

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.

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 Connectivity 2025 Strategic Areas and Initiatives



SUSTAINABLE INFRASTRUCTURE

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



DIGITAL INNOVATION

- 4 MSMEs
- 5 Digital Financial Services
- 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.

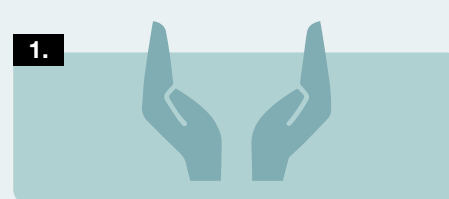
REGULATORY EXCELLENCE

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

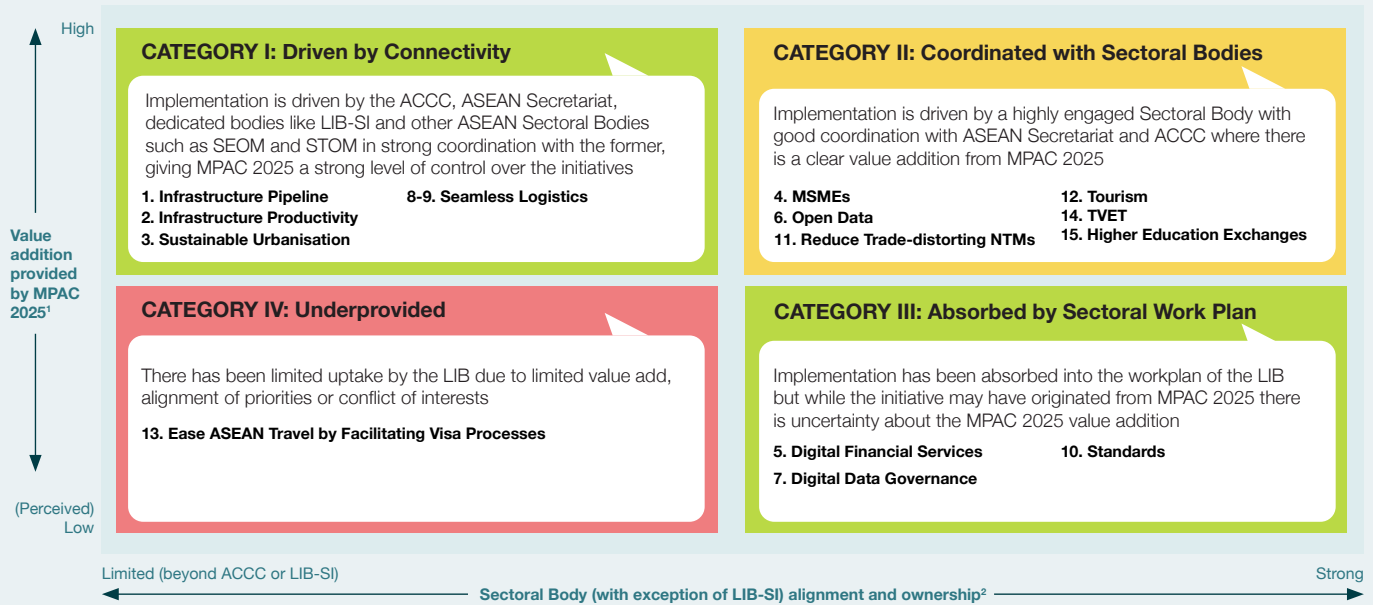
MPAC 2025 has made good overall progress. The achievement of key implementing measures (KIMs) and outputs by each initiative informs this progress.

INITIATIVES	KEY IMPLEMENTING MEASURES	OUTPUT METRIC INDICATORS
1 Establish a rolling priority pipeline list of potential ASEAN infrastructure projects and sources of funds	2 (Completed), 5 (Ongoing), 4 (Not yet started)	1 (Completed), 3 (Ongoing)
2 Establish an ASEAN platform to measure and improve infrastructure productivity	2 (Completed), 8 (Not yet started)	1 (Completed), 1 (Ongoing), 3 (Not yet started)
3 Develop sustainable urbanisation strategies in ASEAN cities	2 (Completed), 1 (Ongoing), 5 (Not yet started)	3 (Completed), 1 (Ongoing)
4 Enhance the MSME technology platform	2 (Completed), 5 (Ongoing), 1 (Not yet started)	1 (Completed), 3 (Ongoing)
5 Support the expansion of digital financial services in ASEAN	2 (Completed), 3 (Ongoing), 1 (Not yet started)	1 (Completed), 1 (Ongoing)
6 Establish an ASEAN open data network	2 (Completed), 2 (Ongoing), 8 (Not yet started)	1 (Completed), 1 (Ongoing), 5 (Not yet started)
7 Establish an ASEAN digital data governance framework	6 (Completed), 1 (Ongoing), 3 (Not yet started)	1 (Completed), 1 (Ongoing), 1 (Not yet started)
8 Strengthen ASEAN competitiveness through enhanced trade routes and logistics	2 (Completed), 3 (Ongoing), 4 (Not yet started)	1 (Ongoing), 1 (Not yet started)
9 Enhance supply chain efficiency through addressing key chokepoints	1 (Ongoing), 7 (Not yet started)	3 (Not yet started)
10 Complete harmonisation of standards, mutual recognition, and technical regulations in 3 prioritised product groupings	2 (Completed), 3 (Ongoing), 3 (Not yet started)	4 (Ongoing)
11 Increase transparency and strengthen evaluation to reduce trade-distorting NTMs	2 (Ongoing), 11 (Not yet started)	1 (Ongoing), 2 (Not yet started)
12 Enhance ASEAN travel by making finding information easier	10 (Not yet started)	5 (Not yet started)
13 Ease ASEAN travel by facilitating visa processes	<i>Focus is being re-defined</i>	
14 Establish new vocational training programmes and common qualifications across AMS in accordance with national circumstances of each AMS	10 (Ongoing), 1 (Not yet started)	3 (Ongoing), 1 (Not yet started)
15 Support higher education exchange across AMS	7 (Completed), 1 (Ongoing), 6 (Not yet started)	2 (Completed), 3 (Ongoing), 2 (Not yet started)

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:



1. Refers to whether there is a clear value addition by MPAC 2025 and Connectivity that is readily understood by all stakeholders.
 2. Refers to whether the initiative closely aligns with LIB's priorities and hence whether there is an incentive of the LIB to push implementation

Progress: ■ Good ■ Variable ■ Limited

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 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	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

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| ACCC: ASEAN Connectivity Coordinating Committee | LIB: Lead Implementing Body | NCs: National Coordinators |
| AMS: ASEAN Member States | LIB-SI: Lead Implementing Body-Sustainable Infrastructure | NFPs: National Focal Points |
| COVID-19: Coronavirus Disease | MPAC 2025: Master Plan on ASEAN Connectivity 2025 | NTMs: Non-Tariff Measures |
| DPs: Dialogue Partners | MRE: Monitoring, Review and Evaluation | OEPs: Other External Partners |
| GDP: Gross Domestic Product | MSMEs: Micro, Small, Medium Enterprises | SEOM: Senior Economic Officials Meeting |
| KIMs: Key Implementing Measures | MTR: Mid-Term Review | STOM: Senior Transport Officials Meeting |
| | | TVET: Technical Vocational Education and Training |