



Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Geoeconomic Confrontation

Chairman's Report

June 2025 **Metro Manila, Philippines**







CHAIRMAN'S REPORT OF THE TRACK II NETWORK OF ASEAN DEFENCE AND SECURITY INSTITUTIONS (NADI) MEETING

“Concretizing Defence Industrial Cooperation in the Height of Geoeconomic Confrontations”

17-20 June 2025

Crimson Hotel, Filinvest City, Alabang, Philippines

1. The Track II Network of ASEAN Defence and Security Institutions (NADI) Meeting on “Concretizing Defense Industrial Cooperation in the Height of Geoeconomic Confrontations” was hosted by the National Defense College of the Philippines (NDCP) and the Office for Strategic Studies and Strategy Management, Armed Forces of the Philippines (AFP-OSSSM) on 17-20 June 2025 at Crimson Hotel, Filinvest City, Alabang, Philippines. Lieutenant General Ferdinand M Cartujano PAF (Ret), President of the NDCP, and Brigadier General Joel M Paloma PA, Chief of the OSSSM, served as Co-Chairs for the NADI Meeting.
2. Representatives from Brunei Darussalam, Kingdom of Cambodia, Republic of Indonesia, Lao People’s Democratic Republic, Malaysia, Republic of the Union of Myanmar, Republic of the Philippines, Republic of Singapore, Kingdom of Thailand, and the Socialist Republic of Vietnam attended the meeting.
3. The NADI Meeting discussed various perspectives on defence industrial ecosystems and markets, and ways to pursue defence industry collaboration in the region.

Opening Remarks

Brigadier General Joel M Paloma PA

Chief, Office for Strategic Studies and Strategy Management
Armed Forces of the Philippines

4. In his remarks, Brigadier General Paloma noted the need for greater knowledge on defence industrial ecosystem to lay the groundwork for increased defence industrial cooperation. He highlighted the importance of discussing geopolitical challenges that characterise the current strategic landscape in the region.
5. BGen Paloma added that building a resilient and self-reliant defence industry must be a priority for ASEAN Member States. This can be achieved through research and development, technology transfers, as well as joint collaborative efforts among AMS. In addition, BGen Paloma noted that developing a collective understanding of defence industrial ecosystems and market landscape will also help facilitate enhanced regional cooperation.



Lieutenant General Ferdinand M Cartujano PAF (Ret)

President

National Defense College of the Philippines

6. In his remarks, Lieutenant General Cartujano noted that global geopolitical uncertainties require states to build their own defence industries and cooperate with like-minded states. He mentioned Republic Act 12024 of the Philippines, or the Self-Reliant Defense Posture (SRDP) Program Revitalization Act, which serves as the Philippines’ commitment to developing its own defence industry by enhancing local defence supply chains and logistics systems.
7. Lt Gen Cartujano added that the crucial importance of defence industry to national and regional security has been acknowledged by ASEAN Member States, most of which have shown increased investments in their respective local defence industries. This can facilitate defence industrial collaboration and mitigate overreliance on foreign contractors.

Session I: Keynote Presentation on Republic Act 12024 or the Self-Reliant Defense Posture (SRDP) Revitalization Act

Assistant Secretary Augusto V Gaité

Office for Defense Technology Research and Industry Development

Department of National Defense

8. In his keynote presentation, Assistant Secretary Gaité highlighted the Philippines’ historical and ongoing efforts to build a sustainable and independent defense capability. He discussed that the Self-Reliant Defense Posture (SRDP) program evolved over the decades, from indigenous production and local weapons development in the 1980s to the increased interest and investment in technology such as the integration of AI, drones, and cybersecurity into defense infrastructure in the 2020s.
9. Asec Gaité argued that the recent enactment of Republic Act No. 12024 institutionalizes this revitalized approach for the SRDP, emphasizing the need for local start-ups in defense materiel, generating local employment opportunities, and enhancing technology transfer, all under the strategic direction of the Department of National Defense and subject to presidential approval.
10. In addition, Asec Gaité outlined the Philippines’ efforts to strengthen its defense industry through both local and foreign collaboration, prioritizing areas such as unmanned systems, shipbuilding, cybersecurity operation systems, and advanced manufacturing. He reiterated that the overall aim of the Republic Act No. 12024 is to enhance national security, promote self-sufficiency, and ensure the efficient implementation of defense modernization programs through coordinated efforts across various government agencies and industry players.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



Session II: Defense Industrial Ecosystems and Markets

Republic of Indonesia Defense University (RIDU), Republic of Indonesia

Navigating Goeconomic Competition: The Risks and Resilience of the ASEAN Defense Industry

Presented by Brigadier General Elphis Rudy
Vice Dean of Defense Strategy Faculty, RIDU

11. The ASEAN region is increasingly vulnerable to the pressures of global goeconomic competition, where economic tools—such as export controls and supply chain weaponisation—are used to project strategic influence. This reality has exposed two major structural challenges for ASEAN's defence sector: a heavy reliance on imported military systems and significant disparities in industrial capacity among member states. Despite efforts to diversify procurement, ASEAN countries remain susceptible to embargoes, sanctions (such as CAATSA), and technology transfer restrictions. Moreover, the absence of a coordinated regional mechanism for procurement, supply chain monitoring, and capability specialisation has limited ASEAN's ability to build a resilient and integrated defence ecosystem.
12. To address these vulnerabilities, the paper proposes a comprehensive strategy based on four pillars: establishing a permanent secretariat for ASEAN Defence Industry Collaboration (ADIC), harmonising regional technical standards to enhance interoperability, launching a joint R&D and flagship production program based on national specialisation (ADC-MAPS), and implementing a reciprocal procurement framework (ARPF) to ensure sustainable regional market integration. Together, these initiatives aim to reduce import dependence by 50%, increase local content by 35%, and activate a USD 25 billion intra-ASEAN defence market. The proposed framework emphasises inclusive participation, technological autonomy, and institutional continuity, enabling ASEAN to strengthen its collective resilience and strategic independence in a rapidly shifting global order.

