ASEAN INVESTMENT UPDATES 2026



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Introduction

1. This Book is about ASEAN Investment Updates for 2026. It summarises the macroeconomic, investment, and regulatory developments in individual *ASEAN Member States (AMS)* affecting investment climate for the period of second half of 2025 to first half of 2026.

2. This Book originates from the ASEAN Investment Peer Review Report which was submitted to and endorsed by the *ASEAN Economic Ministers (AEM)* – 29th *ASEAN Investment Area (AIA) Council* Meeting held on 19 September 2026 in Manila, Philippines. This Peer Review Report is prepared by the ASEAN Secretariat based on individual country reports submitted by AMS for the annual ASEAN investment peer review process, which for 2026 was conducted during the 90th Meeting of the ASEAN *Coordinating Committee on Investment (CCI)* held on 10-13 August 2026 in Bangkok, Thailand. In addition, other relevant publicly available information, as compiled by the ASEAN Secretariat, are also added and referenced to[1] in the related sections of this book.

3. The individual country reports were prepared based on a common template that features each AMS' respective macroeconomic development and investment climate as well as updates on their efforts in:

(a) improving their investment regime or the business environment;

(b) adopting policy, regulatory and institutional reforms affecting their investment climate; and

(c) negotiating and implementing investment-related international agreements.

Executive Summary

4. Despite heightened geopolitical tensions, trade policy uncertainty, and volatility in global energy markets, ASEAN demonstrated remarkable economic resilience in 2025. The region's nominal GDP reached US$4.3 trillion, while real GDP growth accelerated to 4.9 per cent (*year on year*), outperforming many advanced economies. Growth was supported by strong domestic consumption, healthy labour markets, stable inflation, robust fiscal and monetary support, and resilient external demand. ASEAN's integration into global manufacturing value chains—particularly in semiconductors and advanced electronics—helped sustain exports, while merchandise trade expanded by 13.7 per cent to US$4.4 trillion, generating a record trade surplus of US$62.6 billion. Services trade also remained strong, rising 3.7 per cent to US$1.38 trillion, supported by tourism recovery and expanding digital, financial, and logistics services.

[1] The source of those information are as quoted in the relevant footnotes.

5. ASEAN's investment performance remained equally impressive during the same period. Foreign direct investment (FDI) inflows reached US$245.7 billion in 2025, representing 10.1 per cent growth from 2024 and maintaining ASEAN's position as the largest FDI recipient among developing economies for the fifth consecutive year. The region attracted approximately 15.1 per cent of global FDI inflows, despite weaker global greenfield investment and project finance activity, driven by supply-chain diversification strategies, strong demand for AI-related technologies and semiconductors, growth in electric vehicle (EV) ecosystems, digital infrastructure, and expanding regional consumer markets. Manufacturing, information and communications technology, professional services, and advanced technology sectors emerged as major beneficiaries of this new wave of investment trend.

6. ASEAN's economic competitiveness generally continues to improve, supported by institutional reforms, business environment enhancements, stronger innovation ecosystems, and deeper regional integration. The region remains the most economically integrated subregion in Asia based on ADB's Regional Integration Index 2026, with strong performance in trade, investment, and people mobility. ASEAN Member States (AMS) are progressing across many indicators, including business efficiency, policy delivery, export competitiveness, infrastructure development, and greater participation in global value chain in the IMD World Competitiveness Ranking 2026.

7. ASEAN also strengthened its position as an emerging innovation hub. Several ASEAN economies improved their standing in the WIPO Global Innovation Index 2026, reflecting growing investments in research, technology adoption, and digital transformation. At the same time, the World Bank's B-Ready indicators showed gradual improvements in AMS business readiness through regulatory framework and operational efficiency improvements across many AMS. Notwithstanding, the performance remain uneven across AMS, particularly in terms of governance, workforce readiness, and institutional capacity.

8. AMS have been adopting forward-looking policy agenda centred on structural transformation, resilience, and future growth opportunities. In terms of development strategy, AMS continue to develop and implement medium-term development plans that prioritise infrastructure development, digital transformation, AI adoption, industrial upgrading, sustainability, and inclusive growth. Investment flows are being directed towards strategic sectors such as semiconductors, EVs, renewable energy, advanced manufacturing, and digital services, positioning ASEAN to capture opportunities arising from technology-driven restructuring of global supply chains.

9. At the same time, at the regional level, ASEAN is proactively addressing emerging challenges including climate change, workforce transformation, energy security, demographic shifts, and geoeconomic fragmentation, as reflected in recent initiatives such as the ASEAN Semiconductor Roadmap, ASEAN Digital Economy Framework Agreement (DEFA), upgraded ASEAN Power Grid, and ASEAN Sustainable Investment Guidelines. The region is also working on a coordinated response framework to strengthen economic security and address the economic uncertainties arising from geoeconomic challenges.

10. The region also continued advancing investment liberalisation. During this period, several AMS lowered barriers to market entry and expanded foreign ownership rights. Notable reforms include the **Philippines**' updated Foreign Investment Negative List (FINL), Thailand's removal of selected business restrictions, and Viet Nam's introduction of special fast-track investment procedures for strategic sectors. At regional level, ASEAN further advanced investment liberalisation through the 5th Protocol to Amend the ASEAN Comprehensive Investment Agreement (ACIA), which amongst others, transitions ACIA's reservation lists from a single-annex to a two-annex negative-list structure. This enhances transparency by distinguishing existing non-conforming measures from sectors where Member States retain flexibility to adopt future measures.

11. Individually, each AMS continued to strengthen their investment administration through institutional and regulatory reforms to improve transparency, governance, and coordination. Several AMS modernised investment agencies and approval systems, including Malaysia's consolidation of InvestKL into MIDA, Indonesia's establishment of integrated investor monitoring mechanisms, and Lao PDR's exploration of possible establishment national investment fund. These reforms support more efficient investment governance in order to improve overall investor experience.

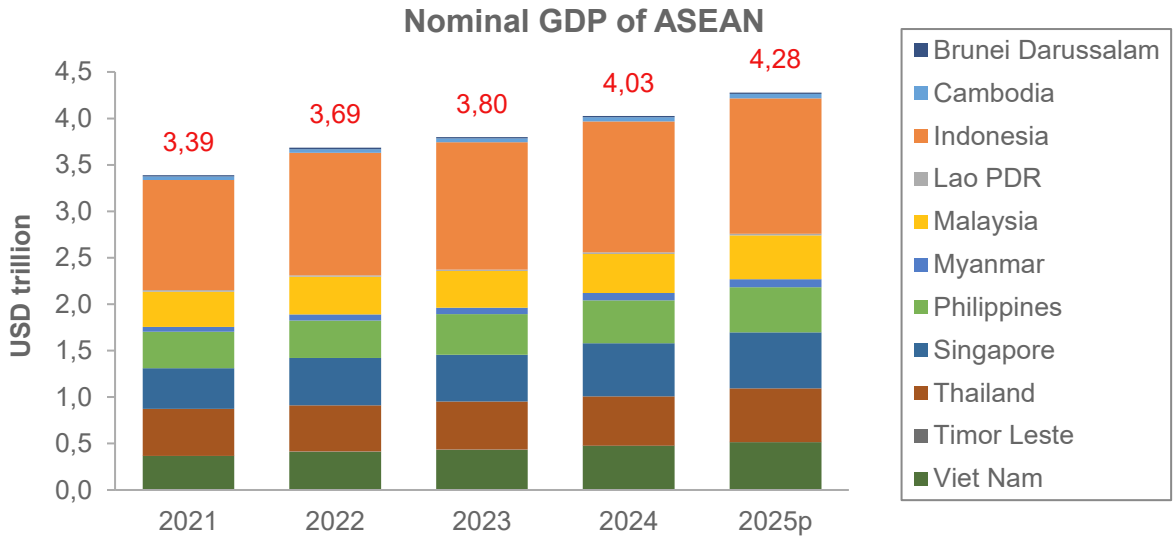
12. Investment promotion efforts are now increasingly shifted toward targeted, performance-based, and future-oriented incentives. Governments prioritised sectors towards sectors such as renewable energy, semiconductors, EVs, advanced manufacturing, digital infrastructure, AI, research and development, and green technologies. Malaysia introduced outcome-based incentive frameworks, while Viet Nam expanded preferential tax regimes for high-tech and strategic investments. Cambodia, Indonesia and Thailand also strengthened promotion programmes focusing on technology-intensive and sustainable industries. Complementing these efforts, AMS organised investment forums, semiconductor summits, and sector-specific promotion initiatives to attract high-quality investors and strengthen partnerships.

13. Investment facilitation continues to be the most notable areas of progress, with AMS significantly improving their investment regulatory landscape by reducing administrative burdens, enhancing regulatory certainty, and facilitating the movement of goods, services, capital, and talents across borders. Across AMS, governments have accelerated digitalisation efforts, streamlined licensing procedures, introduced or improved their one-stop service platforms, and adopted risk-based approval systems. Cambodia expanded its digital investment project management platform (cdcIPM), Indonesia strengthened its Online Single Submission (OSS) system and fast-track investment mechanisms, and Malaysia introduced integrated digital approval systems for expatriate applications. Meanwhile, the Philippines, Thailand, and Viet Nam implemented digitalisation and streamlined approval frameworks to improve the efficiency of their investment processes. In parallel, AMS also enhanced their special economic zones (SEZs), industrial parks, free trade zones, and financial centres, making investment procedures more efficient, predictable, and conducive to business growth.

A. Macroeconomic and Investment Development

A.1 Macroeconomic Development

14. ASEAN's macroeconomy in 2025 demonstrated continuing resilience, despite heightened global economic uncertainty. ASEAN's nominal *Gross Domestic Product (GDP)* increased to US$4.3 trillion[2] in 2025, which translates into an increase also in its real GDP growth rate of 4.9 per cent (2024: 4.8)[3], with global and advanced economies GDP growth rates at 3.4 and 1.9 per cent, respectively (2024: 3.3 and 1.8, respectively)[4]. Resilient macroeconomic development in ASEAN has been supported by milder-than-expected tariff impacts, strong Artificial Intelligence (AI)-driven semiconductor demand sustaining exports, robust intraregional trade buffering external shocks, steady domestic consumption underpinned by healthy labor market, low and stable inflation, as well as fiscal supports, and strengthening investment—particularly in advanced electronics, EVs, and digital services—amid continued FDI inflows.



(Source: ASEAN Stats)

15. Strong domestic demand supported the positive macroeconomic development. Private consumption remained a strong and reliable growth anchor, supported by healthy labor markets, rising employment, and low and stable inflation, which sustained household spending across most economies. Capital spending further reinforced this resilience, powered by FDI in sectors like advanced electronics, EVs, and digital services. The domestic demand was supported by inflation stability, driven by declining global commodity prices, contained food prices due to improved supply and favorable harvests, lower energy price pressures, while core inflation stayed moderate.

[2] All 2024 figures are preliminary numbers recorded by ASEANStats as of 1 July 2026. The numbers may have changed from previous Reports.
[3] On a weighted average basis using *Purchasing Power Parity (PPP)* GDP share, based on constant local currency value of each AMS.
[4] World Economic Outlook IMF, April 2026.

16. Both manufacturing and services sectors performed well is supporting ASEAN growth in 2025. Purchasing Managers Index (PMI) indicators reinforce this narrative, with ASEAN manufacturing PMI remaining firmly in expansion territory through 2025 and reaching record highs in early 2026 on strong new orders and output growth, while services PMI similarly points to sustained expansion alongside the recovery in tourism and strengthening domestic demand[5]. Manufacturing remains a key pillar of ASEAN's growth in 2025–2026, supported by resilient exports—particularly electronics and semiconductors—and deeper integration into global value chains, although momentum is expected to moderate in 2026 as export growth normalises following earlier front-loading and as higher energy costs and geopolitical risks weigh on production. At the same time, services sectors—especially tourism, transport, and digital services—are central to ASEAN's growth in 2025, with the normalisation of international travel boosting activity and helping offset weaker goods exports to stabilise external demand, while remaining important into 2026 despite some moderation as tourism rebounds fade and global uncertainty persists. Alongside this, ASEAN economies are shifting toward higher-value services which will benefit the region more gradually such as ICT, finance, and professional services to enhance productivity and competitiveness, while AI is highlighted as a transformative but still emerging driver of growth, with noting that realising the long-term gains from AI will require systematic improvement in AI readiness e.g. digital infrastructure, human capital, innovation capacity, and institutional strength[6].

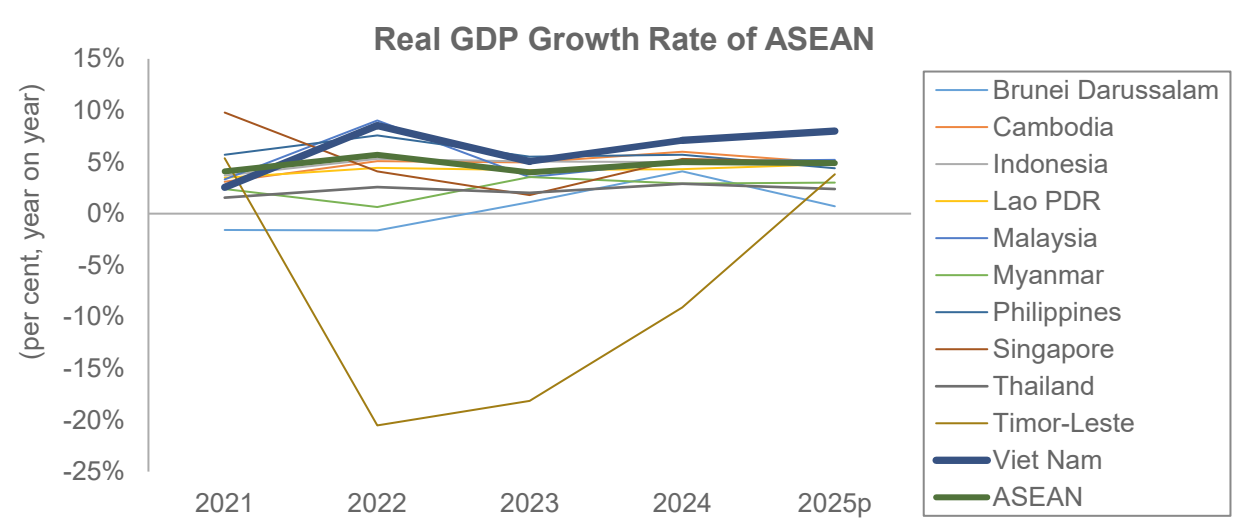
17. Fiscal and monetary policy actions have also contributed positively to ASEAN's macroeconomic development. Fiscal policy has been an active instrument, providing expansionary government spending—including rising capital expenditure, social transfers, and targeted support measures—that helped sustain domestic demand, protect vulnerable groups, and reinforce recovery momentum, despite rising public debt and tighter fiscal space. At the same time, accommodative monetary policy across most economies—through interest rate cuts and liquidity support—helped cushion growth against external headwinds, boost consumption and investment, and maintain favourable financing conditions, while still navigating diverging inflation trends and financial stability risks. Together, this combination of proactive fiscal support and broadly easing monetary policy helped underpin resilience, sustain economic activity, and provide a buffer against global uncertainties.

18. Notwithstanding, macroeconomic developments in early 2026 warrants careful attention. The US tariff measures introduced in April 2025 created a major shock to the global trading system and became a key source of uncertainty affecting ASEAN trade, investment, and supply chains. With the US firms and households front-loading foreign goods purchases along with the subsequent negotiations and legal developments that reduced the effective tariffs have mildered the impact of the policy uncertainty, the policy landscape remains fluid with ongoing risks from potential sectoral measures, legal challenges, and temporary arrangements. Other downside risks included AI and semiconductor cycle, where weaker-than-expected productivity gains could reduce investment, exports, and confidence; rising geopolitical tensions

[5] S&P Global PMI (as cited in ADB, Asian Development Outlook, April 2026)
[6] Asian Development Bank (ADB). 2026. Asian Development Outlook (April 2026). Manila: ADB.

that may drive sustained increases in global energy prices and inflation; financial market volatility linked to tightening conditions or policy uncertainty in major economies; and slower growth in key partners such as China, European Union, and the US, which could weaken trade, investment, and tourism flows.

19. Four AMS namely **Viet Nam, Malaysia, Indonesia,** and **Singapore**[7] are projected to achieve high GDP growth rates 5 per cent or above in 2025, while the other AMS are still projected to record positive development of their economies. Compared to 2024, these four AMS real GDP growth rate are expected to increase by 8.0, 5.2, 5.1, and 5.0 per cent, respectively. Meanwhile, **Cambodia, Lao PDR, Philippines, Timor-Leste, Thailand,** and **Myanmar** are projected to grow at 4.9, 4.8, 4.4, 3.8,2.4, and 3.0 per cent, respectively. AMS benefited from a powerful combination of strong external demand for export and FDI, growing domestic market, active government spending and infrastructure investment, as well as other factors such as improving business climate and implementation of Free Trade Agreements (FTAs). Meanwhile, the divergence among AMS was typically due to structural challenges, domestic fiscal constraints, and growth normalisation.



(Source: ASEANStats)

20. Improvements in external positions had provided strong buffer against global uncertainties. ASEAN merchandise trade continued to grow positively in 2025, total trade grew by 13.7 per cent in 2025 to US$ 4.37 trillion from US$ 3.84 trillion in 2024, with exports and imports grew by 14 per cent and 13.4 per cent, respectively. Both intra and extra-ASEAN trade experienced high growth of 8.4 per cent and 15.1 per cent, respectively, in 2025. Despite a sharp decline in China's exports to the US following tariff shocks, external demand for ASEAN and the broader region remained resilient, supporting strong export performance and sustained FDI inflows. While China's US-bound exports fell significantly, ASEAN exports remained broadly positive across key markets, reflecting diversification and continued global demand. This strength was particularly evident in manufacturing, where semiconductor exports remained robust throughout the year, underpinned by strong global demand for AI-

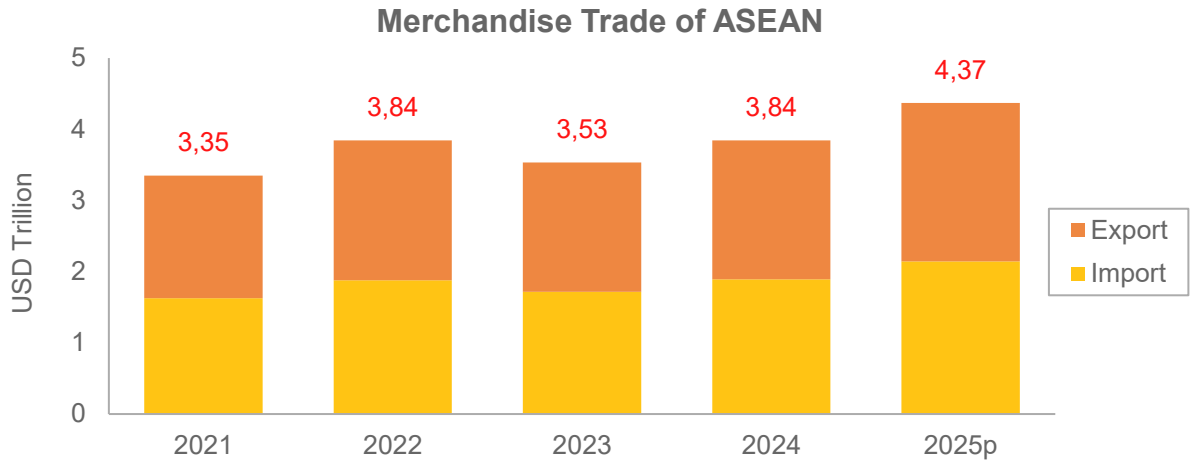
[7] https://www.adb.org/sites/default/files/publication/1017791/ado-december-2024.pdf

related infrastructure such as data centres, cloud computing, and advanced technologies. The semiconductor cycle, supported by rising capital expenditure, drove broad-based gains across regional supply chains—from advanced chip production to assembly and testing—lifting export growth across economies.

21. Besides strong global demand and increased production capacity, sustained efforts to deepen economic integration also contributes to robust trade performance in the middle of uncertainties, including through the effective implementation of internal and external FTAs which now covers around 60 per cent of global trade and benefited ASEAN through better market access, harmonised rules, and supply chain integration. In terms of trade balance, ASEAN recorded higher trade surplus of US$ 81.4 billion, compared to 2024 of US$62.6 billion, contributing further to regional GDP growth.

22. At national level[8], the positive total merchandise trade growth in 2025 was shared by almost all AMS, with **Malaysia**, **Viet Nam**, **Cambodia**, **Thailand**, **Singapore** recorded double digit growth of 31.1, 18.5, 17.9, 12.9, and 11.4 per cent *year on year*, respectively. The remaining AMS grew moderately such as **Myanmar** (7.3), **Lao PDR** (6.4), **Timor-Leste** (4.6), and **Indonesia** (0.2) except **Philippines** and **Brunei Darussalam** which recorded negative growth of 5.7 and 14.2 per cent, respectively. In terms of share of total ASEAN trade value, **Singapore** contributed for 24.5 per cent of total ASEAN trade, followed by Viet Nam (21.1 per cent), **Malaysia** (18.9 per cent), **Thailand** (15.7 per cent), and **Indonesia** (11.5 per cent). In terms of trade balance, five AMS recorded trade surplus in 2025, highlighting divergent challenges faced by AMS. Countries with robust manufacturing and global supply chain integration such as Malaysia, Viet Nam, and Indonesia, experienced positive trade performance driven by electronics and AI-related exports. Meanwhile, more commodity-dependant economies, particularly those which are net importer of energy, will continue to face greater downside risks from global uncertainty, commodity volatility and fiscal constraints.

[8]Based on ASEAN Stats, Working Group on International Merchandise Trade Statistics (IMTS) from AMS submission. Merchandise trade statistics are primarily derived from customs declarations, customs clearance records, or electronic import/export permit systems of ASEAN Member States, namely: Cambodia, General Department of Customs and Excise (GDCE); Brunei Darussalam, Royal Customs and Excise Department; Indonesia, Customs Authorities (compiled by BPS (Statistics Indonesia)); Lao PDR, Customs Department, Ministry of Finance; Malaysia, Royal Malaysian Customs Department (RMCD) and Free Zone Authorities (FZA); Myanmar, Customs Authorities (compiled by Central Statistical Organization (CSO)); Thailand, Customs Authorities (compiled by National Statistical Office of Thailand (NSO)); Singapore, Singapore Customs through TradeNet®; Philippines, Bureau of Customs (BOC); and Viet Nam, General Department of Customs (GDC).

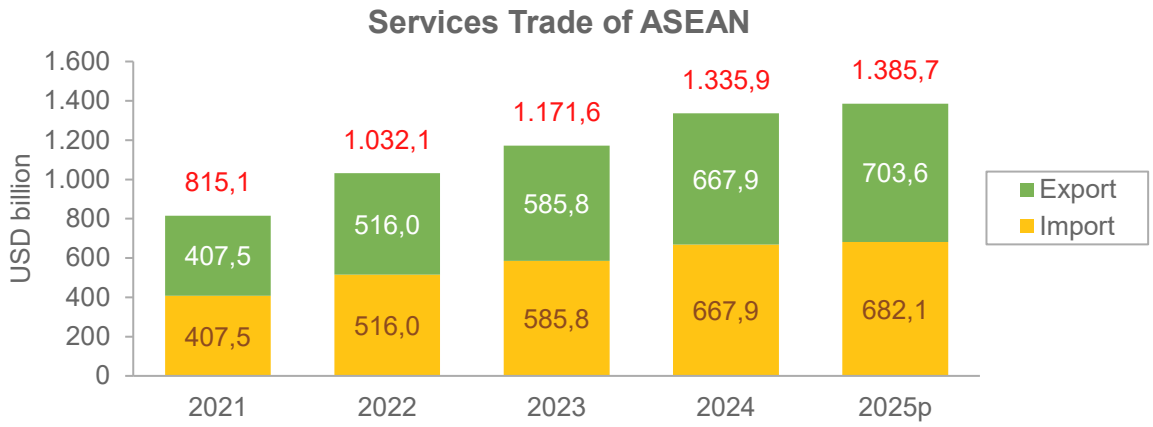


(Source: ASEANStats)

23. At the same time, services exports also contributed positively to ASEAN macroeconomic development. Aligning with the trend of trade in goods, ASEAN trade in services grew by about 3.7 per cent year-on-year to US$ 1.39 trillion in 2025. In terms of balance, ASEAN recorded trade in services surplus with export and imports reaching US$ 703.6 billion and US$ 682.1 billion or growing by about 5.3 per cent and 2.1 per cent, respectively. Services trade grew as tourism rebounded toward pre-pandemic levels and other service sectors such as industrial and financial services expanded steadily, helping to reinforce the overall external performance despite temporary disruptions, underpinned by strong ASEAN-led frameworks providing for freer flow of services including tourism, finance, and logistics services.

24. At national level[9], almost all AMS saw their total trade in services increases in 2025. **Timor-Leste, Malaysia, Lao PDR,** and **Singapore,** recorded double digit growth of 20.8, 16.7, 16.3, and 10.0 per cent, year-on-year, respectively. Meanwhile, **Indonesia, Cambodia,** and **Thailand** grew moderately at 9.1, 6.2, and 5.2 per cent, respectively, while **Viet Nam**, **Brunei Darussalam**, and **Myanmar** contracted by about 14.4, 5.9, 8.9, and 4.8 per cent, respectively. **Indonesia**'s growth is supported by strong domestic consumption and investment, while **Malaysia** benefits from diversified services linked to global trade. **Viet Nam**'s services sector is closely tied to its export-oriented economy, and the **Philippines** relies heavily on its Business Process Outsourcing (BPO) sector alongside its domestic demand. Meanwhile, **Singapore** remains an advanced services hub with strong global connection, making it central to regional services trade yet sensitive to global shifts. Key risks to ASEAN services trade in 2026 include higher energy and travel costs arising from the Middle East conflict, which affect tourism and transport-related services, geopolitical uncertainty, reducing tourist flows and weakening overall services trade, limiting fiscal space, and constraining government support especially in more vulnerable sectors.

[9] Based on ASEANstats data compiled through the ASEAN Working Group on International Trade Statistics (WGTIS) from ASEAN Member States (AMS) submissions. Trade in Services (TIS) statistics are provided by the designated national authorities of the AMS, i.e. central banks. The 2025 data are preliminary and may be revised upon receipt of updated or additional submissions from the AMS through the WGTIS.



(Source: ASEANStats)

25. Inflation across AMS remained broadly contained in 2025, though it varied by country. Most economies—**Indonesia, Malaysia, Thailand, the Philippines,** and **Singapore**—saw low to moderate inflation supported by stable demand and government measures such as subsidies and price controls in some countries, while pressures were higher in **Viet Nam** and **Myanmar** due to persistent food and energy costs. Smaller economies like **Cambodia, Lao PDR, Brunei Darussalam,** and **Timor-Leste** were also affected by imported inflation, though with less detailed variation. The main drivers of inflation in 2025 were rising input and commodity costs, especially energy, which pushed up producer prices. However, the impact on consumers was partly contained by policy measures such as fuel subsidies and price caps, while steady consumption helped prevent broader inflation spikes despite global uncertainties. Looking ahead to 2026, inflation is expected to rise across the region due to higher energy prices, rising costs, and some currency depreciation, while energy-importing economies face stronger pressures. Although some AMS have policy buffers, overall inflation risks are looming amid weaker global demand and tighter financial conditions.

Inflation Rate in ASEAN Member States (per cent y-o-y change of Consumer Price Index, period average)

	2021	2022	2023	2024	2025
Brunei Darussalam	1,7	3,7	0,4	(0,4)	(0,3)
Cambodia	2,9	5,3	*2,3*	0,8	2,5
Indonesia	1,6	*4,3*	*3,6*	*2,1*	1,9
Lao PDR	3,8	23,0	31,2	23,1	7,7
Malaysia	2,5	3,3	2,5	1,8	1,4
Myanmar	6,2	24,4	28,1	28,4	...
Philippines	3,1	4,3	6,0	3,2	1,7
Singapore	2,3	6,1	4,8	2,4	0,9
Thailand	1,2	6,1	1,2	0,4	(0,1)
Timor-Leste	3,8	7,0	8,4	2,1	0,5
Viet Nam	1,8	3,1	3,3	3,6	3,2
ASEAN	1,4	2,0	5,2	4,2	3,0

Source: ASEAN Member States' data submission from Central Banks and National Statistics Bureau, except for 2025 : Cambodia, and Lao PDR from National Central Bank website; ASEAN data are from ADB website (https://data.adb.org/dataset/inflation-rate-asia-and-pacific-asian-development-outlook)

26. In 2025, ASEAN also recorded overall current account surpluses[10] supported by commodity exports and strong trade/services flows including related to recovery in tourism. All AMS maintained adequate external reserves, while currencies generally depreciated, particularly in **Indonesia, the Philippines, Thailand**, and **Viet Nam[11],** reflecting factors such as global financial tightening and capital flow volatility, in the middle of strong import driven by domestic demand. Looking ahead to 2026, external balances are expected to remain under pressure, with deficits persisting in import-dependent economies and surpluses narrowing in exporters, while currencies face continued depreciation risks and reserves may be used to manage volatility, especially in more vulnerable economies.

27. Overall, ASEAN economy is expected to remain resilient in 2026 but moderated compared to the stronger performance in 2025, reflecting a more challenging external environment. Growth is likely to slow down due to (i) Normalisation of export growth after earlier front-loading, leading to slower momentum in 2026, (ii) Continuing trade uncertainty and tariff issues disrupting global supply chains and weakening external demand, (ii) Energy and commodity price pressures linked to geopolitical tensions, which creates supply disruption, increase import costs, inflation, fiscal pressures, alongside a global good and services trade slowdown including tourism, (iii) tighter global financial conditions and capital flow volatility, which put pressure on exchange rates, external balances, and borrowing costs, (iv) AI readiness gap (due to digital infrastructure, skills, innovation capacity) limiting near-term productivity gain, and (v) uneven recovery due to structural constraints in less diversified ASEAN economies, which adds to vulnerability. However, the region will still benefit from important buffers, especially its strong domestic demand, continued integration into global manufacturing and digital supply chains, ongoing recovery in tourism activity, progress in trade negotiations and policy predictability, structural reforms, and adequate external reserves and policy frameworks that help to cushion shocks.

28. Going forward, AMS should prioritise: (i) macroeconomic stability and resilience amidst geopolitical uncertainty, (ii) credible, well-communicated monetary policy to anchor inflation while allowing for exchange rate flexibility, (iii) fiscal policy that protect vulnerable groups with targeted support while preserving discipline, rebuilding fiscal space and improving efficiency, (iv) structural strategies to strengthen domestic demand, deepen regional integration, and enhance participation in global value chains, both in manufacturing and services; (v) advancing AI readiness and digital transformation, through investments in infrastructure, skills, innovation, and institutions, to boost productivity and enable workforce adaptation, and (vi) improving energy security, supply chain resilience, and policy predictability, together with stronger international cooperation.

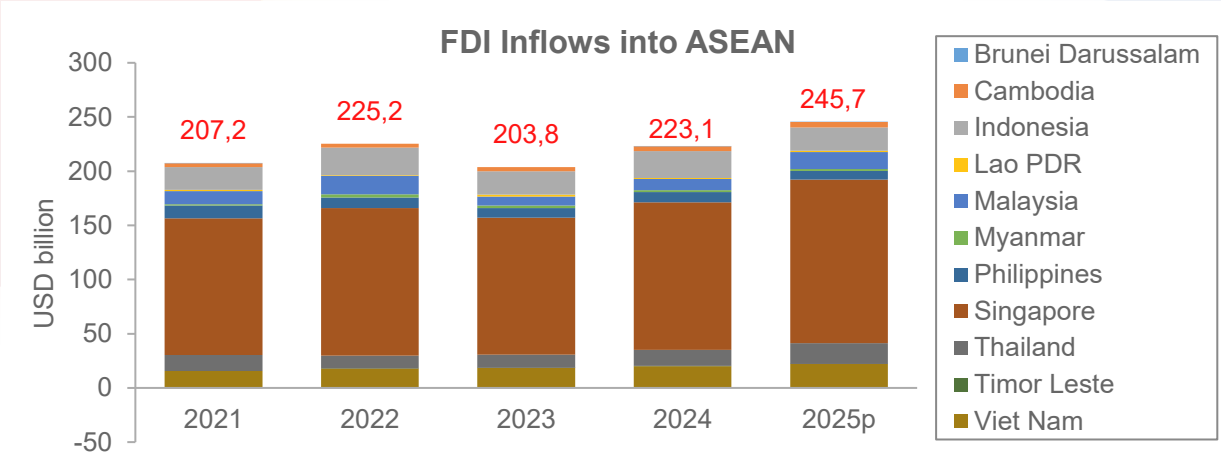
29. At the political level, ASEAN Foreign Ministers consistently called for de-escalation, adherence to international law, and diplomatic solutions, recognising that geopolitical instability threatens global peace, energy markets, and economic

[10] Source: Asian Development Outlook, April 2026, Asian Development Bank
[11] Source: Asian Development Outlook, April 2026, Asian Development Bank (see Statistical Appendix on pg. 325, Table A15 Exchange Rates to the United States Dollar, annual average)

stability[12]. At the economic level, ASEAN Economic Ministers emphasised the importance of maintaining an open, predictable, and rules-based regional trading system, resisting protectionism, and reinforcing regional supply chains and investor confidence, while closely monitoring global trade uncertainty, supply disruptions, and inflationary pressures from higher energy and logistics costs[13]. In the financial track, ASEAN Finance Ministers and Central Bank Governors continued to deepen regional integration, enhance financial safety nets (such as swap arrangements), advance capital market development, while boosting payment connectivity and digital finance with support from international partners[14]. These collective efforts culminated in the adoption of the ASEAN Leaders' Statement on the Response to the Middle East Crisis at the 48th ASEAN Summit in Cebu, Philippines on 8 May 2026.

A.2 Investment Development

30. *Foreign Direct Investment (FDI)* inflows into ASEAN is projected to rise to US$ 245.7 billion level in 2025 from US$ 223.1 billion in 2024, against heightened global uncertainty and weaker FDI outlook in terms of greenfield investment and international project finance[15]. This translates to a growth rate of 10.1 per cent (2024: 9.4 per cent). The region continues to be the largest FDI recipient in the developing countries for the fifth consecutive year. ASEAN attracted 15.1 per cent of total global FDI inflows in 2025 (2024: 14.6 per cent). This FDI growth generally reflected positive macroeconomic environment, spurred by global supply chain diversification, strong AI and semiconductor demand, rapid-growth sectors such as EVs, digital economy and data centers, regional advantages, and policy and structural supports.



(Source: ASEANStats)

[12] (1) 'ASEAN Foreign Ministers' Statement on the Situation in the Middle East', 4 March, (2) 'ASEAN Chair's Statement on the Outcomes of the Special ASEAN Foreign Ministers' Meeting on the Situation in the Middle East', 13 March 2026, and (3) 'ASEAN Foreign Ministers' Statement on the Developments in the Middle East', 13 April 2026.
[13] 'Joint Statement of the ASEAN Economic Ministers on Strengthening ASEAN's Economic Resilience in Response to Recent Global Economic and Geopolitical Developments', 13 March 2026.
[14] 'Joint Statement of the Thirteenth ASEAN Finance Ministers' and Central Bank Governors' Meeting (13th AFMGM)', 10 April 2026
[15] All data referring to global and other region's FDI in this section are from UNCTAD World Investment Report 2026

31. Global factors underpin the continued positive trajectory of FDI inflows into ASEAN. Supply chain diversification, particularly through the “China+1” strategy, has reinforced the region’s role as a preferred destination for firms seeking resilience, efficiency, and risk diversification, while strong global demand for electronics, semiconductors, and AI-related technologies has redirected FDI toward higher value-added manufacturing and digital sectors. This reflects a structural shift away from labor-intensive activities toward technology- and supply chain-oriented investment, supported by deeper integration into global and regional value chains and expanding trade agreements that enhance market access, reduce frictions, and strengthen investor confidence.

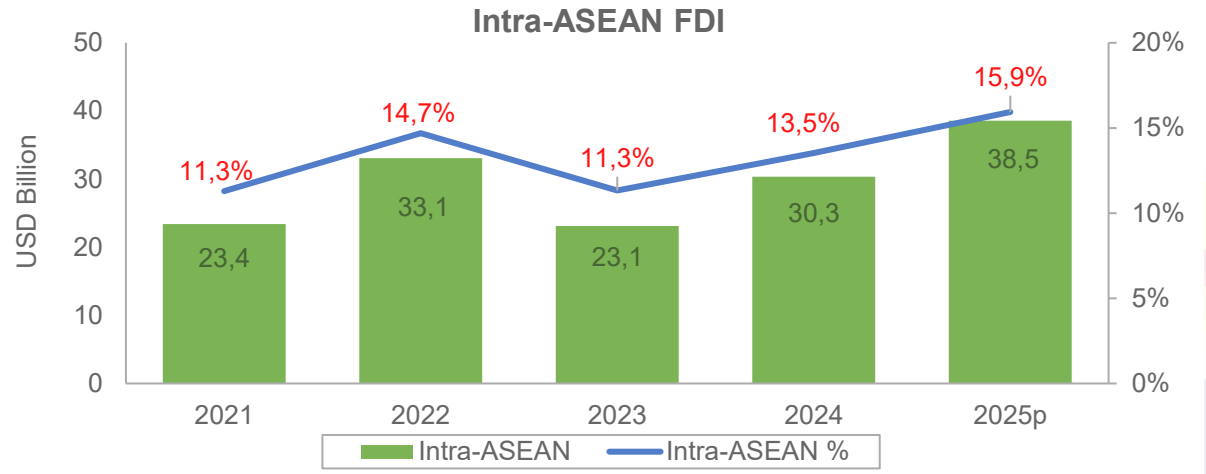
32. At the same time, ASEAN’s competitive production base, improving industrial capacity, and expanding domestic demand—driven by a growing middle class—continue to attract both export-oriented and market-seeking investment. These structural advantages are reinforced by improvements in institutional quality, infrastructure, and policy frameworks that underpin investor confidence. Macroeconomic stability, characterised by steady growth, low inflation, and adequate external buffers, provides a favorable backdrop for long-term investment decisions, even as external shocks can intermittently affect sentiment. In parallel, better access to finance and proactive policy support—through public investment, targeted incentives, and investment facilitation measures—have helped crowd in private capital and sustain FDI inflows.

