

2025 TDRI-JEF Asia-Pacific Forum
Recalibrating Asia's Economic Future: Trade, Technology and Sustainability in a Complex Geoeconomic Environment

Friday, November 7, 2025

Anantara Siam Bangkok Hotel, Bangkok, Thailand

Co-organized by Japan Economic Foundation (JEF)

& Thailand Development Research Institute (TDRI)

Opening Remarks

Speakers:

- **Mr. Masakazu Toyoda**, Chairman and CEO, Japan Economic Foundation (JEF)
- **Dr. Somkiat Tangkitvanich**, President, Thailand Development Research Institute (TDRI)

Summary:

The 24th TDRI-JEF Asia-Pacific Forum opened with a call for deeper regional cooperation amid rising global uncertainty. Mr. Masakazu Toyoda described the Forum as a potential turning point for collaboration, noting the addition of three new members and ASEAN's continued importance as a hub of economic growth and trade engagement. He reaffirmed Japan's commitment to strengthening partnerships with Southeast Asia to enhance cooperation, stability, and supply chain resilience, and outlined two goals for the Forum: to foster constructive dialogue on the region's challenges and to develop actionable policy recommendations.

Dr. Somkiat Tangkitvanich observed that the Forum continues to capture the region's most pressing issues. He pointed to recent developments such as the U.S.–China trade truce, advances in AI-driven medical research, and preparations for the upcoming COP 13 as evidence of how trade, technology, and sustainability are increasingly intertwined.

Keynote Address

Asia's Strategic Role in the New Global Order

Delivered by **Dr. Narongchai Akrasanee**, Former Minister of Energy and Former Minister of Commerce of Thailand

Summary:

Dr. Narongchai Akrasanee delivered the keynote address reflecting on how Asia can help shape a stable and rules-based global economic order amid intensifying

geopolitical tensions. He began by outlining the scope of “Asia” for the purpose of his discussion, focusing on South Asia, Southeast Asia, and East Asia.

Asia and the Formation of the Global Order (1946-2000)

Dr. Narongchai reviewed how Asia benefited from the liberal, open, and multilateral economic order that took shape in the postwar period under U.S. leadership grounded in democracy, market capitalism, and international cooperation. He traced the gradual integration of Asian economies into this system, beginning with Japan after World War II, followed by the newly industrialized economies of Korea, Taiwan, Hong Kong, and Singapore in the 1950s, the ASEAN Five in the 1960s, China’s reform era starting in 1978, and the expansion of ASEAN and India’s participation in the 1990s. These developments coincided with the growth of key institutions such as the World Bank, IMF, UN, WTO, ASEAN, APEC, and later RCEP, which together supported decades of rising output, trade, and regional competitiveness.

Asia’s Role and the New World (Dis) Order

He noted that a series of global events - including the September 11 attacks, the rise of the BRIC economies, the 2008 financial crisis, recent geopolitical tensions, and shifts in U.S. policy - have introduced new challenges to the established global framework. He described the current environment as a period of “global (dis)order,” marked by weakened institutions, reduced U.S. engagement, and a more multipolar and transactional world economy.

Dr. Narongchai emphasized that Asia now has both the capacity and responsibility to sustain and reshape global institutions. He noted that the region’s growing wealth and influence enable it to uphold a rules-based order without relying solely on U.S. support.

He identified several key areas where Asia can play a leading role:

- Asian wealth and power can support global institutions and strengthen adherence to international rules, reducing dependence on external funding.
- China, Japan, and Korea can drive innovation by developing efficient and affordable technologies that advance global Industry 4.0.
- South Asia, particularly India, will provide the economic reinforcement for the region’s continued rise.
- ASEAN centrality will remain essential to maintaining Asia’s cohesion and influence in global affairs.

Conclusion

Dr. Narongchai concluded that the global order is likely to persist in a reshaped form, even as the United States under current leadership departs from traditional multilateral norms. To ensure stability, Asia must cultivate strong, visionary leaders and

build the technical expertise needed to preserve a rules-based system while adapting it to the realities of a more multipolar world.

Session 1

Technology Rivalry: Re-evaluation of Digital Transformation and Innovation

Moderator: **Dr. Josef Yap (Philippines)**

Panelists:

- **Dr. Vo Tri Thanh (Vietnam)**
- **Dr. Sachin Kumar Sharma (India)**
- **Dr. Somkiat Tangkitvanich (Thailand)**
- **Dr. Yose Rizal Damuri (Indonesia)**

Session Overview:

This session examined how countries in the Asia-Pacific region are responding to intensifying global technology competition. The discussion focused on how economies can balance national interests, innovation policies, and global cooperation while maintaining flexibility and inclusiveness in the face of strategic rivalry among major powers.

