



STATEMENT OF THE EIGHTEENTH GOVERNING BOARD MEETING

ERIA (Economic Research Institute for ASEAN and East Asia)

5 June 2025

ASEAN Headquarters, Jakarta, Indonesia

Regional Context and Imperatives

1. With a population exceeding 693 million¹ and a projected position as the world's fourth-largest economy by 2030, ASEAN remains a key engine of global growth. Rising consumer demand, deepening regional trade integration, and rapid digital transformation continue to sustain its economic momentum.² However, the region also faces intensifying headwinds – including escalating geopolitical tensions, rising protectionism from major trading partners that disrupt global value chains, demographic shifts, and increasing climate risks. Sustaining long-term resilience and competitiveness will require strategic, forward-looking action on five key fronts: sustainability, environment, demography, digitalisation and connectivity, and inclusivity.
2. Sustainability remains a defining imperative as ASEAN's energy demands surge alongside mounting climate risks. While efforts to decarbonise and advance cross-border energy cooperation are progressing, disparities in institutional capacity, regulatory environments, and financing frameworks continue to constrain the regional energy transition. The growing toll of extreme weather events and ecological degradation underscores the urgent need for innovation, resilient infrastructure, and scaled-up green finance.
3. Environmental degradation threatens to reverse development gains. Issues such as marine pollution, biodiversity loss, land degradation, and natural disaster risks are exerting immense pressure on human and natural systems. Although regional environmental cooperation has gained traction, without stronger enforcement mechanisms and national-level accountability, strategies will remain aspirational. Decisive action, backed by political will and sustained investment, is essential to achieve tangible progress.

¹ International Monetary Fund (2025), *World Economic Outlook Database April 2025*.

<https://www.imf.org/external/datamapper/LP@WEO/VNM/IDN/PHL/MMR/MYS/KHM/LAO/THA/SGP/BRN/SEQ> (accessed 27 May 2025)

² ASEAN Statistical Yearbook (2024). <https://aseandse.org/asean-statistical-yearbook-2024/> (accessed 27 May 2025)

4. Demographic transformation is reshaping ASEAN and East Asia. Ageing populations, shrinking workforces in many countries, and rising healthcare needs are placing unsustainable pressure on social protection and productivity systems. The rising prevalence of chronic diseases and gaps in healthcare access require forward-looking, integrated reforms. Without timely interventions to strengthen health infrastructure, adapt labour and social policies, and bolster human development systems, demographic shifts could hinder – rather than drive – progress.
5. Connectivity – including physical, digital, institutional, and people-to-people linkages – is fundamental to economic integration and competitiveness. Despite notable investments in infrastructure and regulatory harmonisation, significant gaps persist between urban and rural areas, advanced and emerging economies, and digital leaders and laggards. Advancing all forms of connectivity in parallel is crucial to ensuring inclusive and cohesive regional development.
6. Inclusive growth must remain a non-negotiable priority. Income and opportunity gaps within and across ASEAN countries continue to widen. Without proactive investment in human capital, technological disruption and structural change risk exacerbating these inequalities. Strengthening education and skills development, improving labour market access, and expanding social protection systems are essential to achieving inclusive and sustainable growth.

ERIA's Strategic Contributions to ASEAN's Current Priorities

Amidst intensifying regional and global headwinds, ERIA continues to play a pivotal role in shaping and advancing ASEAN's long-term strategic agenda. ERIA's work has directly supported ASEAN's priorities across four critical pillars: regional integration, energy transition, environmental sustainability, and demographic resilience.

1. Deepening Regional Integration and Strategic Cooperation

In 2024, ERIA supported the ASEAN Chairmanship of Lao PDR by contributing to key economic deliverables and initiated early engagement with Malaysia in preparation for its 2025 Chairmanship. Together with the ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME) and the Organisation for Economic and Co-operation Development (OECD), ERIA launched the ASEAN SME Policy Index 2024, which highlighted policy advancements despite global uncertainties. Through its Digital Innovation and Sustainable Economy Centre (E-DISC), ERIA also launched the inaugural One ASEAN Start-up Award and White Paper at the ASEAN Business and Investment Summit – emphasising the importance of nurturing innovative start-up ecosystems.

As ASEAN upgraded its FTAs – both intra-ASEAN (e.g. ATIGA) and with partners such as China and India – ERIA contributed through research, policy recommendations, and dialogue on trade facilitation, non-tariff measures, and services value chains. ERIA also provided advisory and capacity-building support to the ATIGA Trade Negotiating Committee and supported the ASEAN Business Advisory Council on supply chain resilience and regional connectivity. In addition, ERIA strengthened cooperation with Indonesia’s Coordinating Ministry of Economic Affairs and the Ho Chi Minh National Academy of Politics, and continued to support Indonesia’s aspirations for OECD and CPTPP membership.

