

REPORT OF NACT WORKING GROUP MEETING

ASEAN-China Connectivity Cooperation on Regulatory Excellence

Co-drafted by NACT China and NACT Thailand
Approved by NACT Members



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I. INTRODUCTION

1. The Master Plan on ASEAN Connectivity 2025 (MPAC 2025) serves as ASEAN's flagship strategy to advance regional integration and development across five strategic pillars: sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence, and people mobility. Among these pillars, regulatory excellence emerges as a foundational enabler that enhances the region's capacity to eliminate non-tariff measures (NTMs), streamline investment procedures, and harmonize regulatory frameworks, thereby contributing to inclusive and sustainable economic growth.

2. At the 22nd ASEAN-China Summit held in Bangkok in November 2019, ASEAN and China adopted the Joint Statement on Synergizing the Master Plan on ASEAN Connectivity 2025 and the Belt and Road Initiative (BRI). This statement reaffirmed the shared commitment of both sides to strengthening regional connectivity and recognized the strategic alignment between MPAC 2025's objectives and the BRI's five cooperation priorities: policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and people-to-people ties. The joint pursuit of these synergies is expected to significantly promote peace, economic prosperity, and sustainable development across the region.

3. In the current global context marked by rising geopolitical tensions, the spread of digital protectionism, and mounting environmental concerns, regulatory coherence has assumed heightened importance. While tariff liberalization continues to be addressed under regional trade frameworks such as the ASEAN-China Free Trade Area (ACFTA) and the Regional

Comprehensive Economic Partnership (RCEP), non-tariff measures, regulatory fragmentation, and procedural opacity have emerged as more pressing impediments to cross-border cooperation.

4. In response to these challenges, NACT China and NACT Thailand jointly convened the 2025 NACT Working Group Meeting on "ASEAN-China connectivity cooperation on regulatory excellence" on July 17th in Chiangmai. The objective of the meeting is to identify practical strategies, collaborative mechanisms, and policy tools that strengthen regulatory alignment between ASEAN and China, while advancing the broader goals of connectivity, sustainability, and inclusive growth in the region.

5. NACT participants engaged in comprehensive exchanges on regulatory dimensions of ASEAN-China connectivity, identifying cross-cutting issues and opportunities for deeper cooperation. Discussions addressed key barriers to regulatory excellence integration and considered practical approaches to regulatory alignment in support of seamless trade, sustainable development, and innovation-driven growth. Their views converged around 3 major themes:

6. First, strengthen regulatory coherence to unlock the full potential of ACFTA 3.0 and RCEP to support deeper trade and investment integration. This includes efforts to harmonize trade and investment regulations, reduce non-tariff measures, mutually recognize standards, technical regulations, and conformity assessment procedures (STRCAP), and align customs and port procedures essential for enabling seamless logistics and efficient cross-border operations. Despite progress, regulatory divergence, communication gaps, and institutional limitations remain significant challenges. Necessitating coordinated efforts should be made

to drive regulatory convergence, mutual recognition agreements (MRAs), unified Environmental, Social and Governance (ESG) standards, and robust capacity building.

7. Second, accelerate sectoral regulatory alignment in strategic areas such as electric vehicles (EVs), green investment, and digital governance. With fragmented EV standards causing substantial and adaptation costs and stalling charging network, harmonized technical standards and certification protocols are urgently needed. Joint standard-setting would reduce costs, increase cross-border charging infrastructure utilization, and simultaneously advance emission-reduction targets and carbon exchange initiatives. Policy coherence and institutional coordination are similarly critical for green capital flows. A unified framework for ESG disclosure, green-taxonomy definitions and mutual recognition of sustainability certifications can channel more investment into low-carbon projects while reducing due-diligence costs. Digital governance initiatives focus on data privacy laws, cybersecurity cooperation, cloud computing expertise, and the need for a harmonized ASEAN-China data governance framework to support rapidly growing digital trade. Challenges include fragmented regulatory environments, digital noodle bowl effect, and different approaches to data protection.

8. Third, catalyze forward-looking regulatory innovation and institutional capacity building. By developing regionally coherent frameworks, nurturing knowledge-sharing networks, and establishing collaborative platforms or pilot projects, both ASEAN member states and China could be lifted in the regulatory and technological value chain, through strengthening resilience, narrowing development gaps, and achieving long-term competitiveness.

II. POLICY RECOMMENDATIONS

9. In light of the comprehensive analyses and presentations from leading experts representing ASEAN and China, the following policy recommendations are proposed to advance ASEAN-China connectivity through regulatory excellence.