Moderator's Introduction

Dr. Josef Yap opened the session by outlining four themes that framed the discussion on how developing economies can navigate global technology rivalry:

- Pragmatic multi-alignment (hedging) to balance national development goals with shifting global power dynamics.
- Advancing domestic capacities by investing in research and development, education, and technology infrastructure to strengthen national innovation systems.
- Implementing industrial policy and promoting strategic autonomy, which can create new opportunities for economies to integrate more effectively into global supply chains.
- Fostering regional and global cooperation to ensure that development remains open, inclusive, and connected to shared international goals.

Panel Highlights

Dr. Vo Tri Thanh discussed how developing and mid-sized economies can navigate rapid technological and geopolitical shifts. He proposed four main strategies:

- Adapting to volatility: Support multilateralism and open regionalism while strengthening ASEAN centrality, advancing regional trade and investment through RCEP, CPTPP, and ASEAN+1 frameworks, and promoting collaboration in emerging areas such as the circular and digital economies.

- Macroeconomic stabilization: Maintain flexible monetary and fiscal policies, strengthen social safety nets, and enhance regional cooperation on food and energy security.
- Building national capacity: Implement effective industrial policies, reform economic institutions, and prioritize infrastructure in transport, energy, and digital sectors to attract quality investment.
- Fostering innovation: Expand investment in science and technology, strengthen legal and policy frameworks for emerging industries, and upgrade education and training systems to support innovation.

He concluded that economies must remain neutral amid major power rivalry, balance economic security with regional integration, and pursue digital and green transitions despite resource and institutional constraints.

Dr. Sachin Kumar Sharma reflected on the intersection of technology and diplomacy. He described how data has become a source of power comparable to oil and steel and how a “tech cold war” has emerged between major economies. Using India as an example, he showed how digital transformation can enhance inclusion, citing the country’s Unified Payments Interface (UPI), which enables rural women, farmers, and students to access digital financial services. He emphasized that the global south must build domestic capacities, ensure interoperability, and establish ethical oversight. Dr. Sharma urged developing economies to view openness as a source of strength and to act as bridges rather than barriers in digital cooperation.

Dr. Somkiat Tangkitvanich analyzed the dual role of Southeast Asian economies as both technology producers and adopters. As producers, countries like Thailand benefit from participation in global supply chains through foreign investment but face challenges in upgrading innovation capacity and workforce skills. As adopters, they confront the practical issue of choosing technological standards without aligning too closely with any single power. He noted examples where neutrality is easier (payments, streaming platforms) and others where it is more complex (6G networks, GPS systems, advanced chips). He stressed the need for strategic care in handling sensitive technologies and in developing domestic skills and innovation ecosystems.

Dr. Yose Rizal Damuri highlighted how global technology rivalry is reshaping economic strategies. Advanced economies are focused on de-risking, securing critical materials, and maintaining technological leadership through onshoring, friendshoring, and strict export controls, with emphasis on fields such as AI and advanced computing. On the other hand, emerging economies aim to gain access to technology, attract investment, and move up value chains through pragmatic, non-aligned partnerships and performance-linked incentives. Their focus is on building component ecosystems, digital infrastructure, and capacity for the energy transition. He noted that ASEAN’s current efforts remain fragmented and stressed the need for a more cohesive and strategic

regional response to ensure the region remains competitive and relevant in the evolving global technology landscape.

Discussion and Q&A

The discussion explored ASEAN's readiness to navigate technological competition, develop digital governance frameworks, and manage the social impacts of rapid innovation. Participants compared approaches across the region, noting that countries such as India have made significant progress in artificial intelligence and renewable energy, offering useful lessons for Southeast Asia, although capacity building across the region will take time. It was observed that East Asia occupies a more central position in advanced technology, while Southeast Asia remains largely an adopter, with strategies often focused on using tools like generative AI to improve productivity rather than competing at the technological frontier.

A recurring theme was the need for ASEAN to adopt a more cohesive and strategic response to technological rivalry. Some participants noted that current digital economy initiatives tend to overlook geopolitical realities and called for closer alignment between economic and security considerations. Others emphasized the value of gradual, step-by-step cooperation, beginning with areas such as e-commerce before moving toward more comprehensive digital trade frameworks to be an important consideration for ASEAN countries.

The conversation also addressed the implications of AI and automation for labor markets. While job displacement is a concern, the pace of change may be slower than anticipated, and focusing on tasks rather than entire occupations provides a clearer picture of transition needs. Skills development and workforce adaptability were highlighted as essential priorities.

