As delivered

KEYNOTE ADDRESS
delivered by

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at the

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"*ASEAN's Vision for Regional Integration and*
the Opportunities Ahead for Deeper Economic Cooperation"

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Mr. John Luo, Deputy Chairman, ASEAN Hong Kong Economic and Trade Center,
H.E. Francisco Kalbuadi Lay, Vice Prime Minister, Coordinating Minister for Economic Affairs, Minister of Tourism and Environment of Timor-Leste,
H.E. Helder Lopes, Governor, Banco Central de Timor-Leste,
H.E. U Kyaw Htin, Deputy Minister, Ministry of National Planning, Investment and Foreign Economic Relations, Mynamar,
H.E. Mr. Keo Sothie, Secretary of State, Ministry of Post and Telecommunications, Cambodia,
H.E. Akhomdeth Vongsay, Executive Chairman, Asistant Minister of Industry and Commerce, Lao PDR,
Distinguished Guests, Ladies and Gentlemen.

1. Let me first Thank the ASEAN Hong Kong Economic and Trade Centre for the invitation to deliver the Keynote Address at today's Forum. The ASEAN Digital Economy Framework Agreement, or DEFA, represents an important step in translating ASEAN's digital ambitions into a more integrated regional digital economy.

2. ASEAN has just concluded negotiations on it and Member States are now working through their domestic processes ahead of signing at the 49th ASEAN Summit in November 2026. So, this conversation comes right as the ink is drying.

3. DEFA brings together nine key elements of the digital economy: 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. It comes at an opportune time.

4. ASEAN's digital economy reached USD 305 billion in Gross Merchandise Value in 2025. That growth was driven by strong adoption across e-commerce, food delivery, and digital advertising. It is projected to reach USD 1 trillion by 2030. A forward-looking DEFA could push that figure to USD 2 trillion[1].

5. But the real measure of DEFA's success will not be the value of digital transactions alone. It will be what happens when regulatory, procedural, and technical frictions fall away: millions of businesses reaching consumers across the region, lower transaction costs, and easier movement across ASEAN borders.

Excellencies, Ladies and Gentlemen

6. DEFA also opens new ground for ASEAN and Hong Kong, China, to build on our respective strengths. Let me highlight five areas where our cooperation can deepen.

7. **First, digital trade.** ASEAN has pursued this for years, through the ASEAN Single Window, the ASEAN Customs Transit System, the ASEAN Agreement on Electronic Commerce, and the upgraded ASEAN Trade in Goods Agreement. The results are measurable. The ASEAN Single Window has processed more than 7 million ATIGA e-Form Ds[2]. That has generated an estimated USD 1 billion in cost savings and 43 million days in time savings[3] for the region.

   We are now taking this agenda further. The finalisation of the ASEAN Single Window 2.0 Roadmap, the upgraded ASEAN Trade in Goods Agreement, and the ASEAN Connectivity Strategic Plan 2026–2030 all reinforce ASEAN's push toward more seamless and paperless trade. DEFA brings these efforts together into a more coherent, region-wide framework, with provisions covering electronic transactions, e-signatures, e-invoicing, paperless trade, digital identities, consumer protection, and data governance. This can reduce differences in rules and procedures and make it easier, particularly for MSMEs, to trade across borders without having to navigate a different set of requirements in every market.

   DEFA is also forward-looking in providing a pathway toward the adoption of the UNCITRAL Model Law on Electronic Transferable Records. The

[1] Study on the ASEAN DEFA
[2] Source: ASEAN Single Window Steering Committee
[3] Ibid

wider use and recognition of electronic bills of lading, warehouse receipts, and other transferable records through interoperable standards can reduce reliance on physical paperwork, lower transaction costs, and accelerate trade processes.

This gives ASEAN and Hong Kong, China a strong basis to connect our digital trade ecosystems and move closer to genuinely seamless, end-to-end digital trade.

Second, fintech and digital payments. Seamless payments are the infrastructure an integrated digital economy runs on. Digital payment adoption across ASEAN reached 61 percent of total transactions in 2025 and is expected to reach 73 percent by 2030[4]. Fintechs continue to widen access to financial and banking services. ASEAN has used this momentum to modernise payment systems at scale.

Today, there are 29 bilateral linkages using QR payments, and P2P connect many ASEAN countries and between ASEAN and key economic partners such as Japan, China, India, Hong Kong (China), and Korea. DEFA reinforces our commitment to interoperability, inclusivity, and seamless cross-border transactions. Going forward, greater interoperability of national payment systems, common technical and security standards, wider adoption of digital identity and authentication, and supportive regulatory frameworks will be important to making cross-border payments more secure, affordable, and inclusive. DEFA brings these elements together through provisions on electronic payments, authentication, digital identity, cybersecurity, consumer protection, and data protection.

Hong Kong, China's sophisticated financial ecosystem and fintech capabilities make it a natural partner here. Together, we can work toward cross-border payments that are as seamless and secure and accessible as the digital economy connecting us.

Third, trusted cross-border data flows. Data is now a critical input to economic activity. Cross-border flows enable businesses to upscale digital solutions and innovative technologies, and compete in regional and global markets. But this only works if it is matched by real safeguards for privacy, data protection, and security. ASEAN has already laid foundations through the ASEAN Model Contractual Clauses for Cross-Border Data Flows and the ASEAN Data Management Framework. These give businesses greater trust and certainty in how they manage and transfer data.

