

ENHANCING ASEAN-U.S. ECONOMIC PARTNERSHIP FOR RESILIENT, FUTURE- PROOF, AND DIGITALLY ENABLED GROWTH



2025

US-ASEAN BUSINESS COUNCIL'S RECOMMENDATION
PAPER TO THE 57TH AEM MEETING

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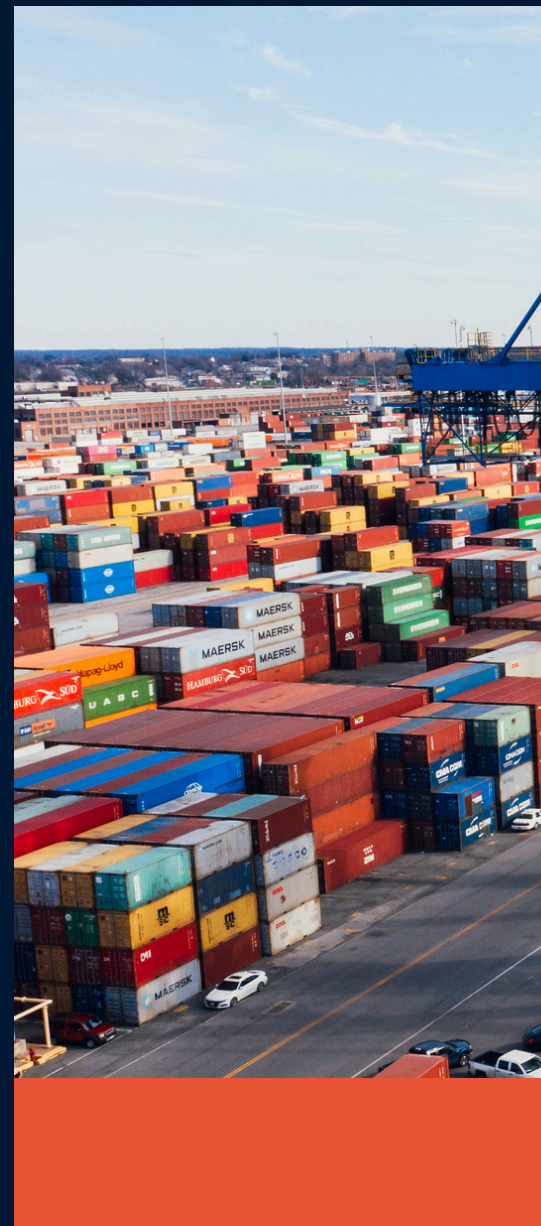
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Executive Summary

ASEAN continues to emerge as a dynamic hub of economic opportunity, offering a compelling value proposition in an increasingly complex global environment. With its growing consumer base, expanding digital ecosystem, and ongoing regional integration efforts, ASEAN is well-positioned to play a pivotal role in shaping the future of trade, innovation, and sustainable development across the Indo-Pacific. The recently adopted ASEAN Economic Community (AEC) Strategic Plan 2026–2030, aligned with the broader ASEAN Community Vision 2045, provides a timely platform to chart bold and practical pathways toward deeper economic cooperation, future-ready competitiveness, and inclusive prosperity.

The U.S. private sector has long been a trusted partner in ASEAN's economic journey, bringing to the table deep investment ties, innovation, and technical expertise. As of the end of 2024, U.S. direct investment in ASEAN reached \$532 billion, marking a 70% increase since 2020 and up from \$504 billion the year prior. This figure is nearly double the combined U.S. investment in China, India, Japan, and Korea, and accounts for nearly 8% of the global total of \$6.8 trillion in outward U.S. investment. Reflecting this strong presence, U.S. company operations in the region generated close to \$1 trillion in sales of goods and services in 2022, underscoring ASEAN's strategic significance in global value chains. With this robust foundation, there is strong momentum to deepen U.S.-ASEAN cooperation in supporting regional priorities.

The Council encourages ASEAN to consider deepening public-private cooperation across four core pillars:

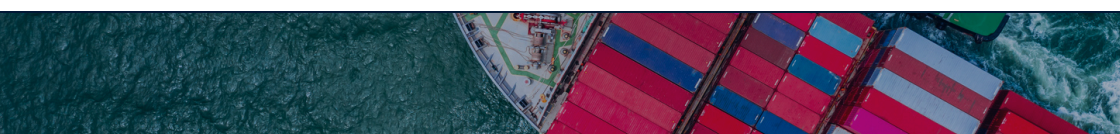
- ➔ **Reducing or Eliminating Trade Barriers and Advancing Regulatory Coherence** - Reducing or eliminating Non-Tariff Measures (NTMs) and Technical Barriers to Trade (TBTs) offers ASEAN a strategic opportunity to modernize trade frameworks, enhance transparency, and boost intra-regional competitiveness. Greater regulatory coherence can lower compliance costs, expand market access for MSMEs, and curb unintended effects like illicit trade. ASEAN should also deepen public-private collaboration to improve trade infrastructure, expanding trade finance access, accelerating cross-border digitalization, and investing in key enablers such as ports, logistics, and digital platforms. Capacity-building and standards harmonization will be key to inclusive ATIGA implementation.