33. In alignment with the regional trend, most AMS experienced positive FDI inflows growth in 2025. Almost all AMS saw FDI increases led by **Brunei Darussalam,** followed by **Malaysia, Lao PDR, Thailand, Cambodia, Singapore** which recorded at least double digit growth of 437.8 per cent *year-on-year*, 49.6, 42.1, 30.3, 16.0, and 10.8, respectively. **Singapore** attracted the highest FDI of 61.5 per cent of total ASEAN FDI Inflows in 2025, solidifying its position as global and regional FDI hub, followed by **Viet Nam, Indonesia, Thailand**, and **Malaysia** which contributed by about 9.0, 8.7, 7.8, and 6.3 per cent to total ASEAN FDI Inflows, respectively.

34. FDI developments across ASEAN in 2025 differed across countries. Core manufacturing and supply chain economies such as **Viet Nam**, **Malaysia**, **Thailand**, and **Indonesia** captured the largest share of inflows, driven by strong investment in electronics, semiconductors, Electric Vehicle (EV) supply chains, and digital infrastructure such as data centres, supported by supply chain relocation strategies like “China+1” and robust global demand for AI-related technologies. These countries also recorded notable increases in FDI approvals and project values, particularly in greenfield manufacturing and technology sectors, reflecting a broader shift toward technology- and export-oriented investment rather than traditional labor-cost advantages. Meanwhile, **Cambodia**, **the Philippines**, and **Lao PDR** saw moderate but improving inflows, largely driven by manufacturing relocation in lower-cost segments alongside investment in energy, infrastructure, and ICT, benefiting from spillovers from regional production networks and gradual integration into global value chains, marking a transition toward more diversified investment structures. In contrast, **Myanmar** experienced more subdued and variable FDI conditions, influenced by macroeconomic and political uncertainties that limit participation in higher-value and

technology-driven sectors, while **Brunei Darussalam** and **Timor-Leste** continued to receive more specialized inflows concentrated in energy and resource-based industries with relatively limited diversification.

35. In terms of sources of the FDI, intra-ASEAN FDI rose up to become the largest source of FDI in 2025, to US$ 39.6 billion or 16.1 per cent of total FDI inflows to ASEAN. **Singapore** continued to be the top sources of intra-ASEAN FDI with contribution reaching 85 per cent to total intra-ASEAN FDI in 2025, followed by **Malaysia** and **Thailand** with contribution of 5.2 and 4.4 per cent, respectively. Albeit the increase, intra-ASEAN FDI contribution remains significantly low compared to its peak level five (5) years ago of nearly 20 per cent.



(Source: ASEANStats)

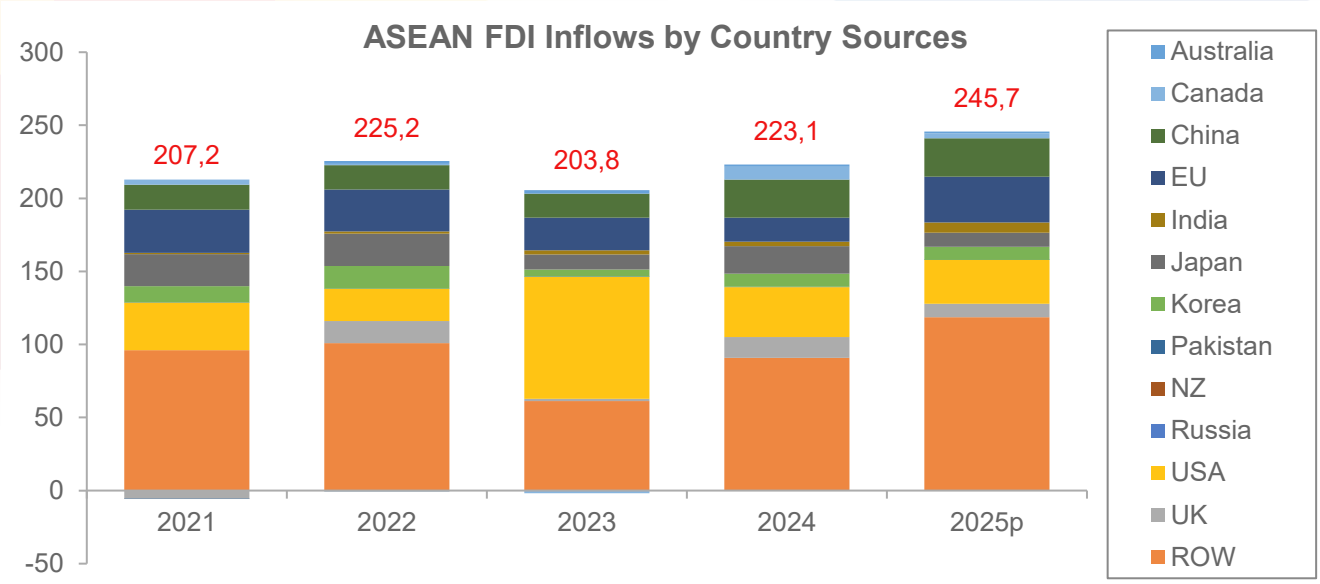
36. Top external sources of FDI into ASEAN in 2025 are EU, the US, China, and Japan in the highest to lowest order. In terms of growth in 2025, there is a mixed development among ASEAN's dialogue partners. FDI from three (3) Dialogue Partners increase led by India which recorded highest increase of 131.2 per cent, followed by the EU, New Zealand, and China with 90.8, 33, and 0.5 per cent year-on-year increases, respectively. Meanwhile, FDI from Australia, Canada, Japan, Republic of Korea, Russia, the US, and the UK contracted. The EU's investment expansion is supported by its emphasis on diversified and resilient supply chains, green investment, and strategic partnerships, while India's outward investment reflects its growing corporate expansion into regional manufacturing and services networks. New Zealand's increase, though smaller in scale, is similarly linked to regional integration and trade-led investment flows, facilitated by agreements and close economic ties within Asia-Pacific frameworks.

37. In contrast, the contraction of FDI from Australia, Canada, Japan, the Republic of Korea, Russia, the US, and the UK is largely associated with global and domestic constraints on outward investment, as well as structural shifts in investment composition. A key factor is the overall slowdown in global investment activity, with private and cross-border investment weakening amid higher uncertainty, tighter financial conditions, and elevated borrowing costs. This has particularly affected traditional major investors such as the US, Japan, and the UK, where firms have

become more cautious in overseas expansion, prioritizing domestic investments or consolidating existing operations rather than initiating new projects.

38. For China, Japan and the Republic of Korea, the moderation of growth and decline also reflects a transition in outward FDI strategies, with investments becoming more selective and concentrated in strategic sectors such as semiconductors, advanced manufacturing, and technology infrastructure. This has led to fewer but larger, more targeted projects, rather than broad-based investment expansion across ASEAN. In China's moderation of growth case, additional factors include domestic economic adjustments, regulatory tightening, and a more cautious approach to capital outflows, all of which have moderated outward FDI. Similarly, Japanese and Korean firms have faced cost pressures and global demand uncertainties, leading to a recalibration of overseas investment plans.

39. The contraction from resource-oriented investors such as Australia and Canada is partly linked to commodity price volatility and shifting energy investment patterns, including slower momentum in global project finance and renewable energy investment. At the same time, Russia's decline reflects geopolitical tensions and sanctions-related constraints that have significantly limited outward investment capacity. Meanwhile, for investors like the US and the UK, global uncertainties—including geopolitical tensions, trade policy risks, and financial market volatility—have reduced appetite for new cross-border projects, especially in emerging markets.

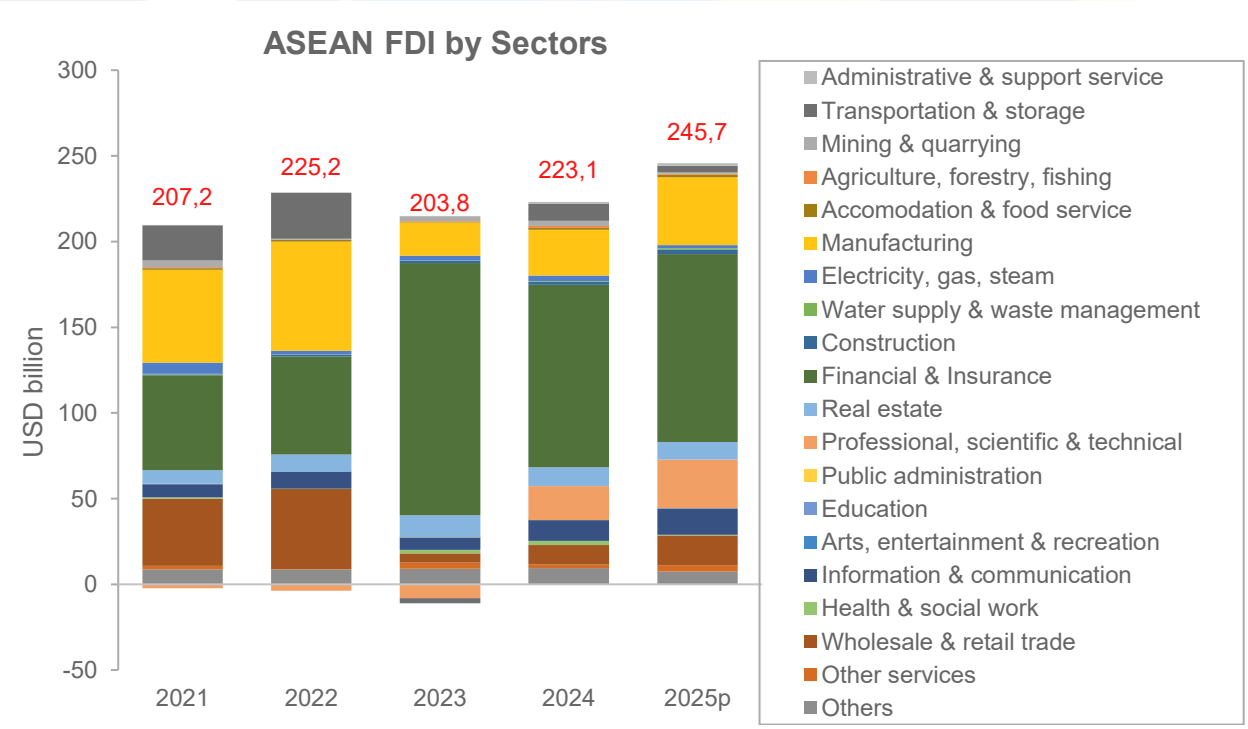


Source: ASEANStats

40. Sector-wise, FDI into ASEAN in 2025 mostly flew into financial and insurance which accounted for 44.6 per cent of total FDI Inflows, followed by manufacturing which accounted for 16.1 per cent, professional, scientific, and technical activities at 11.6 per cent, wholesale and retail trade at 7.0 per cent, and Information and Communication at 6.2 per cent. Among these top recipients, Wholesale and retail trade, manufacturing, and professional, scientific, and technical activities, and recorded highest growths at 50.3 per cent, 48.4 per cent, and 43.8 per cent,

respectively. The trend reflects the changing sectoral composition of FDI. ASEAN is increasingly attracting investment in high-technology and digital sectors, such as AI, semiconductors, and data infrastructure.

41. In addition to the top 5 sectors contributing to region-wide FDI inflows, more sectors are contributing to AMS in 2025 such as mining and quarrying in **Indonesia** and **Malaysia**, construction and real estate in **Cambodia, Indonesia,** and **Myanmar**, electricity in **Lao PDR** and **Myanmar**, and other services activities in **Thailand**[16]. Manufacturing and finance led the annual growth in **Cambodia**, **Malaysia**, **Philippines**, and **Thailand**[17]. Aligning with the regional level, countries with firms already positioned in high-technology and digital sectors—and actively seeking diversification opportunities—have increased their investments, while those with stronger exposure to traditional sectors such as energy, basic manufacturing, or services have seen relatively weaker flows. This shift also explains why investment is becoming more concentrated and selective, rather than broadly expanding across all source countries.



(Source: ASEANStats)

42. The resilience of ASEAN's FDI performance in 2025 is supported by increasing global FDI for the first time after two consecutive years of decline. Another supporting factor is global announced greenfield projects and international project finance deals which grew positively about 1 and 3 per cent in value, respectively, however hold by a decrease in value of cross-border Merger and Acquisition by 7 per cent. The increase in greenfield investment was most evident in services, particularly in ICT, however the tariff-exposed GVC intensive sectors like manufacturing, particularly electronics,

[16] Source: ASEANStats
[17] Source: ASEANStats, many AMS data is still to be updated for this sector.

automotive, metal products, refined petroleum, and textiles recorded decreases. Meanwhile,

43. In terms of international investment trend, ASEAN hosted 80 per cent M&A sales of developing economies in 2025, and grew about 6.5 per cent year-on-year. Meanwhile, greenfield investment announcement contracted at 10 per cent. International project finance which mostly consist of infrastructure grew positively in 2025 in value terms, showing improvement of global project financing role in development related to Sustainable Development Goals (SDGs).

44. In 2025, ASEAN greenfield FDI was mostly hosted by Viet Nam (23 per cent), Malaysia (21 per cent), Singapore (16.6 per cent), Thailand (16.1 per cent), and Indonesia (14.1 per cent). Meanwhile, in terms of growth, the highest growth rate was witnessed by Myanmar, Brunei Darussalam, Cambodia, and Viet Nam which grew 2.475, 277.1, 9.5, and 8.1 per cent, respectively. Two AMS made it to the top 10 greenfield projects announced in 2025 by value, which are Singapore and Viet Nam's semiconductor projects[18].

45. ASEAN's FDI outlook for 2026 remains resilient but increasingly selective and uneven across countries. While easing financing conditions and sustained demand for digital technologies continue to provide support, downside risks—particularly geopolitical tensions, energy price volatility, and global investment uncertainty—are expected to moderate overall project activities. As a result, ASEAN is likely to exhibit a more differentiated FDI landscape, where economies with stronger integration into global supply chains, better infrastructure, and more robust institutional frameworks continue to attract higher-value investment—especially in semiconductors, EV ecosystems, and digital infrastructure—while others experience a more gradual pace of inflows. Overall, ASEAN is moving toward a "two-speed" FDI structure, where more advanced economies capture technology-intensive investment and others benefit from ongoing relocation in lower-cost manufacturing, with future outcomes increasingly influenced by domestic reforms, infrastructure quality, and integration into evolving global value chains.

46. In this regard, ASEAN should proactively respond to emerging policy developments and global structural shifts, addressing near-term risks while positioning the region to capture future growth opportunities. Strengthening and modernising the regional investment ecosystem will be essential to enhance ASEAN's competitiveness, resilience, and attractiveness as an investment destination. These efforts should be pursued in alignment with the implementation of the AEC Strategic Plan 2026–2030 and the ASEAN Community Vision 2045, ensuring that regional integration, regulatory coherence, and sustainable economic transformation remain at the core of ASEAN's long-term development agenda.

[18] Source: UNCTAD World Investment Report 2026 (see Annex Table 14: Value of announced greenfield FDI projects, by destination, 2003-2025, https://unctad.org/system/files/non-official-document/wir26_tab14.xlsx)

A.3 Economic Competitiveness

47. ASEAN's economic competitiveness continues to improve, as evidenced by its stronger business environments, deeper regional integration, advancing innovation capabilities, and sustained investor confidence. The region remains the most integrated region in Asia, benefitting from ongoing global supply-chain diversification, and is increasingly attracting investments linked to innovation, digitalisation, and higher-value activities. Recent improvements in income levels, innovation performance, and intangible asset development also point to a gradual shift towards more knowledge-based and competitive growth models across ASEAN. However, performance has been consistently uneven across AMS, particularly in terms of institutional quality, governance, public service delivery, regulatory implementation, innovation capabilities, and workforce readiness.

48. The *IMD World Competitiveness Ranking 2026*[19] identified institutional quality, policy consistency, and business efficiency as increasingly important drivers of competitiveness, while also highlighting a widening gap between stronger reform-oriented economies and those facing persistent structural challenges. **Singapore** strengthened its position, rising from 2nd to 1st globally (score: 100.0), supported by significant improvements in business efficiency and sustained strengths in government efficiency and infrastructure. **Malaysia** continued its upward trajectory, climbing from 23rd to 15th globally (score: 81.9), driven by gains in government efficiency, business legislation, and the overall investment climate. In contrast, **Thailand** and **Indonesia** recorded weaker performances, ranking 24th (score: 71.1) and 48th (score: 57.6) respectively, with Thailand continuing to face challenges in government efficiency and innovation capacity, while Indonesia's decline reflected regulatory uncertainty, infrastructure constraints, and weaker business efficiency. **The Philippines** ranked 51st globally, showing modest improvement supported by infrastructure development and economic resilience, while **Viet Nam** advanced to 25th globally (score: 70.6), benefiting from strong export performance and integration into global supply chains, although institutional and infrastructure gaps remain key constraints.

49. In the World Bank's *Business Ready (B-READY) 2025* report[20], ASEAN economies generally showed incremental progress in business readiness compared to the previous year, despite uneven performance especially across institutional strength, service delivery, and implementation capacity. The index, which assesses 10 topics across a firm's lifecycle under three pillars (Regulatory Framework, Public Services, and Operational Efficiency), indicates that reforms have strengthened regulatory structures but gaps remain in implementation. **Singapore** records relatively strong performance across all pillars, with scores of 77.64 in Regulatory Framework, 75.27 in Public Services, and 79.25 in Operational Efficiency, reflecting a well-established and efficient business environment. **Indonesia** records 65.61 in

[19] IMD World Competitiveness Center. (2026). *World competitiveness ranking*. Retrieved June 18, 2026, from https://www.imd.org/centers/wcc/world-competitiveness-center/rankings/world-competitiveness-ranking/

[20] World Bank. (2025). *Business ready 2025*. World Bank. https://openknowledge.worldbank.org/server/api/core/bitstreams/77ab6e06-9934-435c-a84e-03a4c99bbe48/content

Regulatory Framework, 62.00 in Public Services, and 59.01 in Operational Efficiency, indicating relatively balanced performance but continued implementation constraints. **Viet Nam** performs strongly in Operational Efficiency (70.44), alongside 67.03 in Regulatory Framework and 53.93 in Public Services, suggesting remaining gaps in service delivery. **The Philippines** shows comparatively higher Regulatory Framework performance (73.86) but weaker Operational Efficiency (51.45) and Public Services (57.82), pointing to challenges in translating regulations into practice. **Cambodia**'s scores—63.06 in Regulatory Framework, 43.14 in Public Services, and 56.17 in Operational Efficiency—highlight constraints particularly in public service provision. **Timor-Leste** records 42.78 in Regulatory Framework, 24.20 in Public Services, and 41.58 in Operational Efficiency, indicating more limited institutional capacity.

	Pillar I Regulatory Framework	Pillar II Public Services	Pillar III Operational Efficiency
Cambodia	63.06 (2024: 62.94)	43.14 (2024: 39.14)	56.17 (2024: 60.66)
Indonesia	65.61 (2024: 63.98)	82.00 (2024: 63.44)	59.01 (2024: 61.31)
Philippines	73.82 (2024: 70.68)	50.08 (2024: 50.80)	51.45 (2024: 57.95)
Singapore	77.64 (2024: 72.37)	75.27 (2024: 70.40)	79.25 (2024: 87.33)
Viet Nam	67.03 (2024: 66.81)	53.93 (2024: 53.41)	70.44 (2024: 72.78)
Timor-Leste	42.78 (2024: 46.21)	16.84 (2024: 23.80)	40.22 (2024: 44.83)

Source: World Bank's B-Ready 2025 Report

50. The recently released *ADB's Regional Integration Index (RII)*[21], which is ADB's composite measure of the depth of regional integration, assessing economies and regional groupings across eight dimensions: trade and investment; money and finance; regional value chains; infrastructure and connectivity; people and social integration; institutional arrangements; technology and digital connectivity; and environmental cooperation. Based on ADB's Asian Economic Integration Report 2026, ASEAN remained the most integrated regional grouping in Asia-Pacific in 2023, with an overall Asia-Pacific Regional Cooperation and Integration Index (ARCII) score of 0.468, up from 0.424 in 2006, representing a net increase of about 10%. ASEAN not only outperformed all other major Asia-Pacific subregions, including East Asia (0.467), Southeast Asia as a whole (0.448), Australia and New Zealand (0.449), Central and West Asia (0.400), and South Asia (0.342), but also ranked ahead of all major subregional initiatives such as Greater Mekong Subregion (GMS) (0.453), Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) (0.424), Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) (0.409), Central Asia Regional Economic Cooperation (CAREC) (0.399), South Asia Subregional Economic Cooperation (SASEC) (0.370), Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) (0.359), and South Asian Association for Regional

[21] Asian Development Bank (ADB). (2026). *Asian economic integration report 2026: Leveraging regional cooperation and integration to navigate global uncertainties*. https://www.adb.org/sites/default/files/publication/1126916/asian-economic-integration-report-2026.pdf

Cooperation (SAARC) (0.345). Looking at the composition of ASEAN's integration profile and over the years, ASEAN's strongest areas are institutional arrangements, people-to-people integration, infrastructure connectivity, and regional value chains, while environmental cooperation remains comparatively weaker. Relative to other Asia and Pacific subregions and subregional cooperations, ASEAN exhibits the most balanced and consistently high integration profile across all major dimensions.

51. AMS performance in terms of innovation generally improved in 2025 under WIPO's *Global Innovation Index (GII) 2025*[22], which ranks 139 economies based on a broad set of indicators covering innovation inputs and outputs. **Singapore** ranked 5th globally, followed by **Malaysia** (34th), **Viet Nam** (44th), **Thailand** (45th), **the Philippines** (50th), and **Indonesia** (55th), all of which placed within the top half of the global rankings and reflect continued progress in strengthening their innovation ecosystems. Viet Nam and the Philippines are recognised among the fastest-rising middle-income economies in innovation performance, while Indonesia has maintained steady improvements and consolidated its position in recent years. In contrast, lower-income ASEAN members continue to lag behind, with Brunei Darussalam ranked 88th, Cambodia 100th, and Lao PDR 109th, reflecting persistent gaps in innovation capacity, particularly in areas such as research systems, technological capabilities, and business sophistication. The GII 2025 highlights that ASEAN is rising as a dynamic innovation region, with several economies closing the gap with global leaders, although performance remains uneven across countries. While progress is evident in strengthening innovation ecosystems and advancing technology adoption, the findings suggest the need for continued investment in research, human capital, and innovation infrastructure, alongside more inclusive and coordinated policy efforts to sustain long-term innovation-driven growth.

52. AMS credit ratings remains stable, with Indonesia, Malaysia, the Philippines, Singapore, and Thailand continue to maintain investment-grade ratings from major credit rating agencies such as Fitch Ratings and S&P Global Ratings, while Malaysia and Singapore retain strong A-level ratings and above. Nevertheless, recent outlook revisions point to emerging downside risks. Fitch has highlighted concerns related to fiscal pressures, policy uncertainty, and external vulnerabilities, particularly in trade-dependent economies that remain exposed to global economic shocks. Recent rating actions by major agencies also suggest a growing divergence in outlooks across ASEAN economies, reflecting differences in fiscal positions, economic resilience, reform progress, and exposure to external risks. **The Philippines'** Standard & Poor's rating of BBB+ with a positive outlook was maintained on 27 November 2025, while Fitch revised the Philippines' outlook from stable to negative on 20 April 2026. **Indonesia**'s Fitch outlook was similarly revised from stable to negative on 4 March 2026 while its Standard & Poor's credit rating was affirmed BBB stable as of 30 July 2025, and **Thailand**'s Fitch outlook was downgraded from stable to negative on 24 September 2025, although Standard & Poor's affirmed Thailand's BBB+ rating with a stable outlook on 17 June 2026. Meanwhile, **Malaysia**'s Standard & Poor's rating was

[22] World Intellectual Property Organization (WIPO). (2025). *Global innovation index 2025*. https://www.wipo.int/web-publications/global-innovation-index-2025/assets/89507/global-innovation-index-2025-en.pdf

maintained at A- with a stable outlook on 19–20 September 2025, reflecting continued resilience.

53. The recent Transparency International's *Corruption Perceptions Index 2025*[23], ranks 182 countries and territories based on perceived public sector corruption using multiple expert and business-based sources and scores ranging from 0 (highly corrupt) to 100 (very clean).**Singapore** scored 84 and ranked 3rd globally; **Brunei Darussalam** 63 (23rd=); **Malaysia** 52 (47th=); **Timor-Leste** 44 (72nd=); **Viet Nam** 41 (80th=); **Indonesia** 34 (99th=); **Lao PDR** 34 (99th=); **Thailand** 33 (105th=); **Philippines** 32 (107th=); **Cambodia** 20 (158th=); and **Myanmar** 16 (168th=). Compared with 2024, Brunei Darussalam (+3), Malaysia (+2), Lao PDR (+1), and Viet Nam (+1) recorded improvements, while Indonesia (-3), Cambodia (-1), Thailand (-1), and Philippines (-1) saw slight declines; Singapore, Timor-Leste, and Myanmar remained unchanged.

54. All AMS require reskilling to bridge gaps in jobs market. *The World Economic Forum Future of Jobs Report 2025*[24], surveying 1,000+ employers across 55 economies, projects 170 million new jobs and 92 million job losses by 2030, driven by technology (AI, robotics), green transition, economic uncertainty, demographics, and geoeconomic shifts. Across ASEAN, workforce transformation is being driven by a common set of forces: digitalisation, sustainability-related investments, and growing economic uncertainty, with most countries reporting significantly higher exposure to these trends than the global average. Digital access is the leading transformation driver across Southeast Asia, particularly in Indonesia (83%), Malaysia and the Philippines (79%), Singapore (71%), Viet Nam (69%), and Thailand (68%). Sustainability is also gaining importance, especially in Thailand (76%), Indonesia (67%), the Philippines (67%), and Viet Nam (66%). Meanwhile, economic pressures are most pronounced in Thailand (73%), Indonesia (63%), and Viet Nam (59%), while Singapore (64%) and Malaysia (59%) are more exposed to geopolitical and trade-related disruptions. Talent attraction in industry remain significant barrier across the region, such as in Thailand (62%) and Indonesia (48%), while infrastructure constraints are evident in Viet Nam (55%) and the Philippines (49%). In Singapore, key barriers include skills gaps (60%), resistance to change (44%), and regulatory complexity (38%).

55. ASEAN's future competitiveness will increasingly depend on its ability to build resilience and adapt to a rapidly evolving risk landscape. Based on *WEF Global Risks Report 2026*[25], globally, geoeconomic confrontation is identified as the most immediate risk (18% of respondents), followed by state-based armed conflict (14%), extreme weather events (8%), misinformation and societal polarization (7%), economic downturn (5%), and technology-related risks including adverse AI outcomes (4%). Among ASEAN countries observed, the most significant risks are predominantly

[23] Transparency International. (2026). *Corruption perceptions index 2025*. https://files.transparencycdn.org/images/CPI-2025-Report-EN.pdf
[24] https://reports.weforum.org/docs/WEF_Future_of_Jobs_Report_2025.pdf
[25] World Economic Forum. (2026). *The global risks report 2026*. https://reports.weforum.org/docs/WEF_Global_Risks_Report_2026.pdf (see pg. 8 and 9 for global figures referenced in this section, as well as pg. 82-90 for AMS countries observed)

economic in nature, including unemployment and lack of economic opportunities, economic slowdown, debt burdens, and geoeconomic tensions, underscoring the importance of strengthening ASEAN's economic resilience, workforce competitiveness, and capacity to navigate global uncertainties.

56. According to *UNCTAD's World Investment Report 2026: International Investment in a Turbulent Era*[26], ASEAN countries generally move toward more active and strategic investment policymaking. Developing Asia was the most active region in 2025, with investment policies increasingly focused on industrial upgrading, digital transformation and green investment. While investment measures remained predominantly supportive of investors, the share of investor-friendly measures in developing economies declined from 85 per cent in 2024 to 78 per cent in 2025, reflecting a more selective approach. Globally, 73 per cent of the 229 investment policy measures adopted in 2025 were favourable to investors, compared with 27 per cent that were restrictive. Within ASEAN, countries including **Malaysia, Thailand, Viet Nam, Indonesia** and **Singapore** continued to strengthen their investment regimes through targeted incentives, investment facilitation reforms, digital approval systems, special economic zones and/or selective liberalization aimed at attracting investment into priority sectors such as semiconductors, digital infrastructure, electric vehicles, advanced manufacturing and renewable energy.

57. According to *Kearney's World Recalibrating: The 2026 FDI Confidence Index*, ASEAN economies are increasingly viewed as attractive destinations in a world where investors are recalibrating their strategies in response to geopolitical tensions, industrial policy and technological competition. The report highlights a growing preference for markets that combine innovation capacity, supply-chain resilience and geopolitical relevance, with ASEAN benefiting from ongoing China+1 diversification strategies and the rising importance of "middle-power" economies. Reflecting this trend, **Singapore** climbed to 8th place in the global FDI Confidence Index—its highest ranking since 2012—while **Thailand** and **Malaysia** recorded notable improvements, ranking 6th and 7th respectively in the Emerging Markets Index. The report also notes that technological and innovation capabilities are now among the most important factor influencing FDI decisions (18 per cent), ahead of regulatory efficiency and economic performance (14 per cent each), suggesting that ASEAN countries with strong technology ecosystems, skilled labour and advanced manufacturing bases are increasingly well positioned to attract future investment. The FDI Confidence Index is a forward-looking survey of 507 senior executives from global companies with annual revenues above US$500 million, ranking the markets they are most likely to invest in over the next three years, whereas the Emerging Markets Index applies the same methodology but focuses only on emerging economies.

58. **Viet Nam** and **the Philippines** were upgraded by the World Bank from lower-middle-income to upper-middle-income status in 2026[27], meaning that all five (5) major ASEAN economies—Singapore, Malaysia, Thailand, Viet Nam and the Philippines—

[26] https://unctad.org/system/files/official-document/wir2026_en.pdf
[27] https://blogs.worldbank.org/en/opendata/who-moves-up-and-why--a-closer-look-at-the-new-world-bank-group-

are now classified as upper-middle-income or above. The upgrade reflects years of strong economic growth, with the World Bank attributing Viet Nam's progress to its export-led development model and the Philippines' broad-based expansion across multiple industries. Their 2025 gross national income (GNI) per capita reached US$4,970 and US$4,850 respectively, exceeding the World Bank's upper-middle-income threshold of US$4,636. While the new classification may gradually reduce access to concessional development financing, it is expected to strengthen investor confidence and improve market perception by signalling stronger economic fundamentals and greater self-sufficiency. More broadly, the development reinforces ASEAN's emergence as a more mature economic bloc, with a larger share of its members now viewed as capable of attracting investment on the basis of growth prospects, industrial capabilities and improving economic resilience rather than development assistance.

59. *The WIPO–Luiss Business School (LBS) World Intangible Investment Highlights 2026*[28] signals a major shift in the global economy toward knowledge- and innovation-driven growth, finding that global investment in intangible assets—such as software and databases, R&D, brands, design, organizational know-how, and skills—has exceeded USD 10 trillion in 2025 and has grown 3.6 times faster than tangible investment since 2008. Among the 29 economies covered in the Global INTAN-Invest Database which is basis for this report, only one AMS included which is **the Philippines**. The Philippines recorded approximately USD 49 billion in intangible investment in 2022, growing 3.9 per cent annually over 2012–2022, with R&D investment increasing more than six-fold and software and database investment more than five-fold (18.3 per cent annually), among the strongest growth rates in the dataset. The report reinforces the importance of policies that support innovation ecosystems, digital infrastructure, R&D, talent and skills development, intellectual property creation, branding, and firm-level organizational upgrading, as these intangible assets are becoming key determinants of productivity, value creation, and the attractiveness of economies for higher-value FDI.

60. According to *McKinsey Global Institute's 2025 report*, *"The FDI Shake-Up: How Foreign Direct Investment Today May Shape Industry and Trade Tomorrow"*[29], the global investment landscape is undergoing a significant shift towards what the report terms "future-shaping industries" and the resources that power them. These include semiconductors, artificial intelligence (AI) infrastructure, data centres, EVs and batteries, advanced manufacturing, clean energy, and critical minerals. Since 2022, around three-quarters of announced global greenfield FDI has been directed towards these sectors and related resource industries, reflecting the growing importance of technology, innovation, and strategic industrial capabilities in driving investment decisions. The report also highlights the increasing role of large-scale investment projects, noting that megadeals valued at more than US$1 billion, while representing only a small share of total projects, now account for approximately half of global greenfield FDI value. The report further characterises the evolving FDI landscape

[28] https://www.wipo.int/web-publications/world-intangible-investment-highlights-2026/en/index.html
[29] https://www.mckinsey.com/mgi/our-research/the-fdi-shake-up-how-foreign-direct-investment-today-may-shape-industry-and-trade-tomorrow

through three distinct dynamics of “expansion”, “reconfiguration”, and “retreat”. Investment is expanding in areas such as AI infrastructure, data centres, and critical minerals; reconfiguring in semiconductors, EVs, batteries, advanced manufacturing, and energy as multinational enterprises seek to diversify supply chains and strengthen resilience; and retreating from some conventional manufacturing and services activities. At the same time, geopolitical considerations are increasingly influencing investment patterns, with advanced economies directing more investment towards geopolitically aligned partners, while many emerging economies continue to attract investment from across the geopolitical spectrum.

B. Economic Policy Development

61. This section covers the development, adoption and implementation of laws, regulations, roadmaps, master plans, and various other policy instruments to guide and address specific economic development issues across ASEAN. AMS continue to advance broad-based economic development strategies focused on growth, resilience, and structural transformation, guided by medium-term national plans. Common priorities include strengthening infrastructure and connectivity, enhancing regulatory frameworks, and implementing energy and financial reforms to improve economic stability and resilience. At the same time, AMS are promoting industrial upgrading in sectors such as semiconductors and EVs, alongside accelerating digital and AI development. Combined with stronger sustainability commitments and external cooperation, these efforts aim to create a more competitive, resilient, and investment-friendly environment in attracting quality investment and support inclusive, long-term growth.

B.1 National Development Plans

62. AMS continues to develop and adopt policy frameworks, roadmaps, master plans, and related instruments to guide and address their evolving economic and structural challenges. Recent plans in Lao PDR, Malaysia, Singapore and Viet Nam focus on strengthening economic resilience, accelerating digital and technological transformation, enhancing governance and institutional effectiveness, promoting innovation and productivity, supporting sustainable and inclusive growth, and improving regional and global connectivity.

63. On 6 January 2026, **Lao PDR** presented the draft 10th five-year National Socio-Economic Development Plan for the 2026–2030 period at the opening session of the 12th National Congress of the Lao People’s Revolutionary Party (LPRP). The plan aims to achieve average annual economic growth of at least 6 per cent, support Laos’ graduation from Least Developed Country (LDC) status, and build a more independent and self-reliant economy. To achieve these objectives, the government has identified three priority reform area: accelerating the digitalisation of state administration, strengthening self-reliance among citizens, and improving transparency in natural resource management, six strategic objectives and 26 key programmes spanning economic development, human resource development, livelihoods, environmental

protection, connectivity and public administration reform. In addition, the plan prioritises infrastructure development to strengthen regional and international connectivity, with an emphasis on expanding public–private partnership (PPP) cooperation[30].

64. **Malaysia** introduced the Thirteenth Malaysia Plan (13MP) for 2026–2030 on 31 July 2025 under the theme "Redesigning Development," aimed at uplifting livelihoods and restructuring the national economy in line with the MADANI Economic framework. The plan is anchored on three core pillars—strengthening good governance, raising the economic ceiling, and raising the social floor—supported by nine key initiatives designed to enhance public service delivery, accelerate digital transformation through AI, and promote high-value industries and strategic sectors. It also emphasises balanced regional development, stronger global economic engagement, and rural growth to ensure inclusive progress across all areas. On the social front, the plan prioritises addressing cost-of-living challenges, reforming education and social systems, improving quality of life, and advancing social justice and equal opportunities for all communities[31].

65. On 16 September 2025, following The President's Address at the First Session of the 15th Parliament on 5 September 2025, the **Singapore** Government published "Refreshing our Economic Blueprint", setting out key policy priorities and initiatives across the Ministry of Trade and Industry (MTI), Ministry of Manpower (MOM), Monetary Authority of Singapore (MAS) and National Research Foundation (NRF). The policy agenda focuses on strengthening Singapore's competitiveness through the green and digital economy, AI, advanced manufacturing and international trade links; enhancing workforce resilience through AI readiness, skills development and labour market reforms; reinforcing Singapore's position as a trusted and innovative financial centre through financial sector innovation, anti-scam measures, tokenisation and sustainable finance initiatives; and advancing the country's research, innovation and enterprise ecosystem under the forthcoming RIE2030 plan, with continued emphasis on semiconductors, biomedical sciences, AI and deep-tech capabilities[32].

66. On 23 March 2026, **Timor-Leste**'s Minister of Trade and President of the Chamber of Commerce and Industry of Timor-Leste signed a joint commitment to strengthen private sector-led economic growth. The agreement focuses on five key measures: improving the business environment through regulatory and digital reforms; promoting investment and economic diversification; expanding access to finance for businesses, particularly MSMEs; improving market access through exports, foreign investment and integration into regional value chains; and establishing a permanent public-private dialogue mechanism to support reform implementation and enhance Timor-Leste's competitiveness as it advances its ASEAN and WTO integration[33].

