

Master Plan on ASEAN Connectivity 2025

Enhancing ASEAN Connectivity would benefit all ASEAN Member States by improving physical, institutional and people-to people linkages, and strengthening resilience across all three Community pillars.



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The Master Plan on ASEAN Connectivity (MPAC) 2025 aims to achieve a *seamlessly and comprehensively connected and integrated ASEAN that will promote competitiveness, inclusiveness, and a greater sense of Community*, through 15 initiatives across five strategic areas.

Mid-Term Review (MTR) assessed MPAC 2025's progress and challenges and provided recommendations to enhance implementation.

MPAC 2025 Strategic Areas and Initiatives



SUSTAINABLE INFRASTRUCTURE

- 1 Infrastructure Pipeline
- 2 Infrastructure Productivity
- 3 Sustainable Urbanisation



DIGITAL INNOVATION

- 4 MSMEs
- 5 Digital Financial Inclusion
- 6 Open Data
- 7 Digital Data Governance



SEAMLESS LOGISTICS

- 8 Trade Routes
- 9 Supply Chain



REGULATORY EXCELLENCE

- 10 Standards
- 11 NTMs



PEOPLE MOBILITY

- 12 Tourism
- 13 Visa Facilitation
- 14 TVET
- 15 Higher Education

MPAC 2025 Potential: Transforming Socio-Economic Outcomes in ASEAN

SUSTAINABLE INFRASTRUCTURE

Infrastructure pipeline could generate up to **USD35.9 billion** in investment and infrastructure productivity could reduce the need for new infrastructure by **USD44 – 74 billion** annually. Sustainable urbanisation could result in savings for major ASEAN cities of up to **USD50 billion** in total.

DIGITAL INNOVATION

Digital trade could create exports of over **USD100 billion** and support technology adoption benefits of **USD281 billion** by 2030. Digital financial services could lead to **USD295 billion** in new credit, **USD368 billion** in new deposits and a leakage reduction of **USD10 billion** per annum for governments.

SEAMLESS LOGISTICS

Improving supply chain efficiency could significantly reduce the average time and cost to export and import and better border facilitation could add a **0.05%** improvement in ASEAN GDP by 2025.

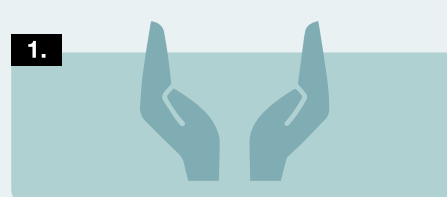
REGULATORY EXCELLENCE

Harmonisation of standards and the removal of non-tariff barriers are a priority for ASEAN economic integration. Regulatory convergence on NTMs could reduce the regional average price of agricultural products by **2.5 – 4%** and the price of industrial products by **0.5 – 1.5%**.

PEOPLE MOBILITY

Growth of intra-ASEAN travellers could result in an additional **15.5 million** annual visitor arrivals by 2025. Intra-ASEAN movement of skilled labour could lift AMS GDP by **0.08%** on average.

ASEAN Connectivity is crucial for the region's recovery and resilience



SUPPORTING RECOVERY

Infrastructure investment and supply chain efficiency generate stimulus for economic growth, create jobs, and facilitate movement of goods, services and labour.



BUILDING RESILIENCE

Sustainable urbanisation, digital connectivity and human capital development promote resilience to better manage future crisis.

Note: For more information and sources of data, please visit connectivity.asean.org