(a) Advance strategic alignment of regional regulatory frameworks

- Launch a new ASEAN Connectivity Strategic Plan 2045 (adopted May 2025) and the Belt and Road Initiative (BRI, entered into joint pursuit for high-quality development since 2023) Alignment Plan (2025-2045), to synchronize long-term objectives and develop specific roadmaps.
- Form dedicated ASEAN-China regulatory working groups and standards coordination committees to evaluate harmonization efforts across key sectors such as EVs, digital economy, finance, and infrastructure.
- Expand the scope and capacity of existing platforms, including the China-ASEAN standardization cooperation and exchange center and the ADGMIN + China framework, to serve as central hubs for policy dialogue, knowledge sharing, and joint capacity building.
- Create pilot programs, as well as real-time monitoring and evaluation platforms to share best practices, track regulatory alignment and disseminate policy updates to governments, SMEs and civil society.
- Institutionalize multi-stakeholder engagement—bringing together governments, private sector, academia and think tanks—to ensure

regulatory reforms remain transparent, inclusive and context-sensitive.

(b) Mutually recognize standards and technical regulations

- Develop unified ASEAN-China standards for emerging industries, notably the EV sector, covering battery safety, charging protocols, interoperability, and Environmental, Social and Governance (ESG) practices.
- Facilitate the development of cross-border infrastructure projects including EV charging corridors, smart grids, and digital platforms.
- Align data governance and cybersecurity regulations to support integrated digital trade, ensuring secure, interoperable, and efficient cross-border data flows. Hence enhance digital connectivity, as well as improve the efficiency of customs, immigration and quarantine (CIQ) processes.

(c) Facilitate cross-border trade, logistics and investment

- Promote Mutual Recognition Agreements and a “One-Card-Pass” regional certification system to facilitate seamless cross-border trade, labor mobility, and investment flows.
- Accelerate paperless trade through an integrated ASEAN-China Single Window and a future RCEP Single Window System.
- Invest in shared digital infrastructure and promote cooperation on cloud computing, fintech, and digital payment systems to bridge connectivity

gaps and boost regional economic resilience.

(d) Promote legal and judicial cooperation as a pillar of regulatory excellence

- Expand bilateral and multilateral legal frameworks including MOUs, Bilateral Investment Treaties (BITs), and investor-state dispute settlement mechanisms to improve legal certainty and risk management for cross-border financial and commercial transactions.
- Support judicial cooperation platforms such as the China International Commercial Court (CICC) and regional arbitration centers to facilitate efficient resolution of cross-border trade and investment disputes, based on which form a case-database.

(e) Support SMEs and inclusive economic growth

- Simplify regulatory procedures and reduce compliance costs for SMEs through harmonized customs clearance, streamlined rules of origin, and digital certification platforms.
- Establish SME-focused cooperation frameworks, including advisory councils and dedicated funding under RCEP’s Economic and Technical Cooperation (ETC) to build trade readiness and regulatory capacity.

(f) Promote Sustainable and Green Development

- Embed ESG and carbon-reduction criteria into EV infrastructure and fintech projects; mobilize green-finance instruments and public-private

partnerships (PPPs) models to fund sustainable connectivity corridors.

- Leverage green finance tools and environmental safeguards in PPPs to encourage sustainable investments and long-term infrastructure viability.
- Integrate sustainability principles, region-wide environmental safeguards into regulatory frameworks of infrastructure projects and industrial policies, ensuring alignment with ASEAN and China's climate goals, including carbon emissions reduction targets.

(g) Strengthen human capital and capacity building

- Address the critical role of investing in human capital and regulatory institutions to support long-term regulatory reforms and innovation. Note country-specific gaps and propose tailored technical assistance.
- Implement joint training programs and technical cooperation initiatives across ASEAN member states to enhance regulatory expertise in areas such as customs administration, standards enforcement, digital governance, and dispute resolution.
- Encourage knowledge exchange and capacity building that considers country-specific contexts and promotes flexible approaches to regulatory reforms consistent with ASEAN's diversity.

ASEAN Connectivity Strategic Plan 2045 with the Belt and Road Initiative, both sides can convert today's regulatory excellence cooperation roadmap and policy toolkit into tomorrow's competitive advantages. Continuous multilateral dialogue, trust building, and pragmatic implementation are essential to realize these actions for deeper ASEAN-China cooperation. The time to act is now: harmonize, innovate and deliver inclusive, sustainable prosperity for the region.

III. CONCLUSION

10. Regulatory excellence is no longer a technical footnote—it is the decisive accelerator of ASEAN-China connectivity. By synchronizing