

September 2025

Results of the Track 1.5/2 Workshop

ASEAN Economic Security in the South China Sea

The workshop brought together participants from Indonesia, Malaysia, the Philippines, Singapore, and Thailand.



Imprint

Publisher

Unit 2804, Discovery Centre,
25 ADB Ave, Ortigas Center, Pasig,
1600 Metro Manila
info.ph@fes.de

Publishing department

FES Philippines

Responsibility for content and editing

Marie Schroeter | Country Director
Monica Ang-Tan | Programme Manager

Contact

Marie.Schroeter@fes.de
Monica.Ang-Tan@fes.de

Layout and front page design

Majahlia Quimpo

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung e.V. (FES). Commercial use of the media published by the FES is not permitted without the written consent of the FES. FES publications may not be used for election campaign purposes.

October 2025

© Friedrich-Ebert-Stiftung e.V.

ISBN

Further publications of the Friedrich-Ebert-Stiftung can be found here:

➤ www.fes.de/publikationen

September 2025

Results of the track 1.5/2 workshop

ASEAN economic security in the South China Sea

The workshop brought together participants from Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Contents

- About the workshop 1
- Context setting 1
- Summary of findings & recommendations
to secureASEAN’s maritime domain 2
- Views on South China Sea economic cooperation 4
 - 1. On seabed mining and resource governance 4
 - 2. On submarine cables and digital infrastructure security 5
 - 3. On marine environmental protection and
sustainable economic development 6
 - 4. Capital flight, migration risk, and public support 7
- Call to action 8

About the workshop

The Friedrich-Ebert-Stiftung (FES) Philippines, in collaboration with the Foundation for the National Interest (FNI), organized a Track 1.5/2 Workshop on ASEAN Economic Security in the South China Sea on September 15–16, 2025. This workshop, supported by FACTS Asia, convened a diverse group of stakeholders, including policymakers, academics, civil society actors, and industry representatives from Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

The event was designed to shift the focus from traditional territorial and military disputes in the South China Sea to the growing and urgent concerns of economic security. The discussions recognized that the region's vulnerabilities are interconnected, spanning critical areas such as seabed mining, the protection of subsea cables, marine ecosystems, and maritime supply chains.

The workshop's primary objectives were to:

- Identify the risks and vulnerabilities impacting ASEAN's economic security in the South China Sea.
- Examine existing national and regional policy frameworks.
- Foster multi-stakeholder cooperation to address these challenges
- Generate actionable recommendations for ASEAN and its partners.

The discussions were structured around four key thematic areas: seabed mining and resource governance; submarine cables and digital infrastructure security; marine environmental protection and sustainable economic development; and supply chain resilience in the maritime domain.

This report summarizes the key findings and policy recommendations that emerged from these discussions. It aims to provide a basis for future regional conversations and collaborative initiatives.

Context setting

The maritime region of ASEAN faces a complex set of challenges that are both wide-ranging and interconnected.

ASEAN's maritime vulnerabilities—spanning seabed mining, subsea cables, marine ecosystems, and supply chains—are closely tied to South China Sea tensions. Limited capacity has constrained regional governance, while public and policy awareness of subsea cable risks remains low despite

their strategic importance. Environmental degradation and overfishing persist, reflecting ASEAN's chronic gap between ambitious frameworks and weak implementation. To ensure resilience, the region must strengthen norms, invest in infrastructure and technology, and adopt a whole-of-ASEAN approach—or, where appropriate, minilateral initiatives—that bridge local realities with regional commitments.



Summary of findings & recommendations to secure ASEAN's maritime domain



Workshop on ASEAN Economic Security in the South China Sea

Marine Environmental Protection and Sustainable Economic Development

Policy Recommendations

Southeast Asia seas host rich biodiversity and critical ecosystems—coral reefs, mangroves, and fisheries—that are under pressure from overfishing, pollution, climate change, and industrial activities.



Streamline Marine Environmental Considerations within Existing ASEAN Frameworks

Provides recommendations to realign existing economic frameworks of ASEAN ensuring inclusion of marine environmental protection, including guidelines on ethical and responsible business practices.



Accelerate the Implementation of the ASEAN Regional Action Plan for Combating Marine Debris

Encourages ASEAN member states to develop legislation and implementation guidelines to effectively implement the existing Regional Action Plan, with focus on single-use plastic and garbage separation.



Promote Resilience of ASEAN Marine Resources

Aims to develop holistic guidelines for key stakeholders and state actors towards ecosystem and community-based approaches to governance and management of marine resources.



Key Considerations



Need to balance biodiversity and ecosystem services



Recognition of community-based resource oriented governance

Communities, alongside academics and policymakers, would serve as primary agents in generating and transferring local knowledge, ensuring that marine environmental protection and sustainable economic development are grounded in both lived experience and scientific expertise.