MPAC 2025 Progress

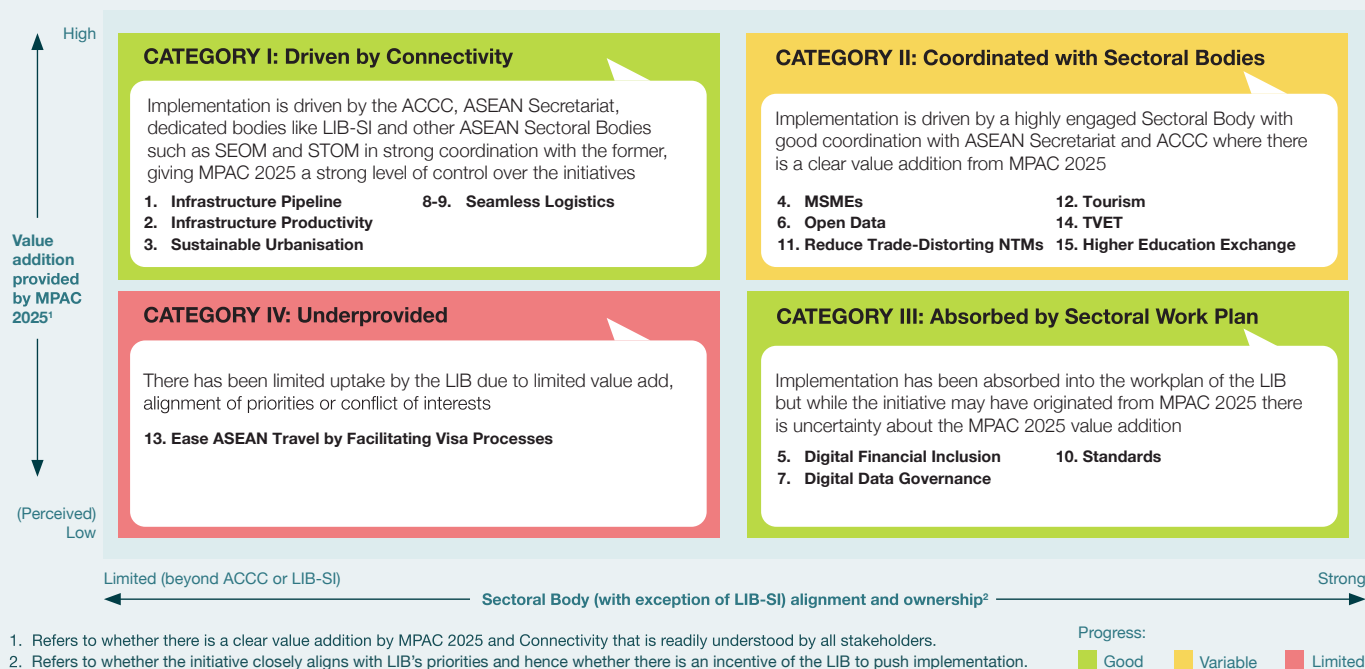
MPAC 2025 has made good overall progress. The achievement of key implementing measures (KIMs) and outputs by each initiative informs this progress.

| INITIATIVES | KEY IMPLEMENTING MEASURES | OUTPUT METRIC INDICATORS |
|--|---------------------------|--------------------------|
| 1 Establish a rolling priority pipeline list of potential ASEAN infrastructure projects and sources of funds | 2 5 4 | 1 3 |
| 2 Establish an ASEAN platform to measure and improve infrastructure productivity | 2 8 | 1 1 3 |
| 3 Develop sustainable urbanisation strategies in ASEAN cities | 2 1 5 | 3 1 |
| 4 Enhance the MSME technology platform | 2 5 1 | 1 3 |
| 5 Support the expansion of digital financial services in ASEAN | 2 3 1 | 1 1 |
| 6 Establish an ASEAN open data network | 2 2 8 | 1 1 5 |
| 7 Establish an ASEAN digital data governance framework | 6 1 3 | 1 1 1 |
| 8 Strengthen ASEAN competitiveness through enhanced trade routes and logistics | 2 3 4 | 1 1 |
| 9 Enhance supply chain efficiency through addressing key chokepoints | 1 7 | 3 |
| 10 Complete harmonisation of standards, mutual recognition, and technical regulations in 3 prioritised product groupings | 2 3 3 | 4 |
| 11 Increase transparency and strengthen evaluation to reduce trade-distorting NTMs | 2 11 | 1 2 |
| 12 Enhance ASEAN travel by making finding information easier | 10 | 5 |
| 13 Ease ASEAN travel by facilitating visa processes | Focus is being re-defined | |
| 14 Establish new vocational training programmes and common qualifications across AMS in accordance with national circumstances of each AMS | 10 1 | 3 1 |
| 15 Support higher education exchange across AMS | 7 1 6 | 2 3 2 |