Executive Summary

- **Accelerating ASEAN's Digital Economy Integration** – By enhancing regional digital connectivity, enabling trusted data flows governance, adopting internationally accepted, interoperable payment standards, and building cyber-resilience, ASEAN can position itself at the forefront of the global digital economy. The U.S. private sector stands ready to support the region's aspirations through digital infrastructure development, and capacity-building partnerships.
- **Advancing a Circular and Sustainable Economy** – ASEAN has laid strong foundations for sustainable growth. The next step is to scale cross-sector initiatives on circularity, green finance, right to repair for electronic products, and resource efficiency. U.S. companies bring experience in enabling policy design, innovation, and technology adoption that can help ASEAN realize its environmental and economic sustainability goals.
- **Developing a Future-Ready and Inclusive Workforce** – A resilient and adaptive workforce is key to ASEAN's long-term competitiveness. U.S. businesses are eager to collaborate on skills development, curriculum modernization, and inclusive upskilling programs ensuring that ASEAN's talent pool can thrive in a rapidly evolving economic landscape.

Through continued dialogue and practical collaboration, the U.S. business community looks forward to working alongside ASEAN in implementing the AEC Strategic Plan 2026–2030, and in achieving a shared vision of a competitive, sustainable, and inclusive ASEAN.



Aligning with the ASEAN Community Vision 2045 to Advance Regional Leadership and Collaboration

The recently adopted ASEAN Community Vision 2045 “Resilient, Innovative, Dynamic, and People-Centered ASEAN,” reaffirms ASEAN’s aspiration to remain a leading force in shaping the region’s political, economic, and socio-cultural trajectory. As ASEAN looks ahead, the upcoming ASEAN Economic Community (AEC) Strategic Plan 2026–2030 will serve as a critical roadmap to translate this long-term vision into actionable priorities, particularly in areas such as digital transformation, sustainability, and inclusive economic growth.

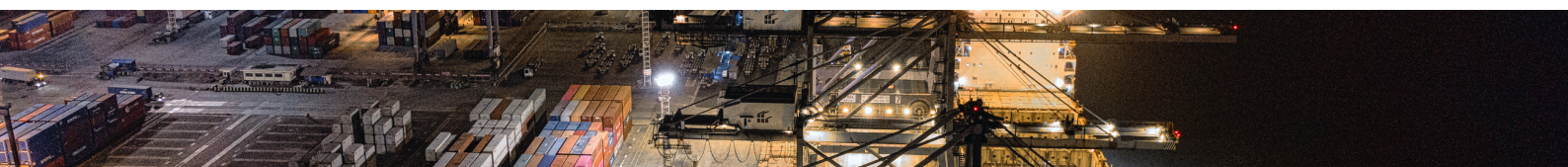
Ongoing initiatives like the Regional Comprehensive Economic Partnership (RCEP) and the upgrading of the ASEAN Trade in Goods Agreement (ATIGA) are expected to enhance regional integration and unlock new trade and investment flows. The ASEAN Digital Economy Framework Agreement (DEFA), once concluded and implemented, will further position ASEAN as a globally competitive digital economy.

As ASEAN prepares to operationalize the AEC Strategic Plan, strong public-private collaboration will be key to supporting implementation on the ground. The business community stands ready to contribute technical expertise, policy input, and scalable solutions to help ASEAN meet its long-term goals, especially amid rising global uncertainties. In this context, deeper cooperation between ASEAN and the private sector is particularly crucial in the following areas:

Inclusive Trade

As ASEAN deepens regional integration under the AEC Strategic Plan 2026-2030, creating a seamless and business-friendly trade environment will be key to enhancing competitiveness. Reducing trade barriers, modernizing rules, and harmonizing regulations are essential to making ASEAN a more attractive destination for international trade and investment.

The U.S. private sector is well-positioned to support ASEAN in realizing this vision. Companies can offer trade facilitation tools and expertise to help improve customs interoperability, digitalize border procedures, and enhance transparency in non-tariff measures. U.S. firms can also share best practices on simplifying product registration, risk-based inspection systems, and improving dispute resolution mechanisms.



Deeper financial integration presents a strategic opportunity to strengthen ASEAN's trade infrastructure. U.S. private sector expertise in payments and financial services can support the development of efficient, interoperable cross-border payment systems that facilitate smoother intra-ASEAN trade flows. Collaboration can also help expand financial inclusion, enhance digital financial literacy, and build the necessary frameworks to mitigate exposure to global market volatility.

As ASEAN moves forward with implementing its AEC Strategic Plan, close collaboration with the U.S. private sector can help deliver practical solutions that support ASEAN's vision of an integrated, future-ready regional economy.

Digital Economy

Digital transformation is central to ASEAN's future growth, with the AEC Strategic Plan 2026-2030 recognizing digitalization and innovation as drivers of regional resilience and competitiveness. A robust ASEAN Digital Economy Framework Agreement (DEFA) with strong digital trade disciplines, once finalized, will serve as the foundation for a digitally integrated ASEAN economy.