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[30] https://kpl.gov.la/En/detail.aspx?id=96416

[31] https://www.investmalaysia.gov.my/resources/latest-announcements/presentation-of-the-thirteenth-malaysia-plan-13mp-2026-2030-redesigning-development-bahasa-malaysia/

[32] https://www.gov.sg/explainers/parliament-refreshing-our-economic-blueprint/

[33] https://timor-leste.gov.tl/?p=47972&lang=en&n=1

67. On 24 April 2026, **Viet Nam**'s National Assembly adopted Resolution No. 25/2026/QH16 on the "Five-Year Socio-Economic Development Plan for 2026–2030", establishing the country's medium-term development strategy. The Resolution sets targets including average annual GDP growth of at least 10 per cent, GDP per capita of around US$ 8,500 by 2030, and positioning Viet Nam among the world's top 30 economies, alongside improvements in industrial capacity and living standards. Key implementation measures include accelerating administrative and regulatory reforms, strengthening decentralisation, promoting science and technology, expanding digital infrastructure and AI adoption, upgrading transport and energy networks, supporting private sector development and high-quality FDI, improving education and workforce skills, enhancing social protection, and advancing environmental sustainability and climate resilience. The plan also places strong emphasis on improving the business environment, fostering new growth drivers, and deepening international economic integration to support its ambition of becoming a modern upper-middle-income economy by 2030[34].

B.2 Regulatory Reform

68. Regulatory reforms across AMS have been focusing on modernising legal and regulatory frameworks to improve governance, transparency, efficiency and investment competitiveness. Brunei Darussalam reformed land ownership rules; Cambodia streamlined business registration and advanced a comprehensive Commercial Code; Myanmar, Singapore, Thailand and Viet Nam strengthened corporate governance, disclosure and compliance requirements; Malaysia introduced a new public procurement framework; Timor-Leste established a modern insolvency regime; and Lao PDR launched broader governance and administrative reforms.

69. On 1 August 2025, **Brunei Darussalam** brought into force the Land Code (Amendment) Order 2025, introducing significant reforms to the country's land ownership framework for citizens, permanent residents and foreign nationals. The amendments clarify ownership rights and strengthen regulatory oversight by allowing stateless permanent residents to acquire one residential property for personal use (subject to approval), while prohibiting foreign nationals from owning freehold land and limiting them to leasehold, sub-lease or charge arrangements. The reforms also require non-citizens holding land through proxy arrangements to declare their interests by 1 August 2026, impose a 10-year disposal requirement for inherited freehold land held by foreigners and former citizens, prohibit nominee ownership arrangements, and establish leasehold caps of 30 years for industrial and shophouse properties and 60 years for residential and commercial properties[35].

70. On 26 May 2026, **Cambodia**'s Ministry of Commerce (MoC) introduced Prakas No. 044 and Notification No. 1755 as part of Phase 2 of its Business Registration Simplification initiative, aimed at further modernising the business registration framework through digitalisation, reduced administrative burdens, and stronger

[34] https://static3.luatvietnam.vn/uploaded/vietlawfile/2026/05/14/25_2026_qh16_incom_083832.pdf
[35] https://www.rumahbrunei.com/news/bruneis-new-land-code-2025

compliance requirements. Key measures include the transition to fully digital corporate filings through the MoC's online platform, mandatory online submission of the Annual Declaration of Commercial Enterprise (ADCE), simplified branch office registration and reporting procedures, and the removal of the security deposit requirement for company secretaries. The reforms also require all companies to appoint a company secretary starting 1 January 2027[36].

71. On 24 June 2026, **Cambodia** announced plans to accelerate the drafting of its first comprehensive Commercial Code, introducing a unified legal framework to consolidate fragmented commercial laws and address regulatory inconsistencies affecting businesses. Key measures include simplifying overlapping administrative procedures, improving clarity in business registration and licensing, strengthening provisions for digital and modern commercial activities, and enhancing the legal basis for commercial dispute resolution. The reform is led by the Legal Reform Steering Committee and forms part of the government's broader legal modernisation agenda, with the policy aimed at improving transparency, ensuring equal treatment for businesses, and strengthening investor confidence and competitiveness in Cambodia's evolving economy[37].

72. On 8 January 2026, at the XII National Congress of Delegates of the **Lao PDR**'s Revolutionary Party (LPRP), President and Party General Secretary presented the Party's 2026–2030 reform and development agenda, which sets out a five-year programme focused on strengthening governance, accelerating socio-economic development, and increasing national self-reliance. Key measures include reforming state systems and administrative mechanisms to improve transparency and efficiency; advancing digital transformation and modernization; decentralizing authority while strengthening macroeconomic management; maintaining political stability and rule-based governance; pursuing sustainable and green growth; controlling inflation and public debt; developing human resources; promoting science, technology, climate adaptation and regional connectivity; and building a stronger economy centred on seven priority sectors with a target of average annual GDP growth above 6 per cent[38].

73. On 28 August 2025, **Malaysia** enacted the Government Procurement Act 2025, establishing Malaysia's first comprehensive statutory framework governing public procurement. The legislation introduces new requirements on transparency, governance, accountability and conflict-of-interest disclosures in government procurement, while making open and competitive procurement the default procurement method. The Bill also creates a Government Procurement Appeal Tribunal and related review mechanisms to handle procurement disputes and appeals, introduces registration requirements for suppliers and contractors, and sets out approval thresholds and responsibilities for procurement officers and government entities[39].

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[36] https://cambodia.acclime.com/news/business-registration-reform-new-moc-rules/
[37] https://en.kampucheathmey.com/economy/1141380/
[38] https://kpl.gov.la/En/detail.aspx/detail.aspx?id=96410
[39] https://www.christopherleeong.com/viewpoints/government-procurement-bill-2025-passed-by-malaysian-parliament/

74. On 1 September 2025, **Myanmar**'s Directorate of Investment and Company Administration (DICA) issued Directive No. 106/2025, reaffirming that all companies and organisations registered under the Myanmar Companies Law must strictly comply with the registrar's orders, directives and procedures. The directive signals increased regulatory scrutiny over corporate filings and governance changes, including annual returns, share transfers, and director appointments or resignations. Key measures include requiring full compliance with the Myanmar Companies Law and other applicable laws and directives; imposing closer oversight of public companies; vetting directors of newly registered companies to ensure they have no history of legal violations; requiring prompt and accurate responses to document requests from the registrar; and warning that non-compliance may result in regulatory sanctions, participation restrictions, and enhanced anti-money laundering and counter-terrorism financing checks[40].

75. On 23 April 2026, following the commencement of the Corporate and Accounting Laws (Amendment) Act 2025, which was passed by Singapore's Parliament on 5 November 2025, **Singapore** implemented significant amendments to its corporate governance framework affecting the Companies Act 1967, Accountants Act 2004, Limited Liability Partnerships Act 2005, and related legislation. The reforms are aimed at enhancing accountability, transparency and integrity in the corporate sector. Key measures include new powers to prevent the restoration of struck-off companies and LLPs that may be used for unlawful or security-related purposes; a substantial increase in penalties for directors who breach their duties, with maximum fines rising from S$5,000 to S$20,000 and possible imprisonment for serious offences; mandatory disclosure of nominee directors to the Accounting and Corporate Regulatory Authority (ACRA), with nominee status visible on public business profiles; identification of the lead audit partner in audit reports to strengthen auditor accountability; expanded director disqualification rules, including for individuals convicted of money laundering offences; and enhanced protections for minority shareholders[41].

76. On 29 October 2025, **Singapore** Exchange Regulation (SGX RegCo) introduced a package of reforms to make Singapore's capital markets more accessible and efficient, including lowering the Mainboard profit test threshold for new listings from S$30 million to S$10 million, removing the financial watch list, limiting trading suspensions to cases with clear evidence of going-concern issues, and amending admission requirements for life sciences companies. The changes, which took effect immediately, were implemented following a public consultation and were aimed at reducing time-to-market, increasing regulatory certainty, broadening the pool of eligible issuers—including high-growth companies in emerging sectors such as AI, green technology, and quantum technology—and supporting a more disclosure-based regulatory regime[42].

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[40] https://www.tilleke.com/insights/myanmar-reaffirms-corporate-compliance-duties/
[41] https://www.bolster-group.com/insights/singapore-corporate-law-amendments-2026
[42] https://www.sid.org.sg/Web/Web/About/News-and-Press/News_2025/2025-10-29_BT_SGX_RegCo_introduces_more_flexible_listing_rules.aspx

77. The Equity Market Development Programme (EQDP), launched by MAS in 2025 as a S$5 billion initiative to develop **Singapore**'s fund management industry and broaden investor participation in Singapore-listed equities, was expanded to S$6.5 billion at the Singapore Budget 2026 on 12 February 2026. The expansion followed a S$1.5 billion top-up to the Financial Sector Development Fund announced by Prime Minister and Finance Minister Lawrence Wong. As of 12 February 2026, MAS had allocated S$3.95 billion across nine appointed asset managers under the EQDP. MAS stated that the expansion is intended to enable more high-quality asset managers with strategies that invest significantly in Singapore equities to be funded, catalyse third-party investments, and anchor deeper pools of capital for Singapore-listed companies. The next batch of EQDP managers was expected to be appointed around mid-2026.

78. On 15 May 2026, the Monetary Authority of **Singapore** (MAS) announced reforms to its Complex Products Framework aimed at enhancing retail investor access to investment products while maintaining appropriate investor protection safeguards. Under the revised framework, most retail investors will no longer be required to obtain mandatory financial advice before investing in complex products. At the same time, MAS will retain enhanced safeguards for less experienced investors, including continued advisory requirements for "Selected Clients" who do not possess sufficient investment knowledge or experience. The reforms also classify investment-linked policies (ILPs) as complex products requiring a Product Highlights Sheet (PHS), introduce mandatory pre-transaction risk alerts by financial institutions, and require warnings for investors who do not meet the Customer Knowledge Assessment (CKA) threshold.

79. The Securities and Futures (Part 13A) (Global Listing Board and US Exchange) Regulations 2026 (G.N. No. S 426/2026) came into operation on 29 June 2026. These regulations establish the framework for **Singapore**'s Global Listing Board (GLB), a dual-listing platform developed in partnership with The Nasdaq Global Select Market. The GLB allows companies to simultaneously raise capital on both SGX and Nasdaq using a single set of offering documents prepared in accordance with Part 13A of the Securities and Futures Act 2001. The GLB is intended to attract high-growth companies with a nexus to Asia, reducing friction for companies seeking access to global capital markets. The Securities and Futures (Offers of Investments) (Exemption from Restrictions on Advertisements) Regulations 2026 (G.N. No. S 427/2026) also came into force on 29 June 2026, providing complementary exemptions to facilitate the GLB framework.

80. On 15 December 2025, **Thailand**’s Department of Business Development (DBD) issued a regulatory order, effective 1 January 2026, introducing stricter requirements for the registration and amendment of corporate head office addresses. The new framework requires address verification against the national Civil Registration database and introduces enhanced scrutiny for addresses registered to five or more companies, including the submission of a Letter of Consent from the property owner and supporting documentation demonstrating the right to use the premises. The measures are intended to strengthen corporate transparency, prevent the unauthorised use of addresses, combat nominee and mule company arrangements,

and support Thailand's broader anti-money laundering and corporate governance objectives[43].

81. **Timor-Leste** enacted a new Corporate Recovery and Insolvency Code (CREI) under Law No. 9/2025, published on 22 December 2025, establishing for the first time a comprehensive legal framework for corporate restructuring and insolvency. The reform introduces a dual system of company recovery and asset liquidation, prioritising business continuity where viable, alongside mechanisms such as reorganisation and insolvency proceedings, creditor negotiation processes, and cross-border insolvency rules. It also establishes a new institutional body, the Recovery and Insolvency Office (BRI), to centralise case management, reduce court involvement, and streamline procedures through faster and simplified processes[44].

82. Effective 1 July 2025, **Viet Nam**'s amended Law on Enterprises 2025 (LOE 2025) and its implementing decree on enterprise registration introduced significant corporate law reforms aimed at aligning the country's regulatory framework with international standards, including recommendations of the Financial Action Task Force (FATF). Key measures include a new beneficial ownership (BO) reporting regime requiring enterprises to disclose and update information on individuals who directly or indirectly own at least 25 per cent of charter capital or exercise effective control over the company, as part of efforts to strengthen anti-money laundering compliance. The amendments also introduce a 5:1 debt-to-equity ratio cap for private bond issuances by non-public companies, provide clearer guidance on determining the market price of listed shares, and expressly allow joint-stock companies to reduce charter capital when redeeming redeemable preference shares. The reforms are intended to enhance transparency, strengthen corporate governance and improve the integrity of Viet Nam's business environment[45].

B.3 Initiatives Addressing Rising Economic Uncertainties

83. This period had been marked by significant raise of geopolitical tensions linked to the Middle East conflict along with the associated economic challenges. AMS have adopted a coordinated mix of measures to address these developments, combining fiscal support and demand-side stimulus with supply-side strategies to strengthen energy security, financial sector reforms and enhance external cooperation. Collectively, these efforts reflect a regional approach to balance short-term stabilisation with longer-term structural resilience.

[43] https://mahanakornpartners.com/thailand-tightens-corporate-address-registration-rules-what-the-new-2026-dbd-order-means-for-businesses/
[44] https://www.mlgts.pt/en/knowledge/legal-alerts/Legal-Alert-Timor-Leste-approves-new-Corporate-Recovery-and-Insolvency-Code/26888/
[45] https://ykvn-law.com/vietnams-amended-loe-2025-new-regulations-to-enhance-the-corporate-law-regime/

B.3.1 Fiscal, Supply-Demand Management Measures

84. AMS are implementing a mix of fiscal, demand-side, and supply-side measures to address rising energy costs and supply disruptions. Fiscal responses have been focusing on targeted subsidies, cash support, and tax or financing measures to cushion households and businesses, while demand-side policies emphasised energy conservation through work-from-home arrangements, reduced public-sector consumption, and fuel usage controls. At the same time, supply-side actions centred on securing energy availability through import diversification, price stabilisation tools, and accelerated investment in alternative energy sources.

85. On 31 March 2026, amid global geopolitical tensions and energy market volatility, **Indonesia** reaffirmed its commitment to maintaining energy security while prioritizing public welfare. Key measures include keeping fuel (BBM) and LPG reserves above national minimum standards, accelerating the implementation of the B50 biodiesel program to strengthen domestic energy resilience, and continuously reviewing energy policies to respond to rapidly changing global oil and gas prices. To protect household purchasing power, the government decided to keep subsidized fuel prices unchanged, while discussions on non-subsidized fuel prices remain ongoing. The government also encouraged responsible energy consumption and introduced limits on subsidized fuel purchases to help ensure a stable, secure, and equitable energy supply across the country.[46].

86. On 22 June 2026, **Indonesia** announced a Rp 26.34 trillion (approximately US$1.5 billion) economic stimulus package for the second quarter and second half of 2026 to mitigate the impact of global uncertainty and energy related pressures. The package is structured into three pillars—stimulus and incentives, internship and vocational programmes, and food assistance—comprising eight policy measures. Under the stimulus and incentives pillar, key measures include a reduced 1.5 per cent final income tax rate on royalties for domestic authors, extensive transport subsidies such as 30 per cent fare discounts for trains and Pelni ships, waived port service fees for ASDP ferries, and 100 per cent government borne VAT on domestic economy class airline tickets during school holidays and year end travel periods, with specific budgets and passenger targets. Additional measures include zero import duties on LPG and aircraft spare parts to reduce industrial costs and support aviation competitiveness. Under the internship and vocational pillar, the government will implement a national internship programme for 150,000 university graduates, alongside vocational training programmes targeting 220,000 vocational school graduates and reskilling 50,000 laid off workers, with a total budget exceeding Rp 6 trillion to strengthen workforce readiness. Under the food assistance pillar, measures include the distribution of 10 kg of rice to 33.24 million beneficiary households for three months, as well as soybean price support for tofu and tempeh producers through subsidies of up to Rp 2,000 per kilogram for a set quota[47].

[46] https://www.esdm.go.id/id/media-center/arsip-berita/pemerintah-utamakan-kepentingan-rakyat-di-tengah-gejolak-energi-global
[47] https://ekon.go.id/publikasi/detail/6984/jaga-stabilitas-dan-momentum-pertumbuhan-ekonomi-pemerintah-gulirkan-delapan-kebijakan-stimulus-q2-dan-semester-ii-2026

87. On 17 March 2026, **Lao PDR** introduced a comprehensive set of emergency measures to address fuel shortages and rising energy-related inflation, aimed at stabilising the domestic market and reducing dependence on fossil fuels. The measures include a nationwide austerity programme, requiring government agencies to reduce operational costs through remote working arrangements, virtual meetings, and rotating staff schedules, supported by performance monitoring systems. In parallel, authorities launched strict inspections of fuel importers and retailers, with penalties including restructuring or legal action for non-compliance with petroleum regulations. To contain inflationary pressures, the government also implemented price stabilisation measures for essential goods such as food, while introducing monetary coordination to prioritise foreign exchange access for fuel imports through central bank mechanisms. A key structural component of the policy is the acceleration of EV adoption, targeting a 10 per cent EV share in the transport sector by 2026, supported by incentives such as a 30 per cent reduction in EV registration and service fees, corresponding increases in fees for internal combustion engine vehicles, preferential parking, and expansion of public transport infrastructure including Bus Rapid Transit (BRT). Additional measures include restrictions on procurement of fuel-based government vehicles, promotion of renewable energy solutions in agriculture (such as solar, wind, and biogas), and provision of low-interest credit to farmers to offset higher input costs[48].

88. On 17 April 2026, **Malaysia**'s Ministry of Energy Transition and Water Transformation (PETRA) issued a media statement titled"National Sustainable Energy Strategy to Address the Impact of the Global Energy Crisis", outlining measures to strengthen Malaysia's energy resilience amid uncertainty in global energy markets. The strategy promotes greater energy self-sufficiency through the Solar Accelerated Transition Action Programme (Solar ATAP), which encourages households and businesses to install rooftop solar systems to reduce electricity costs and lessen exposure to energy price volatility. PETRA also highlighted plans to enhance the programme, particularly for residential consumers, and encouraged commercial and industrial users to participate in the Corporate Renewable Energy Supply Scheme (CRESS) to secure access to green electricity with more stable long-term pricing. The measures form part of Malaysia's broader response to the global energy crisis, with an emphasis on energy efficiency, renewable energy deployment, and reducing dependence on fluctuating fossil fuel prices.[49].

89. **Malaysia** introduced the BUDI MADANI RON95 (BUDI95) programme in September 2025 to target fuel subsidies and reduce leakages. Under the scheme, eligible Malaysians can purchase RON95 petrol at RM1.99 per litre using MyKad-based verification, while ineligible users pay the unsubsidised market price. Initially, eligible users received a subsidised quota of up to 300 litres per month. In response to heightened global energy prices and rising subsidy costs linked to the West Asia conflict, the Government subsequently announced a temporary reduction in the

[48] https://kpl.gov.la/EN/detail.aspx?id=97410
[49] https://www.petra.gov.my/uploads/content-downloads/file_20260417100909.pdf and https://www.nst.com.my/news/nation/2026/04/1408920/energy-crisis-energy-use-govt-buildings-tightened

monthly BUDI95 eligibility ceiling from 300 litres to 200 litres, effective 1 April 2026, while maintaining the subsidised price at RM1.99 per litre. Additional allocations for e-hailing operators were retained, and the Government indicated that enforcement against subsidy leakages, misuse, and smuggling would be strengthened. The measures were intended to preserve fuel affordability for households, ensure subsidy sustainability, safeguard national fuel supplies, and contain the fiscal burden of fuel subsidies, which was estimated to have risen to RM4 billion per month amid higher global oil prices[50].

90. On 11 March 2026, **Malaysia**'s Ministry of Finance (MOF) announced the establishment of the Special Committee on Energy Security and the Impact of the West Asia Conflict. The committee includes the Ministry of Economy, PETRA, Ministry of Agriculture and Food Security, KPDN, MITI, and Bank Negara Malaysia. According to MOF, the committee was established to coordinate government actions, continuously monitor global developments, and develop proactive measures to address potential impacts on energy supplies, prices, and economic stability. It also engaged industry players, SMEs, and affected businesses to inform mitigation measures aimed at safeguarding energy security, supply chains, and economic stability amid disruptions arising from the West Asia conflict[51].

91. **Malaysia** introduced a series of financing and regulatory support measures for SMEs. On 20 April 2026, the Government announced a RM5 billion financing guarantee facility under Syarikat Jaminan Pembiayaan Perniagaan (SJPP), with guarantee coverage increased to 80% and the guarantee tenure extended to 10 years, alongside loan restructuring and repayment assistance for affected sectors including agriculture, logistics, transportation, tourism, and construction[52]. Businesses with annual sales of RM1 million to RM5 million were also granted a 12-month extension for Phase 4 e-Invoicing implementation until 31 December 2027. Subsequently, on 28 April 2026, Bank Negara Malaysia (BNM) launched the RM5 billion SME Stabilisation Relief Facility (SME SRF) to provide working-capital financing of up to RM750,000 per firm for up to five years at a maximum financing rate of 3.75%, supported by guarantees of up to 80% through Credit Guarantee Corporation Malaysia (CGC) or Syarikat Jaminan Pembiayaan Perniagaan (SJPP). Together, these measures sought to alleviate cost pressures, address liquidity constraints, support business continuity, and enhance the resilience of SMEs affected by energy-price volatility and supply-chain disruptions[53].

92. In addition, In response to heightened risks of fuel leakages and cross-border smuggling associated with the global energy crisis and rising oil prices, **Malaysia**

[50] https://www.mof.gov.my/portal/en/news/press-citations/govt-to-cover-fuel-subsidies-expected-to-reach-rm3-2-bln-monthly-for-public-welfare-amir-hamzah and https://www.channelnewsasia.com/asia/malaysia-soaring-fuel-costs-subsidy-bill-middle-east-iran-war-ron95-ron97-5991601

[51] https://www.mof.gov.my/portal/ms/berita/foto/mesyuarat-jawatankuasa-khas-keterjaminan-tenaga-kesan-konflik-asia-barat

[52] https://www.mof.gov.my/portal/en/news/press-citations/rm5-bln-guarantee-e-invoicing-flexibility-to-aid-msmes-amid-global-energy-crisis-pm-anwar

[53] https://www.bnm.gov.my/-/sme-srf

activated the High-Level Inter-Agency Coordination Committee on Leakages and Smuggling (JTPAP) in March 2026 and launched OPS TIRIS 4.0, an integrated enforcement operation covering land, maritime, and border corridors. The initiative involved coordinated action by the Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup (KPDN), Royal Malaysia Police (PDRM), Malaysian Maritime Enforcement Agency (APMM), and other agencies to strengthen monitoring of fuel distribution networks, petrol stations, and border crossings, while combating smuggling, diversion, and misuse of subsidised fuel and other controlled goods[54].

93. On 9 April 2026, **Malaysia**'s Ministry of Health Malaysia (KKM) announced a package of measures to strengthen the resilience of medicine and medical-device supply chains amid disruptions arising from the global energy crisis and geopolitical tensions in the Middle East. The measures focused on safeguarding the continued availability of essential medicines and medical devices through enhanced monitoring of supply conditions, closer coordination with industry stakeholders, and the implementation of a Special Access Pathway (SAP) to expedite access to critical medical devices during shortages and emergency situations. The ministry also emphasised ongoing efforts to strengthen supply-chain resilience, monitor the impact of rising production and logistics costs, and ensure that healthcare facilities maintain access to essential medical products while preserving regulatory standards for safety, quality, and efficacy[55]. On 17 April 2026, Malaysia strengthened medical-device supply security through a strategic cooperation arrangement between the Medical Device Authority (MDA) and Chinese authorities to secure additional supplies of critical raw materials, including resin and naphtha, for domestic medical-device manufacturing. The measure aims to stabilise healthcare supply chains, mitigate shortages, and support continued production of critical medical devices amid disruptions arising from the global energy crisis[56].

94. On 20 March 2026, **Myanmar** introduced nationwide rotating power outages, following an earlier announcement on 17 March 2026, with implementation beginning 18 March 2026 and expected to continue through at least June 2026, as part of efforts to manage a deepening domestic energy shortfall exacerbated by a global oil shock linked to escalating Middle East conflict. The policy involves phased electricity distribution (load-shedding) to balance demand during peak summer consumption, reflecting a significant supply gap between national electricity demand (approximately 4,664 MW) and available generation capacity (around 3,600 MW). While authorities framed the outages as seasonal demand management, the crisis is compounded by constrained fuel availability and rising global energy prices, prompting parallel calls for fuel conservation and raising concerns over worsening reliability of backup generators due to fuel shortages. The measures prioritise continuity of electricity supply to industrial zones powered by LNG plants, while leaving residential and non-critical

[54] https://www.kpdn.gov.my/en/media-kpdn/kpdn-news/kenyataan-media/kenyataan-media-2026?start=60
[55] https://www.moh.gov.my/en/media-kkm/media-statement/2026/kenyataan-media-kementerian-kesihatan-malaysia---kkm-perkukuh-langkah-pastikan-bekalan-ubat-dan-peranti-perubatan-terus-terjamin
[56] https://www.moh.gov.my/images/keratan-akhbar/2026/APRIL/KERATAN%20AKHBAR%2011042026.pdf

areas subject to scheduled cuts, with limited transparency on outage timing and geographic coverage[57].

95. On 6 August 2025, **the Philippines**, through an Executive Directive by President Ferdinand R. Marcos Jr., announced the suspension of rice importation for 60 days starting 1 September 2025, as a temporary crisis-response measure. The suspension applies to regular and well-milled rice imports, while excluding specialty varieties, and is supported by implementing coordination among the Department of Agriculture, DTI, and customs authorities to monitor supply and pricing. The measure was introduced following declining farmgate prices caused by oversupply and increased imports, with provisions allowing adjustment or extension based on market conditions. It also includes a requirement for policy review within the suspension period to assess impacts on domestic supply and price stability. The policy aims to stabilize local rice prices and support domestic farmers during peak harvest periods[58].

96. On 5 March 2026, **the Philippines**, through the Office of the President, rolled out transport subsidies and fare discount measures under a fuel cost mitigation programme, in response to rising global oil prices. The initiative includes fuel subsidies for public transport operators, fare discounts for commuters, and targeted financial assistance for vulnerable passenger groups, implemented in coordination with the Department of Transportation and relevant agencies. Key measures involve direct subsidy disbursement, monitoring of fare compliance, and temporary support mechanisms for operators affected by cost increases. The programme is complemented by broader efforts to manage inflationary pressures and maintain mobility affordability. The policy aims to offset rising transport costs and protect households and small operators from fuel price shocks[59].

97. On 6 March 2026, **the Philippines** announced the temporary implementation of a four-day workweek in selected executive-branch offices starting 9 March 2026 as part of a broader package of energy-conservation measures in response to rising global oil prices and volatility in international energy markets linked to the Middle East crisis. Through Memorandum Circular No. 114, government agencies were directed to reduce electricity and fuel consumption by 10-20%, adopt flexible work arrangements, maintain air-conditioning at 24°C, suspend non-essential travel and in-person activities where feasible, and accelerate implementation of energy-efficiency measures. Essential and frontline services, including health, public safety, and emergency response agencies, were exempted from the four-day workweek arrangement. The measures aimed to reduce the energy footprint of government operations, optimize public resources, and help cushion the domestic impact of higher energy prices[60].

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[57] https://eng.mizzima.com/2026/03/20/32384
[58] https://pco.gov.ph/news_releases/pbbm-suspends-rice-importation-for-60-days-starting-sept-1/
[59] https://pia.gov.ph/news/president-marcos-rolls-out-transport-subsidies-fare-discounts-to-offset-rising-fuel-costs/
[60] https://pco.gov.ph/news_releases/president-marcos-orders-temporary-4-day-workweek-in-some-govt-agencies/.

98. On 24 March 2026, **the Philippines** declared a State of National Energy Emergency through Executive Order No. 110 in response to risks posed by the ongoing Middle East conflict, including disruptions to global oil supply chains, volatility in international energy markets, and potential threats to the Philippines' energy security. The declaration authorized the implementation of energy conservation and fuel allocation measures and activated the Unified Package for Livelihoods, Industry, Food, and Transport (UPLIFT). UPLIFT was established to coordinate measures aimed at ensuring the stability of domestic energy supply, maintaining essential services and economic activity, safeguarding food and transport systems, and protecting vulnerable sectors from the impacts of rising fuel prices and potential supply disruptions. Measures included cash assistance for farmers and fisherfolk, fuel subsidies for vulnerable sectors, expansion of the P20 rice programme, food-price stabilisation measures, and the release of PhP20 billion to strengthen fuel inventories through additional petroleum procurement[61].

99. On 1 April 2026, the Department of Energy (DOE) announced the accelerated deployment of 22 renewable energy and energy storage projects with a combined capacity of 1,471 MW, targeted for grid connection by the end of April 2026 as part of the Philippines' response to energy-security risks and global oil price volatility. The projects comprise 12 solar projects (1,284 MW), six hydropower projects (48.23 MW), two biomass projects (38 MW), one wind project (13.56 MW), and one renewable energy storage system (20 MW). Implemented under the Government's energy-emergency response framework and supported by the Energy Virtual One-Stop Shop (EVOSS), the initiative aims to strengthen grid reliability, reduce dependence on imported fuels, support rising electricity demand, and enhance the resilience of the country's power system amid disruptions in global energy markets[62].

100. On 17 April 2026, **the Philippines** announced a price stabilization measure for Basic Necessities and Prime Commodities (BNPCs), committing to no price increases on essential goods nationwide until 10 May 2026 following agreement with manufacturers and retailers. The measure covers key staple items such as canned food, processed milk, bread, coffee, instant noodles, bottled water, and household products, all maintained within DTI's suggested retail prices (SRPs). Implementation features include daily market monitoring, coordination with industry stakeholders to prevent profiteering, and enforcement mechanisms encouraging consumers to report overpricing, supported by sufficient supply assurances to avoid shortages and panic buying. The measure was introduced amid cost pressures linked to global developments, including fuel price volatility. The policy aims to maintain price stability and protect consumers' purchasing power during short-term external shocks[63].

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[61] https://pco.gov.ph/news_releases/president-marcos-declares-state-of-national-energy-emergency-activates-uplift-as-whole-of-government-response-framework/ and https://pco.gov.ph/presidential-speech/presidential-address-by-president-ferdinand-r-marcos-jr-executive-order-no-110-uplift-updates/

[62] https://pia.gov.ph/news/doe-accelerates-1-4-gigawatts-of-renewable-energy-to-shield-grid-from-global-oil-volatility/

[63] https://www.dti.gov.ph/dti-latest-news/dti-dti-no-price-increase-basic-necessities-prime-commodities-bnpcs-may-10

101. On 28 April 2026, **the Philippines** announced plans to fast-track the proposed Unified Package for Livelihoods, Industry, Food, and Transport (UPLIFT) Bill to enhance the Government's fiscal flexibility in responding to the economic impacts of the Middle East crisis and the ongoing energy emergency. The proposed legislation would allow the use of previously declared government savings, unreleased appropriations, and unobligated allotments from the FY2025 and FY2026 budgets to fund priority programmes, activities, and projects under the UPLIFT framework[64].

102. On 26 March 2026, **the Philippines** enacted Republic Act No. 12316, granting the President emergency powers to suspend or reduce excise taxes on petroleum products when global oil prices rise significantly, specifically when Dubai crude oil averages at least USD 80 per barrel over one month. The law allows such measures to be implemented upon recommendation of the Development Budget Coordination Committee and in coordination with the Department of Energy, with any reduction or suspension limited to a maximum period of three months per instance and up to one year in total, and effective only until 31 December 2028. The legislation also requires regular reporting to Congress on the economic impact, including inflation, fuel prices, and fiscal effects, and mandates oil companies to disclose pricing data, with implementation overseen by relevant executive agencies. The policy aims to provide a responsive fiscal tool to mitigate the impact of fuel price volatility on consumers and the broader economy[65].

103. On 10 July 2025, **Singapore** announced the “Singapore Economic Resilience Taskforce (SERT) Targeted Support Measures” under the Ministry of Trade and Industry (MTI), introducing a coordinated package to support businesses and workers amid global trade uncertainties. The measures include the launch of a time-bound Business Adaptation Grant (from October 2025) to support enterprises affected by tariffs through advisory services on trade compliance, supply chain reconfiguration, and market diversification, alongside support for logistics and inventory adjustments. Additional components involve enhanced existing schemes such as the Enterprise Development Grant and financing support programmes, as well as workforce support measures developed with tripartite partners. The Taskforce also conducts ongoing engagement with businesses and workers to monitor economic impact and refine policy responses. The policy aims to strengthen business adaptability and workforce resilience in response to evolving global trade disruptions[66].

104. On 7 April 2026, **Singapore**, through a Ministerial Statement delivered in Parliament by Acting Minister for Transport and Senior Minister of State for Finance, announced a targeted support package of close to S$1 billion to mitigate the economic impact of the Middle East conflict, particularly rising global energy prices. The measures build on Budget 2026 and include support for households, businesses, and affected workers, rather than broad-based market intervention. Key provisions include

[64] https://pco.gov.ph/news_releases/malacanang-to-push-for-uplift-bill-concerning-govt-savings-project-funding/
[65] https://pia.gov.ph/news/pbbm-signs-ra-12316-granting-the-president-emergency-powers-to-suspend-reduce-fuel-excise-tax/
[66] https://www.mti.gov.sg/newsroom/singapore-economic-resilience-taskforce--sert--announces-targeted-measures-to-support-businesses-and-workers/

a S$200 cash payout for active platform workers, taxi and private-hire drivers, enhanced corporate income tax rebates raised to 50 per cent with higher benefit caps, and expanded access to the Energy Efficiency Grant across all sectors until March 2028. For households, the government brought forward the disbursement of S$500 CDC vouchers to June 2026 and increased Cost-of-Living Special Payments by an additional S$200 per eligible Singaporean. The policy explicitly avoids across-the-board fuel tax reductions to preserve market price signals and prevent supply distortions, instead emphasizing targeted assistance and longer-term resilience measures such as energy efficiency improvements. The package was introduced in response to sharp increases in fuel prices and anticipated spillover into electricity and food costs, with provisions for further policy adjustments depending on the evolution of the conflict and its economic effects[67].

105. On 8 April 2026, **Singapore**'s Ministry of Sustainability and the Environment (MSE) announced that all ministries, departments, organs of state and statutory boards would implement energy-conservation measures in government facilities following disruptions to global fuel supply chains arising from the ongoing Middle East conflict. Measures included adopting"Go 25" practices by setting air-conditioning temperatures at 25°C or higher, actively managing the operating hours of air-conditioning, lighting and lifts, switching off non-essential equipment and appliances when not in use, and accelerating the installation of energy-efficient technologies such as LED lighting, smart sensors and high-efficiency electrical equipment. The initiative complemented existing GreenGov.SG requirements and formed part of Singapore's broader efforts to strengthen energy resilience and reduce electricity consumption across the public sector, while encouraging businesses, households and individuals to adopt energy-saving practices[68].

106. On 7 October 2025, **Thailand** approved the "44 Billion Baht Co-Payment Economic Stimulus Programme", introducing a nationwide consumption support measure to boost economic growth. The programme provides government subsidies covering up to 60 per cent of household spending on selected food items and consumer goods, benefiting approximately 20 million eligible individuals, with implementation through digital platforms and capped daily spending limits. Key features include time-bound rollout from late October to end-2025, targeted support for small businesses and retailers, and complementary stimulus measures introduced progressively throughout the quarter, alongside fiscal coordination to avoid additional borrowing. The measure forms part of broader efforts to address weak domestic consumption, high household debt, and external pressures such as tariffs and currency strength. The policy aims to stimulate domestic demand and support short-term economic growth through targeted consumer subsidies[69].

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[67] https://www.mof.gov.sg/news-resources/newsroom/ministerial-statement-on-impact-of-the-middle-east-situation-on-singapore-by-acting-minister-for-transport-and-senior-minister-of-state-for-finance-mr-jeffrey-siow/

[68] https://www.mse.gov.sg/latest-news/public-sector-leads-energy-conservation-push--government-urges-businesses--households-and-individuals-to-join-the-effort-/

[69] https://www.reuters.com/world/asia-pacific/thai-cabinet-approves-14-bln-stimulus-programme-boost-growth-2025-10-07/

107. On 5 May 2026, **Thailand**'s Cabinet approved a draft emergency decree authorising the Ministry of Finance to borrow up to THB 400 billion to mitigate the impacts of the energy crisis and strengthen the country's long-term energy security. The measure was introduced in response to disruptions in global energy markets arising from the Middle East conflict, including risks to oil supply routes and rising energy prices that increased production costs, consumer prices and household living expenses. Subsequently, on 26 August 2026, Anutin Charnvirakul, Prime Minister of Thailand, explained that the borrowing package would be divided equally between THB 200 billion for relief measures targeting households, farmers and businesses affected by rising energy costs and THB 200 billion for investments to improve energy efficiency, expand renewable and alternative energy, reduce dependence on imported fossil fuels, and accelerate Thailand's energy transition. The Government stated that the programme aimed both to cushion the immediate economic impacts of the energy crisis and to enhance the country's long-term resilience and competitiveness[70].

108. On 1 March 2026, **Thailand**'s Ministry of Energy announced emergency measures in response to disruptions caused by the closure of the Strait of Hormuz, including suspending petroleum exports to preserve domestic fuel reserves, opening an emergency energy monitoring centre to track developments and coordinate response measures, and preparing to use the Oil Fuel Fund to mitigate fuel-price impacts. The Ministry stated that Thailand possessed petroleum reserves sufficient for approximately 60 days of consumption and directed relevant agencies to increase domestic natural gas production, defer maintenance of gas-production facilities, and maximise electricity generation from coal-fired and hydropower plants if required to safeguard national energy security[71].

109. On 9 March 2026, the Government of **Viet Nam** issued Decree No. 72/2026/NĐ-CP, reducing most-favoured-nation (MFN) import tariffs on selected gasoline, petroleum products, and fuel-production inputs to 0 per cent in order to strengthen fuel supply security and stabilise domestic energy prices amid disruptions in global energy markets associated with the Middle East conflict. The decree reduced tariffs on unleaded gasoline and gasoline blending components from 10 per cent to 0 per cent, lowered duties on diesel, fuel oil, aviation fuel, and kerosene from 7 per cent to 0 per cent, and cut tariffs on selected petrochemical feedstocks to 0 per cent. The Government stated that the measure would help diversify import sources, maintain adequate fuel supplies, and support national energy security in the face of supply-chain disruptions and heightened volatility in international oil markets. The decree took effect immediately upon issuance and was initially valid until 30 April 2026, with the possibility of extension if market conditions required[72].

