MINISTRY OF TRADE AND INDUSTRY SINGAPORE

PRESS RELEASE

For Immediate Reporting

ASEAN MARKS MILESTONE YEAR, ADVANCES TOWARDS A MORE CONNECTED AND RESILIENT REGIONAL ECONOMY AT 26TH ASEAN ECONOMIC COMMUNITY COUNCIL (AECC) MEETING

ASEAN Member States announced the substantial conclusion of the ASEAN Digital Economy Framework Agreement

1. At the 26th ASEAN Economic Community Council (AECC), ASEAN Member States capped off a milestone year for the ASEAN Economic Community, against a backdrop of global uncertainty and structural shifts.

2. Deputy Prime Minister and Minister for Trade and Industry Gan Kim Yong represented Singapore at the meeting, which was chaired by Malaysia's Minister of Investment, Trade, and Industry, Tengku Zafrul Aziz. The 26th AECC precedes the 47th ASEAN Summit and Related Summits which starts on 26 October 2025.

3. Notably, the ASEAN Member States announced at this meeting the **substantial conclusion of the ASEAN Digital Economy Framework Agreement (DEFA)**, after almost two years of negotiations. The ASEAN DEFA is the first comprehensive regional digital economy agreement and ASEAN's most ambitious digital initiative to date. Once concluded, the agreement will mark a new chapter in ASEAN's digital integration journey and open up more opportunities for businesses of all sizes to tap on ASEAN's fast-growing digital market. The agreement introduces commitments on forward-looking issues such as cross-border flows of data, end-to-end digital trade as well as top-of-mind emerging trends and developments such as Artificial Intelligence, protection of key proprietary information such as source code, and cybersecurity. The ASEAN DEFA is targeted to be concluded and signed in 2026.

4. Other key highlights include:

   a. **Completion of the ASEAN Economic Community (AEC) Blueprint 2025** and **agreement to implement the AEC Strategic Plan 2026-2030 beginning next year.** The Strategic Plan, launched earlier by Leaders at the 46th ASEAN Summit in May 2025, provides a comprehensive, structured and future-ready roadmap to guide ASEAN's next bound of economic integration.

   b. Signed key agreements such as (i) the **ASEAN Trade in Goods Agreement (ATIGA) Upgrade**, chaired by Singapore, which enhances trade facilitation, market access and deepens economic integration within ASEAN; and (ii) the **ASEAN-China Free Trade Area (ACFTA) 3.0 Upgrade,** which marks the second

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upgrade of the agreement and will strengthen connectivity and facilitate greater trade between ASEAN and China.

c. Signing of the **Enhanced ASEAN Power Grid Memorandum of Understanding (MOU) by ASEAN Energy Ministers**, which advances energy cooperation and connectivity across the region, and lays the groundwork to further implement the ASEAN Power Grid.

6. Deputy Prime Minister Gan said, "ASEAN has made impressive strides this year to advance our economic integration agenda, even as we navigate global uncertainties. We have delivered important milestones that will strengthen the region's economic resilience and connectivity – from the completion of the AEC Blueprint 2025 and the launch of the Strategic Plan 2026-2030, to the signing of key agreements such as the Upgraded ATIGA, ACFTA 3.0 Upgrade, the Enhanced ASEAN Power Grid MOU, and in particular the substantial conclusion of the ASEAN Digital Economy Framework Agreement (DEFA) today. Together, these efforts bring us closer to an increasingly seamless regional economy, and will help propel ASEAN, and Singapore, as a stronger and more compelling base for businesses seeking growth in an uncertain world."

5. ASEAN remains a key economic partner for Singapore. In 2024, ASEAN was Singapore's largest trading partner, with two-way trade reaching US$220 billion. Singapore's foreign direct investment (FDI) inflows into ASEAN totalled US$14.5 billion, underscoring the strong and growing economic ties between Singapore and the ASEAN region.

