shocks and adaptation for vulnerable groups and areas into plans, strengthening capabilities in data collection and analysis to enable effective policymaking, and pooling different options of sustainable and innovative financing to narrow the development gap.

Strategic Measures

Strategic Measures under this Objective are:

- 6.1.1. Enhance capacity of MSMEs and the private sector located in lagging areas within ASEAN Member States to facilitate seamless regional and international trade.
- 6.1.2. Enhance productivity of informal sectors by tapping into digitalisation, and expanding their access to microfinance.
- 6.1.3. Facilitate access to modern technology and provide education in digital and other essential skills to underserved groups and areas.
- 6.1.4. Strengthen institutional capacity at the regional, national, and local levels to implement ASEAN commitments, monitor development outcomes, and exchange information.
- 6.1.5. Foster resilience to climate shocks and adaptation to sustainability measures to generate value and enhance quality of life for vulnerable groups and areas.
- 6.1.6. Identify sectors with greater development gaps and enhance sustainable and innovative financing to address those gaps, including but not limited to exploring opportunities to grow ASEAN's philanthropic services ecosystem.

Objective 6.2. Enhance the participation of vulnerable and marginalised communities in regional economic integration

Building upon intensive consultation with a wide range of stakeholders undertaken in the development of this Strategic Plan, ASEAN will continue to ensure that economic integration is pursued in an inclusive and participatory manner without leaving anyone behind by enhancing the participation of vulnerable and marginalised communities in regional economic integration. First, it will ensure that a broader spectrum of voices and perspectives are represented in decision-making processes for regional economic policies. This will lead to more equitable and representative outcomes. Second, it will tap into overlooked talent pools to empower vulnerable and marginalised communities and drive economic growth in a rapidly evolving demographic structure. Third, this approach will address inequalities, create pathways for socio-economic mobility, and contribute to ASEAN's overall economic progress while cultivating a society where everyone has the opportunity to thrive and prosper.

Strategic Measures

Strategic Measures under this Objective are:

- 6.2.1. Enhance social safety-nets mechanism in all-life cycle of individuals to equip ASEAN communities in the event of crises and calamities, particularly for vulnerable and marginalised communities.
- 6.2.2. Enhance and ensure resiliency of ICT infrastructure and connectivity in rural areas.
- 6.2.3. Enhance financial literacy among underserved, vulnerable, and marginalised communities.

Objective 6.3. Intensify partnerships among public sector, private industries, academia, and civil societies

It is imperative to ensure that the benefits of economic integration are experienced by the intended stakeholders, including the private sector and other relevant partners. ASEAN will intensify partnerships among public sector, private industries, academia, and civil societies, in addition to the existing coordination that is organised through the ASEAN Business Advisory Council (ASEAN-BAC) and Joint Business Councils (JBC).

Strategic Measures

Strategic Measures under this Objective are:

- 6.3.1. Institutionalise partnerships with private sector, academia, civil societies, and financial institutions on wide range of frameworks and initiatives, including professional qualifications, under ASEAN Economic Community (AEC).
- 6.3.2. Regularise outreach activities on ASEAN's economic integration efforts for references of private sector, academia, and civil societies.

- 6.3.3. Establish regular channels and enhance mechanisms for relevant stakeholders to provide their inputs/feedback/concerns on initiatives of AEC.
- 6.3.4. Enhance the involvement of well-established research institutes within the region in the context of promoting research activities on AEC.

Objective 6.4. Promote the collaboration with sub-regional economic cooperation towards the improvement of the well-being of the people in the sub-regional areas

ASEAN will promote the collaboration with sub-regional economic cooperation towards the improvement of the wellbeing of the people in the sub-regional areas, including by fostering collaboration and investment in competitive areas such as tourism and energy. By leveraging the strengths and resources of subregional areas, ASEAN will uplift communities, reduce disparities, and improve the overall quality of life in subregional areas.

Strategic Measure

The Strategic Measure under this Objective is:

- 6.4.1. Explore, promote, and strengthen the synergy between ASEAN and sub-regional economic cooperation initiatives to advance economic integration and narrow the development gap in the ASEAN region.