The U.S. private sector can play a critical role in supporting both the development and implementation of DEFA. Companies can provide technical expertise to help ASEAN Member States design enabling and future-proofed regulations for cross-border data flows, digital ID, digital payments, and trusted electronic transactions. Firms also offer solutions to support cybersecurity, cloud infrastructure, and interoperability frameworks.

There is also strong potential for collaboration in supporting digital readiness across ASEAN. U.S. companies can co-invest in digital infrastructure and deliver training and tools for MSMEs to engage in e-commerce and digital trade. Supporting local innovation ecosystems through incubators, skill-building programs, and industry partnerships can also help ASEAN build a digitally capable workforce.

In areas of emerging technologies including AI, U.S. private sector can bring experience in responsible innovation and standards development. These partnerships can help ASEAN stay ahead of the curve while safeguarding user trust and digital inclusivity.

The Council encourages ASEAN to finalize DEFA with a clear implementation roadmap that invites sustained engagement from the private sector. With strong collaboration, ASEAN and U.S. companies can together unlock new economic opportunities and position ASEAN as a digital leader in the global economy.



Sustainable Development

The AEC Strategic Plan 2026-2030 outlines a bold ambition to become a sustainable and climate-resilient region. With frameworks like the ASEAN Circular Economy Framework and the Strategy for Carbon Neutrality already in place, there is strong momentum for deeper collaboration between ASEAN and the U.S. private sector on advancing green growth.

U.S. private sector can support ASEAN's climate and circular economy goals through investment and innovation. Firms with expertise in waste-to-value solutions, green logistics, and sustainable packaging can help scale up circular practices across supply chains. Technology providers can also support efforts to monitor emissions, improve energy efficiency, and introduce low-carbon solutions.

The Council supports ASEAN's consideration of a formal ASEAN Circular Economy Framework Agreement (CEFA), which could help align policies, attract green investment, and set a shared direction for sustainability-related initiatives. U.S. private sector can contribute to the design of such frameworks by sharing experience with circular economy regulations, green certification, and other initiatives.

In sustainable finance, U.S. institutions can collaborate with ASEAN counterparts to develop green bonds, blended finance mechanisms, and ESG disclosure practices. Such efforts will help unlock capital for clean infrastructure, climate-smart agriculture, and sustainable tourism.

MSME engagement is also critical. U.S. firms can help develop digital tools and training programs to support small businesses in adopting sustainable business models and meeting global supply chain requirements.

With strong collaboration, sustainability can become a key pillar of ASEAN's competitiveness, creating jobs, attracting investment, and ensuring long-term economic resilience.

Laying the Groundwork for Regional Readiness

Current Challenges & Pain Points

As ASEAN moves forward with the ASEAN Community Vision 2045 and prepares to implement the AEC Strategic Plan 2026–2030, there is an important opportunity to build on progress and address key areas that can unlock deeper regional integration and resilience. Insights from the business community point to three areas where greater alignment and collaboration could further enhance ASEAN's economic leadership: regulatory coherence, digital governance, and inclusive participation of MSMEs

1. Regulatory Fragmentation and Trade Barriers

ASEAN has made commendable strides in regional economic integration, but differences in regulatory approaches still present challenges for businesses operating across borders. Non-tariff measures (NTMs) and technical barriers to trade (TBTs) are often cited as issues that increase compliance complexity, contribute to operational delays, and impact overall market accessibility.

Variations in how trade rules are interpreted, including sector-specific restrictions, may lead to inconsistencies that affect business predictability and planning. In some cases, limited regulatory coordination can also contribute to unintended outcomes, such as illicit trade flows.

2. Digital Fragmentation and Data Governance Challenges

As ASEAN's digital economy expands, having varying legal and technical frameworks across jurisdictions will pose ongoing challenges. Differences in data protection laws such as those related to sensitive data definitions, consent protocols, and user rights can make compliance more burdensome for companies operating regionally.

