

Discussion Paper

Digital Economy and Workforce Development:

STRATEGIC INITIATIVES SUPPORTING THE
PHILIPPINES' 2026 ASEAN CHAIRSHIP

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*US-ASEAN Business Council in partnership with the
ASEAN Business Advisory Council - Philippines (ASEAN-BAC)*



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Strategic Initiatives Supporting the Philippines'
2026 ASEAN Chairship

This paper was developed by the US-ASEAN Business Council (USABC) and the ASEAN Business Advisory Council Philippines (ASEAN-BAC) to frame the roundtable discussion on Digital Economy and Workforce Development scheduled for March 19, 2026, focusing on key issues and private-sector proposals.

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About the US-ASEAN Business Council

For more than 40 years, the US-ASEAN Business Council (USABC) has been the premier advocacy organization for U.S. corporations operating within the dynamic Association of Southeast Asian Nations (ASEAN), serving as the leading voice of the U.S. private sector in promoting mutually beneficial trade and investment relationships between the United States and Southeast Asia. USABC believes that opening and investing in efficient, resilient, and competitive markets are critical to the continued growth of its member companies and innovation and job creation in the United States and Southeast Asia. ASEAN now represents more than 650 million people and a combined GDP of US\$2.8 trillion across Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Timor Leste, Thailand, and Vietnam. USABC's members include many of the world's largest American multinational corporations in numerous industries and range from those that have been working in Southeast Asia for more than a century to newcomers entering Asia's most dynamic regional economic community. USABC has its headquarters in Washington, D.C. and offices in New York, Bangkok, Hanoi, Jakarta, Kuala Lumpur, Manila, and Singapore.

Over the next decade, by virtue of its growing middle class, infrastructure development, and strategic position at the center of Pacific trade routes, ASEAN's eleven members will enjoy growth rates among the most robust in the world. With more than 65 percent of ASEAN's population under the age of 35, ASEAN's demographic trends will continue to fuel growth well into the future. USABC is convinced on strategic grounds that America's economic vitality depends on its success in the Asia-Pacific region, and ASEAN plays a central role.

USABC is the only U.S.-based organization recognized in the ASEAN charter as a supporting organization of ASEAN. In service to its members, USABC leads major business missions to all eleven ASEAN countries, convenes multiple meetings with ASEAN heads of state and ministers and is the only U.S. organization to be given the privilege to raise member company concerns in consultations with the ASEAN Economic, Energy, Finance, Transport, Travel & Tourism, and Forestry & Agriculture Ministers, as well as the ASEAN Customs Directors-General, at their annual meetings.

USABC's committees serve as umbrellas for its membership's initiatives at both the local and regional level. The committees include one for every ASEAN country, ASEAN, APEC, Customs, Aerospace, Defense & Security, Energy, Financial Services, Food & Agriculture, Health & Life Sciences, Information & Communications Technology, Supply Chains, Travel & Tourism, and Sustainability.

About the ASEAN Business Advisory Council

The ASEAN Business Advisory Council (ASEAN-BAC) was established in 2001 to serve as the region's apex private sector advisory body, providing essential business insights and recommendations to ASEAN Leaders. As the primary platform for private sector engagement, the Council advocates for economic cooperation and plays a pivotal role in advancing the ASEAN integration agenda. Each ASEAN member government appoints three high-level CEOs to the ASEAN-BAC—including a dedicated representative for small and medium-sized enterprises—to ensure a diverse and influential business voice in regional policy.

The ASEAN-BAC's mandate is driven by a commitment to inclusive growth and the modernization of the regional economy. By focusing on critical areas such as MSME empowerment, digital transformation, and sustainable development, ASEAN-BAC works to bridge the gap between government policy and the practical needs of the marketplace. Through its various working groups and legacy projects, it addresses cross-border challenges, promotes circular economy practices, and facilitates the adoption of emerging technologies like AI to ensure that the region remains globally competitive and resilient.

