



H.E. Dr. Kao Kim Hourn, Secretary-General of ASEAN

Keynote Speech

Jakarta Forum on ASEAN-China Relations

“New Areas, New Engines and New Opportunities”

19 June 2025, Shangri-La Hotel, Jakarta, Indonesia

Your Excellency Sarah Al Bakri Devadason, Permanent Representative of Malaysia to ASEAN, Chair of the CPR, and Country Coordinator of ASEAN-China Dialogue Relations,

Your Excellency Hou Yanqi, Ambassador of China to ASEAN,

Excellencies, Ambassadors, Permanent Representatives to ASEAN, Distinguished Guests, Ladies and Gentlemen,

A very good morning. It is my privilege to address this distinguished gathering at the Jakarta Forum on ASEAN-China Relations. I extend my sincere appreciation to the Chinese Mission to ASEAN and the Permanent Mission of Malaysia to ASEAN for bringing us together through this timely and important forum, on the theme: *“ASEAN-China Relations: New Areas, New Engines, New Opportunities.”* This Forum provides a much-needed opportunity to build upon the remarkable progress we have achieved together, renew our strategic trust and forge innovative pathways for collaboration, particularly as the world economy undergoes profound transformations driven by rapid digitalization, the green transition, and evolving geopolitical dynamics.

Excellencies, Ladies and Gentlemen,

ASEAN and China have cultivated a dynamic partnership spanning over three decades, dating back to 1996 when China was accorded the full Dialogue Partnership status with ASEAN. Much progress has been made, notably the milestones include the 2002 ASEAN-China Free Trade Area—our first FTA with an external partner—and the 2020 signing of the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement. In 2021, we reached another breakthrough with the elevation of our relations to a Comprehensive Strategic Partnership (CSP). Brick by brick, milestone by milestone, the ASEAN-China partnership has delivered substantial economic achievements. Two-way trade surged dramatically from US\$105.9 billion in 2004 to US\$770 billion in 2024, accounting for 20% of ASEAN's total trade.

China has been ASEAN's largest trading partner since 2009, while ASEAN has become China's largest trading partner since 2020. Additionally, China's Foreign Direct Investment (FDI) into ASEAN has grown more than 80-fold in the same period, from US\$226 million to US\$18.4 billion, making China ASEAN's fourth-largest source of FDI in 2024.

Excellencies, Ladies and Gentlemen,

We stand at an inflection point in global and regional affairs: supply chains are being reconfigured, protectionist instincts are resurging, and economic self-reliance is gaining appeal, even as inequalities deepen and environmental strains intensify. These converging pressures—including geopolitical frictions—underscore the imperative to transcend traditional prosperity models. Now, more than ever, ASEAN and China must pioneer a forward-looking partnership—anchored in resilient and equitable value-chain integration as well as climate and tech-responsive infrastructure—to chart a more inclusive and sustainable course in today's fragmented world. I would like to highlight five strategic areas that I believe will be pivotal in redefining the future of ASEAN-China relations:

First, the Digital Economy. With over 480 million internet users, ASEAN represents one of the world's fastest-growing digital markets. In 2023, ASEAN's digital economy grew by 11%, contributing US\$218 billion in Gross Merchandise Value (GMV).

Excellencies, Ladies and Gentlemen,

Looking ahead, it is projected to reach US\$1 trillion by 2030, and the upcoming ASEAN Digital Economy Framework Agreement (DEFA), if fully implemented, could boost this value to US\$2 trillion. Complementing this is China's vast digital ecosystem – home to the world's largest online consumer base, with 1 billion internet users and 80% mobile internet penetration. Chinese pioneering platforms—such as WeChat, Alipay, and Meituan—have transformed entire industries by seamlessly integrating social media, e-commerce, payments and lifestyle services within unified digital ecosystems.

Leveraging the momentum of the upcoming ACFTA 3.0, ASEAN and China should pursue ambitious initiatives to connect our economies through digital trade, e-commerce, digital payments, and emerging global trends including AI, robotics, the Internet of Things, and cloud services. Together, we must work to transform our economies into innovation powerhouses—home to unicorns, tech giants, and scaling start-ups. In doing so, we will drive shared prosperity across the entire region.

Second, the Green Transition. In 2023, the ASEAN Strategy for Carbon Neutrality was adopted as a comprehensive framework to accelerate the transition to a low-carbon and climate-resilient future. The strategy focuses on key areas including green value chain integration, circular economy, and the development of interoperable carbon markets.

