No. 19
July 2026

ASEAN ECONOMIC INTEGRATION BRIEF

INSIDE THIS ISSUE

ISSN: 2580-7587

From the Editor

The 19th edition of the ASEAN Economic Integration Brief (AEIB), the first issue of 2026, is published against a backdrop of heightened global uncertainty. Geoeconomic fragmentation, evolving trade and investment patterns, and renewed tensions in the Middle East continue to reshape the international economic landscape. Yet amidst these headwinds, ASEAN has demonstrated remarkable resilience, supported by robust domestic demand, sustained investment, and strong manufacturing and export performance, reinforcing its position as one of the world's most dynamic engines of growth.

This edition features an exclusive contribution from Dr. Mari Elka Pangestu, Special Envoy of the President of Indonesia for International Trade and Multilateral Cooperation. Her contribution explores how ASEAN can preserve its longstanding commitment to openness and regional integration whilst navigating an increasingly complex global environment, emphasising the importance of deeper cooperation, stronger institutions, and effective implementation to keep ASEAN competitive, agile, and future-ready.

As in previous editions, this issue provides an overview of the latest regional economic outlook, updates on the implementation of the AEC agenda, and key economic indicators shaping ASEAN's integration trajectory. At a time when uncertainty has become an enduring feature of the global economy, this edition offers timely analysis and perspectives on how ASEAN continues to transform challenges into opportunities — sustaining its path towards a more integrated, resilient, and prosperous Community.

ECONOMIC OUTLOOK

ASEAN remains exposed to developments in the Middle East through its reliance on energy imports and related supply chains. Whilst recent signs of de-escalation and the moderation of Brent crude oil prices have helped ease immediate market concerns, the crisis has highlighted ASEAN's vulnerability to external supply shocks and heightened uncertainty surrounding the regional economic outlook. The region remains highly dependent on energy supplies from the Middle East.

In recent years, approximately 60 per cent of the region's imported crude oil originated from the Middle East, representing more than 35 per cent of ASEAN's total crude oil supply when domestic production is taken into account. In addition, around 45 per cent of the refined petroleum products consumed in the region were derived from Middle Eastern crude.[1] The repercussions of the crisis, moreover, have transcended energy markets. Supply risks have expanded beyond fuel markets to include fertilisers and other critical agricultural inputs, raising alarms over broader inflationary and food security vulnerabilities.[2]

These developments have amplified inflationary pressures across ASEAN Member States (AMS) and heightened vigilance amongst policymakers in balancing economic growth and fiscal resilience whilst containing inflationary risks. ASEAN's economy expanded by a robust 4.9 per cent in 2025 despite escalating tariff measures, culminating in the 'Liberation Day' announcements and the subsequent shifts in trade policy characterised by periods of recalibration and strategic signalling. Regional growth exceeded earlier projections, underscoring the resilience of domestic demand and export performance amidst an increasingly uncertain global trade environment. Whilst ASEAN's growth projection for 2026 has been revised marginally downward to 4.5 per cent from the earlier forecast of 4.6 per cent, and growth performance remains uneven across Member States, the region's economy continues to demonstrate resilience amidst the uncertainties arising from the Middle East crisis. Growth is supported by sustained manufacturing activity, resilient exports and investment, and steady domestic demand.[3]

Inflation in ASEAN is projected to rise to 3.9 per cent in 2026, revised upward from the earlier forecast of 3.2 per cent, reflecting spillover effects from the Middle East crisis.[4] Preliminary data indicate that the pass-through of higher energy prices to inflation has varied across AMS, reflecting differences in fuel subsidy regimes and domestic pricing mechanisms. Energy-related inflation has risen more noticeably in economies with limited fuel subsidies, greater dependence on imported energy, and more energy-intensive transportation and food production systems.[5]

Table 1. GDP Growth Rate and Inflation, % per year

	GDP Growth, %			Inflation, %		
Country	**2024**	**2025**	**2026f**	**2024**	**2025**	**2026f**
BN	4.1	0.7	1.8	-0.4	-0.3	1.1
KH	6.0	5.2	4.1	0.8	2.5	4.5
ID	5.0	5.1	5.2	2.3	1.9	3.0
LA	4.0	4.4	4.0	23.1	7.7	9.8
MY	5.1	5.2	4.6	1.8	1.4	2.0
MM	-0.7	-2.2	2.4	29.6	25.2	24.0
PH	5.7	4.4	4.8	3.2	1.7	5.9
SG	5.3	5.0	3.2	2.4	0.9	2.2
TH	2.9	2.4	1.8	0.4	-0.1	2.9
TL	4.3	3.9	3.8	2.1	0.5	2.2
VN	7.1	8.0	7.2	3.6	3.3	4.0
ASEAN	**5.0**	**4.9**	**4.5**	**3.0**	**2.2**	**3.8**

Sources:
1. ASEAN Secretariat. (2026, June). ASEAN Member States: Selected basic indicators (June 2026) [Data set].