In 2026, ASEAN-BAC Philippines assumes the Chairship under the leadership of Chair Joey Concepcion, alongside members George Barcelon and Michael Tan. Guided by the theme "Advancing Prosperity for All," the Philippine leadership focuses on four strategic pillars: People, Planet, Platform, and Productivity. To turn these goals into action, the ASEAN-BAC is spearheading tangible deliverables such as the ASEAN Food Security Alliance (AFSA) and ASEAN Business and Investment Summit (ABIS), alongside policy papers and recommendations presented directly to ASEAN Leaders to shape the economic landscape toward ASEAN 2045.

Executive Summary

The Digital Economy and Workforce Development Initiative is a set of regionally focused projects proposed by the US-ASEAN Business Council (USABC), in collaboration with its member companies, to support the Philippines' 2026 ASEAN Chairship. It addresses a cluster of persistent challenges: uneven digital infrastructure across urban and rural areas; widening skills gaps in a region where many young people lack formal digital training; and the difficulty faced by MSMEs – despite accounting for 97% of businesses in ASEAN – in adopting digital tools. At the same time, cybercrime and online fraud are surging, regulatory regimes remain fragmented, and cross-border data flows and payment systems are often poorly aligned. Although ASEAN has adopted frameworks including the Digital Economy Framework Agreement (DEFA) and national digitalization strategies, progress on infrastructure, workforce development, regulatory harmonization, cybersecurity, and digital trust continues largely in parallel rather than through coordinated regional action.

The Philippine ASEAN Chairship offers a chance to narrow these gaps through targeted initiatives linking digital infrastructure interoperability, MSME digitalization, workforce development, and digital trust.

Building on the momentum of DEFA negotiations and the priorities advanced during Malaysia's 2025 ASEAN Chairship, the initiative emphasizes continuity, practicality, and investment readiness. It aligns with the long-term ambitions of the ASEAN Economic Community and supports the Philippines' Priority Economic Deliverables (PEDs) for 2026 – most notably the signing of DEFA, the expansion of regional payments connectivity, and the development of a digitally capable workforce.

At its core are four mutually reinforcing projects:

The **ASEAN Digital Interoperability and Payments Connectivity Forum** would convene central banks, regulators, and payment providers to strengthen coordination on cross-border payments. Through evidence-based exchanges, the forum would focus on regulatory harmonization, technical standards, and the infrastructure required for interoperable regional payments systems.

The **ASEAN MSME Digital Transformation and Inclusive Growth Program** would help small firms cross the digital divide. Through hybrid training, practical toolkits, and customized digitalization roadmaps, the program aims to strengthen financial literacy, expand e-commerce participation, and accelerate the adoption of digital tools among MSMEs.

The **ASEAN Regional Academy for Digital Workforce Development** would function as a virtual center of excellence, strengthening regional capacity in artificial intelligence literacy, cybersecurity, data governance, and regulatory technology. Structured curricula, certification programs, and regional alumni networks would help create a pipeline of digitally skilled workers across ASEAN.

Finally, the **ASEAN Digital Trust, Cyber Resilience, and Online Safety Initiative** would strengthen confidence and trust in digital ecosystems by addressing fraud, scams, and enforcement gaps through model guidelines, joint task forces, and capacity building for regulators and enforcement agencies.

Taken together, the Digital Economy and Workforce Development Initiative offers actionable projects aligned with ASEAN's digital economy priorities and the Philippines' 2026 agenda. The proposed projects support DEFA implementation, strengthen regional payments connectivity, build digital workforce capabilities, and enhance trust in digital ecosystems through coordinated approaches to infrastructure, skills development, regulatory alignment, and cybersecurity. As ASEAN's digital economy accelerates toward US\$1 trillion by 2030, with the potential to reach US\$2 trillion with successful DEFA implementation, the Philippines' 2026 Chairship can move these commitments from framework to implementation, delivering progress that strengthens regional connectivity and creates opportunities across Member States.

I. Context and Rationale

The US-ASEAN Business Council (USABC) developed this implementation-focused discussion paper to support the Philippines' ASEAN Chairship in 2026. Guided by this year's theme "*Navigating Our Future, Together*", the paper consolidates private sector perspectives into actionable, high-impact, and regionally scalable recommendations to guide upcoming high-level roundtable discussions with government and industry.

