Pre-Recorded Remarks

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

At the ASEAN-EU Sustainability Summit 2026

Thursday, 7 May 2026, Cebu, the Philippines

Excellencies, Distinguished Guests, Ladies and Gentlemen

1. It's a pleasure to be part of the ASEAN–EU Sustainability Summit, and I want to thank the EU-ASEAN Business Council and the European Chamber of Commerce of the Philippines for bringing this together.

2. The timing of this Summit matters. As ASEAN pushes forward on sustainable and inclusive growth, and as the Philippines holds the ASEAN Chairship in 2026, our partnership with the European Union is playing a bigger role in shaping a regional economy that can actually hold up to what's coming.

3. And what's coming is already here. We're meeting at a moment of real global uncertainty. The crisis in the Persian Gulf — and the threat it poses to freedom of navigation through the Strait of Hormuz — is driving volatility in energy markets, straining supply chains, and shaking investor confidence. For ASEAN and the EU, both deeply woven into global trade, this drives home a hard truth: sustainability and resilience are no longer goals we plan toward. They are things we need right now.

Excellencies, Ladies and Gentlemen,

4. The ASEAN–EU relationship already rests on a strong foundation. With nearly USD 293 billion in trade and close to USD 20 billion in investment flows in 2024[1], our partnership reflects decades of deep economic integration and interdependence built through extensive supply chains, long-term investments, and growing business linkages across both regions. The real question before us is not whether this partnership matters. It clearly does. The question is how we

---

[1] ASEAN Secretariat, ASEAN Stats Database, 2025

make it deliver more on sustainability, on resilience, and on the next phase of economic transformation.

5. Crises, in this context, should not only be seen as disruptions. They can also be catalysts. During COVID-19, ASEAN accelerated its digital transformation at a pace no one had anticipated. Digital tools became central to keeping businesses running, trade moving, and economies recovering. That momentum is now driving one of ASEAN's most ambitious undertakings, the Digital Economy Framework Agreement, set to become the region's largest digital agreement.

6. We should bring the same mindset to today's challenges. The current crisis is also an opening to move faster on energy transition, to strengthen green supply chains, and to scale sustainable finance. This is not the moment to slow down. It is the moment to move more decisively.

7. With that in mind, let me focus on three priorities that can help turn ASEAN–EU cooperation into practical, scalable and impactful outcomes for businesses and the wider economy.

8. First, we need to make sustainable trade work better for businesses on the ground. As sustainability requirements expand globally, businesses are navigating a growing tangle of standards, certification systems, and compliance demands. The ASEAN–EU Trade and Investment Work Programme 2026–2027 gives us a concrete vehicle to reduce that fragmentation, improve supply chain traceability, and create more predictable conditions for cross-border trade. We should also push toward a more integrated ASEAN–EU market framework. A region-to-region Free Trade Agreement is not just a long-term aspiration but rather it is a market-shaping opportunity that can drive demand for green goods and give investors greater certainty. In a more volatile geopolitical environment, that kind of alignment also strengthens supply chain resilience and reduces exposure to disruption.

9. Second, digitalisation has to underpin both trade and sustainability. Sustainability today is increasingly data-driven. Businesses need efficient systems to track performance, ensure transparency, and meet evolving standards. Through initiatives like the EU–ASEAN Sustainable Connectivity Package and the ASEAN–EU Digital Trade Principles, we can streamline digital trade, enable paperless transactions, and cut inefficiencies across supply chains. As ASEAN advances the Digital Economy Framework Agreement, we have a real opportunity to build a more interoperable digital ecosystem, one that serves both economic integration and sustainability goals. And beyond efficiency, digitalisation has become critical infrastructure for resilience — enabling real-time visibility, operational continuity, and faster adaptation to external shocks.

10. Third, we need to mobilise investment and ensure inclusivity. The shift to sustainable growth will require significant capital. That means aligning policy frameworks with investment incentives, improving the bankability of green projects, and expanding access to technology. It also means bringing MSMEs into this transition — supporting their access to finance, digital tools, and markets, so that sustainability takes root across the whole economy, not just among large firms. Energy sits at the centre of all this. As demand grows, ASEAN needs energy

systems that are both reliable and sustainable. The ASEAN Power Grid offers a concrete pathway to strengthen regional connectivity, integrate renewables, and build long-term resilience.

Excellencies, Ladies and Gentlemen,

11. Ultimately, sustainability has to become easier for businesses to actually implement. That means cutting regulatory complexity, improving coordination across institutions, and staying focused on outcomes that matter in practice.
12. Cooperation also needs to move from commitments to results which means concrete projects, scalable investments, and progress we can measure. Businesses will be at the centre of this transition. Their investment decisions, their innovation, and how they run their operations will determine what our economies actually look like going forward.
13. Let me close by reaffirming ASEAN's commitment to working closely with the European Union through stronger coordination, deeper engagement, and more effective implementation. With the right alignment, sustainability can be a genuine driver of growth, competitiveness, and long-term resilience across both our regions.

Thank you.