110. On 19 March 2026, Government of **Viet Nam**, issued Directive No. 09/CT-TTg on strengthening energy conservation, promoting energy transition, and advancing electric mobility. The directive designated the Ministry of Industry and Trade as the

[70] https://thailand.prd.go.th/en/content/category/detail/id/48/iid/500676; and https://www.thaigov.go.th/th/news/168121
[71] https://energy.go.th/th/minister-news/30407
[72] https://mof.gov.vn/tin-tuc-tai-chinh/tin-tuc-su-kien-8/de-xuat-giam-thue-nhap-khau-xang-dau-de-ung-pho-bien-dong-nang-luong

lead agency for implementing nationwide energy-efficiency measures and called on ministries, local authorities, enterprises, and energy users to reduce energy consumption and improve energy-use efficiency in response to heightened energy-security risks arising from disruptions in global energy markets[73].

111. On 10 March 2026, **Viet Nam**, following directives from Prime Minister Phạm Minh Chính under Resolution No. 36/NQ-CP, implemented emergency measures to stabilise the domestic fuel market amid rising global oil prices and supply risks associated with the Middle East conflict. The measures included the use of the fuel-price stabilisation fund to cushion increases in retail fuel prices and a more flexible fuel-pricing mechanism allowing earlier adjustments when international fuel prices experienced abnormal fluctuations. The Government also directed relevant agencies to ensure adequate fuel supplies and maintain market stability while considering additional policy measures to safeguard national energy security[74].

112. **ASEAN** is currently developing a unified **regional** framework to strengthen the region's preparedness for potential future economic disruptions, which could include an early warning system. At the same time, ASEAN is also advancing energy security and regional resilience through the ratification and operationalisation of the Enhanced ASEAN Power Grid (APG) MoU, while collaborating with the Asian Development Bank (ADB) and the World Bank to improve project bankability and mobilise financing for regional energy connectivity, among others. On food security, ASEAN is strengthening key mechanisms such as ASEAN Food Security Information System (AFSIS) to enhance preparedness, facilitate information sharing, and reinforce the resilience of regional food supply chains.

B.3.2 Financial Sector Reform and External Strategies

113. AMS have been increasingly using the current global uncertainty and financial distress as momentum to advance financial sector reforms at national level. Countries such as Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, and Viet Nam introduced reform measures such as strengthening capital market regulations, addressing non-performing loans, promoting domestic investor participation, enabling alternative financing mechanisms, and modernising financial infrastructure.

114. On 30 December 2025, **Cambodia**'s Non-Bank Financial Services Authority has introduced Prakas 093 on the Licensing and Management of Digital Asset Businesses. This is Cambodia's first comprehensive licensing regime for digital-asset businesses conducted for investment purposes including trading platforms, brokerage, custody, lending, and portfolio/asset management. All Digital Asset Service Providers must obtain a license from the Securities and Exchange Regulator of Cambodia (SERC) before commencing operations. The initial license is valid for two years and is renewable for successive three-year terms; renewal applications must be submitted to

[73] https://moit.gov.vn/tin-tuc/chi-thi-09-ct-ttg-ve-tang-cuong-thuc-hien-tiet-kiem-nang-luong-thuc-day-chuyen-dich-nang-luong-va-phat-trien-giao-thong-.html
[74] https://moit.gov.vn/en/news/update-on-domestic-fuel-price-management-amid-middle-east-tensions.html

the SERC at least 60 days before the existing license expires. Key licensing requirements are set out comprehensively under Prakas 093.

115. On 17 December 2025, the National Bank of **Cambodia** launched the Financial Sector Development Strategy 2025–2030, which serves as Cambodia's roadmap for developing a more inclusive, resilient, and modern financial system. The strategy focuses on strengthening financial stability, expanding financial inclusion, improving regulatory and supervisory frameworks, promoting digital finance and financial technology, developing capital markets, enhancing consumer protection, and supporting sustainable economic growth. It also outlines reforms across the banking, microfinance, insurance, securities, pension, and payment-system sectors to improve the efficiency and resilience of Cambodia's financial sector[75].

116. On 1 February 2026, **Indonesia**'s Financial Services Authority (OJK) announced a comprehensive eight-point capital market reform package to strengthen liquidity, improve transparency, and enhance investor confidence. The measures are structured under four (4) key pillars. First, under liquidity reforms, OJK introduced a gradual increase in the minimum free float requirement to 15 per cent—up from 7.5 per cent—with immediate application for new IPOs and transition arrangements for existing firms, supported by corporate actions such as rights issues and employee share ownership schemes. Second, under transparency measures, OJK will expand disclosure requirements, particularly on ultimate beneficial ownership (UBO) and shareholder affiliations, alongside more granular and standardised share ownership data publication on the stock exchange platform to align with global best practices. Third, under governance and enforcement, OJK will implement stronger regulatory oversight, including tighter enforcement against market manipulation and misinformation, mandatory governance improvements such as continuous education and certification requirements for company directors and auditors, and plans for the demutualisation of the Indonesia Stock Exchange to reduce conflicts of interest and strengthen institutional governance. Finally, under market development and synergy, OJK will collaborate with Bank Indonesia, the Ministry of Finance, and other stakeholders to deepen market liquidity, expand the investor base—particularly institutional investors—and enhance the role of capital markets as a source of long-term financing. These measures collectively aim to align Indonesia's capital market with international standards, strengthen resilience, and improve its attractiveness to both domestic and global investors[76].

117. On 19 August 2025, **Malaysia** announced a review and strategic repositioning of its longstanding Look East Policy (LEP), shifting its focus towards technology-driven and green growth sectors to remain relevant amid evolving geopolitical and economic conditions, with priority areas including the digital economy, green technology, renewable energy, and food security. The reform aims to generate broader national benefits while deepening and diversifying partnerships with key Asian economies—Japan, South Korea, and increasingly China—expanding beyond the policy's original

[75] https://www.nbc.gov.kh/download_files/publication/blueprints_kh/FSDS%20Book.pdf/
[76] https://www.ojk.go.id/en/berita-dan-kegiatan/siaran-pers/Pages/OJK-Accelerates-Capital-Market-Reform-to-Strengthen-Liquidity-And-Investor-Confidence.aspx

developmental model centred on industrial practices and work ethics. The review is being conducted through a multi-agency approach led by the Economy Ministry and the Investment, Trade and Industry Ministry, with contributions from other ministries, ensuring alignment across economic, trade, and foreign policy objectives while preserving balanced strategic relations among partner countries[77].

118. On 9 March 2026, **Malaysia**'s Securities Commission introduced Capital Market Masterplan 2026–2030, a comprehensive long-term framework to transform its capital market into a key driver of national economic growth and resilience. The Masterplan sets a target to expand the capital market to RM5.8–6.3 trillion by 2030, driven by new listings, stronger institutional participation, and enhanced corporate financing mechanisms. It is anchored on four strategic pillars—vibrancy, inclusivity, sustainability, and regional opportunities—with measures including improving equity market valuations, expanding bond and sukuk markets, mobilising sustainable finance, and positioning Malaysia as a regional hub for investment and fundraising. Additional initiatives include broadening access to capital market products, strengthening financial literacy, supporting ESG-linked investments, and fostering the growth of Islamic finance as a competitive differentiator, thereby aligning capital market development with broader national strategies such as the New Industrial Master Plan 2030 and the energy transition agenda[78].

119. On 16 March 2026, the **Myanmar** Investment Commission (MIC) issued an Announcement on the Acceptance of Investments in Chinese Yuan (CNY) in Addition to US Dollars (USD) to further facilitate investment in Myanmar. The announcement allows foreign capital contributions for investment proposals and endorsement applications to be made in CNY, in addition to USD, and permits investors to conduct related fund transfers in CNY through Authorized Dealer (AD) licensed banks, of which 13 were authorized at the time. Subsequently, on 25 May 2026, the Directorate of Investment and Company Administration (DICA) Yangon Branch held a discussion session on investment opportunities using the Chinese Yuan, bringing together government officials, the Chinese Economic Counsellor to Myanmar, and business representatives to discuss relevant investment opportunities, policies, and procedures.

120. To further advance digital payments and financial sector modernization, **Myanmar** has continued implementing the Myanmar Quick Response Code (MMQR) system to enable interoperable payments across different mobile wallet platforms, supported by the issuance and enforcement of operational and security-related directives. Building on the implementation of the National Payment System Strategy (2020-2025) and ongoing collaboration with relevant government agencies and private-sector stakeholders, Myanmar is currently in the process of developing and adopting the National Payment System Strategy (2026-2030), which is expected to

[77] https://www.nst.com.my/news/nation/2025/08/1262355/malaysia-shifts-look-east-policy-towards-tech-and-green-growth
[78] https://www.sc.com.my/resources/media/media-release/sc-unveils-capital-market-masterplan-2026-2030

support a more modern, efficient, and faster digital transformation of the country's payment ecosystem.

121. **The Philippines**, through the Securities and Exchange Commission (SEC), introduced a package of capital market and regulatory reforms on 19 August 2025 aimed at improving transparency, reducing bureaucracy, and modernising the financial sector. Key measures include a 30 per cent reduction in regulatory filing fees, streamlining of procedures to eliminate red tape, and the digitalisation of services and compliance processes to enhance efficiency and reduce corruption risks. The reforms also introduce incentives such as a 50 per cent discount on stock exchange listing fees to encourage small and medium-sized enterprises to enter the formal economy and strengthen governance standards[79].

122. In 2025, the Government of **Viet Nam** strengthened its startup-financing and innovation framework through Decree No. 210/2025/NĐ-CP (21 July 2025)[80], which which formally recognised venture-capital instruments such as convertible investments and share-purchase rights while allowing innovative startup investment funds to comprise up to 30 investors; Decree No. 264/2025/NĐ-CP (October 2025)[81], which established national and local venture-capital funds, including a National Venture Capital Fund required to reach a minimum charter capital of VND 2 trillion (approximately USD 80 million) within its first five years and authorised to co-invest with private investors in unlisted innovative startups; and Decree No. 268/2025/NĐ-CP (14 October 2025)[82], which introduced a comprehensive framework for recognising innovation centres, startup-support organisations, investors, and other participants in Viet Nam's innovation ecosystem. In parallel, on 19 August 2025, policymakers proposed the development of a startup-focused trading platform within Viet Nam's existing stock-market infrastructure to improve capital-market access for innovative enterprises and provide an additional fundraising channel for growth-stage startups[83].

123. At **regional** level, ASEAN's economic and financial integration initiatives complement national measures in the midst of rising economic uncertainties. Through commitments to deepen regional trade integration, upgrade ASEAN+1 FTAs, pursue new trade partnerships and diversify sources of trade and investment, ASEAN seeks to strengthen regional growth and resilience. In parallel, ASEAN is also intensifying macroeconomic surveillance and financial policy coordination with the ADB, IMF and AMRO to support financial stability and timely responses to external shocks[84].

B.4 Infrastructure Development

[79] https://manilastandard.net/business/314631928/sec-rolls-out-reforms-to-boost-integrity-modernize-markets.html
[80] https://xaydungchinhsach.chinhphu.vn/nghi-dinh-210-2025-nd-cp-sua-doi-bo-sung-quy-dinh-ve-dau-tu-cho-doanh-nghiep-nho-va-vua-khoi-nghiep-sang-tao-11925073119272787.htm
[81] https://tphcm.chinhphu.vn/buoc-ngoat-quan-trong-de-phat-trien-he-sinh-thai-khoi-nghiep-sang-tao-101251101153337226.htm
[82] https://vanban.chinhphu.vn/?pageid=27160&docid=215663
[83] https://vietcetera.com/en/vietnam-to-launch-dedicated-stock-exchange-for-startups
[84] https://www.adb.org/news/adb-announces-financial-support-package-help-asia-and-pacific-mitigate-impacts-middle-east

124. ASEAN Member States continue to invest heavily in infrastructure to strengthen connectivity, logistics efficiency, and long-term competitiveness of their economies. Key initiatives included the development of ports, airports, railways, roads, shipping networks, water and energy infrastructure, and digital connectivity, supported by innovative programmes such as land provision programme, PPPs, infrastructure bonds, concessional financing, and private investment.

125. On 17 March 2026, **Brunei Darussalam** announced the Muara Port Expansion and Renovation Project as part of broader efforts to strengthen regional logistics connectivity and position the country as a competitive maritime hub within ASEAN and the BIMP-EAGA region. The project will include a new container terminal, expected to increase Muara Port's annual capacity from 220,000 TEU to 500,000 TEU, and a 3.26-hectare Port Trade Zone to facilitate import, export, and manufacturing activities while improving logistics efficiency and trade flows. Complementing these efforts, Brunei launched a new regular direct shipping service on 2 February 2026 connecting the country with major ports in China, the Republic of Korea, Indonesia, and the Philippines. Plans are also underway to establish ship-to-ship (STS) facilities and a lay-up area to strengthen Brunei's capacity as a regional maritime service centre, attract foreign investment, diversify the maritime economy, and enhance regional supply chain connectivity.

126. On late 2026, **Brunei Darussalam** is expected to advance its energy infrastructure and sector objectives of sustaining upstream oil and gas production, expanding downstream industries to support economic diversification, ensuring a reliable electricity supply, and accelerating the transition to low-carbon energy through the commissioning of a 30MW solar power project in Belimbing Subok, which will contribute to the national power grid.

127. **Cambodia** launched a new *Infrastructure Bond Prakas* on 23 July 2025 to strengthen its capital market and mobilise long-term financing for national infrastructure development. The framework establishes clear rules for issuing infrastructure debt securities, enabling both public and private entities to raise funds for large-scale projects such as roads, utilities, and public works. The initiative is intended to help address the estimated US$ 36 billion financing requirement under Cambodia's National Infrastructure Master Plan 2023–2033[85].

128. On 11 April 2026, **Cambodia** officially launched construction of the second section of the Funan Techo Integrated Water Resources Management Project, a major canal infrastructure project designed to connect the Mekong River system to the sea and strengthen the country's transportation and logistics network. The newly launched section stretches 151.6 kilometres from Kandal Province to Kep Province, forming part of the broader 172.6-kilometre Funan Techo Canal, which is being developed in two phases under a public–private partnership (PPP) arrangement. The project advanced following investment and construction agreements signed during Chinese President Xi Jinping's visit to Cambodia in April 2025, with China providing support through grants and loans. Once completed, the canal is expected to improve connectivity

[85] https://www.information.gov.kh/articles/164771

between the Mekong River, Tonle Sap Lake, and coastal ports, enhancing trade, logistics efficiency, economic development, and Cambodia's long-term transport resilience and self-reliance[86].

129. On 9 September 2025, **Cambodia** officially opened the US$2 billion Techo International Airport, a major infrastructure project located south of Phnom Penh that replaced the existing Phnom Penh International Airport and is intended to strengthen the country's position as a regional aviation and logistics hub. Developed in phases, the airport has an initial capacity of 13 million passengers annually, with planned expansion to eventually 50 million passengers per year by 2050. The project is expected to enhance regional connectivity, facilitate trade and tourism, improve cargo and logistics capabilities, and attract greater foreign investment. The airport forms part of Cambodia's broader strategy to promote economic growth, regional integration, and business development by improving access to key industrial zones, special economic areas, and transport networks.

130. On 31 October 2025, **Indonesia** advanced plans for the New Palembang Port (Tanjung Carat Port) in South Sumatra through the signing of a Memorandum of Understanding (MoU) and land handover agreements covering the development and operation of the new port, as well as a regional feeder port arrangement for the province. The project is intended to strengthen logistics connectivity and support economic growth by creating a new maritime hub in Banyuasin Regency that can better accommodate growing trade and industrial activity. As part of the implementation, the South Sumatra Provincial Government transferred 250,000 square metres of land for the project, while the central government indicated that groundbreaking activities would follow, with completion targeted by 2029. The new deep-sea port is planned to be integrated with toll road and railway networks, and is expected to support downstream industries, enhance export logistics, serve as a trade consolidation hub for southern Sumatra, and potentially anchor a future Special Economic Zone (SEZ) in Tanjung Carat[87].

131. On 24 September 2025, the Ministry of Public Works and Transport of **Lao PDR** announced a major transport infrastructure programme under its forthcoming Five-Year Sector Development Plan (2026–2030). The programme includes upgrading approximately 500 kilometres of highways to ASEAN freight standards, rehabilitating major road corridors such as National Road No. 13 South and National Road No. 8, constructing new bridges, developing railway links with Viet Nam and Thailand to complement the Laos–China Railway, establishing dry ports in Thakhek, Huayxai, and Luang Prabang, and modernising Mekong River transport and cross-border freight management systems. Implementation of the plan was subsequently discussed at the National Meeting on Public Works and Transport on 5 May 2026, where the government reviewed sector priorities including road maintenance, freight transport, waterway transport, digitalisation, and transport-sector coordination[88].

[86] https://www.akp.gov.kh/post/detail/367477
[87] https://sumselprov.go.id/detail/berita/mou-dan-serah-terima-lahan-ditandatangani-pembangunan-pelabuhan-baru-tanjung-carat-segera-dimulai/baru
[88] https://laotiantimes.com/2025/09/30/major-infrastructure-push-targets-road-rail-and-waterway-upgrades-in-laos/ and https://kpl.gov.la/EN/detail.aspx?id=100028

132. **Malaysia** unveiled a RM20 billion infrastructure package on 31 July 2025 under the Thirteenth Malaysia Plan (13MP) to strengthen resilience and regional connectivity through major public works projects. The initiative includes funding for 103 flood mitigation projects nationwide to reduce disaster risks, supported by enhanced early warning systems using AI-based technologies. It also prioritises cross-border infrastructure upgrades, including improvements to immigration and customs facilities, development of key transport links such as the Rantau Panjang–Sungai Golok bridge, and upgrades to land ports and regional road networks connecting Malaysia with Thailand, Indonesia, and Singapore[89].

133. On 11 February 2026, **Malaysia** conducted a preview run of the East Coast Rail Link (ECRL), reaffirming its planned 2027 launch as a major national infrastructure project to enhance connectivity and economic development. The initiative introduces key measures including (i) development of a 665-km standard-gauge railway line linking Kuala Lumpur with key east coast destinations such as Kuantan, Kuala Terengganu, and Kota Bharu, (ii) deployment of modern rail systems and rolling stock, including passenger trains and electric locomotives for cargo operations, and (iii) establishment of a land bridge connecting Port Klang and Kuantan Port to improve logistics efficiency and trade flows. Additional measures include (iv) significant travel time reductions for passengers and improved access to underserved regions, and (v) plans for regional connectivity, including potential integration with the Trans-Asian Railway network[90].

134. On 10 October 2025, **Myanmar** completed the final structural connection of the Myanmar–Korea Friendship (Dala) Bridge, a strategic infrastructure project linking Yangon with Dala Township and providing a direct road gateway to townships in southern Yangon Region and the Ayeyawady Delta. Originating from a Myanmar-South Korea cooperation initiative launched in 2012, the project reached a major milestone despite delays caused by the COVID-19 pandemic and other implementation challenges. The four-lane steel cable-stayed bridge is Myanmar's highest navigational-clearance bridge, with a clearance of 160 feet, allowing large international vessels of up to 15,000 tonnes and domestic watercraft to pass underneath while supporting road vehicles of up to 75 tonnes. According to the Ministry of Construction, the bridge is expected to reduce travel times and logistics costs, improve connectivity between Yangon and townships such as Dala, Twantay, Kawhmu, Kungyangon, Dedaye, Pyapon and Bogale, ease traffic congestion in Yangon, facilitate trade and investment, strengthen access to social services, and support broader economic development while also enhancing Myanmar's domestic engineering capabilities in modern cable-stayed bridge construction[91].

135. During **Myanmar** President Min Aung Hlaing's official visit to India from 30 May to 3 June 2026, India and Myanmar agreed to accelerate the implementation of key

[89] https://www.malaymail.com/news/malaysia/2025/07/31/malaysia-unveils-rm20b-infrastructure-boost-via-flood-mitigation-and-cross-border-upgrades-under-13mp/185956 and https://rmk13.ekonomi.gov.my/

[90] https://www.straitstimes.com/asia/ecrl-hits-the-tracks-malaysias-new-rail-system-stages-preview-run-2027-launch-on-track

[91] https://www.moi.gov.mm/moi:eng/news/19182

regional connectivity projects, particularly the long-delayed 1,400-kilometre India–Myanmar–Thailand Trilateral Highway, which will link northeastern India with Thailand through Myanmar and strengthen land-based trade and connectivity with Southeast Asia. The two countries also committed to expediting the Kaladan Multi-Modal Transit Transport Project to enhance regional supply chains and cross-border commerce. Further reinforcing commitments made during this visit, Myanmar convened a high-level coordination meeting on the India-Myanmar-Thailand Trilateral Highway in July 2026, directing agencies to accelerate implementation of the project. The government highlighted the corridor's role in strengthening trade, investment and logistics connectivity with India's northeastern states and wider regional markets in Thailand, Laos and southwestern China[92].

136. **The Philippines** expanded its flagship infrastructure programme on 20 March 2026, increasing the total pipeline to 201 projects valued at ₱9.97 trillion, as part of efforts to support inclusive and sustained economic growth. The updated list includes new projects such as the Liloan Bridge (₱5.1 billion), the Farm-to-Market Bridges Development Program (₱27.7 billion) to improve agricultural connectivity, and the Accelerated Water and Sanitation Project (₱268.85 billion) to expand climate-resilient water access. The programme relies on a mix of financing sources, including official development assistance, multilateral funding, government contributions, and private sector participation. Additional measures include upgrading and extending timelines for major rehabilitation initiatives such as the Marawi reconstruction plan to enhance infrastructure resilience and restore economic activity[93].

137. **The Philippines** proposed a 30-year Comprehensive Infrastructure Development Masterplan (CIDMP) on 23 October 2025 under the Masterplan for Infrastructure and National Development (MIND) Act, to establish a long-term framework guiding national infrastructure development across multiple administrations. The plan aims to ensure continuity and consistency in large-scale projects such as railways, dams, and expressways, while reducing implementation gaps and governance risks. It focuses on aligning infrastructure investment with future demand, strengthening planning coordination, and supporting inclusive and sustainable economic growth[94].

138. On 29 December 2025, **Singapore** launched the “First Half 2026 Industrial Government Land Sales (IGLS) Programme” under MTI, introducing a structured supply of industrial land to support economic activity and investment. The programme includes six sites under the Confirmed List and two sites under the Reserve List, totalling approximately 11.1 hectares, for industries such as manufacturing, logistics, and high-value industrial activities. Key implementation features include flexible allocation through reserve list triggers, differentiated zoning to cater to sector-specific

[92] https://www.thestar.com.my/aseanplus/aseanplus-news/2026/06/02/trilateral-highway-fast-tracked-as-myanmar-president-visits-india#goog_rewarded and https://www.moi.gov.mm/moi%3Aeng/news/21499

[93] https://businessmirror.com.ph/2026/03/20/marcos-admin-expands-flagship-infra-list-to-201-projects-totaling- per centE2 per cent82 per centB19-97-trillion/

[94] https://southeastasiainfra.com/30-year-national-infrastructure-masterplan-proposed-in-the-philippines/ and https://senate.gov.ph/legacy/lis_bills/4743243436!.pdf

needs, and alignment with economic planning priorities. The initiative aims to ensure an adequate supply of industrial land to support business expansion and investment[95].

139. On 15 March 2026, **Thailand** launched the "1.38 Trillion Baht Transport Infrastructure Development Programme (2026–2030)", covering 20 mega projects to enhance connectivity. The programme includes dual-track rail expansion, high-speed rail linking key economic corridors, airport upgrades, and highway/logistics enhancements, supported by PPP financing structures. Key implementation measures include fast-track approvals, project bundling for private participation, and integration with regional initiatives such as the Eastern Economic Corridor (EEC) and cross-border connectivity networks. The programme also prioritises digital infrastructure integration (smart transport systems). The policy aims to reduce logistics costs and strengthen Thailand's role as a regional transport and trade hub[96].

140. On 12 November 2025, **Timor-Leste** announced a "A$1 Billion Infrastructure and Economic Development Investment Programme", prioritising infrastructure, energy transition, and private sector development. The programme allocates US$223 million for roads and bridges, US$138.5 million for renewable energy and power networks, US$25.8 million for water and sanitation, and US$46.3 million for airport upgrades, alongside US$194.1 million for resource sector development and exploration. Additional measures include establishing the National Development Bank of Timor-Leste (BNDTL) to finance private sector investment, and initiatives to promote food security, decentralisation, and digital infrastructure integration. The programme also supports mining sector expansion through new licensing rounds and investment facilitation. The policy aims to accelerate economic development through infrastructure expansion and diversification of growth sectors[97].

141. **Viet Nam** launched around US$20 billion preferential credit programme on 16 December 2025 to finance key infrastructure and strategic projects, supporting long term economic growth and industrial development. The programme, implemented through 21 commercial banks, provides low interest loans (1–1.5 percentage points below market rates) for projects in priority sectors including power infrastructure, transport, and strategic technologies. Funding will be disbursed in phases, with about US$4 billion allocated in 2025–2026 and the remaining US$16 billion distributed from 2027 to 2030, aligned with project timelines and financing needs[98].

142. On 19 December 2025, **Viet Nam** simultaneously launched and inaugurated 234 key projects across 34 provinces and cities, comprising 148 new groundbreaking projects and 86 completed or technically operational projects, with a combined investment value approximately US$129 billion. The projects span strategic sectors

[95] https://www.mti.gov.sg/newsroom/launch-of-first-half-2026-industrial-government-land-sales-programme/
[96] https://thaitimes.com/thailand-unveils-20-mega-transport-projects-under-1-38-trillion-baht-infrastructure-push
[97] https://www.austrade.gov.au/en/news-and-analysis/analysis/timor-leste-to-invest-one-billion-in-economic-development
[98] https://en.vcci.com.vn/vcci-news/viet-nam-launches-us20-billion-preferential-credit-program-for-key-infrastructure-projects-114126

including transport, energy, urban development, digital infrastructure, industry, agriculture, healthcare, and education, and are intended to support economic transformation, enhance connectivity, and promote sustainable development. Notable projects include the Lao Cai–Ha Noi–Hai Phong railway, Long Thanh International Airport, and the Olympic Sports Urban Area in Ha Noi. Financed through a combination of public and private funding—with around 82 per cent coming from non-budget sources—the initiative aims to strengthen national infrastructure, reduce logistics costs, attract investment, accelerate digital and green transitions, create jobs, and support Viet Nam's long-term goal of becoming a modern, high-income economy[99].

B.5 Sectoral Developments

143. AMS are increasingly sharpening their development focus in selected key areas as part of broader efforts to enhance economic competitiveness, resilience, and long-term growth prospects. The efforts tend to focus on strengthening strategic industries, fostering innovation and technological upgrading, and supporting deeper integration into regional and global value chains. AMS are also accelerating digital transformation, adopting emerging technologies, and developing future-oriented industries, while at the same time advancing green transition, strengthening energy security, and mobilising sustainable finance. These efforts reflect ASEAN's commitment to building a more innovative, resilient, and sustainable regional economy.

B.5.1 Automotive, Electronics, and Semiconductor Industries

144. The automotive and electronics sectors are quite prominent in recent years. Malaysia is reinforcing localisation, EV development, and semiconductor integration of its automotive value chain, alongside broader industrial plans to scale high-value E&E industries. Indonesia and Thailand are implementing semiconductor roadmaps to build end-to-end ecosystem capabilities, supported by investment, talent, and infrastructure development, while the Philippines is strengthening workforce pipelines and the investment environment. Singapore continues to expand semiconductor R&D and innovation capacity. Regionally, these efforts are being complemented by the ongoing development of ASEAN's Semiconductor Roadmap, which aims to integrate national initiatives into a more coordinated, resilient, and competitive regional ecosystem.

145. **Indonesia** is strengthening its semiconductor industry through a phased strategy focused on chip design, talent development, and global partnerships. Since 2023, the Kementerian Perindustrian (Kemenperin) has supported the establishment of the Indonesia Chip Design Collaborative Center (ICDeC), bringing together experts from 16 universities to develop national chip design capabilities and R&D collaboration. In January 2026, Kemenperin expanded these efforts through cooperation with the Asian Development Bank (ADB), including a USD 16.2 million programme to enhance semiconductor talent, research infrastructure, and industry-

[99] https://en.baochinhphu.vn/viet-nam-launches-234-key-projects-to-celebrate-party-congress-111251219092838089.htm

academia collaboration. The government has also adopted a national semiconductor roadmap covering chip design, fabrication, and assembly, testing and packaging, with the aim of reducing import dependence and strengthening Indonesia's participation in global semiconductor value chains[100]

146. On 23 February 2026, **Indonesia**'s President Prabowo Subianto witnessed a strategic partnership between Indonesia's sovereign investment agency, Danantara, and Arm Limited to accelerate the development of Indonesia's semiconductor industry. The collaboration aims to strengthen national capabilities in chip design and advanced semiconductor technologies, including training 15,000 Indonesian engineers within Arm's ecosystem and developing domestic intellectual property (IP) for strategic sectors such as automotive, Internet of Things (IoT), data centers, home appliances, autonomous vehicles, and quantum computing. The initiative forms part of the government's broader strategy to enhance technological sovereignty, accelerate digital transformation, and position Indonesia as a higher-value player in the global technology supply chain in support of the Indonesia Emas 2045 vision[101].

147. On 31 March 2026, **Malaysia** outlined a comprehensive policy approach to strengthen the domestic automotive ecosystem and promote sustainable industry development. The measures include requiring new manufacturing investments to align with the National Automotive Policy (NAP) and New Industrial Master Plan 2030 (NIMP 2030), mandating local value-added activities such as body, paint, and assembly operations, and encouraging export-oriented production models, with limits on domestic sales volumes. Additional requirements include technology transfer, local supply chain integration, and participation across the full automotive value chain, aimed at preventing market distortion, strengthening localisation, and positioning Malaysia as a regional hub for next-generation vehicles and advanced manufacturing[102].

148. On 5 August 2025, **Malaysia** reaffirmed its commitment to the Thirteenth Malaysia Plan (13MP) 2026–2030, highlighting a total allocation of RM611 billion with RM227 billion earmarked for the economic sector to drive structural transformation and sustainable growth. The initiative prioritises the expansion of high-growth, high-value (HGHV) industries, particularly through the New Industrial Master Plan (NIMP) 2030 and the National Semiconductor Strategy, with the goal of positioning

[100] https://kemenperin.go.id/artikel/72482534/Kemenperin%E2%80%93ADB-Perkuat-Kerja-Sama-Pengembangan-Ekosistem-Semikonduktor-Nasional, https://kemenperin.go.id/artikel/72482958/Perkuat-Kemitraan-Industri,-Indonesia-dan-India-Bahas-Peluang-Kerjasama-Semikonduktor,-hingga-Data-Center-di-Forum-BRICS, and https://kemenperin.go.id/artikel/72482539/Kemenperin-Perkuat-Ekosistem-Semikonduktor-Nasional-melalui-Pengembangan-Desain-Chip-dan-SDM

[101] https://setkab.go.id/presiden-prabowo-saksikan-kemitraan-danantara-arm-indonesia-percepat-lompatan-industri-semikonduktor/

[102] https://www.miti.gov.my/miti/resources/Media per cent20Release/PR_MITI_REAFFIRMS_COMMITMENT_TO_SUSTAINABLE_AUTOMOTIVE_GROWTH_latest.pdf

Malaysia as a leading semiconductor hub and achieving RM1 trillion in electrical and electronics exports by 2030[103].

149. On 19 August 2025, **Malaysia** initiated a mid-term review of its National Automotive Policy 2020 (NAP2020) to realign the framework with evolving global mobility trends, particularly the rapid growth of EVs and New Generation Vehicles (NxGV). The review includes the establishment of the Council of Automotive Eminent Persons (CAEP) to reassess industry direction, with measures focusing on strengthening EV adoption, enhancing energy-efficient vehicle development, and expanding capabilities in semiconductor and automotive component manufacturing. It also involves extensive industry consultation to update policy frameworks in line with technological advancements and market developments. The initiative aims to reduce reliance on fossil fuel vehicles, support sustainable industrial growth, and position Malaysia as a competitive player in the evolving regional and global mobility ecosystem[104].

150. On 1 October 2025, **the Philippines**, through the Semiconductor and Electronics Industry Advisory Council (SEIAC), introduced a five-year workforce development plan to strengthen the country's semiconductor and electronics sector. The measures include developing a school-to-industry talent pipeline through closer coordination between education institutions and industry, promoting flexible training pathways such as micro-credentials and ladderized programmes, and enhancing technical skills aligned with global standards. Additional initiatives focus on improving the investment climate through the development of strategic economic zones, infrastructure upgrades, and regulatory streamlining to attract industry players. The plan aims to build a skilled domestic workforce, strengthen industry competitiveness, and position the Philippines as a hub for semiconductor manufacturing and innovation[105].

151. On 2 March 2026, **Singapore** announced an S$800 million investment under Budget 2026 to strengthen semiconductor research and development (R&D) as part of its Research, Innovation and Enterprise 2030 (RIE2030) strategy. The measures include the establishment of coordinated national flagship programmes to advance key technologies such as advanced packaging and photonics, alongside the development of new research infrastructure, including a S$60 million National Semiconductor Translation and Innovation Centre (NSTIC) for power electronics. Additional initiatives focus on strengthening collaboration between industry and academia, supporting pilot production capabilities, and accelerating the commercialisation of semiconductor innovations. The policy aims to deepen

[103] https://www.miti.gov.my/miti/resources/Media per cent20Release/(FINAL4)_Siaran_Media_MITI_RMK13_2025-08-031.pdf
[104] https://www.carz.com.my/2025/08/miti-launches-nap2020-mid-term-review-with-focus-on-evs-nxgv; and https://liewchintong.com/ms/2025/08/18/dasar-automotif-negara-terkini-dan-penubuhan-council-of-automotive-eminent-persons-caep/
[105] https://www.pna.gov.ph/articles/1260048

technological capabilities, attract high-value investments, and reinforce Singapore's position as a global hub for semiconductor innovation and manufacturing[106].

152. On 6–7 April 2026, **Singapore** launched the AUMOVIO-NTU Corporate Lab to advance AI applications in the automotive sector through industry–academia collaboration. The initiative brings together research expertise from NTU and industrial partners to develop practical solutions, including automated testing systems, advanced materials, and vehicle communication technologies, with a focus on translating research into deployable innovations. Additional measures include collaboration with technology partners to provide computing resources, support for startups and commercialisation pathways, and engagement of over 140 researchers, engineers, and students across key domains. The initiative aims to strengthen Singapore's capabilities in automotive AI, accelerate industrial innovation, and reinforce its position as a hub for advanced manufacturing and smart mobility technologies[107].

153. On 7 January 2026, **Thailand**'s National Semiconductor and Advanced Electronics Policy Committee reviewed a draft national semiconductor strategy prepared by the Thailand Board of Investment (BOI), outlining a long-term roadmap to develop a complete semiconductor value chain and strengthen the country's position as a regional electronics hub. The strategy targets more than THB 2.5 trillion in investment and the development of over 230,000 skilled workers by 2050, while focusing on five priority segments: power, sensor, photonics, discrete and analog semiconductors. Building on Thailand's existing strengths in assembly, testing and electronics manufacturing, the roadmap seeks to expand capabilities into higher-value activities such as integrated circuit design and wafer fabrication under the vision of producing"Made-in-Thailand" chips[108].

154. At **regional** level, ASEAN is currently developing the ASEAN Semiconductor Roadmap, with a view toward its adoption by the AEC Council in November. Building on the ASEAN Framework for Integrated Semiconductor Supply Chains (AFISS), launched in 2025, which encourages member states to leverage complementary strengths and specialise across different segments of the value chain to create a more integrated and resilient regional ecosystem amid geopolitical pressures, the Roadmap translates this vision into a practical 2026–2030 action agenda. It is centred on three pillars—talent, technology and infrastructure, and supply chain and investment—supported by cross-sectoral enablers such as coordinated investment mechanisms and regional platforms, and aims to develop an industry-ready workforce, upgrade manufacturing and R&D capabilities, harmonise regulations, and deepen regional supply chain integration, ultimately strengthening ASEAN's resilience, innovation capacity, and global competitiveness in the semiconductor industry.

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[106] https://www.edb.gov.sg/en/business-insights/insights/budget-2026-singapore-commits-s800-million-to-semiconductor-research-and-development-to-deepen-high-impact-tech-capabilities.html
[107] https://opengovasia.com/singapore-corporate-lab-to-advance-automotive-ai-innovation/?c=id; and https://www.hyundai.com/sg/newsroom?dtlYn=Y&schBbSeq=1126
[108] https://www.boi.go.th/upload/content/PR3_2569EN.pdf

B.5.2 Digital, Technology, and AI-Related Investments

155. Digital and technology-related measures adopted across ASEAN lately have been focusing on digital transformation, AI adoption, innovation and digital infrastructure. Brunei Darussalam, Malaysia and Singapore advanced national AI and digital economy strategies; Cambodia and Myanmar expanded digital government and payment systems; Indonesia invested in AI and data centre infrastructure; the Philippines strengthened AI startups and standards; Thailand invested in AI capabilities and digital skills; Timor-Leste expanded digital connectivity; and Viet Nam introduced incentives and reforms to promote digital technology, innovation and high-tech investment.

156. **Brunei Darussalam** recently reinforced digital transformation as a central pillar of national development through the launch of the Ministry of Transport and Infocommunications' Strategic Plan 2026–2030 on 30 January 2026. The plan outlines a coordinated approach to advancing digitalisation and building a Smart Nation, aligning with Wawasan Brunei 2035 and incorporating lessons learned from previous strategies. It also highlights the preparation of a broader Digital Transformation Plan, which builds upon the Digital Economy Masterplan 2025, alongside the development of a national Science, Technology and Innovation (STI) framework aimed at strengthening innovation capacity, improving digital infrastructure, and supporting economic diversification through technology-driven growth[109].