This discussion paper is one of five papers organized around the following priority pillars identified by the USABC:

- (1) Sustainability and Food Security;
- (2) Healthcare;
- (3) Sustainable Supply Chains and Logistics;
- (4) Digital Economy and Workforce Development; and
- (5) Artificial Intelligence (AI).

In addition to outlining key issues and priorities, the paper proposes concrete programs aligned with ASEAN priorities to help guide Philippine government decision-makers as they shape the Chairship agenda and related deliverables.

This paper builds on Malaysia's legacy as ASEAN Chair (see Appendix 1), particularly its role in shaping the *ASEAN 2025: Forging Ahead Together* blueprint and advancing the ASEAN Economic Community's vision of a unified, competitive, inclusive, and globally integrated region. Drawing from the joint [USABC-SERI white paper](#) developed under Malaysia's Chairship, which identified priorities such as digital transformation, AI, the green economy, energy transition, workforce upskilling, healthcare innovation, and inclusive growth, USABC seeks to carry forward this momentum into the Philippines' ASEAN Chairship in 2026, supporting continuity across leadership terms, specifically into Singapore's ASEAN Chairship in 2027.

II. Background of the Discussion Paper

Digital infrastructure, workforce capabilities, and regulatory frameworks have become determining factors in ASEAN's economic competitiveness, yet efforts to strengthen these domains have advanced along separate tracks rather than through coordinated regional strategies. ASEAN has achieved notable progress in expanding digital adoption across payments, e-commerce, logistics, and government services, though significant variations in digital readiness persist across Member States. Consequently, critical challenges at the intersection of these domains remain insufficiently addressed.

A. Digital Infrastructure and Economic Participation

The ASEAN regional digital economy continues to grow and is projected to exceed US\$1 trillion by 2030. According to research by Google, Temasek, and Bain & Company, ASEAN's digital economy grew from approximately US\$300 billion in 2023 to reach US\$363 billion in 2025, representing a compound annual growth rate (CAGR)

of 11% (WEF 2025; Boston Consulting Group 2023). The region's digital economy delivered US\$100 billion in revenue in 2023 alone, growing at 27% CAGR since 2021. With 125,000 new users coming online every day and internet penetration reaching 75%, ASEAN has emerged as the world's fastest-growing internet market (WEF 2024; YCP 2024).

The successful implementation of DEFA could potentially double this value to US\$2 trillion by 2030 (ASEAN 2023; WEF 2025). Indonesia, which leads the region's digital economy with a US\$90 billion valuation in 2024, could see its digital economy triple to US\$360 billion by 2030, with e-commerce contributing US\$150 billion (WEF 2025). Digital payments across Southeast Asia exceeded US\$1 trillion in 2024, while venture capital investment in the region's digital economy has risen nearly sixfold, from US\$777 million in 2015 to US\$4.4 billion in 2024 (WEF 2025; Sarawak Tribune 2025). Yet unequal digital infrastructure across urban and rural areas continues to exacerbate development disparities; while urban areas develop rapidly, rural areas remain relatively stagnant (SEADS 2024). Fragmented digital payment systems hamper the growth of an inclusive digital economy. An estimated 70% of adults in the region remain unbanked or underbanked, and while the pandemic brought 400 million new internet users, digital financial participation still lags connectivity gains (Sarawak Tribune 2025). The region also faces fiscal constraints that limit investments in digital infrastructure outside major cities.

B. MSME Readiness and Digital Participation

Micro, Small, and Medium Enterprises (MSMEs) account for more than 97% of all businesses in ASEAN and provide 85% of employment in the region (WEF 2025; ASEAN Foundation 2024). However, according to research by Bain & Company, while 75% of MSMEs in ASEAN recognize opportunities from digital integration, only 16% use digital technologies to their full potential (ERIA 2019). This represents a significant unrealized economic opportunity, as MSMEs face a US\$5.7 trillion financing gap and many remain excluded from digital financial systems (Sarawak Tribune 2025). MSMEs continue to face high barriers to digital adoption due to digital illiteracy, limited access to affordable technology, and fragmented regulatory environments. Enforcement gaps undermine the integrity of digital marketplaces and weaken consumer and business trust.