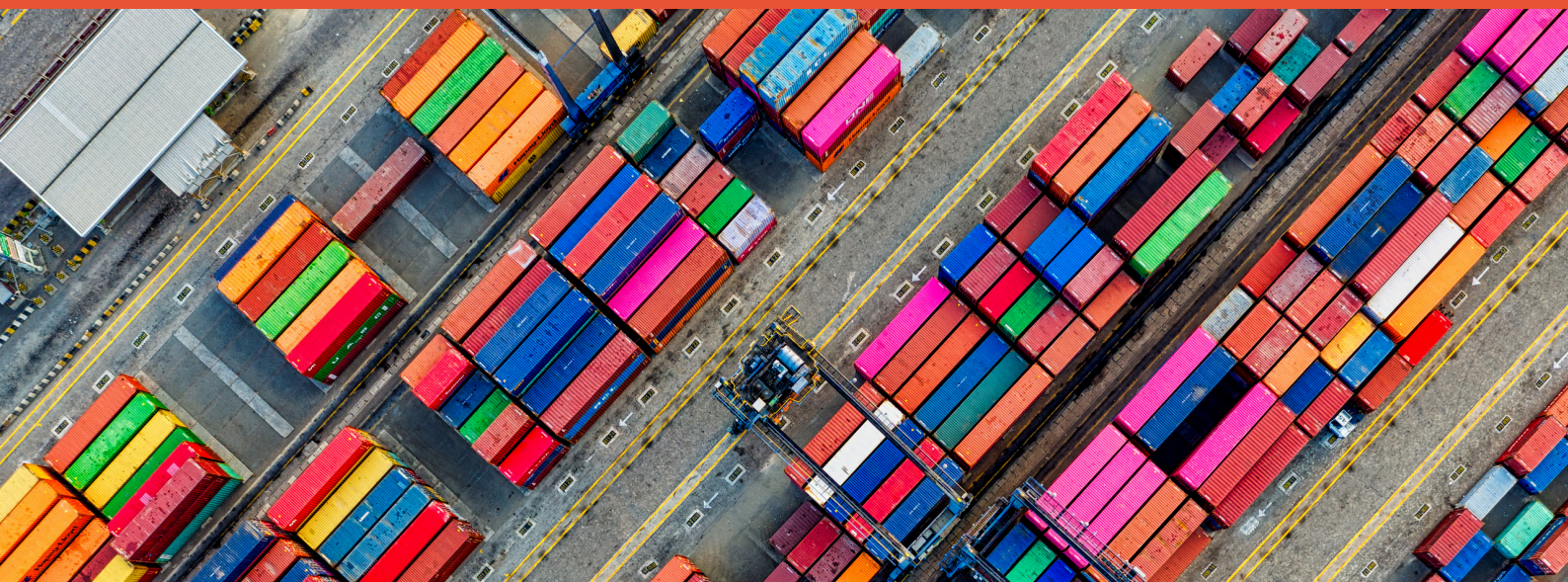


The absence of harmonized frameworks for data governance, cybersecurity and technical standards creates inconsistencies in how data and information is handled across the region. At the same time, requirements to store data locally in several markets can add to infrastructure and operational costs, especially for companies serving multiple ASEAN countries.

3. MSME Participation and Capacity Gaps

Micro, small, and medium enterprises (MSMEs) are vital to ASEAN's economy, yet many still face challenges in accessing the benefits of regional integration. Limited awareness of trade procedures, financing options, and digital tools can hinder their ability to scale or participate in supply chains.

While ASEAN has introduced numerous MSME development initiatives, implementation has varied across markets. As a result, many smaller businesses still encounter obstacles in navigating regulatory requirements or connecting to regional digital platforms and logistics systems.



Reinforcing Regional Supply Chain Resilience and Integration: Facilitating Inclusive Trade

A resilient and integrated supply chain is foundational to ASEAN's long-term economic competitiveness. As the region navigates evolving trade dynamics and supply chain realignments, there is a timely opportunity to enhance intra-ASEAN trade and unlock new sources of growth by improving cross-border trade, reducing regulatory fragmentation, and fostering broader MSME participation. The Council encourages ASEAN to build on its integration agenda under to address persistent barriers and inefficiencies, while ensuring that reforms reflect the needs of businesses of all sizes.

1. Reducing or Eliminating Trade Barriers: Non-Tariff Measures (NTMs) and Technical Barriers to Trade (TBTs)

- Reducing or eliminating NTMs and TBTs offers ASEAN a practical opportunity to modernize its trade environment, improve transparency, and enhance regional competitiveness.
 - Harmonizing technical standards based on internationally recognized practices, aligned with the WTO TBT Agreement principles for the development of international standards (e.g., transparency, openness, impartiality, relevance, and coherence).
 - While ASEAN countries have largely focused on ISO and IEC standards, these may not cover emerging areas. Broader adoption of international best practices based on WTO TBT principles would enable ASEAN to future-proof regulatory frameworks.
 - The full elimination of tariffs under the upgraded ATIGA would also align with ASEAN's commitment to Most-Favored Nation treatment and elevate intra-regional trade ambitions.
- Enhancing regulatory coherence also benefits domestic industries and MSMEs by reducing compliance costs, unlocking access to new markets, and creating a more level playing field across ASEAN. Addressing trade policy inconsistencies across sectors can help mitigate unintended consequences such as illicit trade.
 - To tackle this challenge, ASEAN is encouraged to adopt a dual-track approach. On the supply side, the region can explore a harmonized framework that holds manufacturers and exporters accountable for compliance with destination market laws applying across the supply chain, including intermediaries and Free Trade Zones. A harmonized excise tax regime favoring single-tier and fully specific structures would reduce opportunities for misdeclarations and strengthen customs enforcement.
 - On the demand side, aligning excise tax policies with affordability considerations can reduce the incentive for consumers to seek illicit alternatives.

2. Enhancing Trade Infrastructure by Fostering Collaboration with Private Sector

- Expand access to trade finance solutions, especially for MSMEs, by leveraging digital platforms and fostering partnerships with financial institutions to reduce financing gaps and transaction costs.
- Accelerate the digitalization of trade processes through adoption of interoperable digital platforms, electronic certificates of origin, and cross-border e-document exchange to streamline customs procedures and reduce trade friction.
- Promote investment and technical assistance in strategic trade-enabling sectors, such as ports, logistics corridors, and digital trade infrastructure to improve efficiency, resilience, and regional connectivity.
- Support harmonization of technical standards and capacity-building programs across border agencies, including joint public-private training and peer-learning programs to enhance implementation of upgraded ATIGA provisions.