157. **Brunei Darussalam** recently strengthened its startup ecosystem and innovation landscape through the organisation of the Brunei Startup Summit 2026, held on 11–12 February 2026, which brought together over 500 participants including entrepreneurs, investors, policymakers, and regional ecosystem partners. The summit served as a platform to support entrepreneurship development, facilitate knowledge exchange, and enhance collaboration, with a focus on addressing key challenges such as fundraising, market expansion, and the use of data and AI in business operations. By providing networking opportunities, pitching sessions, and exposure to regional markets, the initiative aims to build enterprise capabilities, strengthen MSMEs, and promote innovation-driven growth, contributing to job creation, improved productivity, and Brunei's broader economic diversification objectives under Wawasan Brunei 2035[110].

158. **Brunei Darussalam** recently launched the Digital Brunei 2030: The Digital Brunei Transformation Plan on 2 June 2026, establishing a national roadmap to guide digital growth and innovation over the next five years in support of Wawasan Brunei 2035. The plan consolidates four key strategies—Digital Government, Digital Society, Digital Business, and Data and AI—into a unified framework aimed at enhancing public service delivery, strengthening business productivity, and fostering an inclusive digital ecosystem. Key initiatives include the development of AI-capable data centres, a national sovereign cloud, and a localised large language model, reflecting Brunei's

[109] https://www.councils.gov.bn/30-01-26-digital-transformation-central-to-ministrys-new-plan/
[110] https://www.bedb.gov.bn/post/brunei-startup-summit-2026-concludes-with-strong-participation-strengthening-brunei-s-startup-ecosy

transition from building foundational digital infrastructure to creating a more advanced, technology-driven economy with improved coordination across public and private sectors[111].

159. On 11 August 2026, **Brunei Darussalam** advanced its Digital Brunei 2030 agenda by strengthening digital sovereignty and accelerating the development of a data-driven economy. The country announced plans to develop an AI-capable Data Centre, a National Sovereign Cloud with AI Compute capabilities, and a national Large Language Model (LLM) to enhance decision-making, productivity, and innovation across businesses and government. To support the growth of the digital ecosystem, Brunei will introduce the IKTIRAF initiative as an accreditation mechanism for local ICT companies, encouraging greater investment in research and development, specialised expertise in areas such as AI-powered fintech, cybersecurity, agritech, and digital health, as well as strategic partnerships and joint ventures. Local enterprises, particularly small and medium-sized enterprises (SMEs), will also receive continued support to adopt digital technologies, build digital capabilities, and participate in innovation initiatives as part of the country's broader digital transformation roadmap through 2030.

160. On 15 December 2025, **Cambodia** advanced its digital transformation agenda by integrating six (6) major commercial banks into the Council for the Development of Cambodia (CDC) One Stop Service Payment (cdcOSP) system, aimed at enhancing the efficiency and accessibility of public service delivery for investors. The initiative enables real-time, secure digital payments, reduces administrative delays, and allows transactions to be completed anytime and from any location, significantly improving the ease of doing business. As part of broader digital investment reforms, the integration supports Cambodia’s efforts to strengthen its investment climate, enhance competitiveness, and build economic resilience amid global uncertainties, while contributing to the country’s long-term vision of achieving high-income status by 2050[112].

161. On 9 July 2025, **Indonesia** facilitated investment in the development of the first Quantum Artificial Intelligence (AI) Data Center in Asia, with an initial investment of approximately USD 400 million (around IDR 6 trillion), located in a green industrial estate in Batam. The initiative includes the deployment of advanced technologies such as quantum computing, AI, and big data analytics, supported by infrastructure powered by renewable energy. The government also provides investment facilitation through regulatory simplification, fiscal incentives such as tax holidays and import duty exemptions, and integration within the Online Single Submission (OSS) system,

[111] https://www.mtic.gov.bn/news-item/announcement-of-digital-brunei-2030/
[112] https://cdc.gov.kh/recent-news/%E1%9E%80%E1%9E%B7%E1%9E%85%E1%9F%92%E1%9E%85%E1%9E%96%E1%9E%B7%E1%9E%97%E1%9E%B6%E1%9E%80%E1%9F%92%E1%9E%9F%E1%9E%B6%E1%9E%87%E1%9E%B6%E1%9E%98%E1%9E%BD%E1%9E%99%E1%9E%92%E1%9E%93%E1%9E%B6%E1%9E%82/

aiming to position Indonesia as a regional hub for digital infrastructure and advanced technology industries[113].

162. On 17 October 2025, **Malaysia** introduced MyDIGITAL Framework, a comprehensive set of digital transformation measures aimed at building an AI-driven, innovation-led economy by 2030. The policy includes expanding digital government services through MyDigital ID and GovTech integration, developing sovereign digital infrastructure such as a national AI cloud and submarine cable connectivity (SALAM), and strengthening ecosystem support through co-investment mechanisms and ASEAN Business Entity (ABE) incentives to attract high-value digital investments. Additional measures include 50 per cent tax deductions for SMEs on AI and cybersecurity training, expansion of TVET and digital talent programmes, and enhanced cybersecurity investments and data governance frameworks. Complementary initiatives such as digital inclusion programmes and innovation funding aim to ensure broad-based participation while positioning Malaysia as a regional leader in advanced digital technologies[114].

163. **Myanmar**'s Cybersecurity Law (State Administration Council Law No. 1/2025) was enacted on 1 January 2025 and entered into force on 30 July 2025 following the issuance of Notification No. 113/2025. The law establishes measures including mandatory licensing requirements for cybersecurity providers and digital platforms, data governance and retention obligations, and regulatory oversight of critical information infrastructure such as financial systems, energy networks, and communications. It also grants authorities the power to monitor and control digital platforms, regulate VPN usage through approval systems, and impose penalties for cyber offences including data misuse, unauthorised access, and online fraud. These measures aim to strengthen national cybersecurity, protect state interests, and support the development of a secure digital economy, although they also introduce compliance requirements for businesses operating in Myanmar's digital landscape[115].

164. On 12 August 2025, **Myanmar** introduced a unified digital payment framework (MyanmarPay/MMQR) under the supervision of the Central Bank to modernise the financial sector and promote financial inclusion. The system allows interoperability across all participating banks and e-wallets, enabling users to make real-time payments using a single QR code without requiring additional applications or accounts. For merchants, the framework simplifies operations by replacing multiple payment systems with a single interface, while improving transaction efficiency and accessibility. The policy aims to reduce reliance on cash, enhance financial transparency, and expand access to digital financial services, particularly for small and medium-sized enterprises and underserved populations[116].

165. On 6 May 2026, **the Philippines**' Department of Trade and Industry (DTI) partnered with FEU Institute of Technology under the AI Startup Ecosystem

[113] https://www.bkpm.go.id/id/info/siaran-pers/ri-siap-fasilitasi-investasi-data-center-ai-pertama-di-asia-senilai-rp6-t
[114] https://www.mydigital.gov.my/budget-2026-accelerating-malaysias-digital-transformation-for-all/
[115] https://www.moi.gov.mm/moi:eng/news/16633
[116] https://mdn.gov.mm/en/cbm-launches-national-qr-standard-mmqr-secure-transactions

Development Initiative, introducing measures to strengthen the country's AI innovation capacity. The initiative includes training programmes, startup incubation, mentorship, and industry-academe collaboration mechanisms, aimed at supporting AI-focused enterprises. Key features include technical capability-building, structured partnerships between academic institutions and industry, and support for early-stage startups. The programme complements broader national digital transformation strategies and innovation policies. The policy is intended to strengthen the pipeline of AI talent and startups to support growth in digital and technology sectors[117].

166. On 23 May 2026, **the Philippines'** Department of Trade and Industry (DTI) updated the Philippine National Standards (PNS) on AI Conformity Assessment and Certification Framework, introducing new rules governing certification bodies responsible for evaluating AI systems. The framework establishes guidelines for testing, certification, and accreditation, ensuring that AI products and services meet defined standards for safety, quality, and interoperability. Key measures include strengthened regulatory oversight, clearer technical requirements, and alignment with international standards. This update forms part of broader efforts to regulate emerging technologies and ensure consistent quality assurance across the AI ecosystem. The policy is intended to provide regulatory clarity and strengthen standards-based oversight for AI deployment[118].

167. **Singapore** on 27 January 2026 unveiled its *National AI Research and Development (R&D) Plan for Public Good* to strengthen its position as a global hub for AI while ensuring technology delivers broad societal benefits. The plan commits over S$1 billion in funding for 2025–2030, focusing on three core pillars—fundamental AI research, applied AI, and talent development—to drive innovation and long-term competitiveness. It includes measures to establish AI Research Centres of Excellence, develop sustainable and responsible AI systems, and translate research into real-world applications across sectors such as aviation, transport, manufacturing, healthcare, and sustainability. The initiative also prioritises building a strong talent pipeline through scholarships, international collaborations, and programmes to attract global experts and nurture local researchers. Overall, the strategy reflects Singapore's commitment to advancing AI innovation, strengthening its digital economy, and ensuring that technological progress supports inclusive and sustainable development[119].

168. On 5 December 2025, **Singapore** announced the Research, Innovation and Enterprise 2030 (RIE2030) Plan, committing S$37 billion over five years from April 2026 to strengthen the nation's research, innovation, and enterprise ecosystem. The plan aims to deepen capabilities in strategic growth areas such as artificial intelligence, data and computing, support high-impact research and commercialization through new RIE Flagships and Grand Challenges, develop a stronger research talent pipeline,

[117] https://www.dti.gov.ph/dti-latest-news/dti-partners-feu-tech-strengthen-ai-startup-ecosystem
[118] https://www.dti.gov.ph/dti-latest-news/dti-updates-pns-conformity-assessment-new-ai-rules-certification-bodies
[119] https://opengovasia.com/singapore-launches-national-ai-rd-plan-for-public-good/?c=id

and enhance Singapore's competitiveness by fostering innovation, deep-tech entrepreneurship, and high-value economic activities[120].

169. **Singapore** announced the development of Kampong AI on 2 March 2026, a dedicated AI park in one-north designed to strengthen the country's innovation ecosystem and attract global AI start-ups. The project will integrate workspaces and residential facilities, accommodating up to 70 companies and 200 housing units, to promote collaboration among researchers, firms, and talent. It also complements broader national initiatives, including AI Missions targeting sectors such as manufacturing, finance, and healthcare, and programmes supporting workforce upskilling and enterprise transformation[121].

170. On 30 July 2025, **Thailand** approved a THB 25 billion investment plan to accelerate nationwide AI development through 2027 as part of its National AI Programme. The measures include establishing nine AI Centres of Excellence across key sectors such as healthcare, agriculture, manufacturing, and public services, alongside plans for a dedicated centre on AI safety. Additional provisions focus on workforce development, including funding for AI talent training, development of national data infrastructure through a National Data Bank, and promotion of public–private collaboration via AI consortiums. The initiative aims to strengthen technological capabilities, drive cross-sector adoption of AI, and enhance Thailand's competitiveness in the global digital economy[122].

171. On 25 November 2025, **Thailand** launched the "AI Skills Development Programme (Ministry of Labour–Microsoft Partnership)", targeting training of 150,000 workers in AI and digital skills. The programme includes modular online training, certification pathways, industry-aligned curricula, and job placement support, delivered through public–private collaboration. Key features include focus on SMEs, youth, and mid-career workers, as well as integration with national digital economy strategies. The programme also supports enterprise adoption of AI technologies through workforce readiness. The policy aims to develop a digitally skilled workforce to support growth in technology-driven sectors[123].

172. On 7 May 2026, **Timor-Leste** implemented a national digital connectivity initiative to connect 450 remote villages under its digital transformation and public service reform programme, expanding access to high-speed internet through Starlink satellite technology. The initiative is led by the Ministry of Transport and Communications in coordination with the Ministry of State Administration, enabling delivery of digital government services, online education, telemedicine, and economic services to previously underserved areas. Key measures include deployment of satellite broadband infrastructure, integration with national digital systems, and

[120] https://file.go.gov.sg/rie2030pressrelease.pdf
[121] https://www.jtc.gov.sg/about-jtc/news-and-stories/press-releases/jtc-unveils-refreshed-masterplan-for-launchpad
[122] https://mdes.go.th/news/detail/9761
[123] Ministry of Labour. กระทรวงแรงงาน ดึง Microsoft เร่งพัฒนาทักษะ AI แรงงานไทย 150,000 คน ขับเคลื่อนประเทศไทยสู่ "ผู้สร้าง" ในยุคเศรษฐกิจดิจิทัล. 25 Nov 2025. https://www.mol.go.th/news/

support for local governance digitisation, allowing remote communities to access administrative services without travel. The programme also facilitates digital learning tools, healthcare communication systems, and local business participation in digital markets, improving inclusion. The rollout complements national fibre-optic infrastructure investments. The policy aims to reduce the digital divide and improve access to services and economic opportunities in remote areas[124].

173. On 19 August 2025, **Viet Nam** issued Decree No. 230/2025/ND-CP on land use levy and land rental exemptions and reductions, introducing targeted investment incentives for digital technology and research activities. The Decree provides full land rental exemption for the entire lease term for projects involving scientific research facilities of science and technology enterprises, digital technology industry projects (including software, semiconductors, and AI), concentrated digital technology parks, and the National Innovation Center. In addition, it introduces a 30 per cent reduction in land rental payable for 2025 for land leased under annual payment regimes, applicable broadly to businesses including those not previously eligible for incentives. The measure lowers upfront and operational costs for high-tech investors while expanding support beyond traditional incentive periods. The Decree took effect immediately upon issuance and supports national digital transformation priorities. The policy aims to promote investment in digital technology, R&D, and innovation-driven sectors through targeted land incentives[125].

174. On 10 December 2025, **Viet Nam**'s National Assembly passed Law No. 115/2025/QH15, amending and supplementing the Law on Technology Transfer, with most provisions taking effect on 1 April 2026. The legislation is aimed at strengthening Viet Nam's innovation and technology ecosystem by prioritising the transfer of high, strategic, advanced, clean and "green technologies", encouraging foreign organisations and individuals to transfer technologies to Vietnamese entities, expanding incentives for technology commercialisation and innovation activities, and enhancing support for technology startups, innovation centres and technology transfer intermediaries. The law also streamlines technology appraisal, licensing and registration procedures, promotes technology-related investment and technology-based capital contributions, and establishes additional mechanisms to facilitate the diffusion and adoption of technologies across the economy.

175. On 26 May 2026, **Viet Nam**'s Ministry of Industry and Trade announced the implementation of Decision No. 929/QĐ-TTg,, approving a national programme for the development of supporting industries for the 2026–2035 period to strengthen domestic manufacturing capacity and reduce reliance on imported components. The programme includes measures to promote innovation, digital transformation, automation, and adoption of high technologies, alongside efforts to improve enterprise competitiveness and increase localisation rates across key sectors such as electronics, automotive, and mechanical engineering. It also предусматри initiatives to develop domestic supplier networks, provide training and technical support to firms,

[124] https://timor-leste.gov.tl/?p=48909&n=1&lang=en
[125] https://investmentpolicy.unctad.org/investment-policy-monitor/measures/5388/adopts-land-rental-exemptions-for-digital-technology-and-research-facilities

and support research, technology transfer, and pilot production projects. The policy aims to enhance integration into regional and global supply chains while building a more self-reliant, sustainable, and competitive industrial base[126].

176. On 31 March 2026, **Viet Nam** issued Decree No. 96/2026/ND-CP, which took immediate effect and provides detailed guidance for the implementation of the Law on Investment No. 143/2025/QH15, replacing Decree No. 31/2021/ND-CP and establishing a revised framework for domestic and foreign investment activities. The decree implements key reforms under the 2025 Investment Law, including (i) the introduction of a "special investment procedure" (green channel) for eligible projects in industrial parks, export processing zones, high-tech parks, economic zones and other designated areas, allowing investors to obtain an Investment Registration Certificate through a registration-and-commitment process with post-licensing supervision; (ii) a more targeted investment incentive framework for semiconductors, AI, big data, digital technologies, R&D and strategic infrastructure projects; (iii) greater flexibility in investment structuring, including certain cases where economic organisations may be established before issuance of an Investment Registration Certificate and a reduction in circumstances requiring adjustment of investment policy approvals; and (iv) clarified investment guarantees and protections against adverse changes in law. The decree reflects Viet Nam's broader shift from extensive pre-approval requirements toward a risk-based regulatory model emphasising post-investment supervision, continuous compliance and the attraction of high-quality, technology-driven investment[127].

177. **Viet Nam**'s tax framework directly relevant to investment was adjusted to give greater priority to high technology, strategic technologies, R&D, innovation and the digital technology industry. Law No. 90/2025/QH15 and Decree No. 182/2025/ND-CP broaden exemptions from import duties for specialised machinery, equipment and materials, as well as goods forming fixed assets for activities in these fields. These provisions took effect on 1 July 2026, immediately after the reporting cut-off date. The Law on High Technologies No. 133/2025/QH15 and the Law on Corporate Income Tax No. 67/2025/QH15 provide enhanced incentives for high technology, strategic technologies and R&D, including a 10 per cent corporate income tax rate for 25 years, a four-year tax exemption, and a 50 per cent reduction of tax payable for the subsequent nine years, subject to statutory conditions. Certain projects eligible for special investment incentives and support may receive higher levels of incentives pursuant to a decision of the Prime Minister. Enterprises are also encouraged to increase R&D expenditure through enhanced deductible-expense mechanisms and a higher allocation ceiling for the Science and Technology Development Fund.

178. At **regional** level, ASEAN is expected to sign the ASEAN Digital Economy Framework Agreement (DEFA) in 2026, following conclusion of the negotiations this

[126] https://moit.gov.vn/tin-tuc/phat-trien-cong-nghiep/phe-duyet-chuong-trinh-phat-trien-cong-nghiep-ho-tro-giai-doan-2026-2035.html
[127] https://fia.mof.gov.vn/Detail/CatID/a49f78e5-5335-4b5a-bee9-b73c0a886500/NewsID/fb387118-c415-436e-903f-830dd52a2b45

year. DEFA aimed at strengthening regional digital integration, facilitating cross-border digital trade, and supporting the growth of the ASEAN digital economy.

B.5.3 Electric Vehicles

179. AMS are accelerating electric vehicle (EV) development through policies and incentives to promote local production, expand infrastructure, and cultivate ecosystem building. Countries such as Cambodia, Indonesia, Malaysia and Thailand are prioritising localisation of EV manufacturing and integration into regional value chains, supported by fiscal incentives, investment promotion, and technology transfer. At the same time, Indonesia, Lao PDR, the Philippines, Singapore, and Viet Nam are introducing demand-side measures such as subsidies, tax incentives, financing schemes, and regulatory frameworks to encourage EV adoption and reduce reliance on fossil fuels. Efforts are focused on developing charging infrastructure, workforce capabilities, and supporting industries (e.g. batteries and components) alongside measures to enhance energy security and sustainability.

180. On 30 October 2025, **Cambodia** established the Institute of Automotive Technology and New Energy Industry to support the development of EVs and emerging energy technologies as part of its industrial upgrading strategy. The initiative includes measures to strengthen technical and vocational training, promote research and innovation in EV engineering and new energy systems, and foster collaboration with international institutions and industry partners. It also aims to build a skilled workforce to support the growing domestic EV market, enhance localisation of automotive production, and encourage the adoption of low-carbon transport solutions. The institute supports Cambodia's transition toward sustainable industrial development, higher value-added manufacturing, and participation in the regional green mobility ecosystem[128].

181. On 26 April 2026, **Cambodia** introduced a comprehensive set of measures to promote the development of its domestic EV industry, particularly in response to rising fuel prices and increasing demand for sustainable transport solutions. These measures include the provision of fiscal incentives such as tax benefits and supportive regulatory policies to encourage both local production and foreign investment in EV manufacturing. In addition, the government emphasised the importance of technology transfer from foreign investors to build domestic capabilities, alongside workforce development initiatives aimed at equipping local labour with the technical skills required for EV production and maintenance. Furthermore, Cambodia prioritises the localisation of production, encouraging both domestic and international companies to establish manufacturing facilities within the country to maximise economic benefits and reduce dependence on imports. The policy also highlights the need to develop supporting infrastructure and industrial capacity, ensuring that Cambodia can participate in regional and global EV value chains. These measures are implemented under the National Policy on EV Development 2024–2030, which provides a structured roadmap with clear targets and coordinated actions across relevant ministries and

[128] https://www.information.gov.kh/articles/173054

sectors to accelerate EV adoption and industry growth while supporting environmental sustainability and long-term economic transformation[129].

182. On 12 May 2026, **Lao PDR**, through Prime Minister's Notice dated 12 May 2026, effective 1 June 2026, adopted a comprehensive policy framework to accelerate EV adoption and reduce dependence on fossil fuels, including the suspension of imports of petrol- and diesel-powered vehicles until the end of 2026, with exemptions for selected categories such as public transport, construction machinery, and project-related vehicles. To support this transition, the government introduced several complementary measures, including the development of a standardised EV pricing framework to prevent excessive price increases and market manipulation, and the provision of excise tax exemptions for fully EVs priced below USD 50,000. Additional regulatory measures include mandating that all vehicle transactions be conducted through formal banking channels to enhance transparency and oversight of the automotive market. The policy also prioritises the expansion of EV charging and battery-swapping infrastructure, supported by private sector investment, alongside strengthened supervision of distributors and market participants. Furthermore, these measures are complemented by the implementation of a multi-party electric mobility agreement (signed April 2026) involving 27 public and private sector partners, covering four (4) key areas: vehicle supply, charging infrastructure, transport operations, and financing mechanisms. The initiative includes the development of a centralised digital platform for energy management and charging coordination, as well as tailored financing products to support businesses transitioning to EV fleets. Collectively, these measures aim to reduce fuel import dependency, lower carbon emissions, improve transport efficiency, and support Laos's long-term target of achieving 30 per cent EV penetration by 2030, as part of its broader clean energy transition strategy[130].

183. On 6 May 2026, **Malaysia** announced the termination of the four-year special tax exemption scheme for imported completely built-up (CBU) EVs, which had expired on 31 December 2025. The policy introduced new regulatory measures effective 1 July 2026, including a minimum Cost, Insurance and Freight (CIF) value of RM200,000 and a minimum motor power requirement of 180kW for imported EVs. Transitional provisions allow existing inventory to be sold under previous exemption terms until depleted. These measures aim to recalibrate EV policy toward higher-value imports, support domestic industry development, and ensure a transparent and balanced automotive policy framework[131].

184. On 4 June 2025, **Myanmar** introduced automotive sector reforms through tariff adjustments and new regulatory measures to support both conventional and EVs markets. The measures include reductions in import tariffs for fuel-powered vehicles—particularly for semi-knocked down and completely knocked down units—and the removal of tariffs on fully built-up vehicles, effective until 31 March 2026. In parallel,

[129] https://kpl.gov.la/EN/detail.aspx?id=98900
[130] https://english.news.cn/20260528/95824b7fe6f5445c8cb3a27eeecc01a0/c.html
[131] https://www.miti.gov.my/miti/resources/Media per cent20Release/SIARAN_MEDIA_PENAMATAN_PENGECUALIAN_KHAS_6_Mei_2026_edited.pdf

new EV regulations require import approvals, registration of showrooms, and compliance with standards on warranties, spare parts, and after-sales services, alongside requirements for licensed distributors or joint venture entities. The reforms aim to modernise the automotive sector, facilitate EV adoption, and improve market structure and regulatory oversight[132].

185. On 28 May 2026, **Myanmar** introduced an EVs replacement programme to phase out vehicles over 20 years old and those deemed unsafe or irreparable, as part of efforts to modernise the transport sector and reduce fuel consumption. The measures allow vehicle owners to exchange old or unusable vehicles for EVs based on assessed value, subject to approval by the national EV steering committee and supported by access to foreign exchange for imports. The programme also permits voluntary participation from owners of newer vehicles, aiming to accelerate EV adoption, improve road safety, and reduce emissions while strengthening regulatory oversight of vehicle replacement and imports[133].

186. On 18 April 2026, **the Philippines'** Department of Trade and Industry (DTI) and Small Business Corporation (SB Corp) released ₱15 million under the E-Transport Loan Programme, providing initial financing support to transport operators and drivers transitioning to EVs. The programme offers low-interest loans with manageable repayment terms to eligible operators with valid transport franchises, supporting EV acquisition and fleet upgrading. Key implementation features include simplified application procedures, accessible financing packages, and coordination with public transport modernisation programmes. This initial release serves as a pilot phase to evaluate demand and programme design prior to expansion. The policy is intended to facilitate early adoption of EVs by reducing upfront financing constraints for small transport operators[134].

187. On 13 May 2026, **the Philippines** announced plans to fast-track the rollout of an Electric Vehicle Incentive Strategy (EVIS) to promote local EV manufacturing and accelerate industry development. The measures include offering fiscal incentives to attract investment in EV assembly and production, encouraging participation from multiple automotive manufacturers, and supporting the development of EV components such as batteries and electric parts. Additional provisions aim to expand charging infrastructure and narrow the cost gap between EVs and conventional vehicles to boost market adoption. The initiative was introduced in response to rising fuel prices linked to global energy disruptions, with the objective of strengthening energy resilience and positioning the Philippines as a regional EV manufacturing hub[135].

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[132] https://www.allenandgledhill.com/mm/publication/articles/30978/s-automotive-reforms-fuel-vehicle-tariff-reductions-and-new-ev-regulations
[133] https://asianews.network/myanmar-government-announces-it-will-provide-evs-to-replace-vehicles-over-20-years-old-irrepareable-vehicles/
[134] https://www.dti.gov.ph/dti-latest-news/dti-sbcorp-releases-p15m-e-transport-loans-support-shift-operators-drivers-electric-vehicles
[135] https://mb.com.ph/2026/05/13/philippines-fast-tracks-plan-to-build-electric-cars-locally

188. On 8 September 2025, **Singapore** extended and revised its Vehicular Emissions Scheme (VES) and Electric Vehicle Early Adoption Incentive (EEAI) to support the transition toward cleaner transport and full vehicle electrification. The measures include extending the VES framework from January 2026 to December 2027 with revised banding that provides rebates exclusively for EVs, while increasing surcharges for more polluting vehicles and phasing out incentives for hybrids. The EEAI was also extended until end-2026, offering rebates of up to 45 per cent of the Additional Registration Fee capped at S$7,500, before being discontinued from 2027. These adjustments aim to accelerate EV adoption, narrow cost differences with internal combustion vehicles, and support Singapore's target of achieving a fully cleaner-energy vehicle fleet by 2040[136].

189. On 25 November 2025, **Thailand** updated the "EV Promotion Measures EV3 and EV3.5" under the National EV Policy Committee, introducing adjustments to improve effectiveness and market stability. The revised measures include extending registration timelines, linking subsidy disbursement to production performance, increasing flexibility in production compensation requirements, and tightening local content and battery sourcing conditions, alongside new requirements for R&D activities and workforce localisation. Additional provisions include safeguards to prevent oversupply in the domestic market and ensure compliance with environmental standards. These measures aim to balance industry growth and market conditions while supporting domestic manufacturing capacity. The policy aims to enhance EV industry competitiveness while ensuring sustainable market development[137].

190. On 15 January 2026, **Thailand's** Board of Investment (BOI) issued Announcement No. 4/2569: Investment Promotion Measure to Upgrade Automotive Industry to promote advanced automotive manufacturing and the development of hybrid and plug-in hybrid electric vehicle (HEV/PHEV) technologies. The measures include exemptions from import duties on machinery and corporate income tax (CIT) reductions of up to 50 per cent for three years on investments in automation and robotics, rising to 100 per cent if projects utilise at least 30 per cent domestically produced automation systems. Additional requirements include minimum investment thresholds, adoption of automation technologies, and the incorporation of product development plans focused on energy efficiency, safety, and intelligent mobility. The initiative aims to enhance industrial productivity, strengthen local supply chains, and support Thailand's transition toward next-generation automotive technologies and a more competitive EV ecosystem[138].

191. On 22 July 2025, **Thailand**'s Board of Investment (BOI) issued Announcement No. 6/2568, introducing incentives to increase the use of domestically manufactured parts in the electric vehicle (EV) and electrical appliance industries. Eligible manufacturers of battery electric vehicles (BEVs), plug-in hybrid electric vehicles

[136] https://www.lta.gov.sg/content/ltagov/en/newsroom/2025/9/news-releases/extension_of_ves_and_eeai_to_support_vehicle_electrification.html

[137] https://www.boi.go.th/index.php?page=press_releases_detail&topic_id=138252&_module=news&from_page=press_releases

[138] https://www.boi.go.th/upload/content/4_2569EN.pdf

(PHEVs), electric buses and trucks, EV equipment, and related sectors can receive a 50% reduction in corporate income tax for two years after their existing tax-exemption period expires, provided they obtain Made in Thailand (MiT) certification and meet specified local-content requirements, including 40% local content for BEVs and 45% for PHEVs. The measure aims to reduce dependence on imported inputs, strengthen domestic supply chains, and increase local value-added production in Thailand's EV industry[139].

192. On 19 March 2026, **Viet Nam**, under a directive by Prime Minister Phạm Minh Chính No. 09/CT-TTg, accelerated policy measures to promote the adoption of EVs and reduce reliance on imported fossil fuels amid rising energy security risks linked to the Middle East conflict. The directive requires key ministries to implement supporting measures within defined timelines, including the finalisation of tax incentives for EV production and consumption by June 2026 and the introduction of EV charging standards and regulatory frameworks by the third quarter of 2026. Additional actions include advancing the transition to cleaner fuels—such as accelerating the rollout of E10 biofuel—and promoting the electrification of public transport and government vehicle fleets. The policy is driven by concerns over Viet Nam's dependence on imported energy and exposure to global supply disruptions and price volatility, with the EV transition positioned as a structural solution to enhance energy security, reduce fuel consumption, and support long-term economic resilience[140].

B.5.4 Sustainable Investment

193. Sustainability-related investment measures across ASEAN Member States (AMS) have been focusing on advancing climate action, renewable energy, sustainable finance and low-carbon transition strategies. Brunei Darussalam and Indonesia strengthened their climate commitments through updated NDCs; Cambodia expanded its sustainable finance framework through green, social and sustainability bonds; Malaysia introduced climate, renewable energy and circular economy measures; Singapore promoted decarbonisation technologies and high-integrity carbon markets; Thailand provided tax incentives for renewable energy and energy efficiency investments; and Viet Nam advanced green transport, carbon market development and green finance frameworks.

194. **Brunei Darussalam** recently reaffirmed its commitment to climate action through the submission of its Third Nationally Determined Contribution (NDC 3.0) to the United Nations Framework Convention on Climate Change in September 2025, outlining its emissions reduction targets and strategic roadmap for the period 2026–2035. The NDC 3.0 commits the country to reducing greenhouse gas emissions by 20 per cent relative to business-as-usual levels by 2035, supported by a comprehensive framework under the Brunei Darussalam National Climate Change Policy (BNCCP). The strategy encompasses key mitigation measures such as reducing industrial emissions, increasing renewable energy share, promoting sustainable land use and forest cover, improving transport emissions, and strengthening waste management,

[139] https://www.boi.go.th/upload/content/6_2568EN.pdf
[140] https://chinhphu.vn/?pageid=27160&docid=217252

alongside cross-cutting initiatives including carbon pricing, climate resilience, and public awareness. These efforts aim to balance economic development with environmental sustainability while contributing to global climate goals and supporting Brunei's long-term vision under Wawasan Brunei 2035[141].

195. On 29 May 2026, **Cambodia**'s Securities and Exchange Regulator (SERC), in partnership with the United Nations Development Programme (UNDP), launched detailed guidance for the issuance of Green, Social and Sustainability (GSS) Bonds at an investor roundtable in Phnom Penh, expanding the country's existing green bond framework introduced in 2022 to cover social and sustainability instruments; the guidelines establish a comprehensive regulatory framework to support high-integrity sustainable finance, facilitate the mobilisation of private capital into projects with environmental and social benefits, and diversify financing sources beyond traditional mechanisms, with SERC acting as the implementing authority and market participants—including financial institutions, corporations, and investors—expected to adopt the standards in bond issuance, in line with Cambodia's broader strategy to deepen capital markets, strengthen sustainable finance ecosystems, and advance national sustainable development objectives[142].

196. On 14 November 2025, during COP30 in Belém, Ministry of Environment reaffirmed **Indonesia**'s commitment to climate adaptation and implementation, highlighting that Indonesia had submitted its Second Nationally Determined Contribution (SNDC) to the United Nations Framework Convention on Climate Change (UNFCCC) in late October 2025. The SNDC aligns with Indonesia's target of achieving net-zero emissions by 2060 or sooner and outlines enhanced climate actions across key sectors, while the Government also formally submitted its National Adaptation Plan (NAP), which provides a long-term framework to strengthen climate resilience, integrate adaptation into national development planning, and guide investments in priority sectors such as water, food, health, infrastructure, and ecosystems[143]. Furthermore, on 24 February 2026, Indonesia's Ministry of Forestry announced the implementation of Presidential Regulation (Perpres) No. 110 of 2025 on Carbon Economic Value Administration and Greenhouse Gas Emissions Control, aimed at strengthening national carbon governance while ensuring that carbon market development remains under Indonesia's sovereign control. The regulation positions carbon markets as a strategic instrument to finance conservation and sustainable development, introduces a more integrated and efficient carbon trading system through the Carbon Unit Registry System (SRUK), clarifies the roles of government agencies, and aligns carbon policy with national development priorities. The regulation also seeks to enhance the economic value of Indonesia's forest carbon assets, support social forestry and land restoration programmes, promote high-integrity

[141] https://unfccc.int/sites/default/files/2025-10/ per cent5BFinal per cent5D per cent20Brunei per cent20Darussalam per cent27s per cent20Nationally per cent20Determined per cent20Contribution per cent203.0.pdf
[142] https://www.serc.gov.kh/boards/index.php?bid=m77annountment&nav=read&no=900; https://www.undp.org/cambodia/press-releases/joint-press-release-detailed-guidance-issuing-green-social-and-sustainability-bonds; and https://www.serc.gov.kh/boards/data_dir/m24guide/100023.pdf
[143] https://kemenlh.go.id/news/detail/klhbplh-tegaskan-komitmen-kuat-adaptasi-dan-implementasi-iklim-lewat-penyerahan-nap-dan-submisi-sndc-di-sela-cop30-belem

carbon credits recognised internationally, and generate tangible economic benefits for local communities while advancing climate resilience and green economic growth [144].

197. On 1 July 2025, **Malaysia** implemented stricter regulatory controls on plastic waste imports by designating SIRIM Berhad as the sole issuer of import licences, replacing the previous approval framework. Key measures include introducing mandatory certification and compliance verification processes, ensuring that imported plastic waste meets strict quality, contamination, and recyclability standards, and strengthening inspection and enforcement mechanisms at ports of entry. The policy also requires importers to obtain pre-approval documentation and traceability records, while empowering authorities to reject or penalise non-compliant shipments. These measures aim to prevent illegal dumping, protect environmental and public health, and support Malaysia's transition toward a circular economy and sustainable waste management system[145].

198. Through its National Budget 2026, **Malaysia** strengthened its clean energy transition through a RM5.19 billion allocation to the Ministry of Energy Transition and Water Transformation (PETRA), supporting large-scale renewable deployment and infrastructure upgrades. The measures include launching the Large-Scale Solar 6 (LSS6) programme with 2GW capacity, expected to attract RM6 billion in private investment, as well as mobilising RM16.5 billion from government-linked companies for renewable energy and EV infrastructure. Additional initiatives include expanding the Solar ATAP programme, allowing households to lease rooftops for solar installations with potential energy cost reductions of up to 42 per cent, and strengthening the Corporate Renewable Energy Supply Scheme (CRESS) to attract up to RM3.5 billion in investments. Supporting measures include energy efficiency rebates, tax relief for sustainable technologies, and major investments in water infrastructure, all aligned with the target of achieving 70 per cent renewable energy capacity by 2050[146].

199. On 12 March 2026, **Malaysia**'s Ministry of Natural Resources and Environmental Sustainability (NRES) announced that the proposed National Climate Change Bill (RUU PIN) was in the final stage of legal review. The bill is intended to establish Malaysia's overarching climate-governance framework by creating an independent climate authority (IKLIM), introducing a national system for monitoring, reporting and verification (MRV) of greenhouse-gas emissions, establishing a National Integrated Climate Data Repository (NICDR), supporting implementation of carbon-pricing instruments and carbon markets, and providing the legal basis for the enforcement of Malaysia's climate commitments under the Paris Agreement. The

[144] https://www.kehutanan.go.id/news/perpres-110-tahun-2025-perkuat-kedaulatan-negara-dalam-pengelolaan-karbon-dan-hutan-berkelanjutan

[145] https://www.miti.gov.my/miti/resources/Media per cent20Release/[FINAL]_MITI_Press_Release_SIRIM_as_Issuer_of_Import_Licence_for_Plastic_Waste_Effective_1_July_2025_2025-07-02.pdf

[146] https://pmo.gov.my/wp-content/uploads/Ucapan-Belanjawan-2026-Full.pdf ; and https://www.petra.gov.my/v2/latest-news-details?id=Pembentangan%20Belanjawan%20MADANI%202026

legislation is also designed to strengthen coordination of climate policies across sectors and support Malaysia's transition to a low-carbon economy[147].

200. On 1 April 2026, **Singapore** launched the "Singapore Pilots for Energy & Enterprise Decarbonisation (SPEED) Programme" under the Ministry of Trade and Industry (MTI), introducing a S$250 million initiative to support the testing and deployment of low-carbon technologies across industries. The programme provides co-funding for pilot and demonstration projects in areas such as carbon capture, utilisation and storage (CCUS), hydrogen, and energy efficiency solutions, with implementation led jointly by MTI, A*STAR, EDB, and the Energy Market Authority. It forms part of the Research, Innovation and Enterprise (RIE) 2030 Decarbonisation Grand Challenge and includes collaboration with industry partners to scale commercially viable solutions. Key features include support for real-world trials, technology validation, and industry adoption pathways. The policy aims to accelerate the development and deployment of low-carbon technologies to reduce industrial emissions and support Singapore's energy transition[148].