Annex A: Joint Statement by the ASEAN Economic Community Council on the substantial conclusion of the ASEAN Digital Economy Framework Agreement

MINISTRY OF TRADE AND INDUSTRY
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Annex A

CLEANED AS OF 23 OCTOBER 2025
PREPARATORY SEOM FOR THE 26TH AEC COUNCIL MEETING AND 2ND SPECIAL AEC COUNCIL ON ASEAN DEFA

ASEAN ECONOMIC COMMUNITY COUNCIL STATEMENT ON THE SUBSTANTIAL CONCLUSION OF THE ASEAN DEFA NEGOTIATIONS

KUALA LUMPUR, MALAYSIA, 24 OCTOBER 2025

1. Today, 24 October 2025, the ASEAN Economic Community (AEC) Council gathered at the 26th AEC Council Meeting in Kuala Lumpur, Malaysia to announce the substantial conclusion of the ASEAN Digital Economy Framework Agreement (DEFA) Negotiations as one of Priority Economic Deliverables (PEDs) under Malaysia's Chairmanship. DEFA is expected to be the world's first most comprehensive regional agreement on the digital economy. Since the launch of negotiations in September 2023, the ASEAN DEFA Negotiating Committee has convened fourteen (14) rounds of constructive negotiations to make this possible through active contributions of all ASEAN Member States and under Thailand's leadership.

2. This milestone marks a pivotal chapter in ASEAN's digital transformation journey. The DEFA is the penultimate action item under the Bandar Seri Begawan Roadmap: An ASEAN Digital Transformation Agenda to Accelerate ASEAN's Economic Recovery and Digital Economy Integration (BSBR) which was adopted in 2021. DEFA serves as a key strategy for ASEAN's comprehensive post-COVID recovery with the aim of accelerating inclusive digital transformation in the region. In recognition of the immense potential of digital technologies that drive our economic growth, the AEC Council has accelerated the preparatory work and launched the DEFA negotiations on 3 September 2023. The DEFA, as the first regional-wide digital economy arrangement, is a concrete step towards realising the ASEAN vision to develop a modern, comprehensive, and coherent digital transformation strategy towards an ASEAN Digital Economy, where the seamless and secure flow of goods, services, and data is underpinned by enabling rules, regulation, infrastructure, and talent; improve

cooperation in cybersecurity and establish frameworks to protect data privacy. This will empower and connect ASEAN-based businesses, including MSMEs, to regional and global markets, and strengthen collective and individual economic competitiveness and resilience as highlighted in the Leaders Statement on DEFA during the 43rd ASEAN Summit in 2023.

3. The substantial conclusion of the DEFA negotiation is highly anticipated and welcomed by all stakeholders, including businesses, external partners, and individuals engaging in digital economy. It also reflects ASEAN's steadfast commitment to remain resilient, effective, and responsive to future regional and global challenges.

4. The DEFA opens opportunities to the business community as well as responding to emerging challenges. Building on ASEAN's progress in implementing BSBR, particularly in the areas of ASEAN Single Window, digital payment, data privacy and cross-border data transfer and ASEAN Unique Business Identification Number (UBIN). ASEAN DEFA also introduces forward-looking provisions that build upon ASEAN's existing digital trade commitments by including Cross-Border Data Flows, Electronic Payments, Personal Data Protection and align with the UNCITRAL Model Law on Electronic Transferable Records. ASEAN have reached broad agreement on provisions in emerging areas such as Talent Mobility Cooperation, Cooperation on Emerging Technologies such as AI, Competition Policy; and Online Safety and Cybersecurity; and Source Code.

5. Together, these provisions represent collective commitments of ASEAN to deepening cooperation and enhance our competitiveness while ensuring that the benefits of digitalization are accessible to all. Through DEFA, ASEAN will be able to unlock the benefits of cross-border digital integration and interoperability across the region.

6. Recognising that the ASEAN DEFA will play a central role in realizing ASEAN 2045: Our Shared Future and its accompanying AEC Strategic Plan 2026-2030, the AEC Council underscored that its real benefits will be realized only upon its full conclusion, timely signing, and effective implementation. To this end, the Council tasked the DEFA NC to continue to work towards the full conclusion and signing of the agreement by 2026.

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