



**THE 46TH GENERAL ASSEMBLY
OF ASEAN INTER-PARLIAMENTARY ASSEMBLY
16-22 September 2025
Kuala Lumpur, Malaysia**

*Parliament at the Forefront for Inclusive Growth and
Sustainable ASEAN*

(Res 46GA/2025/Eco/04)

**RESOLUTION ON
PARLIAMENTARY ROLE IN ADDRESSING THE IMPACT OF
GLOBAL TARIFF IN ASEAN**

Sponsored by Malaysia

The Forty-sixth General Assembly:

Recalling the [Association of Southeast Asian Nations \(ASEAN\) Economic Community Blueprint 2025](#), which envisions a highly cohesive and deeply integrated ASEAN economy that promotes sustainable economic growth and resilience, even amid global economic uncertainties, to ensure an inclusive, stable, and transparent economic sector;

Recalling further the [ASEAN Trade in Goods Agreement \(ATIGA\)](#) as one of the pillars of the ASEAN Economic Community, which, together with the [ASEAN Framework Agreement on Services \(AFAS\)](#), the [ASEAN Trade in Services Agreement \(ATISA\)](#) and the [ASEAN Comprehensive Investment Agreement \(ACIA\)](#), contributes to establishing a free trade area, liberalising and facilitating trade in goods within ASEAN, advancing ASEAN economic integration into the global economy, while promoting as well as protecting investment in the region;

Emphasising the recent uptrend in global tariffs, departing from World Trade Organization (WTO) rules which risk disrupting regional supply chains and increasing costs, thus underlining the need for ASEAN unity and centrality in implementing coordinated tariff-mitigation strategies and strengthening regional value chains, as well as the need for businesses in ASEAN to collaborate as a bloc to discuss ways to mitigate the effects of such tariffs and to evaluate supply chain dependencies;

Emphasising further the uncertainty surrounding the introduction of unilateral tariffs and the challenges it will bring to businesses, while reaffirming ASEAN's consistent position that unilateral and retaliatory trade actions are counterproductive, and underscoring the need to manage the effects of global tariffs through constructive dialogue, mutual respect, and international law;

Recognising the vital role of the ASEAN Geoeconomics Task Force, its key standpoints on geoeconomic tensions and unilateral tariff policies, as well as its comprehensive ASEAN Integration Report, which is expected to be presented to the ASEAN High-Level Meetings this year;

Committing to the [Bandar Seri Begawan Roadmap](#) on the ASEAN Digital Transformation Agenda to Accelerate ASEAN's Economic Recovery and Digital Economy Integration and the [ASEAN Digital Masterplan 2025](#) complemented by the ASEAN Green Deal to achieve inclusive, resilient and sustainable economic growth in ASEAN;

Cognisant that while tariffs can serve economic and political objectives, they also introduce challenges for businesses that are reliant on international supply chains, which may significantly increase production costs, thus affecting income and employment, especially for Micro, Small and Medium Enterprises (MSMEs) and vulnerable workers across the region;

Emphasising the importance of industry knowledge on tariffs and international trade among AIPA Member Parliaments. Such knowledge is pivotal in leveraging their capacity to recommend trade and financial policies and to monitor implementation, thereby ensuring sustainable and inclusive economic development in the region.

Hereby resolves to:

Call upon AIPA Member Parliaments to continue actively encouraging ASEAN Member States in facilitating Public-Private Dialogue, recognising its vital role in fostering collaboration between businesses, including MSMEs, consumers, policymakers, and other key stakeholders, to ensure a synergy among diverse groups to work together and develop sustainable and innovative solutions that can effectively address and mitigate the economic effects of global tariffs;

Urge AIPA Member Parliaments to recommend ASEAN Member States to conduct comprehensive assessments of the economic impact of global tariffs, particularly on key industries such as manufacturing, agriculture, and technology; and to include assessments on the impact on workers and vulnerable groups, with a view to adopting safeguards and social protection measures;

Call on ASEAN Member States to consider organising special meetings of ASEAN Economic Ministers to discuss the implications of global tariffs on regional trade, investment flows and macroeconomic stability, and coordinate ASEAN's response consistent with ASEAN Centrality, to uphold the region's economic interests in bilateral, regional, and multilateral fora, including through the WTO, in support of an open, fair and rules-based trading system;

