

# Emerging Technology & Cybersecurity Policy Memo



**SUBJECT:** US-ASEAN Emerging Technology and Cybersecurity Cooperation Opportunities

**TO:** US-ASEAN Policy Makers, Influencers, and Stakeholders

**FROM:** Emerging Technology & Cybersecurity Working Group, US-ASEAN Futures Symposium

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## Executive Summary

Addressing unequal tech capacity within ASEAN is crucial to promote economic development and regional stability. To accomplish this, we recommend three actions: 1) Design and establish technology procurement training programs with U.S. Embassies in ASEAN states, 2) Encourage U.S. companies to provide tech literacy training with ASEAN, and 3) Foster public-private partnerships to strengthen data security standards.

## Problem Statement

[Unequal ASEAN technological capacity](#) limits the region's development and provides an opportunity for [illiberal state actors to influence regional priorities](#). Bridging this capacity gap and encouraging U.S. government and private-sector leadership to invest in the region will mutually benefit the United States and ASEAN.

## Background

ASEAN represents the 5th largest global economy and largest destination of U.S. Indo-Pacific investment, and its [potential digital economy value of up to \\$1 trillion by 2030](#) signals a vital opportunity for technology growth. However, weak predictability and conflicting standards for data security and intellectual property protection can hinder commercial investments in artificial intelligence, quantum computing, clean energy, biotechnology, and space technology. Particularly in the example of data localization, where several ASEAN states, like Indonesia and Vietnam have implemented localization laws, which increase the investment costs for overseas companies. Unlike the nature of the EU, where the bloc operates on a similar accord, ASEAN states do not share regulatory regimes, meaning these costs can be replicated in each market without a shared framework. It also means that a future [US-EU style data agreement, like that agreed to in the summer of 2023](#), remains unlikely, unless universal standards are set for the bloc. The diversity of ASEAN also necessitates a multifaceted approach to create common tech standards and bridge capacity gaps as neighboring non-ASEAN states look to increase their regional influence. Recent developments, including the [ASEAN Intellectual Property Rights Action Plan 2.0](#), [ASEAN Working Group on Intellectual Property Cooperation \(AWGIPC\)](#), and [ASEAN Plan of Action on Science, Technology, and Innovation](#) offer a gateway to multilateral engagement with all of the ASEAN member states.

## Policy Options

- Promote a hands-off approach:** Maintaining the status quo risks allowing external states to drive ASEAN data security standards, potentially compromising regional stability and interests. This option overlooks the opportunity for U.S. leadership to shape the integrity of ASEAN's technology ecosystem to be safe, open, and free of illiberal influence.
- Set data security standards without building institutional capacity:** Prioritizing data security standards alone may fall short of addressing the capacity gaps among ASEAN member states, limiting the effectiveness of these standards. It may also miss the opportunity to foster long-term relationships and influence in the region's emerging technology sector.
- Multi-pronged approach to set data security standards and build institutional capacity:** Combining data security standards with institutional capacity building offers a comprehensive solution, ensuring that ASEAN can both adopt and enforce these standards effectively. This approach leverages U.S. expertise to create lasting positive impacts and strengthen its presence in the ASEAN technology ecosystem.

## Policy Recommendations

**Set data security standards and build institutional capacity** The U.S. should enhance ASEAN tech capacity by incentivizing U.S. investment, encouraging regional data security standards, and developing tech procurement training programs. ASEAN states can benefit from the expertise, funding, and technology transfer that often come from such investments. The three lines of action to realize this are listed below:

1. **Develop U.S. commercial tax incentives to create private-public partnerships in ASEAN states that establish technology literacy training centers.** Private-public partnerships facilitated by the U.S. Embassies in ASEAN states will establish minimal acceptable standards for technological expertise. Additionally, incentivizing the private sector enables speed and consistency that goes beyond solely government initiatives while promoting U.S. corporate social responsibility programs.
2. **Coordinate the U.S. Department of State's Bureau of Cyberspace and Digital Policy initiatives with the ASEAN Secretariat to strengthen emerging technology procurement training programs, aligned with the ASEAN Plan of Action on Science, Technology, and Innovation's priorities.** This will assist ASEAN states in creating U.S. government requests for proposals for contracted non-government organizations and trade associations to facilitate and execute. This includes building memorandums of understanding with university STEM programs to identify opportunities in artificial intelligence, cybersecurity, and quantum computing.
3. **Bolster the ASEAN corporate environment through minimally acceptable standards for data security and cross-border data flows.**
  - a. ASEAN has developed minimally acceptable standards for private parties through its [Model Contractual Clauses](#), regarding data collection, use, and disclosure, baseline data protection clauses, and data breach notifications. Ensuring its enforceability and widespread use is crucial to support the growth of emerging technologies that rely on the harmonization of intellectual property norms. These standards must be developed in consultation with the private sector, preempting potential misalignment with the ASEAN IPR Action Plan ending in 2025.
  - b. The U.S. Department of State Bureau of Cyberspace and Digital Policy must increasingly engage with the ASEAN Working Group on Intellectual Property Cooperation (AWGIPC), which is implementing the [ASEAN IP Rights Action Plan 2016–2025](#), in a consultative manner to provide input toward a unified IP regime that would secure the predictability for emerging technology investors in the region and grow the eventual IP export potential of the ASEAN region.