KIMs: Activities carried out to produce outputs | **Output:** Tangible deliverable from initiative's implementation

■ Completed ■ Ongoing ■ Not yet started

The progress of each initiative differs, and the degree of progress is influenced by several factors. Based on these, MPAC 2025 initiatives can be categorised into four:



17 recommendations in SIX areas have been developed to tackle the identified implementation challenges

| KEY CHALLENGES | RECOMMENDATION AREAS | SUPPORTING RECOMMENDATIONS |
|--|---|--|
| Sectoral Alignment: Arise from priorities alignment with the sectoral body or identifying suitable LIB; how MPAC 2025 would add value. | Enhance sectoral-level alignment | <ul style="list-style-type: none"> Augment the existing value addition framework of MPAC 2025 for sectoral bodies through CORE framework: Coordination, Ownership, Resources and Emphasis Increase the frequency and quality of MPAC 2025's engagement with LIBs Elevate MPAC 2025 narrative to the highest possible level |
| National Level Implementation: Arise from alignment with relevant agency priorities in AMS; roles obscurity and limited incentives among National Coordinators (NCs) and National Focal Points (NFPs); inability to pull necessary data at the national level; and limited linkages between support for connectivity and other external programmes. | Strengthen in-country implementation | <ul style="list-style-type: none"> Clearly define roles and responsibilities, in particular of NCs and NFPs Obtain support from senior stakeholders to strengthen incentives for implementation by NCs and NFPs Develop handover mechanism for NFPs Develop a best practice guidebook for a coordination mechanism at the national level |
| Engagement with Other Connectivity Related Initiatives and ASEAN Partners: Arise from increased risk of duplication as the number of activities in the connectivity space are growing; and risk of missing collaboration opportunities. | Convene relevant connectivity efforts and engage ASEAN partners with a more structured approach | <ul style="list-style-type: none"> Convene the connectivities Improve consultation with DPs and OEPs on ASEAN Connectivity Establish a Connectivity - DPs and OEPs Working Group Build projects together by leveraging DPs and OEPs' expertise |
| Need for Flexibility to Adjust to Changes in Regional Context: Arise from initiatives implementation that changes from external events (e.g. COVID-19) and external priorities (e.g. sustainability and inclusiveness). | Adapt MPAC 2025 initiatives to changing regional context | <ul style="list-style-type: none"> Conduct review of MPAC 2025 initiative concepts at least once in two years as part of the annual MPAC 2025 MRE process Develop a COVID-19 focused narrative for MPAC 2025 Ensure environmental sustainability and inclusiveness within each initiative |
| Ownership Beyond 2025: Arise from the maintenance of databases/platforms, technical support and resources. | Ensure ownership of MPAC 2025 initiatives | <ul style="list-style-type: none"> Determine clear ownership for on-going initiatives beyond 2025 Strengthen internal capabilities |
| Private Sector Engagement: Arise from lack of engagement with the private sector. | Deepen private sector engagement | <ul style="list-style-type: none"> Include private sector engagement in KIMs of each initiative |

Note: All recommendation areas are complementary in nature and should be considered in combination for optimal effect.

Glossary

ACCC: ASEAN Connectivity Coordinating Committee
AMS: ASEAN Member States
COVID-19: Coronavirus Disease
DPs: Dialogue Partners
GDP: Gross Domestic Product
KIMs: Key Implementing Measures

LIB: Lead Implementing Body
LIB-SI: Lead Implementing Body-Sustainable Infrastructure
MPAC 2025: Master Plan on ASEAN Connectivity 2025
MRE: Monitoring, Review and Evaluation
MSMEs: Micro, Small, Medium Enterprises
MTR: Mid-Term Review

NCs: National Coordinators
NFPs: National Focal Points
NTMs: Non-Tariff Measures
OEPs: Other External Partners
SEOM: Senior Economic Officials Meeting
STOM: Senior Transport Officials Meeting
TVET: Technical Vocational Education and Training