III. IMPLEMENTATION AND REVIEW MECHANISM

A. Implementation Mechanism

- i. The ASEAN Economic Community Council (AECC) shall be the principal body accountable for the overall implementation of the Strategic Measures and Activities encompassed in the AEC Strategic Plan 2026–2030 and its successor plans to fulfil the economic components of the ASEAN Community Vision 2045. The AECC shall be supported in the implementation of the AEC Strategic Plan(s) by the relevant ASEAN Sectoral Ministerial Bodies under its purview and their subsidiary bodies.
- ii. Relevant sectoral and cross-sectoral bodies shall be responsible for the identification and the implementation of their supporting initiatives (e.g. as reflected in their Sectoral Work Plans, Annual Priorities) to operationalise the Objectives, Strategic Measures, and Activities articulated in the AEC Strategic Plan(s). ASEAN Member States will be responsible for following up on and overseeing relevant implementation efforts at the national level, including the preparation of detailed action plans.
- iii. To ensure the realisation of the goals and desired outcomes as envisaged in the AEC Strategic Plan(s), the AEC shall establish and maintain a

transparent, efficient, and inclusive implementation mechanism that will promote and support the effective and robust implementation of the AEC Strategic Plan(s) and its attendant documents at the regional and national levels. The mechanism shall provide opportunities to exchange views, ideas, and good practices, thus contributing to strengthening cooperation among AEC stakeholders.

- iv. Recognising the complex and cross-cutting nature of measures, the AEC shall foster greater synergies by strengthening partnerships and collaboration, including deepening public-private partnerships in critical sectors. AEC will also pursue a whole-of-region and whole-of-government approach to effectively implement the AEC's Strategic Measures and achieve its desired economic transformation for the region.
- v. To ensure the dynamism of AEC in the face of the changing global and regional landscapes and new and emerging issues, all AEC Sectoral Bodies shall be proactive and future-oriented in the implementation of the Strategic Measures.
- vi. Various partnership arrangements will also be developed to promote widespread engagement with different stakeholders, ensuring broad-based support and active, sustained participation in the economic integration process.

B. Monitoring and Evaluation

- i. The ASEAN Secretariat shall monitor the implementation of the Strategic Measures, Activities, and Supporting Initiatives for the AECC through a results-based monitoring and evaluation system. To ensure comprehensive and robust monitoring and evaluation of the AEC Strategic Plan, the ASEAN Secretariat will engage both internal and external expertise as appropriate. The ASEAN Community Statistical System will play a key role in this process, particularly through its involvement in the collection of identified statistical indicators.
- ii. The implementation mechanism shall include a robust results-based monitoring and evaluation (M&E) system that will track the progress and effectiveness of implementation of the AEC Strategic Plan and attendant documents (i.e., Sectoral Plans, Cross-Sectoral Plans, and other Strategic Plans). The M&E system will include the identification and setting of baselines, targets, key performance indicators (KPI), and outcomes as means of verifying and measuring implementation success.
- iii. At a broad and strategic level, results-based monitoring shall be undertaken by the ASEAN Secretariat and shall be reported to the High-Level Task Force on ASEAN Economic Integration (HLTF-EI) and ASEAN Economic Community Council (AECC) regularly. Meanwhile, sectoral desks under the ASEAN Economic Community Department (AECD) of the

ASEAN Secretariat will be responsible for the conduct of the regular monitoring and reporting of their respective Sectoral Work Plans.

- iv. With regard to the monitoring and evaluation of cross-pillar Strategic Measures among the three Pillars and ASEAN Connectivity, regular reporting may be made through the appropriate coordination mechanism on cross-pillar issues (e.g., the Committee of Permanent Representatives to ASEAN (CPR) or any mechanisms and/or platforms that may be established).