Data governance emerged as another important issue. The rise of data localization requirements poses challenges for cross-border digital trade, with ongoing FTA negotiations illustrating how data transfer and privacy standards are becoming central components of economic agreements. Participants favored a balanced approach to global digital rules: some areas, such as customs procedures for digital trade, may be suitable for early consensus, while more complex issues will likely evolve gradually through industry practice and regional leadership. Strengthening coordination on matters such as digital financial fraud and shared definitions of economic security was also identified as an opportunity for ASEAN to deepen regional cooperation.

Session 2

Climate and the Clock: Accelerating a Just Green Transition in Asia

Moderator: **Mr. Manu Bhaskaran (Singapore)**

Panelists:

- **Ambassador Murray McLean (Australia)**

- **Dr. Aladdin Rillo (Economic Research Institute for ASEAN and East Asia, ERIA)**
- **Professor Shujiro Urata (Japan)**
- **Dr. Mignonne Man-jung Chan (Taiwan)**
- **Daw Khine Khine Nwe (Myanmar)**

Session Overview:

This session focused on how Asian economies can accelerate a just and inclusive green transition while balancing energy security, economic growth, and climate commitments. Speakers discussed the interplay of geopolitics, financing, technology, and governance in advancing climate action across diverse national contexts.

Panel Highlights

Ambassador Murray McLean stressed that climate change is the most urgent global challenge of our time, with the growing intensity of natural disasters placing both economic prosperity and environmental sustainability at risk. He emphasized that the key question for governments is no longer whether to transition away from fossil fuels, but how to accelerate a *just* green transition toward net-zero emissions by 2050. Asia faces a particularly complex path, as the transition is unfolding amid intense geopolitical rivalry, persistent energy security concerns, uneven access to finance and technology, and wide differences in countries' stages of development.

He noted that while global cooperation through processes such as COP30 is essential, commitments alone do not guarantee implementation. Most Asian economies are navigating a middle path between rapid decarbonization and continued reliance on fossil fuels as they balance growth, reliability, and social equity. He pointed to the APEC 2025 agenda as a practical guide for action, highlighting priorities such as expanding clean electricity through carbon-free technologies, strengthening grid security, and advancing cross-border initiatives including hydrogen partnerships and green shipping corridors. He concluded that a just transition will require strong national policies, regional cooperation, and sustained political commitment to shift toward cleaner energy while maintaining economic stability.

Dr. Aladdin Rillo focused on climate finance as the key enabler of a just transition. He noted that ASEAN is one of the world's most climate-vulnerable regions and that it faces the challenge of reconciling growth objectives with decarbonization goals. Private-sector engagement and regional collaboration are essential to closing the financing gap. He identified three main obstacles:

1. Limited data on climate risks, which constrains the ability to assess and attract investments.
2. Weak adaptation planning due to insufficient regulatory frameworks and limited institutional capacity.

3. Inadequate financial incentives, as ASEAN's banking-led financial systems lack the depth to support large-scale green investment.

He proposed measures such as blended finance, better sovereign bond pricing, improved market transparency, and regional data-sharing platforms. He emphasized that concrete implementation and measurable outcomes are necessary to turn commitments into results.

Professor Shujiro Urata outlined a policy framework for Asia's environmental transition. He identified three overarching objectives: achieving net-zero emissions by 2050–2060, ensuring social inclusion, and promoting innovation and resilience. To reach these goals, he pointed to six priority areas:

1. Establishing strong governance through legislation and independent climate councils.
2. Introducing effective carbon pricing and using the revenue for green finance.
3. Decarbonizing energy systems through grid modernization and renewable targets.
4. Promoting industrial innovation and green public procurement.
5. Ensuring fairness through retraining programs and community participation.
6. Strengthening regional supply chains and linking carbon markets across borders.

Dr. Mignonne Man-jung Chan discussed two emerging challenges. First, growing backlash against ESG policies in some economies has complicated private-sector climate efforts, especially when nuclear policies conflict with decarbonization goals. Second, global energy competition and rapid AI-driven industrial demand have created new pressures on energy systems. She described the green transition as a double-edged sword that can both drive innovation and create new dependencies, noting that geopolitical instability has disrupted supply chains for clean energy technologies.

Daw Khine Khine Nwe emphasized the social dimension of the green transition, focusing on the mining and rare-earth sectors, which are critical in Myanmar. She called for integrated policies, capacity building, and stronger dialogue between government, industry, and communities. She underlined that the transition must place people at its center by creating jobs and improving livelihoods.