201. On 28 October 2025, **Singapore** launched Government Initiatives to Support the Development of High-Integrity Carbon Markets, jointly led by MTI, the National Climate Change Secretariat, Enterprise Singapore, and the Monetary Authority of Singapore. The initiative introduces measures including the publication of Voluntary Carbon Market (VCM) guidance for companies, the development of an industry-led buyers' coalition to aggregate demand for high-quality carbon credits, and the launch of a Financial Sector Carbon Market Development Grant to support participation by financial institutions. These actions are designed to strengthen Singapore's role as a regional carbon services hub and ensure integrity in carbon credit use. Key features include industry engagement, financial incentives, and governance frameworks for market participation. The policy aims to develop credible carbon markets to support corporate decarbonisation and climate finance activities[149].

202. On 2 March 2026, **Thailand** introduced renewable energy tax incentives under Royal Decree No. 805 B.E. 2569 (2026), strengthening support for clean energy investment and sustainability initiatives. The decree introduces personal income tax deductions of up to THB 200,000 for residential rooftop solar installations, subject to conditions including installation at owned residential properties, grid connection to MEA or PEA systems, and proper tax documentation, with eligibility valid until 31 December 2028. For businesses, the decree provides enhanced tax deductions of up to 150 per cent of investment costs for certified energy-efficient machinery and equipment, targeting sectors such as manufacturing, logistics, hospitality, and commercial buildings to promote energy efficiency upgrades. Additional measures include regulatory simplification for rooftop solar installation approvals and continued facilitation of private sector participation in renewable energy deployment, as part of broader energy transition policies. The incentives aim to lower upfront costs, improve

[147] https://www.nres.gov.my/parlimen/Lists/papar-Jawapan-Parlimen.aspx?ID=++++3045
[148] https://www.mti.gov.sg/newsroom/singapore-pilots-for-energy-enterprise-decarbonisation-speed-programme/
[149] https://www.mti.gov.sg/newsroom/launch-of-government-initiatives-to-support-the-development-of-high-integrity-carbon-markets/

investment returns, and accelerate adoption of distributed renewable energy systems. The policy aims to encourage investment in renewable energy and energy efficiency while supporting Thailand's transition to a low-carbon economy[150].

203. On 12 July 2025, **Viet Nam** issued Directive No. 20/CT-TTg requiring Hà Nội to ban gasoline-powered motorbikes within Ring Road 1 from 1 July 2026, introducing a phased low-emission urban transport policy. The Directive mandates complete restriction of fossil-fuel motorbikes and mopeds in central districts, with expansion to Ring Roads 1 and 2 by 2028 and Ring Road 3 by 2030. Key accompanying measures include development of low-emission zones (LEZs), expansion of public transport systems (electric buses and rail), construction of EV charging infrastructure, and stricter emissions enforcement, alongside planned measures such as higher vehicle fees and relocation of polluting facilities. The policy also requires public awareness campaigns and infrastructure investment to support the transition. The Directive forms part of broader national environmental protection strategies targeting air pollution and carbon reduction. The policy aims to reduce urban emissions and transition toward cleaner transport systems[151].

204. **Viet Nam** continues to develop an ecosystem for mobilising finance for green growth, with the State budget playing a catalytic role alongside the development of green credit, green bonds, green insurance and market-based instruments. The banking sector has introduced measures to channel capital towards environmentally beneficial activities, strengthen environmental and social risk management, and support customers' access to finance for green projects. The legal framework for Viet Nam's domestic carbon market has continued to be developed through Decision No. 232/QD-TTg dated 24 January 2025 and Decree No. 29/2026/ND-CP dated 19 January 2026 on the domestic carbon exchange. Together with the legal framework for green bonds and programmes supporting enterprises in ESG reporting, these instruments help broaden financing channels for low-emission projects and support the green transition.

205. At **regional** level, the adoption of ASEAN Sustainable Investment Guidelines (ASIG) were recently completed by the ASEAN Economic Ministers–ASEAN Investment Area Council (AEM-AIAC) on 24 March 2026 in Manila, Philippines. The Guidelines establish a non-legally binding regional framework to foster responsible and inclusive investment, with key measures include integrating sustainability objectives and ESG considerations into investment policies and decision-making, facilitating capital flows toward priority sectors such as renewable energy, sustainable agriculture and low-carbon infrastructure, strengthening environmental and social safeguards through impact assessments and disclosure requirements, and promoting corporate governance, accountability, and sustainability reporting.

[150] https://www.rd.go.th/fileadmin/user_upload/kormor/newlaw/dc805.doc
[151] https://vanban.chinhphu.vn/?pageid=27160&docid=214542

C. Investment Administration

206. During this period a number of AMS enhanced their investment administration through strengthening of investment governance, institutional coordination, monitoring systems and investment facilitation mechanism. Cambodia restructured key investment institutions and streamlined construction approval procedures; Indonesia enhanced administration of risk-based licensing and investment incentives; Lao PDR advanced plans for a national investment fund based on sovereign wealth framework; Malaysia consolidated investment promotion functions under a single agency; and Viet Nam strengthened investment monitoring, reporting and digital administration systems.

207. On 4 December 2025, **Cambodia** promulgated Sub-Decree No. 242 ANK/BK, reorganising the institutional structure and functions of the Council for the Development of Cambodia (CDC), including the General Secretariat, Cambodian Development Cooperation Board (CDCB), Cambodian Investment Board (CIB), and Department of Internal Audit. The reform strengthened CDC's role as the country's central investment and development-coordination agency by formalising its authority to formulate and monitor development-cooperation strategies, mobilise and allocate development financing, coordinate with bilateral and multilateral development partners, support government agencies in managing externally funded programmes, lead partnership consultations, and oversee implementation of development priorities and investment facilitation activities[152].

208. On 4 February 2026, as part of the public services reform, **Cambodia**'s Ministry of Land Management, Urban Planning and Construction ("MLMUPC") issued a New Guideline on Procedures for the Issuance of Construction Permits and Certificates of Occupancy No. 291 DNS/KHTT. This guideline establishes clear, binding timelines and a streamlined workflow for issuing construction permits and certificates of occupancy. Previously, developers faced uncertainty as the approval periods varied widely from project to project. The new guideline imposes fixed maximum review windows approximately 45 to 105 working days in total across the cadastral, urban planning, housing, and technical/construction review stages.

209. On 1 October 2025, **Indonesia** issued Minister of Investment and Downstream Industry/Head of BKPM Regulation No. 5 of 2025 on Guidelines and Procedures for Risk-Based Business Licensing and Investment Facilities through the Online Single Submission (OSS) System, providing a consolidated framework for the administration of risk-based licensing and investment incentives via the electronic OSS platform. The regulation aims to streamline licensing processes, improve regulatory consistency and transparency, enhance the efficiency of investment services, and support a more conducive investment climate through a centralised digital system. It also repeals three previous BKPM regulations issued in 2021, consolidating the procedures governing

[152] https://data.opendevelopmentcambodia.net//dataset/sub-decree-no-242-on-the-organization-and-functioning-of-the-general-secretariat-cambodian-developm; and http://cdc-crdb.gov.kh/en/about_us.php

business licensing and investment facilitation under Indonesia's risk-based regulatory approach[153].

210. On 2 April 2026, **Lao PDR** took a significant step towards establishing a national investment fund by signing a Memorandum of Understanding (MoU) between the Ministry of Finance and the Lao Bullion Bank to conduct a feasibility study on the fund's creation. Announced publicly on 21 April 2026, the initiative aims to strengthen macroeconomic resilience and improve the management of state assets, including gold reserves and other strategic national assets, through a more transparent, structured, and performance-oriented framework. The proposed fund forms part of a broader plan to establish a National Sovereign Wealth Fund, also referred to as the Lao Investment Authority (LIA), drawing on international sovereign wealth fund models such as Singapore's Temasek and Malaysia's Khazanah Nasional. The fund is expected to comprise a Strategic Development Fund for managing state assets and investments and a Strategic Stabilization Fund for liquidity management and financial stability. As for implementation status, the feasibility study is underway, and the preparatory phase—including the development of institutional structures, legal frameworks, and regulatory systems—is expected to take eight to twelve months[154].

211. On 15 March 2026, **Malaysia** implemented administrative reforms to streamline its investment promotion framework by absorbing InvestKL functions into MIDA, consolidating responsibilities under a single agency. This measure eliminates institutional overlap and enhances coordination in investment promotion and facilitation, while ensuring continuity of engagement with multinational corporations and investors. The reform strengthens investor experience through a more unified and efficient interface, improves resource allocation, and reinforces Malaysia's ability to attract high-value, innovation-driven investments, particularly in Greater Kuala Lumpur and strategic sectors aligned with national priorities[155].

212. **Viet Nam**'s framework for investment monitoring and evaluation was updated through the Law on Investment No. 143/2025/QH15 (see also *Section D. Economic Liberalisation*), Decree No. 96/2026/ND-CP, Decree No. 19/2026/ND-CP and Circular No. 44/2026/TT-BTC. These instruments clarify the responsibilities of different levels and agencies, update reporting requirements for investment activities, and provide the basis for online reporting through the Information System for Investment Monitoring and Evaluation. Circular No. 44/2026/TT-BTC establishes electronic reporting procedures to replace paper-based reports. Initial results indicate that this approach has supported the timely preparation of both ad hoc and periodic reports while reducing administrative time and costs. However, compliance and data updating remain uneven; some projects do not report fully; and technical infrastructure has at times been insufficient to meet demand. Data integration and sharing, as well as

[153] https://jdih.bkpm.go.id/id/document/peraturan-menteri-investasi-dan-hilirisasikepala-badan-koordinasi-penanaman-modal-nomor-5-tahun-2025-tentang-pedoman-dan-tata-cara-penyelenggaraan-perizinan-berusaha-berbasis-risiko-dan-fas
[154] https://asianews.network/lao-government-moves-to-create-investment-fund-to-strengthen-economic-stability/
[155] https://www.mida.gov.my/media-release/investkl-absorption/

further streamlining of reporting forms, therefore remain areas for continued improvement.

D. Economic Liberalisation

213. Economic liberalisation continues to be pursued by AMS during this period. Both Indonesia and Lao PDR introduced measures in regards with foreign exchange management, while Cambodia, Singapore, Thailand, and Viet Nam introduced regulations pertaining investment in specific public sectors such as health, transport and education. During the same period, Myanmar and Viet Nam also introduced regulations relaxing investment-related measures in energy transition, agriculture, and telecommunication sectors.

214. On 1 August 2025, **Brunei Darussalam** brought into force the Land Code (Amendment) Order 2025 (LCAO 2025), a major reform of the country's land ownership and land governance framework announced by His Majesty Sultan Haji Hassanal Bolkiah. The law clarifies ownership rights and introduces new rules for citizens, permanent residents, former citizens, and foreign nationals. Key changes include allowing stateless permanent residents to acquire one residential property for personal occupation (subject to approval), prohibiting foreign nationals from owning freehold land while permitting leasehold arrangements, requiring non-citizens holding land through powers of attorney, trusts, or similar arrangements to declare their interests within 12 months (by 1 August 2026), and mandating that inherited freehold land held by foreigners be sold within 10 years or converted to leasehold. The amendment also bans nominee ownership arrangements and imposes leasehold limits of 30 years for industrial/shophouse properties and 60 years for residential/commercial properties. The formal legal instrument cited is the Land Code (Amendment) Order 2025 (LCAO 2025)[156].

215. On 19 September 2025, **Lao PDR** issued new Decree on Associations No. 536/GOV, dated 18 August 2025, which was published in the Ministry of Justice's digital gazette on 4 September 2025 and took effect on 10 October 2025. The decree replaces Decree No. 238/GOV (11 August 2017) and updates the regulatory framework for non-profit associations in Lao PDR. Key changes include allowing foreigners residing in Laos to become association members, easing financing rules by explicitly permitting donations, assistance, service-based income, and access to financing, and extending association operating licenses from one year to three years. At the same time, the decree centralizes oversight under the Party's Central Organization Committee following the dissolution of the Ministry of Home Affairs, maintains licensing and registration requirements, and introduces stronger reporting, record-keeping, anti-money-laundering, and foreign-cooperation oversight obligations[157].

[156] https://www.agc.gov.bn/wp-content/uploads/2026/07/S-14-2025-LAND-CODE-AMENDMENT-ORDER-2025-1.pdf
[157] https://www.laoofficialgazette.gov.la/kcfinder/upload/files/536,18,8,2025.pdf

216. On 30 September 2025, **Lao PDR** amended Decree on Foundations No. 535, dated 18 August 2025, which was published in the Lao Official Gazette in September 2025 and took effect on 10 October 2025. The decree amends the previous Decree on Foundations No. 149 (2011) and revises the regulatory framework governing non-profit foundations in Laos. Key changes include the introduction of clear minimum registered-capital and operating-fund thresholds based on geographic scope, a streamlined three-step registration process, registration validity extended to three years, and expanded requirements for financial transparency, donor due diligence, anti-money-laundering reporting, and oversight of foreign funding and international cooperation. The decree also centralizes supervision under the Party's Central Organization Committee, replacing the previous administrative structure, while maintaining controls over foreign funding, foreign experts, and relationships with international organizations[158].

217. On 3 September 2025, **the Philippines** enacted Republic Act No. 12252, amending the Investors' Lease Act (RA No. 7652) to encourage foreign investments consistent with the constitutional mandate to conserve and develop the Philippine's patrimony. It is the successor of RA No. 7652, otherwise known as the "Investors' Lease Act", which was passed in 1993 to grant long-term lease on private lands to foreign investors for the establishment of industrial estates, factories, assembly or processing plants, agro-industrial enterprises, land development for industrial, or commercial use, tourism, and other similar priority productive endeavors. RA No. 12252 provides a longer lease period of private lands to foreign investors from fifty (50) years to ninety-nine (99) years, making the investment climate in the Philippines more stable. It aims to make the Philippines an attractive investment destination for foreign investors for the establishment of industrial estates, factories, agro-industrial enterprises, tourism, agriculture, agro-forestry, and ecological conservation. Other salient points of the law include: (i) The President of the Philippines may impose a shorter lease period for investors engaged in vital services or industries considered as critical infrastructure, in the interest of national security or pursuant to government-identified priorities for national development; (ii) The foreign investor must have an approved and registered investment or has compiled with the investment requirements prescribed by the appropriate Investment Promotion Agency (IPA) pursuant to existing laws; (iii) The lease contract shall be registered with the Registry of Deeds of the province or city where the leased area is located and annotated on the certificate of title covering the leased area, which is the operative act that renders the lease binding against third persons; and (iv) The lessee may sublease the property with the consent of the lessor, which must also be registered.

218. On 13 April 2026, **the Philippines** issued the 13th Foreign Investment Negative List (FINL) through Executive Order No. 113, Series of 2026 (effective 2 May 2026). The 13th FINL was issued to reflect the updated Negative Lists A and B, pursuant to existing laws and consistent with the policy to ease restrictions on foreign participation in certain investment areas or activities. Only the investment areas and/or activities listed in the 13th FINL shall be reserved to Philippine nationals, subject to the exceptions and conditions indicated therein. Notably, it allows up to 100 per cent

[158] https://www.laoofficialgazette.gov.la/kcfinder/upload/files/535,18,8,2025.pdf

foreign ownership in telecommunications services, subject to reciprocity requirements (or up to 50 per cent where reciprocity is absent), consistent with the amended Public Service Act (RA 11659). The Order also confirms that renewable energy projects, including solar, wind, hydro, and ocean energy, are not considered "natural resources" for foreign equity restrictions, thereby permitting full foreign ownership. In addition, it recognises the participation of foreign professionals through corporations where reciprocity exists, subject to applicable regulatory limitations. EO 113 also provides limited exceptions for certain technology-driven SMEs endorsed by government agencies such as DOST, DTI, or DICT, reflecting the Philippines' continued commitment to economic liberalisation and investment-friendly reforms.

219. On 29 January 2025, **Thailand** Board of Investment approved granting investment promotion privileges to the production of Sustainable Aviation Fuel (SAF) and Mixed SAF, a ready to use fuel which mixes pure bio SAF with fossil jet fuel to meet industry sustainability requirements and allows use of the mixed fuel without engine modification, to promote Thailand as a bioeconomy hub and to stimulate investment that add value to agricultural raw materials and agricultural waste. In addition, the Board also agreed to revise one of the eligible activities, from Agri-food industrial zone or industrial estate to “Bio-industry promotion zone or industrial estate” in order to expand the scope of such industrial zone or estate to cover not only food and agricultural industries but also production of electricity from renewable energy[159].

220. On 12 May 2026, **Thailand**’s Cabinet approved in principle two draft subordinate legislative instruments proposed by the Ministry of Commerce to liberalise foreign investment by removing nine business activities from the restrictions of the Foreign Business Act B.E. 2542 (1999) (FBA). The proposed reforms would exempt certain activities—including selected telecommunications services, treasury centre services, securities-collateralised lending, certain derivatives-related services, intra-group shared services, intra-group debt guarantee services, leasing space for financial service and vending machines, petroleum drilling services, and trading of agricultural product derivatives—from foreign business licensing requirements. The government stated that these activities are already regulated under sector-specific laws, are limited to intra-group or employee-related services, or otherwise pose limited risk to Thai businesses. The reforms are contained in a draft ministerial regulation and a draft royal decree, both of which were subsequently submitted to the Office of the Council of State for review[160]. The reform reflects a targeted recalibration of Thailand’s Foreign Business Act B.E. 2542 (1999), under which many service-sector activities currently fall within restricted categories and require a Foreign Business License (FBL)[161].

221. On 4 February 2026, **Viet Nam**’s Ministry of Finance had broadened foreign investors’ access to the stock market through Circular 08/2026, which took effect on 3 February 2026. The new regulations allow foreign investors to trade Viet Namese

[159] https://www.boi.go.th/index.php?page=press_releases_detail&topic_id=136465&_mod
[160] https://thailand.prd.go.th/en/content/category/detail/id/48/iid/384023; and https://thailand.prd.go.th/en/content/category/detail/id/2078/iid/539167
[161] https://thailand.prd.go.th/en/content/category/detail/id/48/iid/384023; https://www.thaigov.go.th/en/news/163985; and https://thailand.prd.go.th/en/content/category/detail/id/2078/iid/539167

securities through global brokerage firms without opening accounts at domestic securities companies, simplifying procedures and lowering transaction costs for international investment funds. The circular also introduces provisions for non-prefunding (NPF) transactions, enabling trades without full cash deposits at the time of order, while establishing reporting and suspension measures for payment violations. According to the announcement, the reforms were designed to meet requirements from FTSE Russell and international investors, support Viet Nam's inclusion in the FTSE Emerging Markets Index by September 2026, and align the country's market practices more closely with international standards to attract greater foreign participation[162].

E. Investment Promotion

222. AMS are increasingly offering performance-based and sector-focused incentives to attract high-quality investments in alignment with their sustainability, innovation, and industrial upgrading objectives. AMS are also using investment forums to showcase opportunities, strengthen partnerships, facilitate public–private dialogue, and enhance investor confidence.

E.1 Incentives

223. Investment incentive measures across ASEAN are increasingly directed towards high-quality, technology-driven and sustainable sectors, implemented through targeted fiscal incentives and performance-based frameworks. Brunei Darussalam streamlined investment incentives under the Investment Incentives Order, 2001 to enhance its attractiveness for high-value investments and support economic diversification; Cambodia expanded incentives for renewable energy and selected infrastructure projects; Malaysia introduced a performance-based investment incentive framework prioritising high-technology and strategic industries; Myanmar clarified eligibility criteria for investment tax incentives; Thailand enhanced incentives for automation, digitalisation, R&D, sustainability and business expansion; and Viet Nam strengthened tax and investment incentives for high-tech, innovation, semiconductor, renewable energy and digital economy projects while shifting towards technology-focused FDI attraction.

224. During this reporting period, **Brunei Darussalam** is currently amending the Investment Incentives Order, 2001 to streamline its provisions and enhance its investment incentive framework, with measures expected to include corporate income tax and customs duty exemptions. The reforms are aimed at strengthening the country's investment ecosystem, attracting high-value domestic and foreign investments, and supporting broader economic diversification and national development objectives.

[162] https://mof.gov.vn/phap-luat-tai-chinh/tin-tuc-hoat-dong-2/don-gian-hoa-thu-tuc-va-giai-quyet-cac-vuong-mac-ve-thanh-toan

225. On 27 August 2025, **Cambodia** issued Sub-Decree No. 161 revising Annex II of the Law on Investment to upgrade renewable energy investment activities from Group 2 to Group 1, thereby placing it alongside the country's most strategically prioritised activities and eligible to 9-year corporate income tax incentive. This policy shift aims to accelerate investment in renewable energy projects, strengthen the country's transition towards cleaner energy sources, and enhance Cambodia's attractiveness for green investment in line with its long-term sustainable development objectives.

226. On 30 June 2026, **Cambodia** further issued Sub-Decree No. 139 on the Amendment of Annex I (Negative List) and Annex II (List of Investment Activity Categories) of Sub-Decree No. 139 on the Implementation of the Law on Investment was issued by the RGC on 30 June 2026 to amend and include investment activities on the construction of infrastructure projects for supply and distribution of heat from steam boiler (with investment capital of less than USD 5,000,000) into Annex I (Negative List) that are not qualified as QIP and are not entitled to investment incentives. Notwithstanding, investment activities on the construction of infrastructure projects for supply and distribution of heat from steam boilers are included in Group 2 under Annex II (List of Investment Activity Categories) of Sub-Decree 139 as investment activities that are entitled to investment incentives.

227. On 29 January 2026, under Budget 2026, **Malaysia** introduced the New Incentive Framework (NIF) which aims to modernise its investment incentive system and support high-value economic growth aligned with the New Industrial Master Plan (NIMP) 2030. The framework adopts a performance-based approach, rewarding investments that create quality jobs, facilitate technology transfer, strengthen local supply chains, enhance inclusivity, and support sustainability objectives. Priority is given to strategic sectors such as integrated circuit (IC) design, advanced materials, and other high-technology industries. The NIF also aims to ensure compliance with the Global Minimum Tax (GMT) while maintaining Malaysia's attractiveness to investors. Implementation began with the manufacturing sector on 1 March 2026 and is being extended to the services sector in the third quarter of 2026.

228. On 16 March 2026, **Myanmar**'s Investment Commission (MIC) issued Notification No. 1/2026 setting out the minimum eligibility criteria for investors to qualify for tax exemptions or relief. Under this, an investor shall meet at least the following criteria to qualify for tax exemption or relief in a promoted investment sector: (i) Being able to contribute at least 35 per cent of the total investment in cash, as specified in the Proposal and Endorsement Applications; and (ii) Being able to provide documentary evidence confirming that in the case of investment through an offshore loan, the loan approval letter including the loan repayment schedule, from the Central Bank of Myanmar has been submitted, and that the cash inflow of both such loan and foreign capital has been remitted through an Authorized Dealer (AD) licensed bank[163].

229. On 15 January 2026, **Thailand**'s Board of Investment (BOI) issued Announcement No. 3/2569, introducing targeted incentives to stimulate investment

[163] https://mricmagway.gov.mm/wp-content/uploads/MIC-Notification-No_1_2026_Eng.pdf

and upgrade industrial capacity. The measure provides corporate income tax exemptions and non-tax incentives for projects involving automation, digitalisation, and productivity improvement, alongside support for relocation, expansion, and integration with international business centres. Key features include eligibility criteria based on minimum investment thresholds, integration with R&D activities, and time-bound application windows through 2027, supported by streamlined approval processes. The framework also encourages adoption of advanced technologies and sustainability practices. The policy aims to stimulate investment and enhance industrial competitiveness through technology upgrading and efficiency improvements[164].

230. On 22 July 2025, **Thailand** introduced a measure to incentivize business operators to increase the proportion of local raw materials, reduce dependency on imported raw materials, and enhance the capabilities of entrepreneurs within the supply chain for the electric vehicle and electrical appliance industries. This measure is to encourage new and existing investment projects, for which corporate income tax exemption incentives have not been expired, to use local raw materials with minimum thresholds as specified (e.g. 40-45 per cent for EVs). A 50 per cent CIT reduction for two years, as additional incentive, will be granted after the CIT exemption period expires, subject to Made in Thailand (MiT) certification. Additional measures include production requirements on substantial transformation (minimum 4-digit tariff code change), improvement of eligible activities for investment promotion by discontinue or reduce incentives for some low-value or oversupplied sectors (e.g. solar panels, steel products), and new rules to hire at least 70 per cent Thai personnel for production project with more than 100 workforce. The policy package in 2025 focuses more on environmental and ownership issues to promote sustainability and transparency. Moreover, the policy aims to strengthen domestic industries, value-added production, and enhance resilience to global trade pressures[165].

231. On 15 January 2026, **Thailand**'s Board of Investment (BOI) announced a set of investment promotion measures for 2026-2027 to update the list of eligible activities with incentives and conditions, to renewed some expired promotion programs, and to introduce new measures in order to enhance competitiveness and mitigate impacts from global volatility. The launched measures include measure for retention and expansion program to incentivize existing large- scale investors to retain Thailand as their production base and to stimulate continued investment expansion, measure for comprehensive relocation program to encourage foreign investors to relocate integrated businesses, including manufacturing facilities, regional headquarters, and research and development centers, investment stimulation measure for economic recovery To stimulate large-scale investors to increase their actual investment in large-scale projects in Thailand[166].

232. On 23 June 2026, **Thailand** had revised its post-approval compliance framework for BOI-promoted projects by replacing the previous semiannual project

[164] https://www.boi.go.th/upload/content/3_2569EN.pdf
[165] https://www.boi.go.th/upload/content/6_2568EN.pdf
[166] https://www.boi.go.th/upload/content/1_2569EN.pdf

progress reporting requirement with a quarterly reporting regime. The change was implemented through BOI Announcement No. 8/2569 and Office of the BOI Notification No. Por. 8/2569, both of which became effective on 30 March 2026, and applies to both newly promoted projects and existing promoted projects that are still in the implementation stage. Under the new rules, companies must submit project progress reports electronically through the BOI's e-Monitoring system every quarter until approval for commencement of full operations is obtained, with the first report due on 30 July 2026 for the April–June 2026 reporting period. The reform is intended to strengthen monitoring and evaluation of investment progress, while non-compliance may result in suspension of promotion privileges or potential revocation of the promotion certificate after two (2) consecutive missed reporting periods without reasonable cause[167].

233. On 10 December 2025, **Viet Nam**'s National Assembly adopted the Law on Personal Income Tax No. 109/2025/QH15, introducing comprehensive reforms to modernise the tax framework, effective from 1 July 2026. The law revises progressive tax brackets (reduced from seven to five), increases income thresholds (e.g. top rate threshold raised to VND 100 million/month), and expands deductible allowances including healthcare and education expenses. It also introduces new taxable income categories covering digital platforms, e-commerce activities, and capital gains, alongside exemptions for innovation activities, green economy income (e.g. carbon credits), and startup-related earnings. Additional measures include raising the tax-exempt threshold for household businesses to VND 500 million annually and new exemptions for overtime income, improving equity and compliance. The reform aligns taxation with evolving digital economic structures. The policy aims to modernise the tax system and enhance fairness while supporting emerging economic sectors[168].

234. On 22 September 2025, **Viet Nam** updated investment incentive policies under its Corporate Income Tax (CIT) and investment framework, introducing measures to attract foreign direct investment into high-value sectors. The measures include preferential CIT rates as low as 10 per cent for up to 15 years for high-technology, R&D, semiconductor, renewable energy, and digital projects, alongside tax holidays and subsequent 50 per cent tax reductions for eligible investors. Additional measures include import duty exemptions for machinery and inputs, land rental incentives, and a shift from location-based to criteria-based incentives, requiring projects to meet thresholds related to technology level, scale, export potential, or location in disadvantaged areas. The framework also enhances incentives for large-scale and innovation-driven investments. The policy aims to attract high-quality foreign investment and promote technology-intensive economic development[169].

235. **Viet Nam**'s Resolution No. 10-NQ/TW dated 8 June 2026 sets out an important policy orientation for the foreign-invested economic sector in the new development phase. The focus is shifting decisively from attracting investment primarily by scale

[167] https://www.boi.go.th/upload/content/8_2569_69d77ac3d54fd.pdf
[168] https://quochoi.vn/tintuc/Pages/tin-hoat-dong-cua-quoc-hoi.aspx?ItemID=97463; and https://static3.luatvietnam.vn/uploaded/vietlawfile/2026/1/law_109_2025_qh15_130126115516.pdf
[169] https://static3.luatvietnam.vn/uploaded/vietlawfile/2025/3/law_57_2024_qh15_ttx_250325150639.pdf

towards improving quality, efficiency and sustainability, while linking FDI more closely with technology transfer, innovation, digital transformation, human-resource development, higher localisation, stronger linkages with domestic enterprises and deeper participation in global supply chains. Under this approach, investment attraction is expected to place greater emphasis on projects involving advanced technologies, high value added, research and development capacity, efficient use of resources, compliance with environmental standards, and the ability to generate linkages and spillovers. Retaining and supporting existing investors in expanding high-quality operations is being accorded importance alongside the attraction of new projects.

E.2 Investment Forums

236. Investment forums are being organised across ASEAN as the platform to promote investment opportunities, strengthen public-private dialogue and support strategic sectors. Brunei highlighted sustainable finance, green investment and digital innovation; Cambodia focused on investor aftercare and investment facilitation; Indonesia promoted downstream industries, green minerals and sustainable investment through dedicated forums; Malaysia advanced regional semiconductor cooperation and supply chain integration; Myanmar showcased investment opportunities and facilitated cross-border business partnerships; and Thailand promoted investment in smart and green mobility industries.

237. The **Brunei** Sustainable Economy Forum (BSEF) 2026, held on 5 May 2026 in Berakas, Brunei, brought together policymakers, industry leaders, investors, and international partners to discuss how sustainability, green investment, finance, and digital innovation can support Brunei's transition to a more resilient and diversified economy under Wawasan Brunei 2035. Key speakers included Dato Seri Paduka Haji Khairuddin bin Haji Abdul Hamid. Discussions focused on attracting green investment, accelerating energy transition, strengthening public-private partnerships, supporting SMEs, and positioning Brunei within emerging regional sustainable value chains[170].

238. On 7 May 2026, **Cambodia** convened the inaugural Cambodia Investment Forum 2026 under the theme "Beyond Investment: Strengthening Resilience through Proactive Aftercare and Strategic Partnership," with a focus on improving investor aftercare and investment facilitation. The forum emphasized the government's efforts to enhance post-approval support for investors through a single-window mechanism, digital systems such as the cdcIPM and the National Single Window, and strengthened coordination among ministries and private sector stakeholders, aiming to improve service delivery, address operational challenges, and reinforce investor confidence in the business environment[171].

239. The National Investment Forum (NIF) 2025, held on 13 November 2025 and organised by **Indonesia**'s Ministry of Investment and Downstream Industry/BKPM,

[170] https://dailybrunei.com/brunei-commits-to-green-growth-at-sustainable-economy-forum/
[171] https://file.cdc.gov.kh/upload/file/fe6fdafb-daeb-4212-95cf-c6b863db5f5a

served as a strategic platform to strengthen collaboration among government, business, and academia under the theme “Collaboration between Government, Business, and Academia in Enhancing Value-Added Investment and the Green Economy.” The forum aimed to promote sustainable, innovative, and globally competitive investment growth, with a particular focus on downstream industries, value-added investments, and the green economy. Attendees and speakers included senior government officials, industry leaders, financial institutions, and business associations, notably Todotua Pasaribu (Vice Minister of Investment and Downstream Industry/Deputy Head of BKPM), Dedy Mulyadi (Governor of West Java), BKPM investment and downstreaming officials, representatives from PT Merdeka Battery Materials, the Indonesia CCS Center, Bank Indonesia, and the Indonesian Chamber of Commerce and Industry (KADIN)[172].

240. On 2 October 2025, **Indonesia** advanced its commitment to green industrial transformation through the Indonesia Green Mineral Investment Forum (IGMIF) 2025, which focused on accelerating investment in downstream mineral processing supported by clean energy. Key measures include promoting nickel downstreaming to position Indonesia among the top five global producers of EV batteries, expanding energy infrastructure in mineral-producing regions under the national electricity plan, and introducing Green Energy as a Service (GEaS) schemes to incentivise industrial adoption of renewable energy. The forum also facilitates collaboration between global investors, policymakers, and industry stakeholders to strengthen Indonesia’s role in low-carbon supply chains and enhance the competitiveness of its green mineral sector[173].

241. On 10-11 October 2025, **Indonesia** held the Indonesia International Sustainability Forum (ISF) 2025 in Jakarta, as a strategic platform to strengthening international cooperation to promote high-quality and sustainable investment as part of its broader economic transformation agenda. The forum serves as a multi-stakeholder mechanism to brought together government, business, academia, financial institutions, international organizations, and the investment community to advance cooperation in areas including clean energy transition, decarbonization, sustainable agriculture, green infrastructure, and the blue economy. The forum resulted in 13 Memorandum of Understanding and three Letters of Intent, representing investment and cooperation commitments of approximately IDR 278.33 trillion (USD 17.4 billion).

242. On 23 July 2025, **Malaysia** hosted the ASEAN Semiconductor Summit 2025, which promotes regional supply chain integration across design, fabrication, assembly, testing, and packaging, facilitating cross-border investment flows and joint ventures, and enhances research, development, and innovation collaboration among ASEAN member states. The Summit also emphasises talent development programmes, including reskilling and upskilling initiatives in semiconductor-related

[172] https://www.bkpm.go.id/id/info/agenda/national-investment-forum
[173] https://www.bkpm.go.id/id/info/siaran-pers/komitmen-pembangunan-mineral-hijau-melalui-indonesia-green-mineral-investment-forum-igmif-2025

fields, and the alignment of technical standards and regulatory frameworks across ASEAN[174].

243. On 3 December 2025, **Myanmar**'s Ministry of National Planning, Investment and Foreign Economic Relations and the Yangon Region Government jointly organised the Yangon Investment Facilitation Workshop 2025, which attracted more than 400 participants from the government, private sector, and business communities from Myanmar and several other countries. The event featured presentations on investment opportunities in Yangon Region, a dialogue on enhancing the investment climate, project-sharing sessions by investors, and the signing of 24 Memoranda of Understanding (MoUs) covering sectors such as agricultural exports, solar energy, livestock, and technology transfer.

244. The BOI Symposium 2026: "**Thailand** Driving Toward Smart and Green Mobility", organised by Thailand's Board of Investment (BOI), was held on 13 May 2026 at BITEC Bangkok as part of SUBCON Thailand 2026. The forum served as a high-level platform to discuss Thailand's transition toward smart and sustainable mobility, with objectives focused on accelerating green mobility policies, strengthening the automotive and EV supply chain, promoting technology adoption, and enhancing Thailand's position as a regional hub for next-generation mobility industries. The programme featured a keynote address on "Policies to Accelerate Green Mobility" by Narit Therdsteerasukdi, Secretary General of the BOI, alongside an international panel discussion on "Global Smart Mobility Transformation: Technology, Supply Chain and Thailand's Strategic Position." Participants included senior executives and representatives from leading automotive manufacturers, component suppliers, and industry organizations and the Electric Vehicle Association of Thailand (EVAT)[175].

245. At **regional** level, the Third ASEAN Investment Forum (AIF) 2025 was held on 24 October 2025 in Kuala Lumpur, Malaysia, jointly organised by Malaysia's Ministry of Investment, Trade and Industry (MITI), the Malaysian Investment Development Authority (MIDA), the ASEAN Secretariat, the ASEAN Coordinating Committee on Investment (CCI), and the ASEAN Business Advisory Council (ASEAN-BAC), with support from the UNESCAP. This year's forum focused on the role of foreign direct investment (FDI) in supporting ASEAN's economic transformation and advancing the implementation of the ASEAN Regional Investment Promotion Action Plan (RIPAP) 2025–2030. Its objectives were to strengthen ASEAN's position as an integrated and investor-ready region, showcase investment-ready projects in five priority sectors—biofuels, carbon capture and storage (CCS), medical devices, solar photovoltaic (PV) equipment, and regional supply chains, facilitate collaboration between investors, governments and investment promotion agencies, and accelerate sustainable and inclusive investment flows. The forum garnered significant participation from government officials, investment promotion agencies, investors, project developers, multinational companies, and regional business leaders.

[174] https://www.miti.gov.my/miti/resources/Media per cent20Release/[FINAL]_MITI_Press_Statement_ASEAN_Semiconductor_Summit_2025_2025-07-23.pdf
[175] https://www.boi.go.th/index.php?page=boi_event_detail&topic_id=138798&module=calendar

E.3 Strategic Investment Measures

246. Several AMS introduced specific strategic investment promotion measures to direct investments into priority sectors that strengthen their industrial competitiveness and support their long-term economic transformation. Indonesia accelerated strategic downstreaming projects and developed a pipeline of investment opportunities in value-added industries; the Philippines introduced a new Strategic Investment Priority Plan to attract high-value and innovation-driven investments; while Thailand implemented targeted funding and fast-track facilitation mechanisms for strategic sectors such as advanced manufacturing, digital technologies, data centres and clean industries. Complementing these measures, many countries such as Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam, introduced talent attraction, workforce development and skills upgrading measures to ensure the availability of skilled labour needed to support these strategic investments and industrial upgrading initiatives.

247. On 29 April 2026, **Indonesia**'s Ministry of Investment and Downstreaming (BKPM) announced the acceleration of 13 strategic downstreaming projects (Phase II) with a combined investment value of around Rp116 trillion. The projects span three key sectors—energy, minerals, and agriculture—including fuel refinery and storage facilities, coal-to-DME processing, nickel-based stainless steel and steel production, copper and gold downstreaming, as well as agro-processing initiatives such as palm oil derivatives, nutmeg oleoresin, and integrated coconut processing. The programme builds on earlier Phase I projects and forms part of the government's broader strategy on economic transformation agenda, aimed at strengthening the real sector, increasing domestic value-added, expanding industrial capacity, creating quality employment, and fostering sustainable long-term economic growth.