Synchronizing U.S. Private Sector's Support with the ASEAN Economic Community (AEC) Strategic Plan 2026–2030 of the ASEAN Community Vision 2045.

The U.S. private sector remains a committed partner in advancing ASEAN's economic integration and long-term development goals. As ASEAN moves toward a more integrated and resilient economic community, the U.S. business community stands ready to partner through practical, forward-looking initiatives that can help translate regional aspirations into measurable progress.

To support ASEAN's long-term goals, the U.S. private sector encourages the ASEAN Economic Ministers (AEM) to adopt actionable strategies across three key pillars:

1. Accelerating ASEAN's Digital Economy Integration

- **Strengthening ASEAN's Digital Integration and Ecosystem**
 - Encourage the Digital Economy Framework Agreement (DEFA) to have a robust digital trade disciplines and to be positioned as a cornerstone of ASEAN's digital future, with Member States committed to regulatory alignment, capacity development, and digital infrastructure enhancement.
 - Advance a harmonized and trusted digital ecosystem by facilitating the adoption of the ASEAN Framework on Digital Data Governance and the Global Cross-Border Privacy Rules (CBPR) system, in support of Data Free Flow with Trust (DFFT).

- Promote the use of globally recognized standards for cross-border digital payments (e.g., ISO 20022, EMVCo, open APIs), ensuring interoperability, innovation, and non-discriminatory access across the region.
- ASEAN should work toward minimizing unnecessary data localization measures by promoting interoperable data governance policies that allow businesses to manage data based on operational and security needs, rather than geographic location
 - Data localization requirements that mandate domestic storage or processing of data can hinder the efficiency of cross-border transactions, increase compliance costs, and impede the ability of payment service providers to conduct real-time risk assessments, fraud detection, and AML/CFT functions.
 - Eliminating restrictive data localization requirements will especially benefit MSMEs by reducing entry barriers and providing equal access to global networks, allowing them to participate more actively in digital trade and scale their operations beyond domestic markets.
- **Fostering Public-Private Partnerships for Digital Capacity Building**
 - Encourage multi-stakeholder approaches to accelerate regional digital transformation, including competitive public-private collaborations to drive innovation and build local capacity.
 - Leverage private sector initiatives such as fintech ecosystem development and AI application in public services to support national and regional priorities, especially among less digitally advanced Member States.
- **Enhancing Regional Cybersecurity Resilience**
 - As recommended in the Council's White Paper on Cybersecurity Standards and Conformance to Support Digital Trade in ASEAN, submitted to the ASEAN Economic Ministers in 2022, ASEAN Member States are encouraged to adopt internationally recognized standards and certification schemes created through collaborative, consensus-based processes when setting cybersecurity requirements (e.g., regulations, certifications).
 - Continue promoting coordinated regional cybersecurity frameworks, including the expansion of ASEAN's Norms Implementation Checklist and regional Computer Emergency Response Team (CERT) mechanisms.
 - Strengthen platforms such as Cybersecurity Risk Information Sharing Program (CRISP) to support cyber threat intelligence-sharing and public-private cooperation.
 - Establish a regional cybercrime task force to tackle transnational threats and enhance digital literacy efforts to reduce vulnerability to scams and misinformation.
 - Strengthen cybersecurity capabilities through international cooperation and adoption of risk-based approaches to cybersecurity regulations to mitigate threats and vulnerabilities.

- Promote the use of cybersecurity assurance evaluation techniques to enhance risk management and systems security, using metrics, measurements, and benchmarks across the lifecycle for connected products.
 - Encourage government procurement policies to establish purchasing thresholds requiring demonstrated conformance to appropriate cybersecurity standards, ideally through independent third-party conformity assessment providers.
 - Consider incorporating vulnerability disclosure principles for known and public vulnerabilities and cryptographic risks, with emphasis on transparency, timeliness, and responsible reporting.
 - Promote the use of third-party product testing and certification by independent entities paired with visible certification marks to boost trust and ensure functionality aligns with industry and government specifications.
 - Leverage private-sector conformity assessment providers, especially for certification, to optimize compliance costs and improve clarity in communicating assurance to the market.
 - Support awareness campaigns and dedicated digital platforms to educate consumers and the public on cybersecurity risks in sensitive sectors, such as healthcare.
- **Promoting Digital Inclusion and Innovation**
 - Support initiatives that empower MSMEs, women entrepreneurs, and underserved communities through improved digital literacy, reskilling programs, and access to e-commerce platforms.
 - Encourage the adoption of secure and interoperable digital identity systems to facilitate seamless cross-border services and reduce operational inefficiencies.
 - Promote a competitive digital payments ecosystem by ensuring consumer and merchant freedom to choose payment methods, avoiding discriminatory rules that hinder innovation.
 - Ensure non-discriminatory treatment of digital products regardless of origin (e.g., apps, software, e-books, music, videos, AI products, digital payment applications). DEFA is encouraged to refrain from imposing discriminatory taxes, local content requirements that distort markets, and mandatory certifications based solely on a product's origin.
- **Advancing Regional AI Governance and Cooperation**
 - Amplify the ASEAN Guide on AI Governance and Ethics and align domestic governance strategies with regional efforts and strategies, such as:
 - Promote public-private partnerships to develop AI/ML programs and policies based on consensus-driven standards, accreditation schemes, and global best practices, enhancing the safety of AI-enabled products and systems.
 - Apply scalable, research-based risk management frameworks to advance trustworthy and responsible approaches to AI/ML adoption.
 - Formulate innovation-driven policies that are balanced with strong consumer protection principles.