2. Accelerating Energy Transition and Decarbonisation

To respond to the region’s urgent energy needs, ERIA launched the Asia Zero Emission Center (AZEC) in 2024, which now serves as a regional platform for net-zero strategies through sectoral research, roadmaps, and transition finance. ERIA co-authored a white paper on decarbonisation with the Asian Development Bank (ADB) and Japan’s Ministry of Economy, Trade and Industry (METI), and contributed to the Asia Transition Finance Study Group.

In support of sectoral shifts, ERIA developed the ASEAN–Japan Master Plan for Next-Generation Vehicles and promoted electric and low-emission vehicle adoption. It also provided thought leadership on carbon markets, CCUS, regional power grid connectivity, and energy security, and deepened cooperation with Indonesia’s Ministry of Energy to operationalise national energy transition frameworks.

3. Advancing Environmental Sustainability

ERIA continues to strengthen ASEAN’s environmental governance through its Regional Knowledge Centre for Marine Plastic Debris (RKC-MPD). In 2024, it contributed to the ASEAN Declaration on Plastic Circularity and co-organised the ASEAN Conference on Combating Plastic Pollution, providing input into the Global Plastic Treaty negotiations. At the national level, ERIA is supporting capacity building in Extended Producer Responsibility (EPR) and circular economy practices.

ERIA also advanced the agri-environmental agenda through research on the blue economy, digital agriculture, food reserves, and emissions-reducing farming practices – contributions which were presented at the 46th Meeting of ASEAN Ministers on Agriculture and Forestry (AMAF).

4. Enhancing Demographic Resilience and Human Capital

Recognising the region's demographic challenges, ERIA focused on healthcare systems, social protection, and institutional strengthening. Key initiatives included the ASEAN Diagnostic Security and Self-Reliance (ADxSSR) and the Medical Excellence (MEX) platform to foster health innovation and partnerships. The ASEAN–Japan Medical Scholarship Programme expanded regional clinical capacity.

ERIA also launched the ERIA School of Government (SoG) to build the next generation of ASEAN policy leaders. The SoG supports leadership development, executive education, and institutional memory through fellowships, forums, and regional knowledge exchange.

Recommendations of the Governing Board Members

We, the Governing Board members, reaffirm the vital role of ERIA in supporting ASEAN's efforts to navigate global challenges and realise the ASEAN Community Vision 2045. Recognising the need to expand and diversify ERIA's funding base, we call upon ERIA member countries – including ASEAN Member States – to consider increasing their financial contributions starting from the next fiscal year.

To this end, we instruct ERIA to work closely with ASEAN Member States, sectoral bodies, the ASEAN Secretariat, and dialogue partners to deliver on the following strategic priorities:

1. **Support the implementation of the AEC Strategic Plan 2026–2030** and the ASEAN Vision 2045 by aligning research, policy briefs, dialogues, capacity-building, and technical assistance with the goals of regulatory harmonisation, deeper economic integration (particularly to boost intra-ASEAN and East Asia trade and investment), and sustainable development.
2. **Deepen support for ERIA's contribution to ASEAN digital transformation**, particularly the ASEAN Digital Economy Framework Agreement (DEFA). Through E-DISC, ERIA should continue providing research, technical support, and implementation guidance for digital trade, supply chain digitalisation, and open innovation.
3. **Explore emerging trade and investment markets**, support the modernisation of ASEAN's external trade agreements – including RCEP and ASEAN+1 FTAs – and integrate sustainability, technology, and supply chain resilience into evolving frameworks.
4. **Support ASEAN's cross-cutting strategies** in response to global disruptions and emerging threats, including energy transition, environmental degradation, agriculture, health, and demographic shifts. Through AZEC, ERIA can help identify gaps in capacity for an ASEAN

Carbon Market and support pilot carbon credit projects amongst more advanced members. ERIA should also consider expanding its scope to include the diplomacy and security domains, beyond its current areas of focus.

5. **Enhance ASEAN's engagement in multilateral trade** reform by offering evidence-based recommendations and promoting a coordinated regional voice in WTO reform and global trade governance.
6. **Expand partnerships and institutional capacity**, particularly through knowledge centres like E-DISC, RKC-MPD, and SoG, to support policy development, institutional memory, and long-term leadership across ASEAN.