C. Workforce Capacity and Skills Development

The workforce and skills challenge is equally pressing. According to the ASEAN Digital Integration Index (ADII), Southeast Asia scored lowest on digital skills and talent among the six pillars used to measure digital integration: (i) Digital Trade and Logistics; (ii) Data Protection and Cybersecurity; (iii) Digital Payments and Identities; (iv) Digital Skills and Talent; (v) Innovation and Entrepreneurship; and (vi) Institutional and Infrastructural Readiness; this underscores that workforce capability represents the region's most critical gap in its digital integration agenda (SEADS 2024). UNICEF research found that while most young individuals in ASEAN possess moderate levels of digital literacy, 61% of those aged 10-24 were not being taught digital skills as part of their school curriculum (SEADS 2024).

The region faces critical skills gaps: a 2023 survey by Jobstreet reported that 61% of Vietnamese employers were unable to find appropriately-skilled workers at the right

time, and another 2023 survey found that almost 90% of the Philippine population lacks basic information and communication technology skills such as word processing, internet, and email skills (Economist Impact 2023). Micro and small firms across ASEAN similarly trail behind medium and large firms in adopting advanced technologies (Centre for Case Learning and Excellence 2024; ERIA 2023). Filipino employees identified advanced digital skills, including IT support (65.4%), cybersecurity (59.6%), and data analysis and visualization (55.8%) as essential capabilities for their sectors (Economist Impact 2023).

D. Digital Trust and Cybersecurity

Threats to digital ecosystem integrity undermine confidence and constrain participation in digital commerce. Cybercrime in Southeast Asia surged by 82% between 2021 and 2022, with increasing threats targeting digital economies across the region. The financial toll is staggering: the United Nations Office on Drugs and Crime (UNODC) warned that, despite mounting enforcement efforts, "cyber-enabled fraud has continued to intensify, resulting in estimated financial losses between US\$18 billion and US\$37 billion from scams targeting victims in East and Southeast Asia in 2023," with a predominant share attributed to organized crime groups operating within the region (UNODC, 2024, para. 4). Compounding this, criminal networks have deployed generative artificial intelligence described as "a powerful force multiplier for criminal activities," with deepfake-related content in Southeast Asia surging by more than 600% in the first half of 2024 alone (UNODC, 2024, para. 5). Rising digital fraud, scams, cyber-attacks, restrictive data localization regulations, and insufficient digital readiness may prevent ASEAN from realizing the full benefits of DEFA. A widening digital skills gap, limited cybersecurity capacity, and fragmented digital payment systems hamper the growth of an inclusive digital economy.

E. Opportunities for Reform and Investment

Taken together, these challenges suggest that the core constraint facing ASEAN is not the absence of strategies or institutional frameworks, but the lack of operational integration across digital infrastructure development, workforce training, regulatory harmonization, and cybersecurity coordination. While ASEAN has adopted frameworks including the ASEAN Digital Masterplan and substantially concluded the DEFA, implementation remains uneven and undercoordinated, limiting their impact on inclusive digital economy growth and competitiveness.

Despite these challenges, ASEAN possesses substantial strengths: a young, digitally connected population of 700 million people with approximately 70% internet penetration, expanding digital infrastructure in metropolitan centers, and continued government focus on regional digital cooperation (WEF 2024; SEADS 2024). Building on these foundations, strengthening cross-border digital payments, enhancing cybersecurity standards, developing workforce capabilities, improving customs digitalization, and promoting interoperable data exchange can help the region maximize digital economy potential while enabling MSMEs to participate more effectively in regional and global value chains. The Philippines' 2026 ASEAN Chairship presents an opportunity to advance inclusive digital adoption and translate DEFA commitments into practical implementation.