DEFA builds a stronger regional framework on top of this, with more consistency, transparency, and regulatory certainty. ASEAN and Hong Kong, China should build on these foundations toward greater regulatory

[4] E-Conomy SEA 2024, Google, Bain, and Temasek: https://services.google.com/fh/files/misc/e_conomy_sea_2025_report_combined.pdf

coherence and practical mechanisms for trusted data transfers. That will let data move securely across borders and power the next generation of digital trade and innovation.

DEFA also addresses some of the emerging issues that are increasingly important to businesses operating in a digital economy. Its provisions on source code and the location of computing facilities can help protect commercially sensitive software and algorithms, while preserving appropriate access for regulatory, judicial, cybersecurity, and public-interest purposes. At the same time, they can discourage unnecessary data-localisation requirements and give businesses greater flexibility to use cloud services and data centres across the region, while preserving legitimate public-policy and security safeguards.

Fourth, online safety and cybersecurity. Greater connectivity demands greater trust. As payment systems, businesses, data, and digital infrastructure grow more interconnected, cybersecurity becomes a basic condition for digital economic integration. This is why ASEAN is intensifying regional cooperation against online scams and threats to critical information infrastructure.

DEFA strengthens this through commitments on online consumer protection, cybersecurity cooperation, anti-scam measures, and a stronger ASEAN Regional Computer Emergency Response Team for threat-information sharing and coordinated incident response. These efforts build on ASEAN's wider cybersecurity architecture, including the ASEAN Regional CERT, the ASEAN-Japan Cybersecurity Capacity Building Centre, the ASEAN-Singapore Cybersecurity Centre, and ASEAN Cyber Shield. ASEAN is also strengthening its collective response to online scams through the ASEAN Declaration on Combatting Cybercrime and Online Scams and the ASEAN Guide on Anti-Scam Policies and Best Practices, which promote stronger cross-border cooperation, information sharing, and coordination across governments, financial institutions, telecommunications providers, and digital platforms.

This is fertile ground for deeper ASEAN–Hong Kong, China cooperation. Through capacity building, information sharing, and protection of critical digital infrastructure, we can build a digital economy that is not just more connected, but also safer, more trusted, and more resilient.

DEFA's provisions on digital identities, data protection, electronic authentication, and online consumer protection can reinforce these efforts further, making it harder for criminals to impersonate users, steal personal information, or conduct fraudulent transactions.

Fifth, emerging digital technologies, particularly artificial intelligence. AI, advanced analytics, and automation are becoming a new frontier for productivity and growth. ASEAN's ambition is not only to accelerate AI adoption, but to ensure it is trusted, responsible, safe, and inclusive. This approach is reflected in the ASEAN Guide on AI

Governance and Ethics, its Expanded ASEAN Guide on AI Governance and Ethic – Generative AI, and the emerging ASEAN AI Safety Network.

DEFA supports these efforts with a legal framework for deploying them across the region. Hong Kong, China is a potential partner as we advance responsible AI adoption, strengthen AI safety and capacity, exchange knowledge on emerging risks, and prepare our businesses and people for an AI-driven future.

DEFA can also help translate ASEAN's principles on responsible AI into practical economic cooperation. Its provisions on cooperation on AI and emerging technologies will enable Member States to share best practices, coordinate approaches, and work toward compatible policies and standards. Provisions on data innovation and financial technology cooperation can further support pilot projects and regulatory sandboxes, allowing governments and stakeholders to test innovative solutions in controlled environments. This gives ASEAN a practical way to balance an enabling environment for innovation with appropriate safeguards.

Excellencies, Ladies and Gentlemen

8. There are four other areas under DEFA that will be equally important in turning digital integration into broad-based economic opportunity.

9. **The first is cross-border e-commerce**. E-commerce is an important driver of digital transformation, particularly for MSMEs seeking to reach consumers beyond their home markets. DEFA can help create a more seamless and integrated regional e-commerce environment by simplifying customs procedures for express shipments, facilitating faster clearance, and improving transparency and predictability. This can reduce compliance costs and administrative burdens for businesses, which is particularly important for smaller firms. DEFA also reaffirms ASEAN's commitment not to impose customs duties on electronic transmissions for five years, subject to review. This provides greater legal certainty and predictability for businesses and consumers, and supports the continued growth and attractiveness of ASEAN's digital market.

10. **The second is digital identity and authentication.** ASEAN is developing a regionally comparable and recognised Unique Business Identification Number, or ASEAN UBIN, to make it easier to verify businesses across borders. DEFA can provide an important legal foundation for cross-border recognition, compatibility, and interoperability of digital identities. Connected with customs, payments, e-invoicing, and other digital trade platforms, trusted digital identities can make transactions more seamless, secure, and inclusive.

11. **The third is competition policy.** As digital platforms and ecosystems grow, ASEAN needs a fair, transparent, and competitive digital marketplace where businesses can compete on a level playing field and consumers benefit from greater choice and trust. DEFA complements ASEAN's Competition Action Plan 2026–2030 by supporting cooperation

on competition policy and digital platform competition, including issues with cross-border dimensions.

12. **The fourth is talent mobility and cooperation.** No digital economy can reach its full potential without the people and skills 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.

Excellencies, Ladies and Gentlemen,

13. DEFA marks a major step in regional digital integration. It places digital transformation firmly as a new engine of ASEAN's growth. ASEAN and Hong Kong, China should seize this momentum to build a partnership that is more connected, more innovative, and ready for what comes next.

14. I look forward to today's discussion generating concrete ideas for deepening that connectivity and to seeing where this shared vision for deeper economic cooperation takes us.

Thank You.