248. To strengthen the investment pipeline and provide greater visibility on downstream opportunities, **Indonesia**'s BKPM developed the 2025 Strategic Investment Downstream Business Proposal. Presented in December 2025, the proposal identifies priority investment opportunities across minerals, oil and gas, marine and fisheries, and plantation and forestry commodities. It serves both as a policy instrument and an investment promotion tool, supporting the Government's objective of accelerating investment realisation and increasing domestic value-added. The downstreaming agenda under the 2025–2029 RPJMN is projected to generate approximately IDR 3,464.5 trillion in investment through 2029, providing a substantial pipeline of potential investment opportunities.

249. On 21 May 2026, **the Philippines** approved the 2026 Strategic Investment Priority Plan (SIPP) through Memorandum Order No. 47. The 2026 SIPP was approved on 21 May 2026 and lists the priority areas of investment and outlines the activities that may qualify for fiscal and non-fiscal incentives. It contains recommendations for types of fiscal and non-fiscal support needed to create high-skilled jobs to grow a local pool of enterprises, particularly micro, small and medium enterprises (MMEs), that can supply to domestic and global value chains, to increase the sophistication of products and services that are produced and/or sourced domestically, to expand domestic supply and reduce dependence on imports, and to attract significant foreign capital or investment. The 2026 SIPP demonstrates the

Philippine government's intention to position the country as a more attractive destination for high-value and innovation-driven investments.

250. On 5 August 2025, **Thailand** established the "Competitiveness Enhancement Fund for Targeted Industries" under the BOI framework, introducing a financing mechanism to support strategic sectors. The fund allocates approximately 10 billion baht (US$309 million) to provide subsidies and co-investment support for projects in industries such as agriculture and biotechnology, smart electronics, robotics, healthcare, premium tourism, and the circular economy. Key implementation features include funding for R&D, advanced manufacturing, workforce development, and industry transition initiatives, with project-based allocation and alignment with national industrial policy priorities. The initiative complements existing tax incentives and promotion schemes. The policy aims to enhance competitiveness of targeted industries through focused financial support and capability development[176].

251. On 20 March 2026, **Thailand**'s Board of Investment (BOI) implemented the "Thailand FastPass Investment Facilitation Mechanism", introducing an accelerated approval system for large-scale strategic projects. The mechanism expedites licensing and investment approvals for high-value projects in target industries such as data centres, digital technologies, and advanced manufacturing, while addressing key bottlenecks including electricity supply, clean energy access, and land availability. Key implementation features include prioritisation of selected projects, inter-agency coordination to resolve regulatory constraints, and requirements for infrastructure readiness—such as ensuring confirmed electricity supply for data centre investments. The programme also tracks progress of previously approved projects to accelerate actual investment realisation. The initiative builds on the earlier BOI Fast Pass programme and aims to cut approval and licensing timelines by 20–50 per cent through closer coordination among government agencies. It targets large projects in priority industries, providing expedited permits and support across key authorities, while addressing constraints such as access to electricity, land, and regulatory procedures. The programme has already facilitated approvals for 25 projects worth 223.2 billion baht, contributing to increased investment activity and improved competitiveness rankings[177].

F. Investment Facilitation

252. AMS continue to actively introduce and implement various initiatives to facilitate investments. Continuous improvement of facilitation measures, especially in stream-lining procedures and expediting of investment processes, have played an important role in maintaining and enhancing ASEAN's attractiveness in promoting as well as in retaining investments in the region.

[176] https://thailand.prd.go.th/en/content/category/detail/id/48/iid/391082; https://investmentpolicy.unctad.org/investment-policy-monitor/measures/5254/establishes-competitiveness-enhancement-fund-to-support-targeted-industries; and https://globaltradealert.org/intervention/148125

[177] https://www.boi.go.th/index.php?page=press_releases_detail&topic_id=138962

253. As new member of ASEAN, **Timor-Leste** recently convened a WTO Investment Facilitation for Development Agreement (IFDA) validation workshop on 9 March 2026, in Dili with support from the European Union and development partners to review the country's readiness to implement WTO investment facilitation standards. The workshop validated findings from a gap assessment analysis and identified priority reforms to improve the investment climate, focusing on transparency, simplification of administrative procedures, regulatory coherence, digital governance, local supplier development, and sustainable investment.

F.1 Streamlining of Procedures and One-Stop-Service Digital Platform

254. Streamlining of procedures and establishing or improving one-stop-services, sometimes done in tandem through digitalising approvals, continue to be pursued across AMS to reduce administrative burdens and accelerate investment processes. Cambodia expanded digital investment approvals and online business registration; Indonesia enhanced its OSS platform, simplified licensing and land-use approvals, and introduced faster investment pathways; Malaysia launched integrated one-stop digital systems and fast-tracked project approvals; Myanmar expanded online regulatory services through the MyCO platform; the Philippines digitised business compliance processes; Thailand pursued fast-track approvals and a proposed “Super License” system; and Viet Nam strengthened single-window mechanisms, digital reporting and streamlined investment procedures.

255. On 21 July 2025, the Council for the Development of **Cambodia** (CDC) launched a digitised investment approval system that legally recognizes electronic documents, e-signatures, and e-stamps, enabling digital submissions to have the same legal validity as physical documents and reducing the need for paper-based processes. The initiative is implemented through the cdcIPM (CDC Investment Project Management) platform, which manages investment applications—including Qualified Investment Projects (QIP) and Guaranteed Investment Projects (GIP)—and issues digital documents containing QR codes for real-time verification. The announcement aims to improve efficiency, transparency, security, and data integrity in Cambodia’s investment approval process while supporting the country’s broader Digital Economy and Society Policy Framework and efforts to attract foreign investment[178].

256. On 9 December 2025, **Cambodia**’s Ministry of Commerce (MoC) issued Prakas No. 117 on the Simplification of Business Registration, introducing major reforms to business registration, corporate governance, and compliance requirements. The regulation imposes stricter conditions for the use of the terms “Holding” and “Group” in company names, requires registrations, amendments, and annual declarations to be processed through the MoC’s online platform, mandates submission of original hard-copy documents within 30 days of online certificate issuance, introduces a requirement for companies to appoint a Company Secretary within three months of registration, strengthens enforcement of the Annual Declaration of Commercial

[178] https://file-pub.cdc.gov.kh/api/v2/asset/cdcIPM_web/files/cdcIPM_e_Signature_and_e_Stamp_Announcement_and_Sample_Docs_20250718.pdf

Enterprise (ADCE) filing obligations with penalties for non-compliance, and requires anti-money laundering background checks for new shareholders and directors. The formal legal instrument underpinning these changes is Prakas No. 117 on the Simplification of Business Registration[179]. As of 26 February 2026, the MoC reported that implementation of Prakas No. 117 MOC/PrK dated 9 December 2025 was progressing and also referenced Announcement No. 0051 MOC dated 8 January 2026[180], which provides a waiver of penalties for certain companies that failed to file their annual declarations, indicating transitional measures are being applied during the rollout of the reforms.

257. On 21 January 2026, **Indonesia**'s Ministry of Investment and Downstream Industry/BKPM introduced investment realization through the Direct Construction Facility (Kemudahan Langsung Konstruksi/KLIK). Under Article 209 of Minister of Investment and Downstream Industry/Head of BKPM Regulation No. 5 of 2025, KLIK is available to high-risk and medium-high-risk businesses located in industrial estates specifically designated by the Minister. Through OSS, eligible businesses can obtain the relevant NIB and provisional licensing status and commence preparation and construction activities while completing applicable basic requirements, subject to fulfilling all required standards and permits before commencing commercial operations. Indonesia's Head of BKPM Decree No. 286 of 2025, issued on 24 December 2025, designated industrial estates eligible for the mechanism; the list was subsequently updated through Decree No. 161.S of 2026. KLIK is therefore intended to address one of the practical bottlenecks in investment realisation, the time required to complete basic requirements during the construction stage, while maintaining compliance requirements before commercial operation.

258. On 24 February 2026, **Indonesia** streamlined land-use licensing procedures for micro and small enterprises by simplifying the issuance of Land Utilization Suitability Approval (KKPR Darat), enabling faster legalisation of business activities and reducing administrative burdens. The reform introduces simplified requirements, shorter processing timelines, and improved coordination between central and local authorities, with the objective of accelerating formalisation of micro-enterprises, improving compliance with spatial planning regulations, and enhancing ease of doing business for small-scale investors within the national licensing system[181].

259. **Indonesia** continues to strengthen the ease of doing business through the progressive adjustment of the Online Single Submission (OSS) system in line with Government Regulation (PP) No. 28 of 2025 on Risk-Based Business Licensing which will take effect on 5 October 2025. The adjustments are intended to enhance legal certainty, streamline licensing procedures, improve service predictability, and make the investment facilitation process more responsive to business needs. Implementation has been undertaken in stages to ensure a measured transition and minimise disruption to ongoing services. Among others, the regulation introduces

[179] https://moc.gov.kh/en-US/news/3863
[180] https://moc.gov.kh/en-US/news/3863
[181] https://www.bkpm.go.id/id/info/siaran-pers/pangkas-prosedur-kkpr-darat-usaha-mikro-lebih-cepat-kantongi-legalitas

clearer Service Level Agreements (SLAs) for licensing processes and the gradual application of a deemed positive principle (fiktif positif) mechanism, whereby an application may proceed automatically when the relevant authority does not respond within the prescribed service period. The revised framework also strengthens the OSS system through dedicated subsystems for basic requirements, business facilities, and partnerships, while providing simplified procedures for certain micro and small enterprises. These reforms are intended to improve predictability, reduce administrative delays, and strengthen the overall ease of doing business. To support a smooth transition to the revised licensing framework, Indonesia's BKPM has undertaken stakeholder dissemination and capacity-building activities involving relevant ministries, agencies, local government authorities and the business community. As of 25 February 2026, the OSS system had issued approximately 15.4 million Business Identification Numbers (NIBs), more than 96 per cent of which were issued to micro enterprises, underscoring the system's importance as the national platform for business formalisation.

260. On 30 March 2026, **Indonesia** issued a Joint Circular Letter on the implementation of the Indonesian Standard Industrial Classification 2025 (KBLI 2025), providing detailed technical guidance for businesses and authorities on adjusting classification codes within the Online Single Submission (OSS) system and legal entity registry This modernised KBLI, established under BPS Regulation No. 7 of 2025, replaces the previous KBLI 2020 and provides an updated framework reflecting changes in Indonesia's economic structure and emerging business activities. The new classification expands the structure to 22 categories, 87 divisions, 257 groups, 519 classes, and 1,560 subclasses, and incorporates newer areas of economic activity, including digital and technology-related activities and other evolving business models. KBLI 2025 is particularly relevant to the investment climate because the classification is used as an important reference in business licensing and economic policy formulation. disruption to existing businesses and provide greater regulatory clarity for new investment. BPS has issued a KBLI 2020–2025 conversion table to facilitate the adjustment of business classifications, while the OSS system provides a dedicated conversion process. The Government has confirmed that existing business licenses issued under KBLI 2020 remain valid; where the substance of the business activity has not changed, the conversion to KBLI 2025 can be undertaken automatically through OSS/AHU. Businesses are required to make adjustments where there is a substantive change in the purpose, scope, or nature of their activities. National implementation of KBLI 2025 was scheduled to be completed no later than 18 June 2026, following a six-month transition period.

261. On 1 June 2026, **Malaysia** launched a fully integrated digital one-stop platform for expatriate application and approval processes to streamline investment facilitation. The MES consolidates multiple procedures—including company registration, approval of expatriate posts, employment pass processing, and visa endorsement—into a single digital interface, replacing previously fragmented systems. Key features include single sign-on access, one-time document submission, real-time application tracking, and integration with immigration systems, significantly reducing processing time and administrative burden. The system also standardises approval workflows for various pass categories, including Employment Passes and Professional Visit Passes, and

enhances transparency and efficiency in regulatory processes. These measures aim to reduce red tape, improve investor experience, and strengthen Malaysia's attractiveness as a destination for high-quality investment and skilled talent[182].

262. On 27 January 2026, **Malaysia** introduced administrative reforms to accelerate project implementation and improve the investment climate by reducing bureaucratic delays. The Government directive mandates that projects complying with regulatory requirements should be approved within significantly shortened timelines—potentially within two months, with strict emphasis on eliminating unnecessary procedural delays. This measure is designed to enhance governance efficiency, ensure timely execution of infrastructure and development projects, and strengthen investor confidence by providing greater predictability and speed in approval processes, thereby directly contributing to economic growth and improved public service delivery[183].

263. On 18 September 2025, the **Myanmar**'s Directorate of Investment and Company Administration (DICA) announced that individuals qualified under the Insolvency Law and Insolvency Rules could apply for registration as Insolvency Practitioners through the Myanmar Companies Online (MyCO) system from 13 September 2025.

264. On 15 April 2026, **the Philippines'** Department of Trade and Industry (DTI) launched the Integrated Registration Information System (iREGIS) for Bulk Sales Registration, digitising compliance under the Bulk Sales Law by enabling businesses to submit applications, upload documentary requirements, and obtain clearances through an online platform. The system introduces standardised workflows, automated verification, digital record-keeping, and real-time application tracking, replacing manual procedures. It is integrated with DTI databases to enhance consistency in compliance checks, particularly for mergers, acquisitions, and asset transfers. The platform reduces processing time and administrative burden while improving transparency and traceability in business transactions. The policy is intended to streamline regulatory compliance and improve efficiency and predictability in business approval processes[184].

265. **Thailand** unveiled a "Fast Track" investment programme on 15 January 2026 to revive sluggish economic growth by accelerating structural reforms and unlocking stalled investment projects. The initiative centres on releasing 480 billion baht worth of pending projects through streamlined approval processes, alongside efforts to raise the country's investment ratio and restore long term growth potential. The strategy prioritises the development of "New S Curve" industries—including EVs, data centres, smart agriculture, automation systems, and wellness sectors—to create new engines of economic expansion. It also addresses structural challenges such as an ageing

[182] https://www.mida.gov.my/media-release/announcement-full-rollout-of-the-mida-expatriate-system-mes/ and https://www.mida.gov.my/media-release/mida-launches-one-stop-digital-system-for-expatriate-applications-cutting-red-tape-for-investors/
[183] https://www.nst.com.my/news/nation/2026/01/1365766/govt-fast-track-project-approvals-boost-growth-says-pm
[184] https://www.dti.gov.ph/dti-latest-news/dti-dti-digitizes-business-compliance-launch-iregis-bulk-sales-registration

workforce through a "Skill Bridge" programme aimed at reskilling workers and attracting highly skilled foreign talent. In parallel, the plan emphasises improving regulatory efficiency, expanding clean energy infrastructure, and strengthening public private collaboration to enhance competitiveness and modernise the economy[185].

266. On 28 April 2026, **Thailand** announced plans to introduce a "Super License" system as part of a broader regulatory reform agenda aimed at simplifying business approvals and reducing administrative burdens. The proposed framework, which forms part of an omnibus law approach, would consolidate multiple licensing requirements across government agencies into a single application process, allowing businesses to obtain multiple permits through a unified approval channel rather than navigating separate procedures with different authorities. The reform is intended to reduce processing times, improve transparency, minimise inconsistencies in regulatory interpretation, and strengthen inter-agency coordination, particularly in sectors where overlapping approvals have historically caused delays. As of the announcement, the reform remained at the planning stage, with a pilot phase targeted within 180 days and full implementation of the omnibus law expected over approximately one year[186].

267. **Viet Nam**'s Decree No. 168/2025/ND-CP on enterprise registration, effective starting 1 July 2026, and Decree No. 118/2025/ND-CP on the single-window and inter-agency single-window mechanisms further strengthen the foundations for digitalisation, data sharing and tracking the progress of administrative procedures. Their effectiveness for investors depends on the degree of substantive interoperability among enterprise registration, investment registration, tax, land, construction and other sector-specific procedures.

268. On 11 December 2025, **Viet Nam**'s National Assembly passed the Law on Investment No. 143/2025/QH15, a comprehensive reform of the country's investment framework that replaces the 2020 Law on Investment and is intended to remove regulatory bottlenecks, simplify investment procedures, and improve the investment climate. The amendments cover, among other things, (i) revised procedures for investment policy approval, investor selection and investment registration; (ii) the establishment of an Investment Support Fund to attract strategic investors and multinational corporations; (iii) expanded investment incentives and special incentives for projects in strategic technologies, semiconductors, AI, digital infrastructure, renewable energy, green economy and digital economy sectors; (iv) the introduction of special investment procedures allowing eligible projects in industrial parks, economic zones, free trade zones and international financial centres to bypass certain investment policy, environmental, construction and permitting requirements; (v) revised market access and investment rules for foreign investors; (vi) updated provisions on project implementation, transfer, adjustment, suspension and termination; (vii) streamlined offshore investment approval and reporting requirements; (viii) strengthened national investment information and reporting systems; (ix) updates to the lists of prohibited and conditional business sectors,

[185] https://www.nationthailand.com/business/economy/40061281
[186] https://waypoints.acclime.com/news-updates/thailand-super-license-plan/

including a prohibition on the trading of electronic cigarettes and heated tobacco products and the addition of new conditional sectors such as crypto-asset-related services and personal data processing services; and (x) consequential amendments to the Law on Pharmacy, Corporate Income Tax Law and Railway Law. The law takes effect on 1 March 2026, except for Article 7 and the revised list of conditional business sectors, which take effect on 1 July 2026, while certain related amendments take effect on 1 January 2026[187].

F.2 Special Economic Zones

269. Special Economic Zone (SEZ) and industrial zone-related initiatives across ASEAN during this period include developing specialised investment hubs, strengthening industrial infrastructure and improving investment facilitation in these zones. Cambodia expanded SEZ development and introduced regulatory exemptions for investment projects; Indonesia developed new SEZs and strengthened industrial zone governance and facilitation; Lao PDR established high-technology zones and a clean energy industrial zone; Malaysia accelerated development of the Johor-Singapore SEZ through fast-track approvals and investor support measures; Myanmar upgraded logistics infrastructure in the Thilawa SEZ; Singapore expanded industrial land supply; and Viet Nam advanced plans for international financial centres and pilot free trade zones.

270. On 12 February 2026, **Cambodia** approved three new Special Economic Zone (SEZ) projects valued at approximately USD 260 million, aimed at strengthening industrial capacity and attracting foreign investment. The initiative introduces key measures including (i) development of industrial and logistics infrastructure across Kampot and Kampong Speu to support manufacturing and supply chain activities, (ii) expansion of investment project approvals through streamlined regulatory processes to enhance investor confidence, and (iii) creation of employment opportunities linked to SEZ development. Additional measures include (iv) continued efforts to improve the business environment and facilitate investment inflows, and (v) emphasis on strengthening workforce capabilities to meet rising industrial demand, particularly in technical and production skills[188].

271. On 13 May 2026, **Cambodia** via Government's Notification No. 661 SChNr.HT provided exemptions to further facilitate the Qualified Investment Projects (QIPs) on certain obligations in the Special Economic Zones. This includes the request for construction permits for factories and other constructions of the QIP, the request for a permit on technical and industrial standards, factory opening declaration and factory operation certificate for the QIP, and the preparation of an Environmental Impact Assessment (EIA) report, except for investment projects with high risk of environmental pollution as determined by the Ministry of Environment. These exemptions apply only to investment projects located in Special Economic Zones whose master plans have been approved by the ministry, institution, and investor-owned construction built based on that master plan. For investment projects located

[187] https://vanban.chinhphu.vn/?pageid=27160&docid=216524
[188] https://en.kampucheathmey.com/economy/1111271/

in Special Economic Zones that do not have clear master plan, applications for construction permits, technical and industrial standards permits, and preparation of EIA are required according to each type of investment project.

272. **Indonesia**'s Ministry of Investment re-established a dedicated investment desk in the Batam Free Trade Zone and Free Port (KPBPB Batam), providing a more direct channel for investors and strengthening coordination between BKPM, the Batam Indonesia Free Zone Authority (BP Batam), and other relevant stakeholders. Given Batam's strategic location, established industrial base, and connectivity with regional production and supply chains, the desk is intended to facilitate investment realization while ensuring closer synchronization between national investment policies and regional implementation**.**

273. On 14 October 2025, **Indonesia**'s Ministry of Industry (Kemenperin) introduced a new framework for industrial estate governance through the implementation of Ministerial Regulation (Permenperin) No. 26 of 2025 on Industrial Estate Standards and Accreditation. The regulation establishes a standardized assessment system covering infrastructure (50%), environmental management (25%), and estate management and services (25%), aimed at improving operational efficiency, sustainability, professionalism, and investment attractiveness. Industrial estates that meet the required standards will receive accreditation from Kemenperin, reinforcing their role as drivers of economic growth and regional development. During the socialization event attended by more than 173 industrial estate operators and key stakeholders, Kemenperin also signed an Aide Memoire with UNIDO under the Global Eco-Industrial Parks Programme (GEIPP) Indonesia Phase II to establish an Eco-Industrial Park Center, which will support the adoption of green industrial practices and strengthen Indonesia's competitiveness in the global industrial supply chain[189].

274. On 13 February 2026, **Lao PDR** issued Decree No. 814/GOV on High-Technology Zones (HTZs) to establish a comprehensive framework for developing high-tech and innovation-driven industrial clusters. The initiative introduces key measures including (i) creation of HTZs as specialised zones for research and development, high-technology manufacturing, innovation incubation, and human resource development, (ii) adoption of a concession-based investment model allowing domestic and foreign developers to establish and operate HTZs with long-term land use rights, and (iii) provision of investment incentives, including tax privileges, duty exemptions, and favourable conditions for high-tech enterprises and specialists. Additional measures include (iv) designation of institutional governance structures led by the Ministry of Technology and Communications with dedicated zone management committees, and (v) facilitation of talent mobility and operations, including multi-entry visas for investors, experts, and their families, alongside provisions supporting renewable energy use and sustainable development[190].

[189] https://kpaii.kemenperin.go.id/id/news/kemenperin-hadirkan-era-baru-kawasan-industri
[190] https://investlaos.gov.la/wp-content/uploads/2026/01/Lao-PDR-Investment-Law-Brochure_20Jan26_EN.pdf

275. On 16 March 2026, **Lao PDR** signed an agreement to develop a clean energy and aluminium industrial zone in Oudomxay Province, aimed at advancing green industrialisation and strengthening its role in regional manufacturing. The initiative introduces key measures including (i) development of a large-scale industrial zone spanning approximately 6,279 hectares focused on a green aluminium value chain, (ii) integration of clean energy systems with capacity of up to 2,000 megawatts to support sustainable production, and (iii) establishment of end-to-end industrial capabilities, including aluminium production, processing, and manufacturing. Additional measures include (iv) expansion of renewable energy projects such as solar and wind farms to supply the industrial zone, and (v) development of supporting infrastructure and regional power connectivity, including linkage to the Laos-China power grid and the establishment of clean energy standards institutions[191].

276. On 14 October 2025, **Malaysia** introduced a set of fast-track investment facilitation measures for the Johor-Singapore Special Economic Zone (JS-SEZ) to accelerate industrial development and enhance investor attractiveness. The initiative introduces key measures including (i) implementation of a Fast-Track Manufacturing Licence (ML) approval process within seven working days for non-sensitive industries, alongside expedited issuance of No Objection Letters at the state level, (ii) mobilisation of co-investment financing mechanisms, including the Strategic Co-Investment Fund (CoSIF) and the repackaged Malaysia-Singapore Business Development Fund to support high-impact projects and SME participation, and (iii) development of sector-specific talent pipelines in areas such as AI, EVs, and semiconductors through collaboration between relevant ministries. Additional measures include (iv) provision of multiple-entry investor visas (up to 12 months) to facilitate investor mobility, and (v) strengthening cross-border economic integration through Malaysia–Singapore cooperation within the SEZ framework[192].

277. On 26 November 2025, **Myanmar** advanced logistics infrastructure development within the Thilawa Special Economic Zone through the construction of a modern warehouse and multipurpose jetty on 13.88 acres under a build-operate-transfer (BOT) scheme, designed to handle agricultural exports such as beans, maize, sesame, and pulses as well as imported goods. The facility, scheduled for completion by end-2025, is strategically located adjacent to port jetties, enabling more efficient cargo handling and reduced logistics costs for export-oriented companies, thereby supporting trade-linked investment and improving operational efficiency within Myanmar's primary industrial zone[193]. On 13 May 2026 (Thilawa Port Storage Capacity Expansion Initiative), Myanmar implemented a separate upgrade focused on scaling up existing port capacity, through an additional US$3.7 million investment to expand cargo storage facilities handling up to 25,000 tonnes. This measure emphasises capacity expansion and supply chain resilience, aimed at improving cargo management, maintaining trade flows, and supporting import-dependent industries,

[191] https://kpl.gov.la/En/detail.aspx?id=97423

[192] https://www.miti.gov.my/miti/resources/Media%20Release/MITI_Media_Statement_New_Incentives_for_JS-SEZ_2025-10-14.pdf

[193] https://www.mdn.gov.mm/en/thilawa-sez-complete-modern-warehouse-jetty-end-2025

particularly amid disruptions to inland trade routes and broader economic pressures[194].

278. On 1 August 2025, **Viet Nam** issued Decision No. 114/QĐ-BCĐTTTC promulgating the Action Plan for the establishment of the International Financial Centers in Viet Nam, supporting the creation of a dual financial hub in Ho Chi Minh City and Da Nang. The Action Plan includes five implementation pillars: development of a specialised legal framework (including financial regulations, dispute resolution mechanisms, and foreign exchange rules), infrastructure development, expansion of financial markets (including fintech, carbon trading, and innovation finance platforms), human capital development, and inter-agency coordination mechanisms. Additional measures include sandbox policies for fintech, tax incentives for investors, and streamlined administrative procedures, alongside creation of specialised courts and international arbitration mechanisms. The initiative aims to enable foreign currency transactions, global capital mobilisation, and financial innovation ecosystems. The policy aims to position Viet Nam as a regional financial hub and attract international investment[195].

279. On 5 December 2025, **Viet Nam** announced plans to establish its first Free Trade Zones (FTZs) by 2026 as part of efforts to pilot breakthrough economic policies and enhance national competitiveness. The initiative introduces key measures including (i) development of pilot FTZs in strategic locations such as Da Nang, Hai Phong, and Ho Chi Minh City, with a long-term target of expanding to 6–8 zones by 2030, (ii) use of FTZs as policy laboratories to test innovative and competitive regulatory frameworks, including streamlined administrative procedures, decentralised governance, and improved investment mechanisms, and (iii) promotion of multi-functional economic ecosystems integrating manufacturing, logistics, finance, services, and innovation hubs. Additional measures include (iv) strengthening infrastructure, land use planning, and smart management systems alongside human capital development and environmental safeguards, and (v) designing competitive incentive frameworks aligned with international standards while maintaining overall investment stability[196].

F.3 Talent Mobility and Skills Development

280. Talent mobility and skills development measures across ASEAN during this period focused on strengthening workforce skills, facilitating talent mobility, and balancing foreign talent attraction with local workforce development. Indonesia enhanced knowledge-transfer requirements for foreign professionals; Malaysia strengthened skills development, talent pipelines and localisation policies; the Philippines digitalised skills and employment services while tightening oversight of foreign workers; Singapore streamlined workforce development and raised standards for foreign work passes; Thailand expanded talent attraction, workforce upskilling and

[194] https://www.moi.gov.mm/moi:eng/index.php/news/20944
[195] https://vanban.chinhphu.vn/?pageid=27160&docid=216524
[196] https://english.vov.vn/en/politics/domestic/vietnam-eyes-first-free-trade-zones-by-2026-to-pilot-breakthrough-policies-post1251519.vov

skills-based wage initiatives; and Viet Nam relaxed work permit requirements while introducing talent visas and programmes to attract global experts.

281. On 6 February 2026, **Indonesia** issued OJK Regulation No. 1 of 2026 on Foreign Employment and Knowledge Transfer Programmes in Commercial Banks, which took effect on 23 February 2026, to strengthen human capital development and ensure effective transfer of expertise in the banking sector. The regulation introduces key measures including (i) stricter governance and eligibility requirements for employing foreign workers, limiting roles to senior management, specialists, and expert functions while maintaining minimum local workforce representation, (ii) mandatory submission of manpower and workforce planning frameworks, including justification for foreign hiring and linkage to local talent development, and (iii) structured knowledge transfer programmes requiring designated local counterparts, supported through training, mentoring, and skills development initiatives. Additional measures include (iv) defined employment duration limits of up to five years for most foreign roles, and (v) requirement for capacity-building activities, such as training sessions and technical knowledge sharing, to ensure skills transfer to domestic employees[197].

282. On 10 November 2025, **Malaysia** introduced amendments to the National Skills Development Act and the Skills Development Fund Act through their first reading in the Dewan Rakyat, aimed at strengthening the national skills ecosystem and improving workforce employability. The reforms introduce key measures including (i) enhancements to the skills certification system and expansion of the National Skills Development Council to include broader stakeholder representation, making TVET policies more inclusive, (ii) recognition and funding support for non-traditional and industry-driven training programmes outside existing national occupational standards, (iii) extension of accreditation periods for training providers from three to six years with clearer regulatory oversight, and (iv) introduction of new certification pathways and categories, such as flexible Malaysian Skills Certificates (SKM) and recognition of advanced practitioners (e.g. skills experts and consultants). Additional measures include (v) expansion of Skills Development Fund (PTPK) financing scope, alongside stronger governance and enforcement mechanisms, and (vi) enhanced access to lifelong learning and financial support for skills training aligned with industry demand[198].

283. **Malaysia** announced a new expatriate employment policy to take effect on 1 June 2026, aimed at prioritising local talent and reducing reliance on foreign labour in line with the 13th Malaysia Plan (13MP). The 13MP as explained in Economic Development Section above, includes key measures related to talent such as implementation of a Multi-Tier Levy Mechanism (MTLM) based on the level of sector dependence on foreign workers, tightening regulations on foreign labour, and initiatives to prioritise Malaysians for vacancies before foreign hires, which eventually

[197] https://www.ojk.go.id/id/regulasi/Pages/POJK-1-Tahun-2026-Penggunaan-Tenaga-Kerja-Asing-dan-Program-Alih-Pengetahuan-oleh-Bank-Umum.aspx
[198] https://www.thestar.com.my/news/nation/2025/11/10/new-skills-training-bills-will-help-malaysians-become-more-employable-says-steven-sim#goog_rewarded

targets a significant reduction in foreign workers to 5 per cent in 2035[199]. To implement the 13MP's measure on foreign labour regulations, this new expatriate employment policy introduces significantly higher minimum salary thresholds across Employment Pass categories (Category I raised to RM20,000 per month, Category II adjusted to RM10,000–RM19,999, and Category III to RM5,000–RM9,999), maximum employment duration limits (capped at 10 years for higher categories and 5 years for lower categories), and mandatory succession planning requirements for mid- and lower-tier expatriate roles to facilitate knowledge transfer to local employees, and differentiated thresholds for specific sectors, including higher minimum salaries for manufacturing roles[200].

284. On 4 May 2026, **Malaysia** introduced a coordinated talent and supply chain development initiative between Malaysian Investment Development Authority (MIDA) and Majlis Amanah Rakyat (MARA) to address structural gaps in high-value industries. The measures include the establishment of the PRIME Talent Hub, a demand-driven platform in which participating multinational and domestic companies directly define technical skill requirements, enabling training institutions under MARA to align curricula, certification, and intake accordingly. This approach reduces talent mismatch, shortens project ramp-up timelines, and lowers reliance on expatriate labour. In parallel, the initiative introduces structured pathways for local enterprises—particularly Bumiputera firms—to integrate into multinational supply chains, supported through MIDA's Investment Coordination Platform (ICP) and Enterprise Growth Platform (EGP), which provide financing access, vendor development, and capacity-building support aimed at upgrading firms into higher value-added activities[201].

285. On 9 June 2026, **the Philippines** implemented a major reform under Administrative Order No. 199, Series of 2026, centralising the processing of Alien Employment Permits (AEPs) under the Department of Labor and Employment (DOLE) Central Office to strengthen oversight and standardise enforcement. The reform introduces key measures including (i) exclusive centralised processing of all AEP applications, replacing the previous decentralised system across regional offices, (ii) enhanced regulatory oversight, auditing, and compliance monitoring to ensure consistent application of labour policies governing foreign workers, and (iii) expanded use of labour market testing mechanisms, including digital platforms and coordinated registries to verify the availability of qualified local workers before approving foreign hires. Additional measures include (iv) strengthened data management and secure digital transfer systems for pending applications, and (v) improved national-level workforce analytics to better track foreign employment trends and sectoral skill gaps[202].

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[199] https://rmk13.ekonomi.gov.my/; and https://www.thestar.com.my/news/nation/2025/07/31/labour-market-reforms-under-13mp-for-competitive-sustainable-ecosystem

[200] https://www.mida.gov.my/media-release/announcement-phased-implementation-of-succession-plan-requirement-under-the-revised-expatriate-salary-policy/

[201] https://www.mida.gov.my/media-release/mida-and-mara-partner-to-build-industry-ready-talent-pipeline-and-deepen-local-supplier-intergration/

[202] https://dole.gov.ph/news/secretary-tolentino-orders-full-centralization-of-aep-processing-nationwide/

286. On 5 February 2026, **the Philippines** launched the "TESDA Skills Passport" mobile application, an all-in-one digital platform designed to integrate skills training, employment, and scholarship services to strengthen workforce development. The initiative introduces key measures including (i) consolidation of training, job matching, and scholarship information into a single digital interface, (ii) creation of a verified digital skills identity and portfolio enabling users to securely store and share certificates and credentials with employers via QR codes, and (iii) provision of job matching services, including dedicated features for freelancers through profile-based matching aligned with skills, location, and salary preferences. Additional measures include (iv) access to free online training programmes, scholarships, and accredited training institutions, supported by a locator function, and (v) integration with national digital identity systems to ensure secure verification and data protection[203].

287. On 3 March 2026, **Singapore** announced revisions to Work Pass policies under Budget 2026, raising minimum salary thresholds for Employment Pass (EP) and S Pass holders effective 1 January 2027, to maintain a high quality and complimentary foreign workforce. The revised thresholds increase EP minimum salaries from S$5,600 to S$6,000 (and from S$6,200 to S$6,600 in financial services), and S Pass thresholds from S$3,300 to S$3,600 (from S$3,800 to S$4,000 in financial services). The policy also maintains progressive wage adjustments and complements earlier measures such as the COMPASS framework, with implementation applying to new applications in 2027 and renewals from 2028. These changes reflect rising wage benchmarks and sector-specific conditions while ensuring workforce quality. The policy aims to maintain a high-skilled foreign workforce while safeguarding opportunities for local workers[204].

288. On 5 May 2026, **Singapore** introduced the Skills and Workforce Development Agency (SWDA) Bill, following its first reading in Parliament on 8 April 2026, to establish a new statutory agency aimed at strengthening workforce development and skills alignment in an evolving economy. The initiative introduces key measures including (i) the merger of SkillsFuture Singapore (SSG) and Workforce Singapore (WSG) into a single agency to streamline jobs and skills functions, (ii) provision of a single integrated touchpoint for workers offering career guidance, skills training, and job matching supported by combined labour market and skills data, and (iii) delivery of targeted support across different workforce segments, including traineeships for graduates, reskilling and career transition support for mid-career workers, and flexible employment pathways for senior workers[205].

289. In 2026, **Thailand** enhanced its long-term resident (LTR) visa framework to attract global talent and investment, as part of broader efforts to strengthen its position as a regional hub. The initiative introduces key measures including (i) relaxation of eligibility requirements, such as removing minimum income thresholds for certain applicant categories and lowering corporate revenue requirements for foreign employers, (ii) expanded benefits for visa holders, including longer residency periods,

[203] https://www.tesda.gov.ph/Media/NewsDetail/20452
[204] https://www.mom.gov.sg/newsroom/press-releases/2026/0505-factsheet-on-swda
[205] https://www.mom.gov.sg/newsroom/press-releases/2026/0505-factsheet-on-swda

digital work permits, and tax incentives, and (iii) greater family inclusion provisions, allowing more dependants to relocate with applicants. Additional measures include (iv) expansion of target sectors for eligible professionals beyond traditional science and technology fields, and (v) simplified qualification requirements, including removal of minimum work experience criteria for some applicants[206].

290. On 5 August 2025, **Thailand**'s Office of National Higher Education Science Research and Innovation Policy Council (NXPO) released "Seven Strategic Directions for National Workforce Development" under the Thailand Talent Landscape 2025–2029 framework, outlining national workforce transformation priorities. The framework introduces seven key measures, including (i) strengthening universities as workforce hubs through industry-aligned curricula and work-integrated learning, (ii) updating occupational standards and certification systems for high-growth sectors such as AI, IoT, and biotechnology, and (iii) developing future-ready workforce programmes emphasising STEM, soft skills, and lifelong learning. Additional measures include (iv) targeted reskilling and upskilling programmes for digital economy roles, (v) adoption of AI, big data, and simulation technologies in training systems, (vi) alignment of workforce development with priority industries such as EVs, BCG economy, and advanced manufacturing, and (vii) establishment of talent attraction mechanisms and public–private partnerships (PPP) to enhance workforce quality. The framework integrates education, industry, and innovation ecosystems to address skill mismatches. The policy aims to build a future-ready workforce aligned with Thailand's transition toward a technology-driven and innovation-based economy[207].

291. On 19 May 2026, **Thailand** Cabinet approved a labour skills enhancement initiative targeting future workforce needs, linking skill certification to higher wage levels to strengthen competitiveness. The initiative introduces key measures including (i) upgrading skill standards in four priority sectors, (ii) implementing skill-based wage rates ranging from 550 to 650 baht per day for certified workers, and (iii) expanding the national skills framework by building on existing labour skill standards. Additional measures include (iv) incentivising workers to undertake national skills testing and certification, and (v) aligning wages with productivity to promote skills development and income security[208].

292. On 7 August 2025, **Viet Nam** implemented Decree 219 to relax work permit regulations and streamline the management of foreign labour in support of investment and talent attraction. The reform introduces key measures including (i) simplified and consolidated application procedures, combining labour demand approval and work permit applications into a single dossier with defined processing timelines, (ii) decentralisation of authority to provincial-level authorities to improve responsiveness to local labour needs, and (iii) relaxed eligibility criteria for foreign professionals, including reduced experience requirements, particularly in priority sectors such as technology and innovation. Additional measures include (iv) expanded work permit

206 https://www.boi.go.th/index.php?page=press_releases_detail&topic_id=136393&_module=news&from_page=press_releases&language=en

207 https://www.nxpo.or.th/th/en/37573/

208 https://www.thaigov.go.th/th/news/164248

exemption provisions for strategic sectors and short-term assignments, and (v) increased flexibility for multi-location work and shorter job posting requirements[209].