2. ADB. (2026, July). Asian Development Outlook, July 2026.

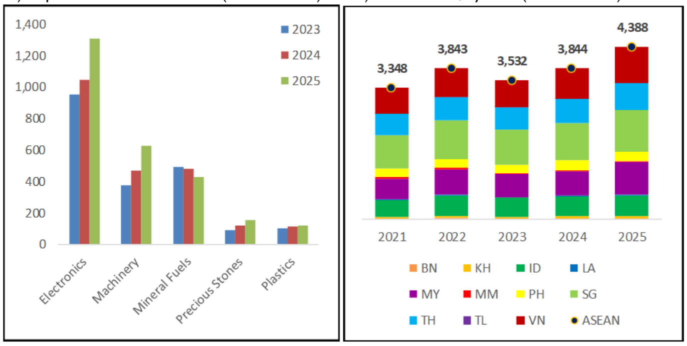
1. IEA (2026), 'Southeast Asia Energy Outlook 2026', retrieved from: <https://iea.blob.core.windows.net/assets/53fc06e1-c4c8-45b4-8413-24331b73a8de/SoutheastAsiaEnergyOutlook2026.pdf>, p. 4.
2. WB (2026, March 26), 'World Bank Group Statement on the Conflict in the Middle East', retrieved from: <https://www.worldbank.org/en/news/statement/2026/03/26/world-bank-group-statement-on-the-conflict-in-the-middle-east>
3. ADB (2026, July), 'Asian Development Outlook, July 2026', retrieved from: <https://www.adb.org/sites/default/files/publication/1155601/asian-development-outlook-july-2026.pdf>, p. 12.

4 ADB (2026, July). Ibid. p. 12.
5 AMRO (2026, June), 'Interim Update of the ASEAN+3 Regional Economic Outlook (AREO)', retrieved from: <https://amro-asia.org/wp-content/uploads/2026/06/AREO2026_Interim-Update_Final_20260602.pdf>, p. 3.

Trade. ASEAN's merchandise trade expanded by a remarkable 14.1 per cent in 2025, reaching USD 4.39 trillion compared with USD 3.84 trillion in the previous year. This strong performance was achieved despite heightened uncertainty in the global trading environment arising from escalating retaliatory tariff measures. Technology exports remained the backbone of ASEAN's trade performance in 2025, supported by a rebound in global demand for electronics.[6] Looking ahead, preliminary trade data for the first quarter of 2026 point to continued momentum, suggesting a resilient start to the year despite persistent external headwinds.[7]

Figure 1. ASEAN Trade

a) Top 5 Most Traded Products (in USD billion) b) Trade Values, by AMS (in USD billion)



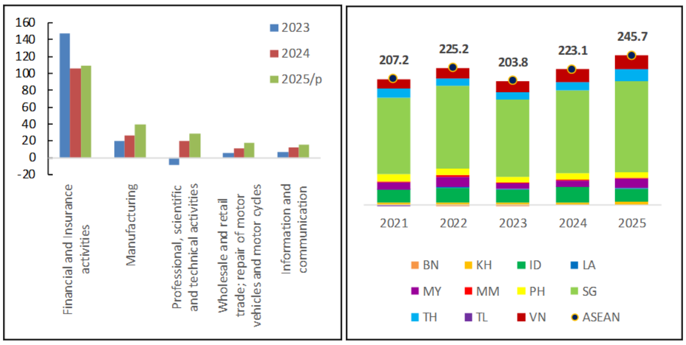
Source: ASEAN Secretariat, ASEANStatsDataPortal, Trade in Goods (IMTS), 2026. Available at: https://data.aseanstats.org/

