



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

**Pre-Recorded Remarks at the
*Amity Circle Retreat IV***

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Your Excellency Dr. Marty Natalegawa, former Minister of Foreign Affairs, Republic of Indonesia and convenor of the Amity Circle,

Former Ministers and Officials, Ambassadors, Members of the Amity Circle,

Excellencies, Ladies and Gentlemen,

Since the Amity Circle last met in April 2025, ASEAN has moved through a period of both consolidation and change. That year marked two defining developments. First, the adoption of *ASEAN 2045: Our Shared Future*, a long-term framework that sets direction for the next two decades. Second, the accession of Timor-Leste as ASEAN's eleventh member—completing, at last, the geographic idea that underpinned ASEAN's founding.

Together, these steps reflect a region that is not standing still. ASEAN is positioning itself to be more resilient, more adaptive, and more relevant to its citizens in a more demanding and challenging environment.

Excellencies, Ladies and Gentlemen,

Many of you have borne witness to – and indeed helped shape – ASEAN's steady march through history—from the early days of the ASEAN Free Trade Area to the establishment of the ASEAN Economic Community. That trajectory is continuing despite the gathering headwinds of the global economy. The current effort to upgrade the ASEAN Trade in Goods Agreement will mark an important chapter in this unfolding story, moving ASEAN closer to a genuinely integrated market and production base.

At the same time, ASEAN is pushing into the digital domain. Negotiations on the Digital Economy Framework Agreement are now substantially advanced, with over 80 percent concluded. If completed and ratified on schedule, this will unlock the scale of a regional digital economy projected at around two trillion US dollars—an opportunity ASEAN cannot afford to miss.

Externally, ASEAN is both strengthening and diversifying its economic relationships. It continues to upgrade existing free trade agreements – seven to date - while pursuing new ones, including with Canada, and exploring cooperation with groupings such as the Gulf Cooperation Council. This is a deliberate strategy: to widen options, reduce vulnerability, and avoid excessive dependence on any single partner.

Excellencies, Ladies and Gentlemen,

These efforts are taking place against a far more unsettled global backdrop. Trade tensions have sharpened, including tariffs imposed by the United States, which is ASEAN's second largest trading partner, on individual ASEAN Member States. The response from ASEAN has been more coordinated than in the past. Foreign and economic ministers are now working more closely together, reflected in the first interface between the ASEAN Foreign Ministers Meeting and the ASEAN Economic Ministers Meeting, and the establishment of a geo-economic task force.

ASEAN has adopted a dual approach. At the national level, Member States are engaging Washington directly. At the regional level, ASEAN continues to support an open, rules-based trading system anchored in the World Trade Organisation.

Recent legal developments in the United States—particularly the Supreme Court ruling invalidating tariffs under the US International Emergency Economics Powers Act—may introduce a degree of recalibration. Some ASEAN members may need to revisit arrangements already made. However, the broader direction is clear: tariffs justified on national security or unfair trade grounds remain very much in play.

This holds profound implications for ASEAN economies. The region is deeply embedded in the global value chains. It is therefore highly exposed to shifts in supply chains, competitive tariff regimes, and the growing use of industrial policy and subsidies by major economies. What we are seeing is not a temporary disruption, but a structural adjustment in the global trading system. In such conditions, predictability and stability become scarce—and yet it is precisely what businesses require.

Excellencies, Ladies and Gentlemen,

Security developments closer to home have also been sobering. The border conflict between Cambodia and Thailand tested ASEAN's cohesion and unity in a very direct way — and it is worth recalling that it was Indonesia's diplomatic resolve, under Excellency Dr. Marty's tireless personal stewardship during its 2011 ASEAN Chairmanship, that helped pull the two neighbours back from the brink of conflict. The Kuala Lumpur Peace Accord and subsequent mediation efforts facilitated under Malaysia's 2025 chairmanship and of course leadership helped contain the situation. But the episode is a reminder that ASEAN is not immune to intra-regional conflict. Stability cannot be assumed; it must be actively constructed, defended, and renewed.

These realities underline the continuing importance of ASEAN's own instruments — and of the disposition to use them. As Excellency Dr. Marty urged, “it is time for bold and courageous efforts at waging peace”, and “for the countries of Southeast Asia to act decisively and urgently.” The principles of peaceful dispute settlement and the renunciation of force — enshrined in the ASEAN Charter and the Treaty of Amity and Cooperation — must remain living, operational commitments rather than declaratory ones. This year's 50th Anniversary of the Treaty of Amity and Cooperation is therefore more than a ceremonial milestone. Its continued relevance will ultimately be judged not by the eloquence of the tributes paid to it, but by whether its principles hold when they are most tested.

Beyond Southeast Asia, developments in the Middle East have added further strain to an already uncertain landscape. The renewed outbreak of conflict there reflects a broader trend: the increasing willingness of states to use force in pursuit of national interests. In a tightly interconnected global economy, such conflicts do not remain localised. They transmit quickly—through soaring oil and gas prices, disrupted trade routes and supply chains, and severe financial pressures, especially for developing economies.

For ASEAN, the implications are immediate. The region remains structurally dependent on energy imports from the Gulf, which accounted for more than half of crude oil imports in recent years. Disruptions to shipping through critical chokepoints such as the Strait of Hormuz have already tightened supply and increased volatility. Even where flows continue, they do so at significantly higher cost, undermining our economic growth prospects for the year ahead.

Excellencies, Ladies and Gentlemen,

In January 2025, Excellency Dr. Marty observed in a newspaper column that geopolitical divides were not only deepening but extending beyond traditional security competition into economic, technological, and global commons issues, including the climate crisis. He warned that diplomacy and dialogue were facing headwinds, that regional architectures—including global supply chains—were becoming fragmented, and that progress on arms control and disarmament was eroding amid increasingly dangerous rhetoric.

Fast-forward to a year later today, and the situation has intensified on many fronts. Trade and supply chains remain under stress, energy security pressures have intensified, conflicts persist around the world, and geopolitical tensions continue to test multilateral frameworks. These pressures reinforce the need for ASEAN to think more systematically and act more coherently about resilience—through diversification of energy sources, stronger regional coordination, and practical measures to mitigate disruptions to supply chains and critical shipping routes.

And yet, despite these challenges, ASEAN's trajectory remains forward-looking. The region now has a long-term roadmap in *ASEAN 2045: Our Shared Future*. Its membership is complete, and its institutional mechanisms are in place and evolving. The ASEAN Outlook on the Indo-Pacific continues to gain traction as a framework for inclusive engagement, with a growing number of external partners aligning their cooperation with its priorities—whether in maritime cooperation, connectivity, sustainable development, or broader economic initiatives.

Taken together, these are not small achievements. ASEAN's strength has never been in dramatic moves, but in its ability to adapt, absorb shocks, and continue moving forward. That capacity will be tested in the years ahead, as global conditions remain fluid and, at times, volatile. ASEAN must continue to deepen its integration, strengthen its institutions, and maintain an open and inclusive approach to engagement with partners.

ASEAN's choices today will determine the architecture and resilience of the region tomorrow.

Thank you.