293. On 15 August 2025, **Viet Nam** introduced a 5-year Talent Visa (Special Visa Exemption Card) to attract high-value global talent and support its long-term economic and innovation agenda. The initiative introduces key measures including (i) provision of multiple-entry visa access with validity of up to five years, allowing stays of up to 90 days per visit, (ii) adoption of targeted eligibility criteria focusing on high-impact individuals such as academics, researchers, business leaders, and recognised professionals in culture, arts, and sports, and (iii) eligibility for invited experts collaborating with Vietnamese institutions, subject to approval by relevant authorities. Additional measures include (iv) simplified digital application processes through national portals, and (v) alignment with a broader strategy to attract global expertise and influence across priority sectors[210].

294. **Viet Nam** launched a national programme on 4 March 2026 under Decision 530/QD TTg to attract foreign experts and overseas Vietnamese scholars to teach, conduct research, and work in higher education and vocational training institutions. The programme aims to strengthen science and technology capacity, enhance innovation, and build a high quality workforce while advancing Viet Nam's goal of achieving a regionally and globally competitive education system by 2035. It sets specific targets to recruit at least 30 leading scientists for breakthrough roles, 500 full time experts in key institutions, and 1,500 additional scholars for regular teaching and research collaboration in priority and strategic technological fields. Key measures include improving institutional and policy frameworks, establishing a national database to connect global experts, promoting digital transformation and the use of advanced technologies, and developing modern research environments. The programme also introduces clearer recruitment standards, competitive incentives such as salaries and tax benefits, streamlined administrative procedures for visas and work permits, and enhanced living and working conditions to attract and retain global talent[211].

F.4 Trade Measures

295. Trade measures across AMS during this period include strengthening of trade facilitation, digitalisation of trade administration, enhancement of customs and import controls, and supporting of export competitiveness. Brunei Darussalam launched the Export Drive Initiative to expand regional market access, strengthen export competitiveness, and support economic diversification; Indonesia revised import regulations to improve efficiency, compliance and oversight; Lao PDR launched a digital platform to streamline agricultural trade; the Philippines strengthened trade remedy measures through safeguard duties on cement imports; Myanmar expanded digital trade and port systems, adjusted tariffs, eased foreign exchange requirements

[209] https://static3.luatvietnam.vn/uploaded/vietlawfile/2025/8/219_2025_nd_cp_120825143956.pdf
[210] https://vanban.chinhphu.vn/?pageid=27160&docid=181310
[211] https://english.luatvietnam.vn/decision-no-530-qd-ttg-dated-march-31-2026-of-the-prime-minister-approving-the-programme-to-attract-foreign-and-overseas-vietnamese-experts-and-scie-430822-doc1.html

for exporters, and streamlined trade licensing procedures; and Viet Nam introduced measures to diversify export markets, strengthen logistics and digital trade, and enhance export competitiveness.

296. On March 2026, **Brunei Darussalam** launched the Export Drive Initiative to strengthen ASEAN market integration and boost economic diversification by expanding regional market access for agricultural, fisheries, and agrifood products. The initiative aims to support food security, create employment opportunities for locals, and encourage micro, small, and medium enterprises (MSMEs) to enhance compliance with industry standards such as Brunei Good Agricultural Practice (BGAP) and Good Manufacturing Practices (GMP), thereby improving their competitiveness in export markets.

297. On 30 June 2025, **Indonesia** issued Minister of Trade Regulation No. 16 of 2025 on Import Policies and Regulations, establishing a comprehensive framework governing import activities, including importer requirements, licensing procedures, import approvals, commodity-specific restrictions, and supervision mechanisms, with the objective of creating a more orderly, transparent, and effective import regime while safeguarding national economic interests. On the same date, Indonesia also issued Minister of Trade Regulation No. 22 of 2025 on Import Policies and Regulations for Certain Industrial Goods, introducing specific import controls and approval requirements for selected industrial products to ensure the availability of industrial inputs, strengthen oversight of industrial-goods imports, and support domestic industrial development. Subsequently, on 4 June 2026, Indonesia issued Minister of Trade Regulation No. 18 of 2026, the Second Amendment to Minister of Trade Regulation No. 16 of 2025, refining various import policy provisions to improve implementation, enhance regulatory certainty, strengthen compliance and supervision, and better align import management with Indonesia's trade facilitation and industrial development objectives[212].

298. On 5 June 2026, **Lao PDR**'s Ministry of Agriculture and Environment launched the "Agro-Link" online platform to streamline agricultural import and export processes, introducing a digital system to improve data management, real-time monitoring, and inter-agency coordination; key measures include simplifying administrative procedures, reducing processing times and operational costs for businesses, and providing accessible and accurate trade information through a centralised platform. The system supports national development targets, including expanding agricultural exports to USD 1.9 billion annually and maintaining sector growth, while enhancing transparency and efficiency in agricultural trade management[213].

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[212] https://jdih.kemendag.go.id/peraturan/peraturan-menteri-perdagangan-republik-indonesia-nomor-18-tahun-2026-tentang-perubahan-kedua-atas-peraturan-menteri-perdagangan-nomor-16-tahun-2025-tentang-kebijakan-dan-pengaturan-impor-1; https://jdih.kemendag.go.id/peraturan/peraturan-menteri-perdagangan-republik-indonesia-nomor-22-tahun-2025-tentang-kebijakan-dan-pengaturan-impor-barang-industri-tertentu; and https://jdih.kemendag.go.id/peraturan/peraturan-menteri-perdagangan-republik-indonesia-nomor-16-tahun-2025-tentang-kebijakan-dan-pengaturan-impor-1

[213] https://www.vientianetimes.org.la/freefreenews/freecontent_104_Agriculture_y26.php

299. On 20 May 2026, **the Philippines**' Department of Trade and Industry (DTI) issued Department Administrative Order (DAO) No. 26-03, amending Annex "A" of DAO No. 25-15 on safeguard measures for cement imports, updating the list of countries exempted from safeguard duties. The amendment removes China and Indonesia from exemption eligibility after their import volumes exceeded the 3 per cent de minimis threshold, thereby subjecting cement imports from these countries to a safeguard duty of ₱14 per 40-kg bag (₱349 per metric ton). The measure is based on updated import data indicating increased market share of foreign cement, and includes provisions for periodic review of safeguard levels and continued monitoring of domestic industry conditions. The order strengthens trade remedy enforcement under the Safeguard Measures Act (RA No. 8800). The policy aims to protect domestic cement producers from import surges while maintaining fair market competition[214].

300. **Myanmar** has continued to advance the digitalization of its port operations through the implementation of the Port Electronic Data Interchange (Port EDI) System, operated by the Myanma Port Authority (MPA). Introduced as part of the MPA's digital transformation initiative, the system facilitates the electronic processing of shipping operation documentation, replacing manual procedures and enhancing the efficiency of port service operations. The Port EDI system also supports the integration of the port sector into Myanmar's National Single Window (NSW) framework by enabling connectivity and information exchange among relevant government agencies, departments, and port users. Building on these efforts, the MPA has been working to implement a Management Dashboard for real-time monitoring and visualization of port-related data. To further digitalize port operations, dedicated teams for the Electronic Document Management System, Port EDI, and Billing Management System were established, with digitalized port operation initiatives being implemented from May 2026 onward.

301. On 30 March 2026, **Myanmar**'s Ministry of Finance and Revenue issued Notification No. 49/2026, increasing tariff rates on a range of imported goods under the Customs Tariff Schedule 2022, with the revised rates taking effect from 1 May 2026; key measures include higher duties on commodities such as fish and seafood, dairy products, processed foods, oils, plastics, rubber, textiles, paper products, metals, and electrical machinery, with tariff increases generally ranging from 2 to 7 percentage points across affected categories. The adjustments aim to strengthen revenue collection, modulate import volumes, and support domestic industries through higher import protection[215].

302. On 1 January 2026, **Myanmar** reduced the mandatory foreign exchange conversion requirement on export earnings from 25 per cent to 15 per cent under Central Bank Announcement No. 2/2026, allowing exporters to retain a larger share of foreign currency revenues; the measure shifts the conversion ratio from 75:25 to 85:15, enabling businesses to access more favourable market exchange rates, improve liquidity, and reduce losses arising from the gap between official and market

[214] https://www.dti.gov.ph/dti-advisories/dti-sg_cement_annex-a-amendment-of-dao-no-26-15
[215] https://vdb-loi.com/mm_publications/myanmar-increases-tariffs-on-several-commodities-from-may-2026/

rates. The policy aims to ease foreign exchange constraints, support exporter operations, and strengthen cross-border trade activity[216].

303. On 16 and 17 July 2025, **Myanmar**'s Ministry of Commerce (MOC) issued several measures aimed at streamlining trade administration and facilitating business operations. These included the opening of applications for the establishment of Collective Management Organizations (CMOs) under the Copyright Law through Announcement No. 1/2025, and the introduction of updated registration and fee payment procedures under the Tradenet 2.0 system, covering exporter/importer registrations and other trade-related licences. The new procedures require registration fees to be paid within 21 days of approval, with penalties for late payment and potential cancellation for prolonged non-compliance. In addition, the Customs Department updated customs clearance arrangements to support the efficient movement of goods, including the continued provision of 24-hour customs clearance services at Asia World Port Terminal (AWPT). These measures reflect Myanmar's efforts to enhance trade facilitation, strengthen regulatory compliance, and improve customs operations[217].

304. On 23 September 2025, **Viet Nam** issued Directive No. 29/CT-TTg outlining a comprehensive set of export promotion measures aimed at diversifying markets and sustaining trade growth amid global uncertainties; key measures include expanding and negotiating new free trade agreements, intensifying trade promotion in both traditional and emerging markets, and promoting the use of e-commerce and digital trade channels. The directive also provides for upgrading logistics infrastructure, strengthening customs controls to prevent fraud and low-quality imports, enhancing product standards and intellectual property protection, and promoting low-carbon and high-value agricultural exports. Authorities are further tasked with managing exchange rates flexibly and improving coordination across agencies, while exporters are encouraged to diversify supply chains and invest in technology to enhance competitiveness[218].

F.5 Taxation Measures

305. A number of taxation measures were pursued during this period in AMS focusing on modernising tax administration, strengthening compliance, supporting SMEs, and aligning tax frameworks with evolving economic and international tax standards. Indonesia streamlined treaty benefit procedures; Malaysia updated its tax administration and enforcement framework; Myanmar revised tax incentives and adjusted sectoral tax policies while expanding MSME exemptions; the Philippines reformed capital market taxation and introduced a tax amnesty programme for micro taxpayers; Singapore implemented OECD Pillar Two-aligned measures while enhancing business and innovation tax incentives; Thailand introduced a refundable tax credit mechanism to maintain investment competitiveness under global minimum

[216] https://www.thestar.com.my/aseanplus/aseanplus-news/2026/01/22/myanmar-cuts-export-fx-conversion-to-15-lifting-thai-trade
[217] https://www.dfdl.com/insights/legal-and-tax-updates/myanmar-recent-issuances-on-trade-licensing-registration-and-customs-operations/
[218] https://www.tradeworldnews.com/vietnam-implements-key-export-measures/

tax rules; and Viet Nam reformed its personal income tax system to reduce burdens on small taxpayers and support priority sectors.

306. On 30 December 2025 (effective 31 December 2025 and applicable for Fiscal Year 2026), **Indonesia**'s Ministry of Finance issued Regulation No. 112 of 2025 on Procedures for the Application of Double Taxation Agreements, establishing an updated framework for the application of tax treaty benefits by domestic and foreign taxpayers. The regulation introduces standardized documentation requirements, including the use of the DGT Form and tax residence certification, sets out administrative procedures for claiming treaty benefits, and incorporates measures to prevent treaty abuse. The reform aims to strengthen legal certainty, improve administrative efficiency, and support the consistent implementation of Indonesia's tax treaties with partner jurisdictions[219].

307. On 31 December 2025, **Malaysia** enacted the Finance Act 2025 (Act 874) and the Measures for the Collection, Administration and Enforcement of Tax Act 2025 (Act 875), which came into force on 1 January 2026, establishing a comprehensive update to the national tax framework and implementing measures announced under Budget 2026. The legislation introduces amendments to capital gains tax rules, including refined definitions of disposals and timing of transactions, as well as new provisions for nominee-held assets, alongside the introduction of a 2 per cent tax on profit distributions received by individual partners from limited liability partnerships. The acts further introduce a stamp duty self-assessment system with enhanced compliance mechanisms, revised definitions and thresholds, increased penalties for late filings, and higher duties on foreign property ownership, while also updating real property gains tax rules, strengthening administrative enforcement powers, and allowing greater flexibility in tax payment arrangements and offsets. Implementation is overseen by the Inland Revenue Board of Malaysia, with the policy aimed at enhancing tax clarity, improving compliance and enforcement efficiency, and strengthening overall tax administration[220].

308. On 16 March 2026, the **Myanmar** Investment Commission (MIC) issued Notification No. 1/2026 on the Minimum Criteria Required to be Eligible for Tax Exemption or Relief pursuant to Section 75(c) of the Myanmar Investment Law and MIC Notification No. 13/2017 on the Classification of Promoted Sectors. Under the notification, investors seeking income tax exemptions or relief for investments in promoted sectors must meet certain minimum requirements, including contributing at least 35 per cent of the total investment amount in cash as stated in the proposal and endorsement applications, and providing documentary evidence that any offshore loan has been approved by the Central Bank of Myanmar, including a loan repayment schedule, with both the loan proceeds and foreign capital remitted through an Authorized Dealer (AD) licensed bank.

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[219] https://jdih.kemenkeu.go.id/dok/pmk-112-tahun-2025/summary

[220] https://lom.agc.gov.my/ilims/upload/portal/akta/outputaktap/3276537_BI/Act%20874%20-%20FINANCE%20ACT%202025.pdf

309. On 15 March 2026, **Myanmar** enacted the Union Taxation Law 2026 (Law No. 18/2026), which entered into force on 1 April 2026, updating the country's fiscal framework while largely retaining existing tax structures. The reforms include revisions to specific goods tax rates and tiers—notably increases on tobacco and alcohol products—and the removal of tax exemptions for battery electric vehicles (BEVs), now subject to a 5 per cent tax, alongside the removal of related commercial tax exemptions. Additionally, the law raises the income tax exemption threshold for MSMEs from MMK 15 million to MMK 20 million, supporting small business development, while maintaining existing corporate, personal income, and capital gains tax rates. These measures aim to strengthen revenue mobilisation, adjust sectoral tax treatment, and support enterprise growth, while preserving overall fiscal stability and regulatory continuity.

310. On 5 August 2025, **the Philippines'** Bureau of Internal Revenue (BIR) issued a suite of revenue regulations implementing the Capital Markets Efficiency Promotion Act (CMEPA), establishing updated tax rules for passive income and capital market transactions; key measures include the introduction of a uniform 20 per cent tax on interest from bank deposits, trust funds, prizes above PHP 10,000, and royalties, alongside a 10 per cent tax on cash and property dividends for individuals and a 15 per cent capital gains tax on unlisted shares, while maintaining certain exemptions such as income from government bonds, mutual funds, and foreign currency transactions. The regulations also reduce the stock transaction tax to 0.1 per cent and introduce a uniform 0.75 per cent documentary stamp tax on debt instruments, while revising excise tax treatment for vehicles, including removing exemptions for pickup trucks. Implementation is overseen by the BIR, with the policy aimed at simplifying and harmonising passive income taxation, enhancing capital market efficiency, and reducing tax arbitrage under the reformed tax framework[221].

311. On 22 June 2026, **the Philippines'** Bureau of Internal Revenue (BIR) issued Revenue Regulations No. 4-2026 introducing a one-time tax amnesty (abatement) programme for micro taxpayers, allowing eligible individuals with gross annual sales not exceeding PHP 3 million and outstanding tax liabilities or penalties of up to PHP 80,000 per taxable year to settle delinquent accounts, assessments, and stop-filer cases through simplified procedures. The programme requires submission of an application and payment of a one-time abatement fee of PHP 5,000, after which the BIR will issue a Certificate of Availment confirming closure of the case, with implementation overseen by the BIR until 31 December 2026. The measure aims to ease compliance burdens, enable taxpayers to regularise records, and support business formalisation by providing a simplified pathway to resolve past tax liabilities[222].

312. On 12 March 2026, **Singapore** announced a series of tax and incentive measures under Budget 2026, introducing reforms aimed at maintaining competitiveness and supporting business growth, including the implementation of a minimum effective tax rate of 15 per cent for large multinational enterprises under the

[221] https://bir-cdn.bir.gov.ph/BIR/pdf/RR%20NO.%2021-2025.pdf
[222] https://www.pna.gov.ph/articles/1277802

Multinational Enterprise Minimum Tax framework, alongside domestic top-up tax measures aligned with OECD Pillar Two; the budget further enhances and extends key business incentive schemes such as the Finance and Treasury Centre and Global Trader Programme to 2031, and expands innovation incentives including enhanced tax deductions for AI-related expenditure under the Enterprise Innovation Scheme. Additional measures include strengthened internationalisation support through higher deduction caps under the Double Tax Deduction for Internationalisation scheme and increased grant support for overseas expansion, as well as extensions of philanthropy-related tax incentives and withholding tax exemptions[223].

313. On 12 November 2025, **Thailand** introduced a new OECD-aligned incentive mechanism in the form of a Qualified Refundable Tax Credit (QRTC) scheme, designed to help multinational enterprises manage the impact of the Global Minimum Tax while preserving Thailand's investment attractiveness; the QRTC allows eligible companies to convert qualifying expenditures—such as research and development, workforce upskilling, standards upgrading, and productivity improvements—into tax credits that can be offset against various tax liabilities, thereby mitigating top-up tax obligations arising from the 15 per cent minimum effective tax rate requirement for large multinational groups. The scheme is being developed in coordination with the Ministry of Finance under revisions to the National Competitiveness Enhancement framework, with the BOI acting as the implementing authority, and is intended to enhance business liquidity, support continued investment, and maintain competitiveness in targeted high-value industries while aligning with international tax rules[224].

314. On 10 December 2025, **Viet Nam** enacted the Personal Income Tax Law 2025, effective from 1 July 2026, introducing comprehensive reforms to the personal income tax framework to reduce tax burdens and improve equity, including (i) raising the tax-exempt revenue threshold for business households and individuals from VND 200 million to VND 500 million annually, significantly expanding eligibility for exemption; (ii) restructuring the progressive tax schedule from seven to five brackets with adjusted rates and widened income thresholds to smooth progression and reduce marginal tax pressures; and (iii) expanding deductions and exemptions, including higher family circumstance allowances and additional tax exemptions for targeted groups such as high-tech and digital sector personnel. The law also broadens the tax base by introducing new taxable income categories, such as transfers of digital assets and carbon credits, while allowing business households to deduct expenses in a manner similar to enterprises. Implementation is overseen by national tax authorities, with the reforms aimed at enhancing fairness, supporting small taxpayers, and modernising the personal income tax system[225].

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[223] https://www.iras.gov.sg/taxes/corporate-income-tax/beps-2.0; https://www.singaporebudget.gov.sg/; https://go.gov.sg/rie2030pressrelease; and https://ehluar.com/main/2026/03/12/summary-of-major-tax-and-incentive-changes-following-singapore-budget-2026/

[224] https://www.boi.go.th/upload/content/PR158_2568EN.pdf

[225] https://quochoi.vn/tintuc/Pages/tin-hoat-dong-cua-quoc-hoi.aspx?ItemID=97463

G. Investment Protection

315. A number of AMS implemented investment protection measures during this period, mainly to enhance regulatory transparency, investor confidence, governance and intellectual property protection. Cambodia improved transparency and compliance certainty through an online environmental regulatory information system for investors; and the Philippines enhanced investor protection through stricter audit oversight and strengthened intellectual property protection frameworks for creators and innovators..

316. On 9 January 2026, **Cambodia**'s Ministry of Environment introduced a set of environmental regulatory measures aimed at enhancing transparency and improving the investment climate, centred on the rollout of a pilot online checklist system that provides foreign investors with direct access to environmental compliance requirements via the Ministry's official website. The initiative seeks to streamline administrative procedures, reduce information asymmetries, and standardise regulatory processes, with the Ministry acting as the implementing authority and investors expected to utilise the platform to support project due diligence and compliance, thereby strengthening accountability and facilitating environmentally sustainable foreign investment[226].

317. On 12 April 2026, **the Philippines**' Securities and Exchange Commission (SEC) issued for public consultation a draft memorandum circular to strengthen audit regulation and investor protection, proposing amendments to accreditation requirements for auditing firms and external auditors; key measures include raising minimum track record thresholds across all auditor categories, expanding oversight to corporations with significant government contracts (including mandatory engagement of SEC-accredited auditors and disclosure reporting requirements), and introducing stricter evaluation and disqualification criteria addressing misconduct, misrepresentation, and independence breaches, with the SEC as implementing authority, aimed at enhancing audit quality, strengthening regulatory oversight, and curbing corruption in financial reporting and capital markets[227].

318. On 16 April 2026, **the Philippines**' Department of Trade and Industry (DTI) and the Intellectual Property Office of the Philippines (IPOPHL) signed a Memorandum of Agreement under the "Malikhaing Pinoy: ISNI and Copyright Initiative", establishing a regulatory and support framework to strengthen intellectual property protection for Filipino creators. The initiative provides free issuance of International Standard Name Identifiers (ISNI) and copyright registration for eligible creatives, targeting over 5,700 beneficiaries within a six-month implementation period, alongside training workshops, awareness campaigns, and digital outreach programmes. IPOPHL serves as the implementing agency, while DTI provides funding support, with priority given to first-time registrants and creatives from regional communities. The initiative is anchored on the Philippine Creative Industries Development Act (RA No. 11904) and aligned with

[226] https://www.cpp.org.kh/en/details/448712
[227] https://www.philstar.com/business/2026/04/12/2520282/sec-tightens-audit-rules-protect-investors-curb-corruption

national innovation strategies. The policy aims to enhance intellectual property protection and improve market recognition of Filipino creative outputs[228].

H. Specific Improvements to the ACIA Reservation Lists

319. The 5th Protocol to Amend the ACIA had been finalised and signed, completed on 13 March 2026 in Manila, the Philippines. The Protocol will put into legal effect the two inter-related mandates to (i) transition ACIA Reservation Lists (RLs) into two-annex negative lists, and (ii) introduce reservations on Prohibition of Performance Requirements (PPR) commitments. Following the signing, AMS are required to submit their respective 2-Annex ACIA RLs within 180 days after the signing. At present, submission of RLs remains on-going.

I. Investment–Related Agreements

320. **Indonesia** and **Thailand** are currently accelerating their effort to join the Organisation for Economic Co-operation and Development (OECD) through undertaking wide-ranging governance, regulatory and policy reforms. On 4 June 2026, Indonesia's Coordinating Minister for Economic Affairs, Airlangga Hartarto, met the OECD Secretary-General Mathias Cormann to discuss progress in Indonesia's accession process and advance the ongoing Technical Review stage. Key priorities include further alignment with OECD standards on environmental governance, energy, climate change and pollution, strengthening engagement with business and labour stakeholders, and enhancing institutional capacity[229]. Meanwhile, Thailand is also progressing its OECD membership bid. Following the submission of its Initial Memorandum on 8 December 2025, Thailand entered the Technical Review phase, during which more than 25 OECD committees will assess the country's alignment with OECD standards and recommend reforms. To support this process, the Thai Cabinet established a National Steering Committee for OECD Accession on 19 May 2026 to oversee reforms aimed at achieving OECD membership by 2028, while enhancing transparency, competitiveness, investor confidence and long-term economic development[230].

321. ASEAN Member States such as **Cambodia**[231], **Indonesia**[232], **Philippines**[233], and **Thailand**[234] are increasingly exploring or preparing for accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

[228] https://www.dti.gov.ph/dti-latest-news/dti-dti-ipophl-formalize-partnership-to-protect-filipino-creators-through-malikhaing-pinoy-isni-and-copyright-initiative
[229] https://ekon.go.id/publikasi/detail/6963/akselerasi-proses-aksesi-oecd-menko-airlangga-hartarto-bahas-progres-tahap-technical-review-dengan-sekjen-mathias-cormann-di-paris
[230] https://thailand.prd.go.th/en/content/category/detail/id/48/iid/505030
[231] https://cambodianess.com/article/cambodia-weighs-joining-cptpp-trade-pact
[232] https://www.ekon.go.id/publikasi/detail/7002/perkembangan-penting-proses-aksesi-indonesia-inggris-tegaskan-dukungan-berkelanjutan
[233] https://thediplomat.com/2025/11/philippine-uae-have-applied-for-cptpp-membership-report-claims/
[234] https://en.vietnamplus.vn/thailand-considers-return-to-cptpp-pushes-ahead-with-eu-free-trade-deal-post344586.vnp

as part of efforts to deepen trade integration. These initiatives involve assessing feasibility, aligning domestic regulations with high-standard trade rules, and pursuing complementary trade agreements, with the aim of expanding market access, boosting competitiveness, attracting investment, and strengthening participation in global value chains.

322. As a regional group, ASEAN continues to negotiate Investment Agreements or *Free Trade Agreements (FTAs)* with investment provisions or chapters with its Dialogue Partners. Key highlights during this period is the signing of the First Protocol to Amend the ASEAN–**Hong Kong**, China Investment Agreement (AHKIA) in September 2026. The current status of other ongoing FTAs negotiations are as follows:

(a) The ASEAN-**Australia-New Zealand** Free Trade Area (AANZFTA);

(b) The ASEAN–**Hong Kong**, China Free Trade Agreement (AHKFTA) First Protocol signed earlier on 9 January 2024 remains pending full ratification;

(c) The ASEAN-**Canada** Free Trade Area (ACAFTA);

(d) The ASEAN–**China** Free Trade Area (ACFTA) 3.0 Upgrade Protocol is progressing towards entry into force;

(e) The ASEAN–**India** Trade in Goods Agreement (AITIGA) Review;

(f) The ASEAN–**Japan** Comprehensive Economic Partnership (AJCEP) Agreement is under consideration for a potential upgrade;

(g) The ASEAN–**Korea** Free Trade Area (AKFTA) Upgrade negotiations are ongoing;

(h) The **Regional Comprehensive Economic Partnership (RCEP)**'sGeneral Review.

323. At bilateral level, the latest updates of Bilateral Investment Treaties (BITs) and bilateral Free Trade Agreements (FTAs) with investment chapter, between non-ASEAN countries with individual AMS during this period are as provided below:

(a) On 8 October 2025, Singapore and **Australia** launched CSP 2.0[235].

(b) On 24 September 2025, Indonesia and **Canada** signed the Comprehensive Economic Partnership Agreement (CEPA).

(c) On 27 October 2025, the Philippines and **Canada** launched negotiations for a Free Trade Agreement (FTA).

(d) On 24 July 2026, the Philippines and **Chile** concluded negotiations for the Comprehensive Economic Partnership Agreement (CEPA).

(e) On 23 September 2025, Indonesia and the **European Union** concluded negotiations on a Comprehensive Economic Partnership Agreement (CEPA).

[235] https://www.mti.gov.sg/newsroom/singapore-and-australia-launch-the-singapore-australia-comprehensive-strategic-partnership/

(f) In May 2026, the Philippines and the **European Union** concluded the 6th round of a European Union – Philippines Free Trade Agreement (EU-PH FTA) negotiations, making continued progress on key chapters including market access, services, and investment[236].

(g) On 29 January 2026, Viet Nam and the **European Union** upgraded relations to a Comprehensive Strategic Partnership[237].

(h) On 18 March 2026, Singapore and **Japan** upgraded ties to a Strategic Partnership[238].

(i) On 2 May 2026, Viet Nam and **Japan** signed multiple cooperation agreements covering digital transformation, low-carbon growth, infrastructure, and technology, alongside targets to boost investment and trade flows under their economic partnership framework[239].

(j) On 27 October 2025, Malaysia and the Republic of **Korea** announced the conclusion of negotiations for the Malaysia–Korea Free Trade Agreement (MKFTA). As of 31 July 2026, both countries are undertaking legal review of the Agreement before it is signed and ratified.

(k) On 1 February 2026, the **MERCOSUR**–Singapore FTA entered into force for Singapore and Paraguay, expanding bilateral trade and investment ties with Latin America[240].

(l) On 10 October 2025, Singapore and **New Zealand** upgraded ties to a Comprehensive Strategic Partnership[241].

(m) On 26 August 2025, Singapore's BITs with **Nigeria** and **Côte d'Ivoire** entered into force[242].

(n) On 14 May 2026, the Philippines and **Oman** signed the Investment Promotion and Protection Agreement (IPPA).

(o) On 1 April 2026, Myanmar's Agreement on the Promotion and Protection of Investments with the **Russian** Federation entered into force, following its signing on 20 June 2025[243].

(p) On 13 January 2026, the Philippines and the **United Arab Emirates** (UAE) signed a Comprehensive Economic Partnership Agreement (CEPA)[244].

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[236] https://www.eeas.europa.eu/delegations/philippines/sixth-round-negotiations-european-union- per centE2 per cent80 per cent93-philippines-free-trade-agreement-eu-ph-fta_en?s=176
[237] https://www.eeas.europa.eu/euvn-comprehensive-strategic-partnership-pr_en?s=184
[238] https://www.straitstimes.com/singapore/spore-japan-upgrade-ties-to-strategic-partnership
[239] https://vir.com.vn/vietnam-and-japan-sign-cooperation-agreements-151886.html
[240] https://www.mti.gov.sg/newsroom/mercosur-singapore-free-trade-agreement-enters-into-force-for-singapore-and-paraguay/
[241] https://www.mti.gov.sg/newsroom/launch-of-the-singapore-new-zealand-comprehensive-strategic-partnership-csp/
[242] https://www.mti.gov.sg/newsroom/bilateral-investment-treaties-between-singapore-and-two-african-countries-enter-into-force/
[243] https://www.dica.gov.mm/52061/
[244] https://investmentpolicy.unctad.org/international-investment-agreements/treaties/tips/5233/philippines---united-arab-emirates-cepa-2026-

(q) On 29 October 2025, Viet Nam and the **United Kingdom** elevated ties to a Comprehensive Strategic Partnership[245].

324. Bilateral treaties among AMS during this period took place on 1 June 2026, when Viet Nam and the Philippines upgraded their ties to an Enhanced Strategic Partnership[246].

325. Recently, AMS are also pursuing bilateral and plurilateral external trade and investment linkages through other formats. Some bilateral and plurilateral agreements are focused on economic resilience, supply chain security, and reciprocal trade arrangements. **Singapore** launched Future of Investment and Trade (FIT) Partnership with multiple economies[247] and through agreements to advance supply chain resilience, including with **Australia** on 17 April 2026[248] (Protocol on Economic Resilience and Essential Supplies under SAFTA) and **New Zealand** on 4 May 2026 (Agreement on Trade in Essential Supplies)[249], committing to avoid export restrictions and ensure continuity of critical goods. At the same time, **Cambodia** (26 October 2025)[250], **Indonesia** (19 February 2026)[251], and **Malaysia** (17 November 2025)[252] concluded Agreements on Reciprocal Trade (ART) with the **United States**, incorporating measures on trade facilitation, regulatory coordination, transparency, and investor support to maintain investment and stabilise trade flows.

326. AMS are also pursuing new-generation digital economy agreements. **Singapore** is implementing and expanding its bilateral digital agreements, including through signing of the **EFTA**–Singapore Digital Economy Agreement (ESDEA) on 26 September 2025[253], with its entry into force with **Norway** on 1 March 2026[254] and entry into force of the **EU**–Singapore Digital Trade Agreement on 1 February 2026[255], both establishing advanced rules on cross-border data flows, digital trade, and digital investment. In this digital context, **Singapore** is also negotiating upgrades to its FTA

[245] https://www.gov.uk/government/news/joint-declaration-on-the-elevation-of-uk-viet-nam-relations-to-comprehensive-strategic-partnership
[246] https://www.reuters.com/world/asia-pacific/philippines-vietnam-elevate-ties-enhanced-strategic-partnership-2026-06-01/
[247] https://www.mti.gov.sg/newsroom/launch-of-the-future-of-investment-and-trade-fit-partnership-in-support-of-open-and-fair-trade/
[248] https://www.mti.gov.sg/newsroom/protocol-on-economic-resilience-and-essential-supplies/
[249] https://www.mfat.govt.nz/en/trade/nz-trade-policy/agreement-on-trade-in-essential-supplies-with-singapore
[250] https://investmentpolicy.unctad.org/international-investment-agreements/treaties/tips/5226/cambodia---united-states-art-2025-
[251] https://investmentpolicy.unctad.org/international-investment-agreements/treaties/treaties-with-investment-provisions/5266/indonesia---united-states-art-2026-
[252] https://www.miti.gov.my/miti/resources/Media per cent20Release/MITI_Media_Statement_ART_Sovereignty_and_Due_Process_2025-11-17.pdf
[253] https://www.mti.gov.sg/newsroom/singapore-and-the-european-free-trade-association-strengthen-economic-and-digital-connectivity/
[254] https://www.mti.gov.sg/newsroom/the-european-free-trade-association---singapore-digital-economy-agreement-enters-into-force-for-singapore-and-norway/
[255] https://www.mti.gov.sg/newsroom/singapore-and-the-european-union-deepen-economic-partnership-as-digital-trade-agreement-enters-into-force/

with the Republic of **Korea** in 2025[256] to incorporate digital trade, sustainability, and investment facilitation. At the plurilateral level, parties to Digital Economy Partnership Agreement (DEPA)[257] announced the substantive conclusion of **Peru**'s accession on 13 January 2026[258], expanding their key digital trade framework.

327. Sustainability-linked trade and investment bilateral agreements and green economy initiatives are also being pursued, mainly focusing on carbon markets, clean energy, and sustainable trade. **Singapore** has concluded multiple carbon credit implementation agreements with the **Philippines** (30 April 2026) [259], **Japan** (15 March 2026) [260], **Mongolia** (6 October 2025) [261], **Viet Nam** (16 September 2025) [262], and **Thailand** (19 August 2025) [263], establishing frameworks for cross-border carbon markets, climate finance, and green investment flows under Article 6 of the Paris Agreement. In parallel, Singapore is expanding broader sustainable trade cooperation through agreements such as the **MERCOSUR**–Singapore Free Trade Agreement (entered into force 1 March 2026 with **Uruguay**[264]) and the ongoing Green Economy Partnership Agreement negotiations with **Chile** and **New Zealand** launched on 31 October 2025[265]. These initiatives collectively aim to promote decarbonisation, strengthen climate-aligned investment, and position AMS as active participants in emerging global green value chains.

J. Concluding Notes

328. ASEAN has been maintaining its position as a leading global investment destination, supported by strong economic fundamentals, sustained FDI growth, rising competitiveness, deeper regional integration, and expanding innovation capabilities. At the same time, the global investment landscape is evolving rapidly, with investment has been increasingly concentrated in higher-value, technology- and knowledge-intensive areas such as semiconductors, artificial intelligence (AI), digital infrastructure, data centres, advanced manufacturing, electric vehicles (EVs), and other innovation-driven sectors.

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256 https://www.mti.gov.sg/newsroom/joint-statement-on-the-launch-of-negotiations-on-the-upgrade-of-the-free-trade-agreement-between-the-government-of-the-republic-of-korea-and-the-government-of-the-republic-of-singapore/
257 Chile, New Zealand and Singapore.
258 https://www.mti.gov.sg/newsroom/joint-press-release-on-the-substantive-conclusion-of-discussions-for-the-republic-of-peru-s-accession-to-the-digital-economy-partnership-agreement/
259 https://www.mti.gov.sg/newsroom/singapore-signs-the-philippines--first-implementation-agreement-on-carbon-credits-collaboration-under-article-6-of-the-paris-agreement/
260 https://www.mti.gov.sg/newsroom/energy--sustainability-and-climate-change-cooperation-framework/
261 https://www.mti.gov.sg/newsroom/singapore-signs-implementation-agreement-on-carbon-credits-collaboration-with-mongolia/
262 https://www.mti.gov.sg/newsroom/singapore-signs-implementation-agreement-on-carbon-credits-collaboration-with-vietnam/
263 https://www.mti.gov.sg/newsroom/singapore-signs-implementation-agreement-on-carbon-credits-collaboration-with-thailand/
264 https://www.mti.gov.sg/newsroom/joint-press-release---entry-into-force-of-the-mercosur-singapore-free-trade-agreement-between-uruguay-and-singapore/
265 https://www.mti.gov.sg/newsroom/singapore--chile-and-new-zealand-launch-negotiations-for-a-plurilateral-green-economy-agreement/

329. ASEAN has also continued strengthening the region's attractiveness as an investment destination, maintaining an open and predictable trade and investment environment as well as ensuring that the benefits of FDI are shared across all AMS, particularly those less-developed members, and promoting higher-quality and more sustainable investment that contributes to long-term development objectives and the Sustainable Development Goals (SDGs).

330. Most recently issued initiatives such as the Regional Investment Promotion Action Plan (RIPAP), the ASEAN Comprehensive Investment Agreement (ACIA), the ASEAN Sustainable Investment Guidelines (ASIG), the forthcoming ASEAN Digital Economy Framework Agreement (DEFA), and the ASEAN Semiconductor Roadmap, alongside national initiatives through targeted investment promotion, tailored facilitation and aftercare measures, performance-based incentives, nurturing innovation ecosystems, and talents development in priority sectors have been important contributor to the region's investment environment.

331. The ASEAN Investment Peer Review process continues to serve as a valuable platform for policy dialogue, peer learning, and the exchange of good practices among AMS. Going forward, it is expected to further support regional cooperation in investment policy and facilitation, strengthen the implementation of reforms, and contribute to ASEAN's collective efforts to enhance competitiveness, resilience, and attractiveness as a destination for high-quality investment.

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