Foreign Direct Investment. In 2025, ASEAN retained its position as a major destination for foreign direct investment, attracting USD 245.7 billion in inflows, an increase of 10.1 per cent from USD 223.1 billion in the previous year. The growth occurred against the backdrop of a 14.0 per cent increase of global FDI from the previous year, reaching USD 1.6 trillion in 2025, although a significant part of the increase was due to higher conduit FDI flows.[8] In 2026, heightened risk aversion due to the Middle East crisis could result in equity market volatilities, wider risk premia, and reduced capital inflows to the region. Inflationary pressures resulting in tighter financial conditions could dampen investment and domestic demand, compounding the effects of elevated energy and commodity prices.[9]

Risk. The persistent geopolitical tensions, exacerbated by the Middle East crisis, although deescalating recently, have already generated significant uncertainty across global supply chains, destabilising trade flows and elevating risks to economic activity. An extended geoeconomic disruption would place significant strain on public finances through several reinforcing channels. Expenditure pressures would intensify, particularly in economies with fuel subsidy regimes, as governments absorb higher energy costs through subsidies, tax adjustments, administered pricing, and the use of state-owned enterprises to cushion the impact on consumers. These interventions effectively transfer the burden of global price shocks onto government budgets.[10] The confluence of elevated inflation and weakening economic growth could also give rise to stagflationary pressures across the region.[11]

Figure 2. ASEAN Foreign Direct Investment

a) Top 5 FDI Inflows by Sectors (in USD billion) b) FDI Inflows, by AMS (in USD billion)



Sources:
ASEANStats data portal. (2026). *Inward foreign direct investment: ASEAN Member States, total inflows*.
ASEANStats data portal. (2026). *Foreign direct investment by sources and sectors*.

Way Forward. As ASEAN embarks on the implementation of ASEAN 2045: Our Shared Future and the AEC Strategic Plan 2026–2030, the region is well positioned to build on the strong foundations established under the AEC Blueprint 2025. Continued efforts to strengthen regional policy and regulatory frameworks are expected to further enhance trade facilitation, harmonise customs practices, and deepen economic integration across Member States, which have been key drivers of ASEAN's progress.[12] These initiatives will help sustain the growth of intra-ASEAN trade and investment, which expanded at compound annual growth rates of 5.3 per cent and 6.9 per cent, respectively, during 2015–2025. Amidst a rapidly evolving global landscape marked by geopolitical uncertainties, trade fragmentation, technological change, and climate-related challenges, ASEAN will continue to leverage its resilience, adaptability, and strong spirit of regional cooperation to promote sustainable, inclusive, and innovation-driven growth in the years ahead. ■

---

6 AMRO (2026, January), 'Quarterly Update of the ASEAN+3 Regional Economic Outlook (AREO)', retrieved from: <https://amro-asia.org/wp-content/uploads/2026/01/AREO2026_January_Update_final_Jan-21-2026.pdf>, p. 2.
7 AMRO (2026, June), Ibid., p. 2.
8 UNCTAD. (2026, January), 'Global Investment Trends Monitor No. 50', retrieved from: <https://unctad.org/system/files/official-document/diaeiainf2026d1_en.pdf>, p. 3.
9 *ADB (2026, April),* 'Asian Development Outlook, April 2026', retrieved from: <https://www.adb.org/sites/default/files/publication/1135881/ado-april-2026.pdf>, p. 42.
10 IMF (2026, April), 'Fiscal Monitor, April 2026', retrieved from: <https://www.imf.org/en/publications/fm/issues/2026/04/15/fiscal-monitor-april-2026>, p. 18.
11 AMRO (2026, June), Ibid., p. 4.
12 OECD (2026), 'Facilitating Trade in the Association of Southeast Asian Nations', retrieved from: <https://www.oecd.org/content/dam/oecd/en/publications/reports/2026/05/facilitating-trade-in-the-association-of-southeast-asian-nations_a9cb3351/71254407-en.pdf>, p. 8.

SPECIAL FEATURE

Open and Resilient: ASEAN's Geoeconomic Moment

Dr. Mari Elka Pangestu

Special Envoy of the President of Indonesia for International Trade and Multilateral Cooperation

ASEAN has a remarkable story to tell. Over four decades of sustained openness, the region has lifted hundreds of millions out of poverty, built globally competitive industries, and woven itself into the fabric of international trade in ways that few would have predicted a generation ago. That story is worth remembering because the conversation about ASEAN's economic future has lately been dominated by risk and disruption. Yet our starting point should be what the region has achieved through openness, integration, and cooperation, because these remain amongst ASEAN's greatest strengths and the foundation of its continued relevance in a changing global economy.