Supply Chain Resilience in the Maritime Domain

Policy Recommendations

With one-third of global trade and most of East Asia's energy imports transiting these waters, disruptions from geopolitical tensions, natural disasters, pandemics, or environmental risks can have cascading impacts on regional and global economies.



Expanding the ASEAN Goeconomic Task Force (AGTF) to Include More People-Centered Dimensions

Provides recommendations to enhance the AGTF to reaffirm protection of civilians during armed conflict, which includes guidelines and risk assessment metrics for conflict response and resolution.



Drafting Protocol for Energy Resilience

Promotes an energy efficiency plan to tackle oil shortages and energy crises resulting from blockade; including pathways for diversifying supply routes, investments in alternative and renewable energy sources.



Building Maritime Supply Chain Resilience

Aims to develop a policy for regional cooperation in disaster containment and contingency planning, to address security and emergency response challenges related to the liquid natural gas and oil incidents.



Key Considerations

Strengthening resilience requires coordinated ASEAN efforts in maritime security, diversified trade routes, logistics modernization, and cooperative frameworks that safeguard the stability of the maritime supply chain.



Friedrich Ebert Stiftung

Views on South China Sea economic cooperation

1. On seabed mining and resource governance

Seabed mining in the South China Sea is emerging as a complex challenge for ASEAN, with the region’s ocean floor harboring minerals and rare earths critical to modern technologies. While these resources present potential economic gains, they overlap with ecologically sensitive areas and vital fisheries. The lack of proper data and governance agreement on zones (spatial planning) and unresolved maritime disputes further complicate governance. As a result, seabed mining is viewed less as an immediate commercial prospect and more as a test of ASEAN’s ability to balance sustainability, sovereignty, and strategic autonomy. The region remains ambivalent: the lure of critical minerals for the energy transition is acknowledged, yet concerns over environmental harm, weak regulation, and great-power rivalry dominate. Most states lack the institutional capacity and public awareness to govern deep-sea extraction effectively, with past experiences in land-

based mining cited as cautionary lessons. Participants therefore emphasized the need for research, capacity-building, and science-led diplomacy as pragmatic entry points, alongside rules-based governance and regional protocols to address regulatory gaps.

Moving forward, ASEAN can respond by focusing on three priorities. First, building regional expertise and technical capacity to better assess and govern seabed resources. Second, developing cooperative norms and governance frameworks that safeguard ecosystems and ensure inclusive decision-making. Third, embedding environmental and community protections at the heart of any future seabed mining activities. Together, these measures would allow ASEAN to manage seabed mining with foresight and responsibility, turning a potential flashpoint into an opportunity to strengthen regional resilience and autonomy.

Lesson 1: Seabed mining is framed less as an immediate economic opportunity and more as a test of ASEAN’s ability to balance sustainability, sovereignty, and strategic autonomy in the South China Sea.		
1 Establish ASEAN Seabed Mining Academy	2 Develop an Initiative on Seabed Mining and Resource Governance	3 Develop a Framework for Sustainable Seabed Mining
→ Aims to establish a consortium of existing maritime-related research institutes and ASEAN centers → To build awareness and exchange knowledge on seabed mining issues for comprehensive decision making and policy-making.	→ Outline strategic directions. → To raise awareness of seabed mining and resource governance best practices among ASEAN member states, specifically on economic benefits.	→ Provide a comprehensive plan to guide the responsible operations of seabed mining. → Ensure participatory governance, equitable benefit-sharing, and robust environmental safeguards across ASEAN member can states.

2. On submarine cables and digital infrastructure security

Submarine cables are strategically vital to ASEAN’s connectivity and economic security, forming the backbone of its digital economy as the region becomes a hub for e-commerce, cloud services, and cross-border trade. Yet they remain underappreciated and unevenly prioritized. While Singapore and Malaysia have invested in strong oversight and monitoring systems, other states—particularly Indonesia, the Philippines, and Thailand—approach risks with resignation, reflecting capacity gaps, fragile archipelagic geographies, and competing national priorities. Weak cybersecurity systems, low digital literacy, and public misconceptions about internet infrastructure further magnify vulnerabilities. Risks range from natural disasters and maritime accidents to cyber intrusions and geopolitical tensions in contested waters such as the South China Sea. Risks range from natural disasters and maritime accidents to cyber intrusions and geopolitical tensions in contested waters such as the South China Sea. While global data indicate that most cable faults stem from human activity—anchoring, fishing, vessel traffic—and many incidents in the Philippines occur within EEZ waters rather than the deep sea, disaggregated statistics remain scarce, highlighting the

need for better monitoring and reporting. Although the private sector carries much of the operational burden, unresolved questions of governance, accountability, and transparency persist, complicating ASEAN’s collective resilience.