III. Key Priorities and Alignment with Priority Economic Deliverables

Reflecting perspectives from USABC members, this section outlines key priorities and their alignment with the Priority Economic Deliverables (PEDs) set for the Philippines' 2026 ASEAN Chairship.

A. Digital Infrastructure and Interoperability

USABC members emphasize that seamless digital payments, interoperable systems, and reliable connectivity are essential for inclusive economic participation. Members note the importance of expanding digital payments acceptance and the need for interoperable payment ecosystems alongside regulatory harmonization. Members also reference the need for digitalization in industries to support broader bilateral and multilateral ASEAN economic engagement, while others stress the digitalization of customs documentation to provide end-to-end visibility and traceability systems for exports to improve regulatory compliance. Collectively, these perspectives underscore that digital infrastructure and payment interoperability serve as foundational enablers for inclusive digital economy participation and cross-border commerce.

B. Cross-Border Data Flows and Cybersecurity

USABC members highlight that secure and unobstructed cross-border data flows are critical for enabling innovation, preventing fraud, including the smuggling of unauthorized or non-compliant goods, and supporting analytics. Members indicate that data localization creates costly fragmentation and reduces the effectiveness of fraud detection systems. In addition, members emphasize real-time data sharing to strengthen digital customs systems and enable destination country validation prior to export, while others highlight the importance of secure digital health systems. Considered collectively, these positions indicate that effective data governance requires balancing security imperatives with cross-border interoperability to enable both innovation and fraud prevention.

C. MSME Digitalization

USABC members identify MSMEs as essential participants in the digital economy but note persistent barriers, including digital illiteracy, weak financial literacy, and limited access to digital tools. Members express their commitment to capacity-building programs, inclusive growth initiatives, and tailored products and services for MSMEs. Members also see opportunities for MSMEs to improve business performance through digital tool adoption and emphasize the role of MSMEs in implementing digital traceability and compliance systems. Together, these perspectives reflect shared recognition that MSME digital transformation requires coordinated efforts across financial inclusion, capacity building, and technology solutions adapted to the constraints and capabilities of smaller firms.

D. Workforce Development

USABC members highlight gaps in digital literacy, financial knowledge, artificial intelligence readiness, and cybersecurity competencies that constrain effective participation in digital economy activities. Members note that digital illiteracy undermines system interoperability and stress the need for improved digital capabilities across MSMEs and government agencies. Members advocate for comprehensive training in digital and AI-driven skills across sectors and support technical capacity building for customs and enforcement agencies to effectively utilize digital systems, including real-time data sharing and pre-export validation. These concerns emphasize that building a digitally skilled workforce across government, enterprises, and enforcement agencies is essential to realizing the full potential of digital economy frameworks and infrastructure investments.

E. Trust and Safety in Digital Ecosystems

USABC members likewise express concern about digital fraud, unsafe marketplaces, unauthorized and non-compliant goods, and regulatory enforcement limitations that undermine confidence in digital platforms and transactions. Members highlight the importance of anti-scam initiatives and public-private partnerships to combat digital fraud. In addition, members express concerns about enforcement gaps in e-commerce and emphasize the need for proactive measures implemented by platform operators to ensure marketplace integrity. Members also stress the importance of trustworthy digital environments for health-related applications and services. These positions underscore that digital ecosystem trust depends on coordinated action across fraud prevention, enforcement capacity, platform accountability, and sustained public-private collaboration.

F. Alignment with Priority Economic Deliverables (PEDs)

These USABC priorities align closely with several PEDs identified for the Philippine ASEAN Chairship in 2026. Key deliverables include the signing of the DEFA, the development of the ASEAN Digital Skills Vision under workforce initiatives, and the strengthening of cyber resilience frameworks. PEDs also include initiatives for MSME digitalization, AI adoption in strategic sectors, and inclusive digital transformation. More broadly, the ASEAN agenda on digital economy integration and workforce development provides a strong policy foundation for the proposed initiatives. A comprehensive alignment table linking the proposed projects to specific PEDs and USABC member priorities is included in Appendix 2.