- Foster collaboration with independent third-party certification bodies to ensure rigorous conformity assessment of products, ecosystems, and systems.
 - Develop and adopt international AI/ML standards in close partnership with the private sector, ensuring alignment with the WTO Technical Barriers to Trade (TBT) Agreement's principles.
- Support the creation of an ASEAN AI regulatory sandbox and safety network to ensure responsible innovation and inclusive AI adoption.
- Promote a principles-based, adaptive AI governance model focused on transparency, accountability, and ethical practices.
- **Leveraging the Digital Economy for Sustainable Tourism Transformation**
 - Foster regional adoption of smart tourism solutions including AI, big data, and online platforms to improve travellers engagement, operational efficiency, and sustainability.
 - Strengthen digital connectivity and cross-border collaboration among tourism ministries, and establish regional standards for sustainable tourism supported by climate action training.
- **Bridging the Digital Divide**
 - Expand high-speed internet access in rural areas, reduce connectivity costs, and promote equitable access to digital tools.
 - Prioritize inclusive digital policies and training programs targeting MSMEs, women, and marginalized groups to ensure broad participation in ASEAN's digital economy.
- **Digital ID and Authentication**
 - Promote digital ID infrastructure aligned with global standards, including eMRTD (ICAO Doc 9303 series) and next-generation eID technologies such as mobile driver's licenses (ISO/IEC18013-5:2021), supported by eMRTD-IS for identity verification and authentication.
- **Creating an Open and Secure Cloud Ecosystem**
 - Enhance understanding of the cloud's central role in digital development and the key policies needed to support the widespread adoption of cloud across public and private sector.
 - Agreeing to some action-oriented cloud principles and recommendations for creating an ASEAN specific cloud framework
- **Prioritizing the Harmonization of E-Payment Regulatory Frameworks for a Seamless ASEAN Digital Economy**
 - ASEAN should prioritize the harmonization of e-payment regulatory frameworks across the region, including alignment in areas such as licensing, technical standards, and operational processes. This will enhance cross-border interoperability and reduce fragmentation in the fast-growing digital payments ecosystem.

- Harmonizing e-payment standards across ASEAN is crucial for fostering inclusive economic growth, particularly for small and medium-sized businesses (SMBs). As digital transactions become the norm, fragmented payment systems across borders create friction, increase costs, and limit market access for SMBs that lack the resources to navigate complex financial infrastructures. The adoption of globally accepted e-payments standards would enable seamless cross-border transactions, reduce reliance on cash, and enhance financial transparency. For SMBs, this means easier access to regional markets, faster settlements, and improved customer experiences. Moreover, standardization can drive innovation in fintech, encourage interoperability among platforms, and support broader financial inclusion across the region.
- Member States are encouraged to adopt internationally accepted e-payment standards to foster innovation, drive interoperability, and ensure inclusive participation across the region. ASEAN may consider referencing the amended ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) agreement, which provides language supporting the use of global payment standards.
- Beyond ISO 20022 (Universal Financial Industry Message Scheme), ASEAN should broaden its standards framework to include:
 - ISO 8583, which enables standardized messaging for credit and debit card transactions.
 - EMV Chip, which incorporates dynamic authentication for secure in-person payments and reduces fraud.
 - EMV QR, a universal template for QR code-based payments that ensures consistent performance across providers and countries.
 - PCI 3-D Secure (3DS), a protocol enhancing the security of online payments through user authentication.
 - PCI Data Security Standard (PCI-DSS), which sets baseline security requirements for protecting cardholder and account data.
- Promoting interoperability through globally recognized standards will enable ASEAN's digital payment ecosystem to scale effectively, keep pace with technological innovation, and support equitable participation by businesses and consumers.