The external conditions that made this success possible are changing rapidly. The question facing ASEAN is not whether openness still matters - it does - but how an open, trade-dependent region adapts when the rules, markets, technologies, and strategic relationships that underpinned globalisation are all being reshaped. This is ultimately a question of ASEAN's agency: whether the region can continue to shape its own economic future rather than simply adjust to decisions made elsewhere.

The pressures have been accumulating for some time. Trade tensions since 2018 signalled a shift in the willingness of major economies to operate within multilateral rules. The pandemic exposed the fragility of global supply chains. Technology competition is forcing economies to navigate between competing standards, platforms, and regulatory systems. More recently, the disruption to the Strait of Hormuz brought what had been a gradual accumulation of vulnerabilities into sharp focus, affecting energy markets, fertiliser availability, manufacturing supply chains, inflationary pressures, and fiscal space across many economies.

At the same time, economic policy is increasingly being used to pursue strategic objectives. In the United States, Section 301 investigations now cover virtually all major trading partners, alongside national security tariffs on critical minerals and electronic machinery. China has expanded export controls on critical minerals and semiconductor-related materials. Europe has introduced its Carbon Border Adjustment Mechanism (CBAM). Economic security has become a defining feature of the global policy environment, whilst the multilateral institutions that once helped manage these tensions - most notably the WTO dispute settlement system - remain constrained.

ASEAN's response has been distinctive, and in important respects encouraging. At a time when many countries have become more inward-looking, ASEAN has continued to emphasise openness, dialogue, and non-retaliation, recognising that economic integration is not simply a growth strategy but also a foundation for resilience, stability, and prosperity. The ASEAN Economic Ministers' collective response to the US tariffs in April 2025 - choosing non-retaliation whilst reaffirming strong and mutually beneficial trade relations - demonstrated that ASEAN's commitment to openness remains a strategic choice rather than a passive preference.

This approach also reflects ASEAN centrality. Centrality is often understood in diplomatic terms, but it also has an important economic dimension. ASEAN's ability to remain an open, trusted, and predictable platform for trade, investment, and regional cooperation is central to preserving its relevance in an increasingly fragmented global economy. Centrality is therefore not simply about convening power. It is about implementing commitments and maintaining the credibility and institutions that enable ASEAN to shape regional economic outcomes.

That strategic clarity has increasingly been matched by stronger coordination. The ASEAN Geoeconomics Report 2025, welcomed by the Joint Foreign Affairs and Economic Ministers' Meeting (Joint AMM-AEM), laid out a three-pronged framework: responding to immediate disruptions, strengthening regional and domestic resilience, and contributing to the evolution of global economic governance. What has been encouraging is how quickly elements of that framework began to translate into action. Ministerial meetings across finance, agriculture, and energy produced the AEC Council Statement on the Economic Implications of the Situation in the Middle East, whilst the Joint Foreign and Economic Ministers' Meeting in Cebu demonstrated a degree of cross-pillar coordination that ASEAN has long recognised as necessary. The Leaders' Statement at the 48th ASEAN Summit then identified priority actions, established implementation timelines, and tasked ministerial bodies to report progress within the year.

These developments show that ASEAN is capable of acting collectively when circumstances demand it. They also demonstrate that ASEAN has agency when Member States are prepared to coordinate, act early, and align national priorities with regional objectives. The more important question now is whether this momentum can be sustained beyond the immediate crisis and be translated to implementation. Responding during a crisis is difficult enough but institutionalising that response is harder still. The priority now is to embed these responses into ASEAN's institutions whilst political momentum remains. This means investing in the practical architecture of resilience, including stronger information-sharing, early warning systems, and supply chain monitoring so that coordination becomes routine rather than improvised. It means accelerating energy diversification, regional grid connectivity, and digital infrastructure that reduce dependence on vulnerabilities beyond ASEAN's control. It means positioning ASEAN at the centre of emerging critical minerals value chains as a producer, processor, and increasingly an innovator. It also means sustaining the geoeconomics agenda through evidence-based analysis and structured engagement with the private sector, ensuring that regional cooperation is informed by practical implementation challenges as well as policy ambition.