C. Review

- i. The AEC Strategic Plan(s) will be reviewed in five (5) year cycles, with the aim of refreshing the Strategic Measures and Activities. The focus areas for the review will be informed by the M&E system. Strategic planning for the next cycle of the AEC Strategic Plan will commence in the fourth year and adopt an agile, adaptable, and nimble approach to strategy setting while taking into consideration new and emerging developments and trends.
- ii. Additionally, given the five-year cycle for Sectoral Plans under the AEC, sectoral desks may also consider commencing their review process in the fourth year of their respective implementation cycles. The outcomes of these reviews may then be submitted to the respective Sectoral Bodies for consideration in refreshing the Sectoral Plan.

D. Resource Mobilisation

- i. ASEAN Secretariat shall facilitate the mobilisation of resources from ASEAN Member States, External Partners, private sector, international institutions, and knowledge partners. Resources may include, but are not limited to funding, expertise, and capacity building support to implement the AEC Strategic Plan. The provision of resources will take into consideration the sustainability of efforts, initiatives, and projects, as well as established mechanisms.

E. Risk Management

- i. A risk management strategy will be embedded in the overall M&E system to proactively identify, assess and mitigate risks that could impact the implementation of the AEC Strategic Plan and attendant documents. The ASEAN Secretariat will continuously monitor and identify potential risks amongst Strategic Measures and Activities, while Sectoral Bodies will identify risks amongst Supporting Initiatives. Risks may include resource constraints, timeline delays, and unforeseen external factors.

F. Communications and Public Outreach

- i. ASEAN will advance efforts to amplify the reach of the AEC Strategic Plan 2026–2030 and its successor documents through a clear and targeted communication and public outreach strategy, in line with the *ASEAN Communication Masterplan III*.
- ii. The ASEAN Secretariat will play a proactive role in the dissemination of information to all stakeholders. The ASEAN Secretariat, through the ASEAN Integration Monitoring Directorate (AIMD), will pursue efforts to communicate the implementation, outcomes and impacts of the AEC Strategic Plan to the public.

LIST OF ABBREVIATIONS

ACIA	ASEAN Comprehensive Investment Agreement
ACSS	ASEAN Community Statistical System
ACTF-BE	ASEAN Coordinating Task Force on Blue Economy
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AECC	ASEAN Economic Community Council
AECD	ASEAN Economic Community Department of ASEAN Secretariat
AIFF	ASEAN Investment Facilitation Framework
AIMD	ASEAN Integration Monitoring Directorate
AIPRAP	ASEAN Intellectual Property Rights Action Plan
AMS	ASEAN Member States
AOIP	ASEAN Outlook on the Indo-Pacific
ASAM	ASEAN Single Aviation Market
ASEAN-BAC	ASEAN Business Advisory Council
ASFF	ASEAN Services Facilitation Framework
ASSM	ASEAN Single Shipping Market
ATIGA	ASEAN Trade in Goods Agreement
ATISA	ASEAN Trade in Services Agreement
CCUS	Carbon capture, utilisation, and storage
CEP	Closer Economic Partnership
CET	Continuing education and training
CPR	Committee of Permanent Representatives to ASEAN
CSOs	Civil society organisations
CS4IR	Consolidated Strategy on the Fourth Industrial Revolution
DEFA	ASEAN Digital Economy Framework Agreement
ESG	Environmental, social, and governance
FTA	Free trade agreements
GHG	Greenhouse gases
GVC	Global Value Chain
HLTF-EI	High-Level Task Force on ASEAN Economic Integration
ICT	Information and communications technology
IoT	Internet of Things
IP	Intellectual Property
IPR	Intellectual Property Rights
IUU	Illegal, unreported, and unregulated fishing
JBCs	Joint Business Councils
KPI	Key Performance Indicators
MNP	Movement of Natural Persons
MRAs	Mutual Recognition Arrangements
MSMEs	Micro, Small, and Medium-sized Enterprises
M&E	Monitoring and Evaluation
NEIs	New and emerging issues
RCEP	Regional Comprehensive Economic Partnership
RE	Renewable energy
R&D	Research and development

SDGs	United Nations Sustainable Development Goals
S&T	Science and technology
TPES	Total Primary Energy Supply
UNCLOS	United Nations Convention on the Law of the Sea
USD	United States Dollar