2. Advancing Circular and Sustainable Economy

- **Formalize an ASEAN Circular Economy Framework Agreement (CEFA)**
 - Establishing a legally binding CEFA under the AEC pillar would enable harmonization of circular economy policies, prioritize harmonization of standards and mutual recognition, ensure implementation consistency, and facilitate trade and cross-sector collaboration across ASEAN.
- **Foster Regional Adoption of Extended Producer Responsibility (EPR)**
 - Harmonizing EPR policies across ASEAN will support sustainable product design, reduce waste, and improve cross-border cooperation in waste management.
 - ASEAN should introduce phased tariffs on non-recyclable imports and facilitate trade in recyclable materials, creating the regulatory certainty necessary for producers to adapt and invest in recycling infrastructure.
 - Ensuring EPR policies are multi-material and incorporate multiple collection pathways. EPR implementation should not be limited to Deposit Return Schemes (DRS) alone, drawing on best practice examples from within the region.
 - Require that Producer Responsibility Organizations (PROs) operate on a non-profit basis to ensure recycling costs are equitably balanced across the industry, preventing cost distortions and encouraging collective responsibility.
- **Leverage Technology for Regional Waste Management**
 - Promote the use of AI and blockchain to track, monitor, and verify waste flows across ASEAN borders, enhancing transparency, accountability, and regulatory compliance.
 - Establish a regional interoperable blockchain platform with secure data-sharing protocols to improve efficiency in waste trade management.
- **Promote Local Material Sourcing for Economic Growth and Environmental Sustainability**
 - Strengthen local supply chains by encouraging use of sustainably sourced domestic materials, supported by incentives such as tax breaks and preferential procurement policies.
 - ASEAN can develop a Sustainable Material Sourcing Framework, with guidelines on land use efficiency, traceability, and certification.
- **Enabling Circular Trade and Sustainable Refurbishment Policies**
 - Promote the development of clear, risk-based regional guidelines for the trade of refurbished products and spare parts, recognizing their role in supporting circular economy models, product lifecycle extension, and sustainable consumption practices.

- Encourage ASEAN Member States to review blanket bans on refurbished goods that may inadvertently hinder circular economy efforts and access to essential after-market services, particularly in sectors like ICT, healthcare, and industrial equipment.
- Support regulatory alignment through regional dialogue platforms and technical working groups, including engagement with national standards bodies, to address legitimate concerns around e-waste and product safety while enabling traceable and compliant trade of refurbished goods.
- Alignment with the ASEAN Trade in Goods Agreement (ATIGA) Upgrade by embedding environmental sustainability into trade facilitation measures and fostering mutual recognition of refurbished product standards and certifications.
- **Advance Green Infrastructure Development for Urban Resilience**
 - Promote nature-based solutions in urban planning, including rain gardens, bioswales, green roofs, and permeable pavements to manage stormwater, reduce heat, and sequester carbon.
 - Encourage public investments and private-sector participation in developing sustainable transportation systems (e.g., electric buses, pedestrian-friendly streets).
- **Champion Sustainable Data Centers for ASEAN's Digital Future**
 - As digital infrastructure grows, ASEAN must prioritize sustainability in data center operations by encouraging voluntary data center sustainability measures and data center-specific sustainability standards, promoting renewable energy, and reducing water usage/promoting use of recycled and non-potable water.
 - ASEAN can introduce financial incentives for sustainable data center practices and encourage cross-sectoral collaboration to ensure that digital growth aligns with environmental goals.
- **Accelerate the Deployment of Cost-Effective Clean Energy Across ASEAN**
 - Unlocking grid capacity: streamlining processes for faster delivery of grid infrastructure projects and connections, investing in new grid infrastructure, and deploying digital solutions to more efficiently utilise existing infrastructure, and developing best practices to improve long-term planning for electricity demand growth.
 - Accelerating cross-border power exchanges: increasing regional interconnections, for example between Singapore and Indonesia, Malaysia, and more broadly across the ASEAN, so we can bring clean energy from where it is produced to where it is consumed and make use of a variety of different energy sources. This also ensures alignment of energy tracking systems to enable credible clean energy power trading and accounting.

- Expanding and reforming markets: Competitive wholesale electricity markets are key vehicles to accelerate clean energy adoption, lower costs for electricity consumers, and improve grid reliability. We encourage policymakers to create and expand competition in wholesale electricity markets and to consider reforming markets to value the contribution of all carbon-free energy sources.
- Scaling mature clean energy technologies and supporting advanced clean energy technologies (such as geothermal, long-duration energy storage, and bioenergy): removing permitting barriers and adopting competitive procurement processes to scale mature clean energy technologies, and implementing incentives to support advanced clean technologies and balancing solutions vital for decarbonizing electricity systems quickly and cost-effectively.
- Increasing access to affordable clean energy: empowering consumer participation in the deployment of new clean energy supply and expanding the portfolio of procurement options to cater to the varying needs of all energy consumers (PPAs, Utility Green Tariffs, Behind-The-Meter options).
- Improving power infrastructure and electricity data transparency and granularity: increasing clarity and accuracy around grid infrastructure availability and electricity flows is important to encourage strategic investments, help improve market efficiencies, and enable sustainable growth.