If fully realised, it could generate up to US\$5.3 trillion in additional value-added, attract up to US\$6.7 trillion in green finance, and create up to 66 million additional jobs in the region by 2050. To capitalize on this momentum, ASEAN has undertaken various initiatives, including the ASEAN Circular Economy Framework, the ASEAN Finance Taxonomy for Sustainable Finance, and the ASEAN Sustainable Investment Guidelines. ASEAN's green ambitions are inseparable from China's parallel pivot towards sustainability. China now leads global renewable-energy production and green infrastructure deployment, reinforcing the broader ecosystem in which ASEAN's green transition takes place.

These achievements offer immense opportunities for ASEAN and China to collaborate in building an integrated green ecosystem, underpinned by progressive policy frameworks, investment and technology transfer. More than environmental stewardship, this is an industrial strategy—a driver of job creation and a foundation for long-term energy security. The ACFTA 3.0 will consolidate this agenda by fostering the sharing of knowledge and best practices in key areas such as green trade, circular economy, low-carbon technologies, renewable energy, and green finance.

Third, Supply Chain Connectivity and Resilience. Global crises—from the COVID-19 pandemic to escalating trade tensions, just to name a few, have exposed ASEAN's vulnerabilities in regional production networks, heightening uncertainty for businesses, especially micro, small and medium enterprises (MSMEs). In response, the ASEAN Framework on Supply Chain Efficiency and Resilience, adopted in 2024, emphasizes three key elements: Diversification, Digitalization, and Regional Integration, aiming to fortify ASEAN as a single market and production base.

In bolstering supply chain resilience and connectivity with China, the ACFTA 3.0 and RCEP will serve as vital platforms to enhance supply chain flexibility and security. The ACFTA 3.0 upgrade, of course we have reached a final agreement now and we expect to sign this by the ASEAN Summit in October this year in Malaysia. This will introduce improved provisions on rules of origin, customs simplification, digital trade protocols, and support for the green economy transition. RCEP, with its broad membership, facilitates efficient cross-border sourcing and diversification. Together, these agreements strengthen ASEAN and China's capability to absorb and adapt to disruptions, keeping regional trade resilient and future-ready.

Fourth, Transport Connectivity. The ASEAN-China Air Transport Agreement demonstrates our shared commitment to fostering transport and people-to-people connectivity by facilitating the mobility of business and tourist travellers. Yet significant untapped potential remains between ASEAN and China which we should tap into. Further collaboration in multimodal transport—encompassing railways, highways, and maritime logistics—is crucial for enabling the seamless and efficient movement of goods and services between our economies. Upgrading transport infrastructure and harmonizing standards will support resilient regional supply chains and unlock broader economic opportunities.

I encourage China to continue extending financial and technical support to ASEAN, particularly through the Belt and Road Initiative.

Finally, Tourism Cooperation. Tourism serves as a key pillar of our relations. In 2024, 21 million visitors travelled from China to ASEAN, while approximately 12 million journeys were made from ASEAN to China. The number of visitors from China to ASEAN is almost double that of visits from ASEAN to China. We hope that this is an area we can increase cooperation on. This growth underscores the vibrancy of our tourism industry and the enduring desire for exploration and connection among our peoples. It is truly encouraging to note that, in early June, China introduced a special multiple-entry visa scheme for business travellers from ASEAN Member States and Timor-Leste. This welcome initiative builds upon existing visa-free arrangements already in place between China and several ASEAN Member States in the region, including Malaysia, Thailand, and Singapore.

Deepening cooperation in tourism not only strengthens mutual understanding and cultural appreciation but also delivers concrete economic benefits, supports MSMEs and local communities, and reinforces the bonds of friendship that underpin the ASEAN-China partnership. Moving forward, we must work together to promote sustainable and high-quality tourism, ensuring that tourism growth respects and preserves our cultural heritage and natural ecosystems.

Excellencies, Ladies and Gentlemen,

The Jakarta Forum comes at the right time, with the right partners, and with the right focus. This forum meaningfully enhances our multi-stakeholder dialogue, driving ASEAN and China to transform our shared vision into concrete actions, paving the way to scale cooperation in tangible ways. Let us work together to unlock new areas of cooperation, power new engines of growth, and open fresh opportunities for our peoples and business communities. I look forward to the thoughtful ideas and practical solutions that will emerge from our discussions today.

Thank you and a good morning to all Your Excellencies and ladies and gentlemen.