Urge ASEAN Member States to utilise ASEAN and its Dialogue Partners' regional economic, trade, and investment framework instruments to address tariff-related challenges, leverage regional economic interests, promote regional cooperation, and explore mutually acceptable solutions and strategies on issues of common interest;

Call on ASEAN Member States to intensify their commitment to safeguarding market access in the spirit of the WTO, to do their utmost to formulate national policies on tariffs, to pursue economic and industrial reforms within ASEAN that stimulate supply chains, and to ensure the welfare of local workers and businesses, especially MSMEs;

Call on AIPA Member Parliaments to encourage ASEAN Member States to enhance domestic value chains in digital and green economy, pivoting towards higher-value services and tech sectors that are less impacted by traditional tariffs and increase local manufacturing through investment;

Urge ASEAN Member States for greater regional unity, solidarity, and ASEAN Centrality as a bloc in addressing trade issues, strengthening intra-ASEAN trade, seizing emerging markets and trade opportunities with ASEAN's external trade partners;

Encourage AIPA Member Parliaments to enhance parliamentary oversight on trade policies, to ensure that their governments adopt and successfully implement strategic measures to protect vulnerable industries and workers who are affected by tariff changes through capacity building and knowledge sharing;

Support the standpoints of the ASEAN Geoeconomics Task Force on key issues, such as rules of origin, the reduction of non-tariff barriers, and the effective utilisation of trade agreements, as well as the expansion of new markets to diversify risks and enhance the resilience of the regional economy;

Call on AIPA Member Parliaments to urge their respective governments to empower and support the ASEAN Geoeconomics Task Force to advance its standpoints and provide actionable recommendations to address the challenges posed by global tariffs.

Adopted in Kuala Lumpur, Malaysia on the Twentieth Day of September, in the Year Two Thousand and Twenty-Five.



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EXPLANATORY NOTE

Original Version

Tariffs have re-emerged as potent tools in global trade policy, used for both economic leverage and political signaling. However, these measures increasingly disrupt global supply chains, particularly affecting countries like China, Canada, Mexico, and emerging ASEAN economies. Tariffs, while serving economic and political purposes, pose challenges for businesses that are reliant on international supply chains, countries like China, Canada, and Mexico. As the global economy becomes more interconnected and technologically interdependent, **tariff-based disruptions** risk amplifying economic uncertainty and undermining progress toward sustainable and inclusive growth which includes increased production costs, disrupted supply chains, and raised consumer prices. Small Medium Enterprises (SMEs) were particularly affected, with many reducing staff or raising prices to compensate. Tariff-driven cost increases also led to inflationary pressures in key sectors like electronics and automotive, thus reducing consumer purchasing power.

Impact on ASEAN Economies:

Vietnam's substantial trade surplus with the United States (US), reaching United States Dollar (USD) 90 billion as of September 2024, making it the fourth-largest trade surplus with the US globally and positions it as a primary target for increased US tariffs. This surplus has grown rapidly due to firms from China, Taiwan, and South Korea relocating to Vietnam to bypass previous US tariffs on China. Consequently, Vietnam's economy faces significant risks from these new tariffs. As for Malaysia and Thailand, both countries have considerable trade surpluses with the US and are integral parts of global supply chains, especially in electronics and automotive sectors. The new tariffs threaten these industries, potentially leading to economic slowdowns. While Indonesia's trade surplus with the US is smaller, it remains vulnerable due to its significant exports in sectors like textiles and rubber. The tariffs could disrupt these industries, leading to broader economic implications. Cambodia with approximately 40% of its exports directed to the US, may be highly exposed to these tariffs and the potential reduction in export competitiveness could have pronounced effects on its economy.

To address these challenges, **AIPA Member Parliaments and ASEAN Member States** advocate for stronger regional cooperation, market expansion, and trade harmonization. The ASEAN Economic Community (AEC) has bolstered intra-regional trade, while ASEAN's collective Gross Domestic Product (GDP) reached USD3.5 trillion in 2023, making it the fifth-largest economy in the world.

Countries such as Vietnam, Indonesia, and the Philippines are seen as emerging markets within the region, in providing significant new growth avenues. According to the Asian Development Bank (ADB), Southeast Asia is expected to continue to grow at an average rate of 5% annually over the next few years, driven largely by new trade deals and emerging sectors such as technology, digital services, and green energy. Vietnam and Indonesia, along with new trade agreements such as the **Indo-Pacific Economic Framework (IPEF)** and **ASEAN Green Deal** have driven green investments which surpassed USD20 billion in 2022, contributing to sustainable trade growth.

