As Delivered

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Opening Remarks at the Opening Ceremony of the
Business Dialogue on ASEAN's Digital Economy 2026

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Your Excellency Lee Chul*, Ambassador of the Republic of Korea to ASEAN,*

Dr. Stephan Mergenthaler*, Managing Director and Chief Technology Officer of the World Economic Forum,*

Your Excellencies, Ladies and Gentlemen,

A very good morning. As we open the Business Dialogue on ASEAN's Digital Economy 2026, allow me to express my sincere appreciation to the World Economic Forum for convening this important platform and for its continued partnership with ASEAN. We particularly appreciate WEF's support through the ASEAN Digital Economy Agreement Leadership (DEAL) project funded by the ASEAN-Korea Cooperation Fund, which contributed significantly in conducting capacity building and stakeholder engagement during the ASEAN Digital Economy Framework Agreement (DEFA) negotiations.

Over the past three years, WEF has also conducted in convening this Business Dialogue, which has provided a valuable platform for ASEAN and the business community to exchange views, discuss emerging digital trends, and explore opportunities for cooperation.

This year's discussion is particularly timely as ASEAN prepares to sign the ASEAN DEFA at the upcoming 49th ASEAN Summit in November this year here in Manila. Following the successful conclusion of the negotiations, our focus now turns to the ratification, rather than having an 18 month period of ratification it will be 6 months only, and turn our priority to implementation and to ensuring that the Agreement delivers tangible benefits for businesses and people across the region.

DEFA brings together nine critical dimensions of the digital economy namely Digital Trade, Cross-Border E-Commerce, Digital Payment, Digital Identities, Cybersecurity, Cross-Border Data Flows, Competition Policy, Cooperation on Emerging Topics, and Talent Mobility and Cooperation under one regional regulatory framework. But its significance goes beyond texts of the Agreement. Its real strategic value lies in ASEAN's ability to implement it by reducing fragmentation, enabling interoperability and progressively creating an ASEAN-wide digital market in which businesses can trade, invest, innovate and scale across borders.

Your Excellencies, Ladies and Gentlemen,

It is in this broader context that the DEFA unleashes new opportunities for the region. Against this backdrop, I would like to share four (4) key areas that businesses can benefit from ASEAN DEFA.

First, DEFA is not simply just as a digital agreement, but as a new pillar of ASEAN economic integration. As economic activities become increasingly digital, our ability to integrate markets will depend on how effectively data, payments, digital identities, electronic documents and digital services can operate across borders. DEFA therefore gives ASEAN an opportunity to build a more seamless regional market where businesses can operate digitally across Member States with greater ease, certainty and trust. But businesses do not have to wait for this longer-term vision in order to materialise.

The DEFA provision on e-commerce, particularly on the waive of customs duties on electronic transactions is a statement of ASEAN to provide greater legal certainty and predictability for businesses and consumers and supports the continued growth and attractiveness of ASEAN's digital market. DEFA comes at the right time as ASEAN's digital economy continues to expand, reaching USD 305 billion Gross Merchandise Value (GMV) in 2025, driven by strong digital adoption and growth in e-commerce, food delivery, and digital advertising. It is expected that the ASEAN digital economy will reach USD 1 trillion by 2030 and a forward-looking DEFA could uplift ASEAN's digital economy up to USD 2 trillion.

Second, the real potential of DEFA lies in its interoperability. ASEAN's digital future depends on our ability to leverage our collective scale, and this requires our digital systems to increasingly work together. ASEAN DEFA can provide an important legal foundation for cross-border recognition, compatibility, and interoperability of digital identities. ASEAN's development of the Unique Business Identification Number, or ASEAN UBIN, is a practical step in this direction towards that end. UBIN is designed to advance a future of connecting digital identities, payments, e-invoicing, customs systems and trusted data frameworks can progressively create a truly integrated digital market. The strategic objective should therefore be to move from eleven digital markets towards one single interoperable ASEAN digital ecosystem.

Third, the success of DEFA will ultimately be determined not by the number of commitments, but by the capabilities we build around them. Implementation of DEFA should therefore focus on translating legal commitments into interoperable systems, practical business solutions and measurable reductions in the cost and complexity of operating across ASEAN. There are a lot of businesses still criticising us on the cost and complexities and we hope to reduce and eliminate them eventually. This will require governments, regulators and businesses to work together through pilots, regulatory sandboxes and other implementation mechanisms.

People and skills must be at the centre of this effort. No digital economy can reach its full potential without the talent to power it. DEFA supports greater cooperation on digital talent development and mobility, including skills development, sharing of best practices, and, where appropriate, mutual recognition of qualifications. Together with digital identities, electronic authentication, cross-border data flows, and electronic payments, these provisions can help remove practical barriers to cross-border work and support the development of an ASEAN-wide digital workforce.

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The real impact of ASEAN DEFA's success is how it helps millions of businesses reach consumers across the region, lower transaction costs, improve efficiency, and reduce barriers to operating across ASEAN. This potential will come from the cumulative impact of reducing regulatory, procedural, and technical frictions that continue to constrain digital trade. The informal sector of the ASEAN economy would be transformed overnight with the digital economy, and that would be a significant change.

As the primary users of the Agreement, businesses will also play a vital role in its effective implementation through participation in pilot projects, regulatory sandboxes, standards development, and public-private dialogue. Such collaboration will help ensure that ASEAN's digital regulatory framework remains practical, innovation-friendly, and responsive to technological change.

On this note, I would like to underscore that continued public-private dialogue will therefore remain essential. By working together, governments and businesses can translate ASEAN DEFA's commitments into tangible economic benefits for enterprises, consumers, and the wider ASEAN economy

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ASEAN DEFA marks a major step in regional digital integration. It places digital transformation firmly as a new engine for ASEAN's growth. I therefore encourage all of you to make full use of today's Dialogue to explore how we can translate our commitments into meaningful opportunities for our businesses and people.

I thank all our distinguished speakers, panellists and participants for your valuable contributions, and look forward to our continued partnership in realising ASEAN's digital future. Once again, allow me to thank the World Economic Forum for the partnership and consistent support you have extended to ASEAN over the years, and to the leadership of the WEF who has been consistently working with us. With that, thank you and good morning to all of you.

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