The broader lesson is that resilience cannot be improvised. It must be designed into the way ASEAN cooperates, implements commitments, and works across sectors. ASEAN's commitment to openness remains one of its greatest comparative advantages, but openness alone is no longer sufficient in a more contested global economy. It must be supported by stronger institutions, better implementation, and greater operational readiness. That means narrowing the gap between commitments and delivery, strengthening accountability across member states, and ensuring that cooperation continues long after summit declarations have been issued. It also means listening to the priorities of the private sector actors. In today's geoeconomic environment, implementation has become just as important as policy design.

ASEAN's development model remains one of the region's greatest assets, but preserving it will require adaptation as much as effective implementation. The region cannot control every external shock, but it can strengthen its capacity to respond collectively and shape the environment in which it operates. The task ahead is not to choose between openness and resilience, but to reinforce both together - through stronger institutions, credible implementation, and a continued commitment to an open, rules-based, and inclusive regional order. In doing so, ASEAN will be better placed not only to respond to a changing world, but to help shape it. ■

UPDATES ON THE ASEAN ECONOMIC COMMUNITY

In 2026, ASEAN embarks on its journey towards ASEAN 2045: Our Shared Future. Guided by the ASEAN Community Vision (ACV) 2045, the AEC pillar has commenced the implementation of the AEC Strategic Plan setting the course for a more integrated, innovative, resilient, and sustainable regional economy. The Strategic Plan aims to strengthen ASEAN's position as global market player and the fourth largest economy, a seamless single market and production centre, and a region embracing sustainability across economic value chains.

Under the Philippines Chairship, with the banner 'Navigating Our Future Together', ASEAN continues to reinforce the foundation towards an integrated, resilient, innovative, adaptive, sustainable and inclusive regional economy. Building on decades of economic integration and cooperation, ASEAN remains steadfast in responding to emerging global and regional challenges, including geopolitical and geoeconomic tension, trade and supply-chain disruptions and evolving Middle East situation.

As a key strategy to regional economic integration, ASEAN continues to deepen intra-ASEAN trade and investment in line with the objective of creating a seamless single market and production base:

- **The Full Signing of the ATIGA Upgrade Protocol.** ASEAN Member States are now expediting the ratification of the 2nd Protocol Amending the ASEAN Trade in Goods Agreement (ATIGA) in 2026 for early entry into force. The Protocol upgrades and modernises the original ATIGA, making it more trade facilitative and responsive to regional and global developments including introducing sustainability elements.

- **Full Signing of the Fifth Protocol to Amend the ASEAN Comprehensive Investment Agreement (ACIA).** Ensuring relevance and adaptability to the changing business landscape, the Protocol expands the scope of the Agreement beyond its originally covered sectors (manufacturing, agriculture, fisheries, forestry, mining and quarrying, and their incidental services) and introduces a two-annex negative list format including a ratchet provision. Thus, enhancing predictability and transparency to investors in the region.

- **Upgrading to ASEAN Customs Transit System (ACTS) 2.0.** The study on the new generation of the ACTS 2.0 to upgrade the current system, enhance its utilisation, expand its coverage to additional modes of transport, and explore possible connectivity with other interested countries, has been substantially completed. The upgrade will advance the seamless cross-border movement of goods and regional transit connectivity. Looking ahead, ASEAN plans to pilot the railway mode under ACTS by the end of 2026, an important step towards multimodal expansion in line with ASEAN's vision of a fully integrated, efficient, and future-ready regional customs transit system.

To advance work towards a nimble and resilient community, ASEAN continues to strengthen its collective capacity to anticipate, withstand, adapt to, and recover from shocks, stresses, crises, and volatility:

- **Full Signing of the ASEAN Framework Agreement on Petroleum Security (APSA)**. Following the full signing of APSA, Member States are now processing the ratification of the Agreement for its entry into force and operationalisation. The APSA is a critical legal instrument to enhance petroleum security of ASEAN and minimise the region's exposure to an emergency situation through strategic measures.

- **Operationalisation of the Enhanced Memorandum of Understanding on the ASEAN Power Grid (MoU-APG)**. ASEAN is advancing the operationalisation of the enhanced MoU-APG through the development of detailed Work Plans for the APG Task Forces, together with operational guidelines for the APG Regional Planning Framework. These efforts will help accelerate cross-border power interconnections, strengthen multilateral power trade, and support greater integration of renewable energy across the region. ASEAN is also advancing APG financing through a coordinated financing mechanism with development partners to mobilise investment, provide technical support, and develop a stronger pipeline of bankable APG-related projects, including cross-border interconnections, domestic grid upgrades, and subsea power cable development.