To address these challenges, ASEAN can focus on three priorities. First, strengthen regional cooperation on submarine cable security by diversifying supply chains and establishing neutral mechanisms for maintenance and repair, including in contested waters. Second, raise infrastructure integrity and trust through enhanced procurement standards and updated regional guidelines that address emerging risks such as cyber intrusions and hardware vulnerabilities. Third, improve incident response and coordination by developing rapid-response protocols and emergency hotlines to manage disruptions across jurisdictions. Together, these measures would secure ASEAN’s digital lifelines, reduce dependency on external actors, and ensure that the region’s economic and strategic future rests on resilient and trusted connectivity.

Lesson 2: ASEAN favors the multi-stakeholder modality—whereby the private sector takes technical leadership supported by government policy and broadly anchored on region-wide coordination mechanisms.

<p>1</p> <p>Establish an ASEAN Cooperation on Submarine Cable Security and Resilience</p>	<p>2</p> <p>Enhanced Guidelines and Standards to Address (Hardware) Backdoors in Submarine Cables</p>	<p>3</p> <p>Amendment of ASEAN Guideline on Strengthening Resilience and Repair of Submarine Cables</p>
<p>→ Promote regional cooperation on diversifying and operationalizing submarine cable supply chain systems and infrastructure.</p> <p>→ To address concerns of dependency on external actors</p>	<p>→ Outline comprehensive guidelines and criteria on procurement and quality standards of submarine cable systems and infrastructure.</p>	<p>→ Propose an amendment to include potential response mechanisms to address.</p> <p>→ Mitigate international risks and incidents.</p>

3. On marine environmental protection and sustainable economic development

ASEAN’s challenge in ocean governance lies less in vision than in execution. While the region has produced ambitious frameworks, these too often fail to translate into meaningful local action. Participants stressed the need for layered strategies that link community-level stewardship with ASEAN-wide mechanisms, noting that ecosystem-based management and cross-border cooperation are more effective than jurisdictional approaches. Yet weak consultation, domestic constraints, and bureaucratic hurdles continue to stall progress, leaving fragile ecosystems—from coral reefs and mangroves to vital fisheries that sustain millions—under mounting pressure from overfishing, pollution, climate change, and unchecked industrial activity. Legal rulings and environmental instruments were seen as valuable leverage, but insufficient without stronger bilateral and regional follow-through. For ASEAN, the real test is not whether it can articulate lofty principles, but whether it can operationalize Blue Economy ideals and inclusive

governance in ways that both protect marine ecosystems and secure long-term economic resilience.

To advance this agenda, ASEAN can focus on three priorities. First, embed environmental safeguards into economic and trade frameworks, ensuring that growth strategies incorporate sustainability and ethical business practices. Second, accelerate the ASEAN Regional Action Plan on Marine Debris, particularly through national legislation on plastics and waste management, to address one of the region’s most urgent and visible threats. Third, strengthen community-based governance and resilience, empowering fisherfolk, CSOs, and local authorities as frontline custodians of marine resources while linking their efforts to regional mechanisms. Together, these steps would allow ASEAN to align prosperity with sustainability, proving that economic growth and marine protection can—and must—advance in tandem.

Lesson 3: ASEAN sees environmental protection and sustainable development not as opposing poles but as mutually reinforcing goals—provided political will, local empowerment, and regional coherence align.		
<div>1</div> <div>Streamline Marine Environmental Considerations within existing ASEAN Frameworks</div>	<div>2</div> <div>Accelerate the Implementation of the ASEAN Regional Action Plan for Combating Marine Debris</div>	<div>3</div> <div>Promote Resilience of ASEAN Marine Resources</div>
<div>→ Provide recommendations to realign existing economic frameworks of ASEAN to ensure inclusion of marine environmental protection including guidelines on ethical and responsible business practices.</div>	<div>→ Encourage ASEAN member states to develop legislation and implementation guidelines to effectively implement the existing Regional Action Plan.</div> <div>→ Focus on single-use plastic and garbage segregation.</div>	<div>→ To develop holistic guidelines for key stakeholders and state actors toward the ecosystem.</div> <div>→ Promote community-based approaches to governance and management of marine resources.</div>