IV. Proposed Activities and Projects for 2026

The Digital Economy and Workforce Development Initiative proposes four integrated projects that support the Philippine ASEAN Chairship and private sector priorities on digital economy integration and workforce development. While each project has a distinct focus, they are designed to reinforce one another and together form a coherent regional program.

A. Proposed Project 1: ASEAN Digital Interoperability and Payments Connectivity Forum

The project is designed to advance a regional agenda for interoperable payments, digital identity alignment, and secure data flows. Its objective is to support the implementation of the DEFA by identifying pathways for harmonizing regulatory approaches, strengthening cross-border payments, and improving digital inclusion.

The forum would gather central bank representatives, Information and Communications Technology (ICT) departments, fintech firms, payments networks, and regulators to examine regulatory harmonization pathways, technical standards for interoperability, and cross-border payment infrastructure requirements. Building on the PED on Advancing ASEAN Regional Payments Connectivity, the forum would incorporate full traceability of cross-border payment flows by integrating monitoring and reporting mechanisms aligned with anti-money laundering standards. This will allow authorities to follow the digital money trail and more effectively detect smuggling and other illicit cross-border financial activities, ensuring that greater payments interoperability is matched with strong financial crime safeguards.

The forum would be implemented in three phases. In the first preparatory phase (Q1 2026), USABC would coordinate with the ASEAN Secretariat and central banks to establish a technical working group and conduct stakeholder mapping. The forum itself can take place in late Q2 to Q3 2026, featuring plenary sessions on regulatory harmonization, technical workshops on interoperability standards, and breakout sessions for bilateral payment corridor discussions.

Expected outputs include recommendations to DEFA implementation bodies on regulatory convergence pathways, a set of principles for payments interoperability that balance innovation with security and compliance requirements, and proposed pilot projects for cross-border payments demonstration where feasible. The forum could be hosted alongside the ASEAN Digital Ministers' Meeting (ADGMIN) or the ASEAN Economic Ministers' Meeting (AEM). Government agencies, including central banks, financial regulators, and ICT ministries, would participate alongside private sector payment providers, fintech companies, financial institutions, and technical experts in payment systems and regulatory technology.

B. Proposed Project 2: ASEAN MSME Digital Transformation and Inclusive Growth Program

The initiative intends to support MSMEs in building the digital competencies needed to participate effectively in the digital economy. It aims to reduce digital illiteracy, strengthen financial literacy, and provide practical training on e-commerce, digital payments, digital business models, and data-driven decision making. The program would deploy a hybrid delivery model combining in-person training hubs in three-to-five member states with a digital learning platform accessible region-wide.

The focus during the 2026 Chairship window would be on laying the programmatic foundations for this initiative. This would involve conducting needs assessments in interested member states to understand existing digital skills gaps, initiating the co-design of a standardized curriculum framework covering digital payments adoption, e-commerce marketplace navigation, basic data analytics, and cybersecurity

fundamentals, and developing the architecture for a hybrid delivery model combining in-person and digital learning components. A pilot workshop may be conducted in one or two willing member states to test curriculum elements and training approaches, with findings informing the full program rollout.

Expected outputs from the groundwork phase could include a needs assessment report drawing on findings from interested member states, a draft curriculum framework for review and refinement by relevant stakeholders, and a program design document outlining the hybrid delivery model and implementation approach for the full program in 2027. These outputs would position the program for formal launch and broader rollout under subsequent Chairships or through ASEAN bodies. This initiative aligns with the PEDs on MSME development and digital upskilling. National MSME development agencies, chambers of commerce, business associations, private sector technology providers, and development partners working on inclusive digital economy initiatives are welcome to contribute to the groundwork process.

C. Proposed Project 3: ASEAN Regional Academy for Digital Workforce Development

This project seeks to establish a structured program for digital workforce development aligned with DEFA and ASEAN's Digital Workforce Framework. Its objective is to build expertise in artificial intelligence literacy, cybersecurity, data governance, regulatory technology, and digital leadership through training programs targeting civil servants, MSME owners, educators, and early career professionals.