- **Strengthening Food Security through ASEAN Plus Three Emergency Rice Reserve (APTERR)**. ASEAN is intensifying its efforts to safeguard food security across the region through the utilisation of the APTERR mechanism, which includes a strengthened monitoring and information-sharing systems, which serve as a buffer against supply disruptions.

In fostering an enterprising, bold, innovative and dynamic community, ASEAN continues to enhance sectoral cooperation and remains responsive to emerging trends and developments shaping the global and regional economy.

- **Conclusion of the ASEAN Digital Economy Framework Agreement (DEFA)**. The conclusion of DEFA negotiations in May 2026 marks a major milestone for the region, as DEFA will be world's first region-wide legal instrument on the digital economy. Member States are now working towards the signing of the Agreement, which is expected to advance ASEAN's digital economy agenda, strengthen regional digital integration, and broaden the benefits of digital transformation across the region.

- **Operationalisation of the Unique Business Identification Number (UBIN).** ASEAN has advanced the UBIN initiative with the endorsement of the Terms of Reference for the UBIN Implementing Committee (UBIN-IC), which will guide and coordinate the execution of the Implementation Roadmap to Establish UBIN in ASEAN. As a foundational element of ASEAN's digital economy, UBIN aims to enable a regionally interoperable and recognised digital business identity system, supporting real-time verification of business information, enhancing trust in cross-border transactions, and reducing duplicative administrative processes.

A landmark achievement for ASEAN: Senior Economic Officials concluded negotiations on the ASEAN Digital Economy Framework Agreement (DEFA) at SEOM 2/57 in May 2026.

- **Finalisation of the Roadmap for the Next Generation of ASEAN Single Window (ASW 2.0).** The Roadmap for ASW 2.0 will guide further enhancement of its interoperability for intra-ASEAN electronic document exchanges and connectivity with external partners systems. In terms of intra-ASEAN connectivity, the roadmap also aims to expedite the full implementation of phytosanitary-related certificates, such as e-Phyto, e-Animal Health, and e-Food Safety certificates.

- **Adoption of the ASEAN Electric Vehicle (EV) Implementation Roadmap**. The Roadmap guides regional cooperation in developing the EV ecosystem to transition towards cleaner mobility, including manufacturing, charging infrastructure, servicing, and supporting energy supply.

To further strengthen ASEAN centrality and deepen its global agenda, ASEAN continues to advance its external economic engagement to diversify its trade and investment partnership, strengthen its integration into regional and global value chains, and sustain the region's relevance and competitiveness amid evolving global dynamics.

- **Full Signing of the ASEAN-China Free Trade Area (ACFTA) 3.0 Upgrade Protocol in 2026**. ASEAN is working towards the swift ratification of the ACFTA 3.0 Upgrade Protocol, to ensure timely delivery of its benefits to businesses and communities in the region.

- **Review of the ASEAN-India Trade in Goods Agreement (AITIGA).** The review which is a crucial initiative to deepen ASEAN's economic relation with India, continues to progress positively with the aim to make the implementation of the agreement more effective, user-friendly, and trade facilitative.

- **Commencement of the ASEAN-Korea Free Trade Area (AKFTA) Upgrade negotiations.** The upgrade of the AKFTA aims to improve predictability and efficiency of the agreement, while enhancing the region's economic cooperation with the Republic of Korea in emerging issues, such as digital trade and sustainability.

- **Diversification of ASEAN's New Economic Partnerships.** ASEAN is progressing negotiations for the ASEAN-Canada Free Trade Agreement (ACAFTA) and has commenced a Feasibility Study on a potential ASEAN -Gulf Cooperation Council (GCC) Free Trade Agreement.

As 2026 marks the inaugural year of implementation of the AEC Strategic Plan 2026–2030, it presents a crucial opportunity to establish a strong foundation and build momentum towards the longer-term aspirations of ASEAN 2045. Effective follow-through and timely monitoring will be essential to sustain progress across these priority workstreams. Strengthened cross-sectoral coordination and close engagement with partners and stakeholders will help ensure that these initiatives deliver concrete and tangible outcomes for businesses, communities, and the wider region.