3. Developing a Future-Ready and Inclusive Workforce

- **Strengthen Skills Mapping and Competency Standards**
 - Establish a unified ASEAN Skills Framework that standardizes competency assessments and aligns job roles with industry needs across the region.
 - Promote the adoption of practical tools such as skills testing, competency-based interviews, and industry-aligned credentials to streamline hiring and workforce planning.
 - Promote Lifelong Learning
- **Promote Lifelong Learning and Inclusive Upskilling**
 - Advance regional strategies to embed lifelong learning into national labor policies, ensuring workers of all ages and backgrounds including women, gig workers, older workers, and persons with disabilities can access continuous upskilling opportunities.
 - Launch public-private partnerships focused on inclusive training initiatives, with attention to reducing the digital divide and equipping underserved communities with future-ready skills.
- **Broaden Recognition of Non-Traditional Learning Pathway**
 - Expand the formal recognition of skills gained through micro-credentials, volunteer experiences, industry bootcamps, and online certifications.
- **Enhance Curriculum Adaptability and Industry Collaboration**
 - Encourage universities and vocational institutions to adopt modular and industry-responsive curricula, integrating short-term certification courses in areas like AI, data analytics, and sustainability.
 - Form dedicated regional task forces to monitor emerging skill trends, foster academia-industry collaboration, and develop education strategies aligned with evolving labor market needs.
- **Advance Practical and Work-Integrated Learning**
 - Institutionalize work-integrated learning (WIL) programs such as internships, apprenticeships, and co-op placements as core components of tertiary education systems.
- **Promote Gender Equity in STEM and Emerging Industries**
 - Support inclusive education policies and reskilling programs that enable women's participation in AI, digital technologies, and green sectors.
 - Scale regional efforts to close gender gaps by expanding mentorship, scholarships, and leadership development programs for women and girls in STEM.

Potential Collaborations

1. ASEAN DEFA Capacity Building for Implementation Stage

A workshop series to support ASEAN governments in the negotiation process to the future implementation phase of DEFA through technical discussions, policy dialogues, and capacity-building activities.

2. Standards Harmonization Across ASEAN

- **Cybersecurity Standards: Best Practices in Implementing and Aligning Cybersecurity Standards and Conformance in ASEAN**
 - Facilitate a collaborative platform where U.S. and ASEAN experts from the public and private sectors can share best practices and case studies. The roundtable aims to address key aspects of adopting and implementing cybersecurity standards, particularly focusing on information security management systems (ISO/IEC 27001) and information security controls for management systems (ISO/IEC 27002)
- **E-Payment Standards: Sharing best practices in adopting international payment standards that are crucial in ensuring interoperability of payments that are key in ensuring continued digital economy growth and innovation in ASEAN**
 - Facilitate a collaborative platform and events such as workshops where U.S., ASEAN private sector, and regulators can work together to further discuss and share best practices and know how on e-payment standards. The workshop aims to address key aspects of adopting and implementing e-payment standards such, particularly focusing on standards such as EMV Chip, EMV QR, PCI-3DS and PCI-DSS.
- **AI Standards: Establish a structured, multi-stakeholder platform in collaboration with ASEAN Working Group for AI Governance to advance the development and implementation of regional AI governance frameworks. This platform should:**
 - Convene experts from government, industry, and academia to share global best practices and facilitate dialogue on AI governance, innovation enablement, risk management, and evolving regulatory priorities and challenges across ASEAN jurisdictions.
 - Promote responsible AI development that balances risk mitigation with the advancement of innovation, competitiveness, and inclusive economic growth.
 - Support the development of balanced, practical, and internationally aligned regulatory approaches that reflect regional needs and capacities.

- **EV Standards: Conformity Assessment Framework to Advance EV Standards and Ecosystem Harmonization in ASEAN**
 - A proposed multi-stakeholder initiative to support the harmonization of electric vehicle (EV) standards across ASEAN, promoting the adoption of international standards to ensure interoperability, safety, and sustainability across the EV value chain. The initiative will:
 - Facilitate alignment of technical regulations and infrastructure standards, including charging stations, batteries, and connectivity systems.
 - Address challenges arising from bespoke national standards, which can create inefficiencies and hinder regional EV market growth.
 - Propose a regional working group or dialogue platform to bridge gaps among member states, identify best practices, and coordinate on updates and regulatory guidance.

3. ASEAN Circular Economy Framework Agreement (CEFA) Workshop Series

- A regional dialogue platform to support the development of CEFA, focusing on EPR, sustainable sourcing, and waste management. The series will gather public and private stakeholders to align regional priorities and share best practices.

4. Farm to Table Initiative

- The farm-to-table initiative aims to deepen regional integration and boost the socio-economic well-being of ASEAN's farmers and consumers by strengthening food supply chain resilience. Through cross-sectoral collaboration, including supporting sectors such as ICT, by conducting policy dialogues and workshops with ASEAN institutions and member governments, the initiative targets to promote public-private partnerships, mobilize investments, and tailor strategies to build a more inclusive and sustainable agricultural ecosystem in the region.



5. US-ASEAN Cloud Workshop Series

- This project was launched after the United States' proposal to designate cloud computing as a priority was endorsed at the 5th ASEAN Digital Ministers' Meeting (ADGMIN) in January 2025. This workshop in September 2025 will socialize the key policy enablers and principles for creating an open, widely adopted, and secure cloud ecosystem in ASEAN. It will cover several important topics, including the role of cloud in supporting digital development and artificial intelligence (AI); public sector cloud adoption and the essentials of cloud procurement; and managing cloud risk and cybersecurity. The best practices and insights shared during the workshop will be synthesized to create an anchor report. This report will then be used to develop actionable principles and recommendations for creating an ASEAN-specific cloud framework.





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