ASEAN is also enhancing **trade connectivity** through **external partnerships** such as Regional Comprehensive Economic Partnership (RCEP), World Trade Organisation (WTO), and Asia-Pacific Economic Cooperation (APEC), fostering economic integration and expanding market access. **Private sector involvement**, especially through ASEAN Business Advisory Council (ASEAN-BAC) Malaysia, underscores the importance of digital infrastructure for trade growth.

Furthermore, the **RCEP**, which includes ASEAN nations along with external partners like China, Japan, South Korea, Australia, and New Zealand, represents the world's largest trade agreement, covering nearly 30% of global GDP and population. As of 2022, RCEP is expected to boost trade among its member countries by 2.2% to 3.5%, translating into an increase of USD42 billion to USD67 billion in global trade. This is a prime example of how ASEAN's advocacy for external partnerships enhances economic connectivity, making regional markets more integrated and open to global trade opportunities such as European Union (EU), the Gulf Cooperation Council (GCC) countries, South America and Africa.

Moreover, ASEAN's focus on sustainability has led to new trade opportunities in **green technologies**. The **ASEAN Green Deal**, for instance, aims to boost intra-regional trade in renewable energy, electric vehicles, and sustainable agriculture. ASEAN's economic resilience has been further strengthened by the ongoing efforts to build a more interconnected digital economy. A 2021 report by Google, Temasek, and Bain & Company predicted that the **ASEAN digital economy would reach USD300 billion by 2025**, driven by e-commerce, online media, and digital financial services. This digital transformation is seen as a crucial element in boosting regional competitiveness, as it enables ASEAN businesses to reach new markets and engage with consumers across borders more efficiently.

Parliamentary oversight is crucial in protecting industries and workers affected by tariff shifts, as seen in Vietnam's textile sector and Indonesia's steel industry. AIPA Member Parliaments can play a key role in ensuring that **trade policies are responsive** to such challenges, by promoting measures like **capacity building** programs and **knowledge sharing** between member parliaments. The focus on capacity building could include providing technical assistance to domestic industries that are most vulnerable to external shocks. Moreover, knowledge sharing among ASEAN Member Parliaments could help countries more effectively respond to shifting global trade policies. AIPA could facilitate **regular dialogues and forums** for parliamentarians to discuss emerging issues related to trade and tariffs. Such initiatives would allow countries to learn from one another's experiences and best practices.

Objectives: This resolution aims to have **unified actions** among ASEAN Member States in addressing the impact of global tariff in ASEAN through:

1. **Enhancing Trade Liberalisation:** Strengthen efforts to reduce and eventually eliminate tariff barriers to promote seamless intra-ASEAN trade.
2. **Ensuring Fair Trade Practices:** Establish mechanisms to prevent unfair trade practices and ensure compliance with ASEAN trade agreements.
3. **Facilitating Market Access:** Improve market access for ASEAN businesses by negotiating favourable tariff policies and reducing non-tariff barriers.
4. **Strengthening Regional Value Chains:** Promote regional supply chain integration to minimise the negative impact of tariffs on production and trade.
5. **Supporting SMEs:** Provide assistance to SMEs in adapting to tariff changes through capacity-building programs and financial support.
6. **Enhancing Policy Coordination:** Improve coordination among ASEAN member states to align tariff policies and avoid trade distortions.
7. **Engaging in Global Trade Negotiations:** Strengthen ASEAN's collective voice in global trade discussions to advocate for favourable tariff conditions.
8. **Promoting Digital Trade and E-Commerce:** Leverage digital platforms to mitigate tariff impacts by expanding online trade opportunities.
9. **Boosting Competitiveness and Diversification:** Encourage diversification of exports and improve competitiveness to reduce dependence on tariff-sensitive sectors.
10. **Exploring collaboration:** with ASEAN's external partners, international organisations, and the private sectors in continuous monitoring and adaptive strategies to navigate these challenges and sustain economic resilience against external tariff-related shocks.
11. **Enhancing Awareness:** Ensuring that AIPA Member Parliaments are informed about trade policies and impact of tariff through capacity building and knowledge sharing such as forums and dialogues.

The resolution seeks to foster a collaborative environment where ASEAN Member States can effectively address the impact of global tariff. By leveraging parliamentary cooperation, ASEAN can enhance its resilience against economic volatilities and shocks, ultimately contributing to regional prosperity and stability.