ASEAN and the Republic of Korea commence negotiations on the upgrade of the ASEAN–Republic of Korea Free Trade Agreement (AKFTA), strengthening commitment to deeper economic integration and enhanced regional cooperation.

PROGRESS OF AEC: SELECTED KEY INDICATORS

ASEAN GDP

ASEAN upheld its position as the world's fifth largest economy in 2025, with robust growth of 4.9 per cent and GDP of USD 4.3 trillion

5th Largest Economy | 4.9 per cent Growth | USD 4.3 trillion

GDP Growth [per cent].	
1.9	Advanced economies
4.4	Emerging market and developing economies
3.4	World

Quarterly GDP Growth [per cent].

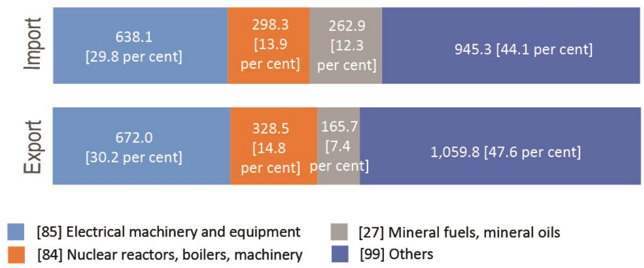
	Q1-2025	Q4-2025	Q1-2026
Brunei Darussalam	-1.8	4.5	0.3
Indonesia	4.9	5.4	5.6
Lao PDR	4.9	5.3	5.5
Malaysia	4..4	6.2	5.4
Philippines	5.4	3.0	2.8
Singapore	4.5	5.7	6.0
Thailand	3.1	2.5	2.8
Viet Nam	7.0	8.5	7.8

ASEAN Secretariat (July 2026), International Monetary Fund (April 2026).

ASEAN TRADE

ASEAN's international merchandise trade reached USD 4.4 trillion in 2025, marking a significant increase of 13.7 per cent from previous year, with electrical machinery led both exports (USD 672.0 billion) and imports (USD 638.1 billion).

Top 4 Commodities of ASEAN Trade, 2025 in USD billion [in percent]



Source: ASEAN Secretariat (July 2026)

ASEAN INVESTMENT

ASEAN reaffirmed its resilience as a key destination for FDI in 2025 with total inflows of USD 245.7 billion, an 10.1 per cent increase from USD 223.1 billion recorded in 2024.

245.7 Inflows | 10.1 per cent Increase

Top 5 FDI Source to ASEAN, 2025

in USD billion

ASEAN	EU	USA	China	Hongkong
39.6	31.3	30.0	26.2	16.5

FDI by Industry

in USD billion

- Services: 197.5
- Manufacturing: 39.5
- Mining and quarrying: 0.8
- Agriculture, forestry, and fishing: 0.5
- Others: 7.4

Source: ASEAN Secretariat, FDI Data as of 1 July 2026

ASEAN MANUFACTURING

ASEAN manufacturing activity remained in expansion territory throughout April-June 2026, with the regional PMI recording 50.7 in April, 51.5 in May, and 50.5 in June.

Manufacturing PMI, April - June 2026

	Apr	May	Jun
Indonesia	49.1	50.0	46.9
Malaysia	51.6	49.9	50.7
Myanmar	50.9	49.3	47.4
Philippines	48.3	50.8	50.9
Singapore	57.9	56.7	57.4
Thailand	52.7	52.6	53.6
Viet Nam	50.5	52.8	51.8
ASEAN	50.7	51.5	50.5

Note: The indices vary between 0 and 100, with a reading above 50 indicates an expansion of the manufacturing sector compared to the previous month, while below 50 represents a contraction.

Source : S&P Global. https://www.pmi.spglobal.com/

The Association of Southeast Asian Nation (ASEAN) was established on 8 August 1967. The Member States are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

For inquiries, contact:
The ASEAN Secretariat
ASEAN Integration Monitoring Directorate (AIMD) and Community Relations Division (CRD)
70A, Jalan Sisingamangaraja, Jakarta 12110, Indonesia
Phone: (62 21) 724-3372, 726-2991
Fax: (62 21) 739-8234, 724-3504
E-mail: aimo@asean.org, public@asean.org

Website: www.asean.org
Catalogue-in-Publication Data
ASEAN Economic Integration Brief
Jakarta, ASEAN Secretariat, July 2026
337.159
1. ASEAN – Economic integration – Comprehensive summary
2. Economic community – Regional developments