Discussion and Q&A

The discussion focused on how Asian economies can mobilize climate finance, develop credible carbon markets, and balance energy security with decarbonization goals. Participants highlighted the importance of effective pricing mechanisms, with several noting that the ability to set an appropriate carbon price is central to attracting green investment. Emerging ideas such as space-based solar energy were also mentioned as examples of longer-term innovation that could broaden the region's future energy mix.

Speakers shared national and regional perspectives on carbon market development. Vietnam's ongoing work to establish a domestic carbon credit platform was cited as an example of early progress, along with a call for ASEAN to work toward a more coordinated regional market despite measurement and verification challenges. Others stressed that transparency, reliable data, and an incentive-compatible framework are essential prerequisites for any credible pricing system. It was also noted that while ASEAN members share similar goals, they often act individually, underscoring the need for more collective approaches.

The conversation also touched on regional energy connectivity. On the proposal for a China-Japan-Korea power grid, several participants noted that political and trade considerations make bilateral cooperation more feasible than a full trilateral arrangement, while emphasizing that broader regional coordination, including ASEAN, will be essential for any large-scale integration. The energy transition was described as a regional public good, requiring alignment of existing initiatives and closer collaboration between governments and the private sector.

Closed Session

Geoeconomic Realignments: How Asian Countries Should Transform in the New World Order

Moderator: Naoyuki Haraoka (Japan)

Panelists:

- **Datuk Jayasiri Jayasena (Malaysia)**
- **Dr. Ahn Choong Yong (Korea)**
- **Dr. Mia Mikic (New Zealand)**

Session Overview:

This closed-door session, held under Chatham House rules, examined how Asia should adapt to the shifting global power balance and respond to emerging patterns in trade, investment, and multilateralism. In line with the confidentiality of the session, participant contributions have been anonymized. The discussion focused on how the region can uphold open and rules-based economic cooperation amid growing fragmentation, protectionism, and policy uncertainty.

Panel Highlights

The discussion opened with reflections on how recent U.S. trade policies are reshaping the global economic environment. Participants noted that the impact of the current tariff measures depends on how far they go. If the aim is simply to reduce the U.S. trade deficit, higher tariffs that pull investment back into the United States may have manageable effects. However, if tariffs continue to be used as a tool to weaken competitors such as China, and to pressure other countries to take sides, the consequences could be much more disruptive. Such an approach could divide global

markets into competing blocs. It was also noted that growing great-power rivalry is already slowing the free flow of foreign direct investment, particularly in high-tech sectors. Trade in less sensitive goods may continue, but exchanges involving sensitive technologies are likely to shrink, preventing capital from moving efficiently and reducing broader global economic welfare.

The conversation highlighted ASEAN's role in helping to maintain stability in East Asia through platforms such as the ASEAN Plus mechanisms and RCEP. ASEAN's cooperation network has strengthened its influence in the region, but deeper geopolitical divisions could weaken this centrality if East Asia drifts toward Cold War-style groupings. Participants suggested that ASEAN should work actively to avoid this outcome. They also noted that China has limited room to respond to U.S. trade pressure, as its domestic economic slowdown, including the impact of the real estate downturn, reduces its flexibility.

Another intervention introduced the concept of geoeconomics as the use of trade, investment, finance, and other economic tools to pursue national objectives and influence or pressure other economies. It was noted that the United States' broad unilateral use of tariffs serves as a recent example, deployed to address multiple domestic priorities including trade imbalances, job protection, intellectual property concerns, and revenue generation. Although these measures initially targeted a few countries, they have expanded to cover many trading partners and carry potential risks such as supply chain disruptions, investment uncertainty, and slower economic growth. Several economies have felt compelled to negotiate individually with the United States to mitigate these impacts, creating tensions with multilateral trade rules.

The discussion underscored the view that Asia must remain committed to the collectively negotiated and legally binding rules of the GATT and the WTO, not only by fulfilling obligations but also by exercising the rights embedded in these agreements. Participants called for the region to oppose unilateral actions, support reform of the WTO (particularly on dispute settlement), and work with like-minded partners to strengthen rules and develop new disciplines for emerging issues. RCEP was identified as the region's core platform for engagement with other arrangements such as the EU, CPTPP, BRICS, and Mercosur, with a call for deeper liberalization, expanded capacity building, and increased trade and investment within the region to create more Asia-oriented supply chains.

Contributions also emphasized that regional economies should avoid taking sides between major powers and instead adopt clear issue-based positions, supporting multilateralism over unilateralism, open and fair trade over protectionism, and growth-oriented policies that promote development. It was noted that ASEAN can demonstrate its centrality by strengthening its own investment climate and technological capacity, and by advancing initiatives such as the ASEAN Digital Economy Framework to foster a more attractive and harmonized regional ecosystem.