During the 2026 Chairship window, the focus would be on establishing the foundational architecture of the Academy rather than launching a full training cohort. This groundwork phase would involve identifying a suitable host institution in the Philippines, initiating curriculum design in consultation with interested technology companies and academic institutions, and developing a framework for ASEAN-recognized digital credentials. USABC would also conduct a mapping of potential participants and partner nodes across interested member states. Where interest and resources allow, a small pilot cohort may be organized to test delivery modalities and refine curriculum content ahead of a full Academy launch.

Preliminary outputs from this groundwork phase could include a host institution and partnership framework, a draft curriculum outline covering AI literacy, cybersecurity, data governance, and regulatory technology, a proposed credential recognition framework for ASEAN member state review, and a program design document for the full Academy launch. These outputs would enable a formal Academy launch, whether under the remaining Chairship period or subsequently. This project may be introduced at the sidelines of the ASEAN Economic Ministers Meeting. Government education ministries, skills development agencies, ICT departments, private sector technology companies, academic institutions, and professional training organizations with an interest in digital workforce development are invited to engage in the design and development process.

D. Proposed Project 4: ASEAN Digital Trust, Cyber Resilience, and Online Safety Initiative

This final initiative seeks to improve trust in the digital ecosystem by addressing cyber risks, fraud, scams, and online consumer protection. Its objective is to support the creation of a safer digital environment that enables greater participation in the digital economy.

Implementation would proceed through coordinated workstreams on cybersecurity, consumer protection, and platform governance. USABC would convene a multi-stakeholder task force including telecommunications regulators, consumer protection agencies, law enforcement, and private sector cybersecurity experts. The task force will conduct a regional assessment of digital trust gaps in Q3 2026, followed by the development of model guidelines and best practices. Technical workshops would be held to build capacity among regulators on emerging threats such as AI-powered scams and deepfake fraud. The initiative would culminate in an ASEAN Digital Trust Summit in the latter part of 2026, presenting findings and securing ministerial endorsement of the model guidelines.

Expected outputs include an ASEAN report on digital trust challenges and opportunities, draft model guidelines for online safety and consumer protection that member states can adapt to local contexts, and capacity-building sessions for regulators and enforcement agencies on emerging digital threats and enforcement coordination mechanisms. This initiative aligns with PEDs on digital trust and cyber resilience. Telecommunications and financial regulators, consumer protection agencies, law enforcement, and cybersecurity authorities would participate alongside private sector cybersecurity companies, payment providers, e-commerce platforms, and international organizations working on digital trust, cyber resilience, and consumer protection in digital environments.

V. Matters for Roundtable Consideration

The roundtable discussion is intended to facilitate open and constructive exchanges on priorities, feasible actions, and practical pathways for advancing digital economy and workforce development initiatives during the 2026 Philippine Chairship.

Recognizing the time, resource, and coordination constraints inherent in a Chairship year, the roundtable aims to provide an opportunity to identify areas where focused public-private collective efforts may generate the greatest impact. The discussion is designed to be exploratory and inclusive, helping surface shared perspectives and realistic opportunities for cooperation.

The session will seek to:

- Invite government reflections on private sector perspectives on digital economy and workforce development;
- Exchange views on the feasibility and timing of proposed activities outlined in this paper; and
- Explore how private sector engagement, where appropriate, can complement public sector efforts.

VI. Conclusion

The Digital Economy and Workforce Development Initiative presents a coherent portfolio of four high-impact projects that support the Philippine ASEAN Chairship objectives for 2026. The initiative systematically links digital infrastructure interoperability, MSME digitalization, workforce development, and digital trust in a way that responds directly to USABC member priorities and aligns with multiple PEDs of the Philippine Government.

By focusing on integrated frameworks, practical capacity building, and investment roadmaps, the initiative seeks to create institutional and technological foundations that will continue to deliver benefits beyond the Chairship period, positioning USABC and its member companies to support the Philippines' efforts in advancing an integrated, trusted, and inclusive ASEAN digital economy.