4. On supply chain and economic resilience in the maritime domain

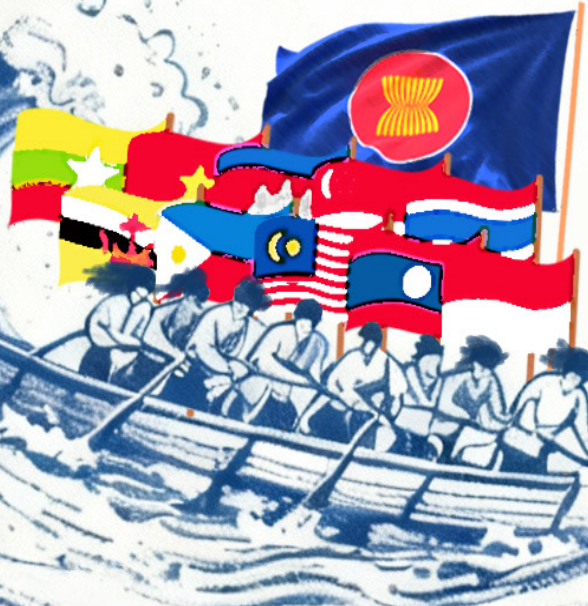
ASEAN's economic security rests heavily on its maritime lifelines, which carry nearly one-third of global trade and serve as East Asia's primary energy conduit. Yet weak enforcement, skeletal frameworks, and uneven implementation continue to undermine resilience. National vulnerabilities—such as the Philippines' fragile seafaring sector, which only narrowly avoided EU sanctions after years of failing to meet international training standards—were seen as regional risks with cascading effects, while instability in the South China Sea was framed as a collective challenge with global stakes. Strategic debates underscored both the promise and risks of alternative trade routes, archipelagic sea lanes, and China's overland corridors, with participants warning that shifting geoeconomic patterns could erode ASEAN's autonomy if left unmanaged. Existing frameworks, from the AEC Blueprint to RCEP, were acknowledged as ambitious but poorly enforced, reinforcing the need for greater private-sector leadership and stronger maritime domain awareness through drones, satellites, and cooperative models like ReCAAP. For ASEAN, maritime

security and economic resilience are inseparable pillars of its strategic future, demanding both political resolve and practical cooperation.

To close these gaps, ASEAN can pursue three priorities. First, strengthen human capital and standards in the maritime sector, including harmonized training, expanded Mutual Recognition Arrangements, and protections for seafarers to ensure a skilled, resilient workforce. Second, develop a regional protocol for energy and supply chain resilience, covering oil shortages, blockades, diversification of routes, and renewable energy pathways to reduce dependence on chokepoints or single powers. Third, advance collective mechanisms for maritime supply chain security, from intelligence-sharing and surveillance to coordinated disaster response and contingency planning for LNG and oil incidents. Taken together, these measures would allow ASEAN not only to mitigate vulnerabilities but also to position itself as a reliable, unified hub in global commerce.

Lesson 4: ASEAN's supply chain resilience is not just about trade facilitation—it is about political will, technical cooperation, and managing great-power pressures while keeping internal cohesion.

1	2	3
Expanding the ASEAN Geoeconomic Task Force (AGTF) to Include more People-Centered Dimensions - such as labor protections, small business resilience, equitable access to digital infrastructure, environmental and climate safeguards, and participatory governance	Draft Protocol for Energy Resilience	Building Maritime Supply Chain Resilience
<ul style="list-style-type: none"> → Prove recommendations that enhance the AGTF to reaffirm protection of civilians during armed conflict, including guidelines and risks assessment metrics for conflict response and resolution. → This would help ensure that geoeconomic resilience is not only about state capacity or trade flows, but also about safeguarding livelihoods and rights. 	<ul style="list-style-type: none"> → Promote an energy efficiency plan to tackle oil shortages and energy crises resulting from blockade. → Develop pathways for diversifying supply routes, investment alternatives and renewable energy sources. 	<ul style="list-style-type: none"> → To develop a policy for regional cooperation in disaster containment and contingency planning. → To address security and emergency response challenges related to liquefied natural gas and oil incidents.



Call to action

ASEAN's seas are too critical to leave unprotected. Moving from declarations to practical, implementable measures is urgent. By investing in capacity, coordination, and inclusivity, ASEAN can secure its marine commons, strengthen resilience, and ensure sustainable growth for decades to come. ASEAN can no longer afford to separate environmental, digital, and economic resilience—they are one and the same strategic front.



Results of the Track 1.5/2 Workshop on ASEAN Economic Security in the South China Sea

The South China Sea is ASEAN's economic lifeline, with one-third of global trade and the digital infrastructure connecting the world running through its contested waters. As geopolitical tensions escalate, the stability of the region's marine commons is under severe threat across multiple domains. This report is the result of a high-level Track 1.5/2 workshop, and delivers the urgent consensus of experts on the way forward. Inside, you will learn the practical, implementable measures necessary to secure the region's future, including frameworks for protecting vital subsea cables, balancing the governance of critical seabed minerals, and strengthening maritime supply chains against blockades and crises. Read this report to understand the crucial blueprint for transforming ASEAN's current declarations into practical, implementable, and sustainable collective economic security.

Further information on this topic can be found here:

➤ fes.de