The discussion further highlighted that outward investment from some economies has significantly surpassed inward investment, reflecting both the effects of U.S. policies and broader technology rivalry. Suggestions included diversifying markets and investors, expanding digital trade agreements modelled on the DEPA across ASEAN and the wider Asia-Pacific, supporting small and medium enterprises, and enhancing cross-border research cooperation on artificial intelligence. Some participants also envisioned future convergence between RCEP and CPTPP to strengthen regional trade architecture.

Given the accelerating geoeconomic fragmentation and the resulting vulnerabilities in global and regional production networks, RCEP and CPTPP member economies need to expand their policy focus from traditional investment promotion toward ensuring genuine supply-chain resilience. One of the most effective tools is to facilitate intra-regional foreign direct investment (FDI) by institutionalizing aftercare services—targeted support for foreign firms already operating in the host economy. Such aftercare services—ranging from regulatory troubleshooting and grievance-redress mechanisms to reinvestment facilitation—are essential for providing non-discriminatory and predictable treatment for foreign investors. Therefore, the investment chapters of RCEP and CPTPP needs explicitly incorporate an “aftercare services clause” to ensure that host governments maintain transparent administrative procedures, guarantee equal treatment for foreign-invested enterprises, and provide institutionalized support to retain and expand investment.

Reflections were offered on the state of the multilateral trading system, noting that Asia’s economic rise was built on open, predictable, rules-based multilateralism. This foundation is now under pressure due to fragmentation, coercive economic practices, and the rebranding of protectionism as economic security. While many governments express concern, it was observed that defenders of multilateralism have been slow to act, constrained by domestic priorities and institutional inertia.

The discussion emphasized that rules, rather than power, enabled Asian economies to industrialize, connect, and prosper. Although the rules need continuous evolution to reflect shifting priorities such as inclusion and sustainability, abandoning them would turn trade into a contest of strength rather than a platform for opportunity. Participants stressed the need for ongoing improvement, collective defense of the system, and shared ownership of core multilateral disciplines such as transparency, non-discrimination, and enforceability.

Looking ahead, it was argued that Asia’s transformation must be intentional. Three pathways were outlined: aligning national economic plans with regional and multilateral frameworks; modernizing trade governance and institutional capacity; and ensuring social inclusion by enabling women, MSMEs, Indigenous peoples, and other marginalized groups to participate fully in digital and sustainable sectors. Participants also emphasized avoiding exclusionary blocs and instead promoting interoperability by bridging RCEP,

CPTPP, and emerging digital agreements in ways that reinforce, rather than replace, the WTO. In this context, ASEAN's centrality carries a particular responsibility to lead coherence-building efforts across the region.

Discussion and Q&A

The discussion examined how rising protectionism, unilateral trade measures, and geopolitical rivalry are reshaping regional economic strategies. Participants noted that these shifts have already disrupted production networks and supply chains across Asia, and that ongoing technological competition between major powers is likely to prolong these pressures. Several contributions highlighted the need for more inclusive and socially responsive trade policies, pointing to new-generation agreements that incorporate provisions on gender, Indigenous rights, and SME participation as examples of how liberalization can be aligned with social responsibility.

Speakers also considered how ASEAN could build greater long-term resilience by stimulating internal demand and moving gradually toward deeper economic integration, including steps toward a more unified market architecture. Strengthening ties with South Asia, particularly India, was noted as another way to diversify demand and production networks. The discussion then turned to external partners, where the EU was highlighted as an attractive counterpart for future cooperation. While the EU offers meaningful opportunities in areas such as sustainability, digital trade, and SME development, participants noted that ASEAN members may face challenges meeting the EU's higher standards and regulatory requirements for comprehensive agreements, making targeted or sector-specific collaboration a more realistic near-term pathway.

The conversation also compared the differing levels of ambition in RCEP and CPTPP, particularly in areas such as labor, intellectual property, and dispute settlement. While more advanced commitments can help drive domestic reform, they may also deter broader participation. Perspectives from Taiwan underscored how the evolving U.S.–China relationship continues to shape domestic political considerations, including concerns that incorporating human rights or labor provisions into regional frameworks could create negotiation deadlocks. India's continued hesitation toward joining deeper regional arrangements was also noted, reflecting political sensitivities and divergent strategic priorities.

Concluding Remarks

The session closed with broad agreement that the WTO remains the foundation of the multilateral trading system and that its effectiveness depends on members' willingness to engage, reform, and use it as a platform for resolving disputes and shaping new rules. Participants agreed that Asia should continue to support open, rules-based, and inclusive trade governance while advancing regional initiatives that complement the global system.