Appendices

Appendix 1: Malaysia's 2025 Achievements in the Digital Economy and Workforce Development

During Malaysia's 2025 Chairship under the theme "Inclusivity and Sustainability", the country advanced critical digital economy and workforce development initiatives that set the foundation for the Philippines' 2026 Chairship:

- **Digital Economy Framework Agreement (DEFA):** Malaysia led negotiations that resulted in the substantial conclusion of DEFA in 2025, positioning the agreement for signing in 2026 under the Philippines' Chairship (Chairman's Statement of the 46th ASEAN Summit, 2025). DEFA aims to propel ASEAN's digital economy from US\$300 billion to potentially US\$2 trillion by 2030 by establishing harmonized digital trade rules, cross-border e-commerce facilitation, cybersecurity cooperation, and digital payment interoperability (ASEAN, 2025; Key ASEAN Milestones, 2025).
- **ASEAN AI Safety Network (AI Safe):** Malaysia championed the development of the Declaration on the Establishment of the ASEAN AI Safety Network, the first regional initiative globally to institutionalize AI safety, ethics, and governance principles (Chairman's Statement of the 46th ASEAN Summit, 2025).
- **Cybersecurity Capacity Building:** Malaysia facilitated progress on the ASEAN Regional Computer Emergency Response Team (CERT) and endorsed the ASEAN Norms Implementation Checklist to strengthen regional cyber resilience and responsible state behavior in cyberspace (Chairman's Statement of the 46th ASEAN Summit, 2025).
- **Digital Skills and Workforce Development:** Malaysia emphasized skills-based hiring and the ASEAN Qualifications Reference Framework (AQRF) to support mutual recognition of skills and seamless labor mobility across member states (USABC-SERI White Paper, 2025). With only 28% of Malaysia's workforce classified as highly skilled, the country prioritized investments in Technical and Vocational Education and Training (TVET) and modular learning pathways as models for regional adoption.
- **ASEAN Community Vision 2045:** Malaysia facilitated the adoption of the Kuala Lumpur Declaration on ASEAN 2045: Our Shared Future, establishing the bloc's strategic direction for the next two decades with emphasis on digital transformation, innovation, and people-centered development (Kuala Lumpur

Appendix 2: Alignment of Proposed Projects within Philippine PEDs and Program Partner Priorities

Proposed Project	Aligned Philippine PEDs	Program Partner Priorities Addressed
Project One: ASEAN Digital Interoperability and Payments Connectivity Forum	<ul style="list-style-type: none"> • PED #8: Signing of the ASEAN Digital Economy Framework Agreement (DEFA) • PED #10: Advancing ASEAN Regional Payments Connectivity 	<ul style="list-style-type: none"> • Strengthening digital infrastructure and interoperability • Cross-border data flows and cybersecurity • Digital payments acceptance and fintech innovation
Project Two: ASEAN MSME Digital Transformation and Inclusive Growth Program	<ul style="list-style-type: none"> • PED #11: Establishment of the ASEAN Center of Excellence for MSMEs • PED #8: DEFA implementation support for MSMEs 	<ul style="list-style-type: none"> • Digitalization of MSMEs • Financial literacy and digital skills development • E-commerce and digital tools adoption
Project Three: ASEAN Regional Academy for Digital Workforce Development	<ul style="list-style-type: none"> • PED #3: ASEAN Declaration on the Cross-Border Movement for Digital Workers Pass • PED #14: Regional Program for Science, Technology, and Innovation on AI (Phase 1) 	<ul style="list-style-type: none"> • Workforce development and digital skills • AI readiness and literacy • Cybersecurity competencies • Technical capacity building
Project Four: ASEAN Digital Trust, Cyber Resilience, and Online Safety Initiative	<ul style="list-style-type: none"> • PED #8: DEFA - cybersecurity and data protection cooperation • PED #10: Regional payment system interoperability and security 	<ul style="list-style-type: none"> • Trust and safety in digital ecosystems • Anti-scam and anti-fraud measures • E-commerce enforcement and platform accountability • Cybersecurity partnerships

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