Malaysian Institute of Defence and Security (MiDAS), Ministry of Defence, Malaysia

Concretising Defence Industrial Cooperation in the Height of Goeconomic Confrontation

Presented by First Admiral Ee Chee Kiong RMN
Senior Director of Comprehensive Security, MiDAS

13. Southeast Asia's defence industrial ecosystem reflects the region's diverse capacities, ambitions and strategic outlooks. While some states have made substantial strides in their domestic defence production capabilities, other ASEAN member states remain largely dependent on defence imports. ASEAN's efforts to foster cooperation, notably through the ASEAN Defence Ministers' Meeting (ADMM) and ADMM-Plus, have provided a diplomatic platform, but real progress has been hindered by fragmented and diverse procurement practices, limited investment in R&D and differing national priorities. This fragmentation is compounded by the

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



lack of regional supply chain integration, technological gaps and dependence on external partners for critical components. Although some states like Malaysia and Thailand have initiated offset arrangements and domestic capability-building efforts, success has been uneven due to institutional challenges and funding constraints. The region's vulnerability to geopolitical disruptions such as grey-zone threats, maritime tensions and supply chain disruption has revealed the urgent need for deeper regional cooperation and industrial resilience.

14. Against this backdrop, global developments like US-China strategic decoupling, tightening export controls and protectionist economic policies are reshaping ASEAN's defence industry prospects. These trends have disrupted global supply chains, creating uncertainty for ASEAN states that rely on external sourcing for advanced technologies and defence systems. Growing maritime disputes in the South China Sea have driven security concerns. Some states are relying heavily on foreign defence systems as it is easier and faster to have the system. Those states tend to bypass their local defence industry capabilities besides facing risks of potentially falling into "import trap". This further advocates the shift from national-level self-sufficiency to regional reliance. Key recommendations include defence cooperation across ASEAN, co-development of technologies, joint ventures between regional firms, and harmonisation of technical standards. Building a sustainable and collaborative defence industrial base will require strong political commitment, close defence industry collaboration effective institutional mechanisms and strategic vision. ASEAN must recognise that a resilient, interconnected defence ecosystem is critical, not only for economic growth, but also for safeguarding regional interest and security in a multipolar world.

S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Republic of Singapore

Defence Industrial Ecosystems and Markets

Presented by Mr Haridas Ramasamy

Associate Research Fellow, Military Studies Programme, Institute of Defence and Strategic Studies, RSIS

15. Mr Haridas highlighted that the ongoing trade, technology and strategic contestation between the United States and China has the potential to disrupt regional peace, security, stability, and prosperity. The U.S. has imposed reciprocal tariffs and restrictions on technology exports to China. The latter has retaliated through its own tariffs against imports from the U.S and its restriction of exports of the rare earth elements (REEs) that it has near-monopoly control of supply. Trade restrictions and rise of techno-nationalism can impede the ability of ASEAN Member States (AMS) to access and develop advanced technological capabilities. This can hold back the progress and collaboration among AMS in the development of their respective defence industrial ecosystems. To mitigate against this, and the risk of being forced to choose sides, AMS will need to reinvigorate their commitment towards a united, multilateral stance in foreign and security policies. AMS should use their agencies in the size of their integrated market, defence cooperation and critical minerals to collaborate with both China and the U.S. by focusing on specific trade, technology and defence issues.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



16. To support this from the defence perspective, Mr Haridas recommended that AMS and ADMM should host more multilateral forums to intensify dialogues to foster partnerships in defence industry across governments, private-public sector industries and academia, and exchanges on best defence practices. Besides this, ASEAN should ensure the region remains open for defence-related FDIs that are critical to developing and moving the region's defence industrial ecosystem up on the value chain. In addition, ASEAN should link its strategic weight in the supply of critical minerals to its economic and defence industrial development.

Strategic Studies Center (SSC), National Defence Studies Institute (NDSI), Royal Thai Armed Forces Headquarters (RTARF HQ), Kingdom of Thailand

Defence Industrial Ecosystems and Markets

Presented by Group Captain Choosak Kasatewit

Director, Regional Studies Division, Strategic Studies Center

17. Group Captain Choosak Kasatewit highlighted that in the contemporary geopolitical landscape, the global order is increasingly shaped by VUCA while the geoeconomic environment is undergoing rapid structural transformation. ASEAN as a region of strategic significance cannot remain insulated from the cascading effects of such systemic disruptions with implications for the region's defense industrial ecosystem. There are multiple risks associated with the current defense industrial ecosystem and the evolving defense marketplace such as: 1) Supply Chain Fragility: Most ASEAN Member States (AMS) remain heavily reliant on raw materials, technologies, and key components sourced from outside the region; 2) Capability Gaps Among AMS: Disparities persist within ASEAN regarding the development of defense industrial capabilities. This imbalance presents a major obstacle to effective regional defense cooperation. 3) Strategic Competition Among Major Powers: Rivalries between major powers not only influence the direction of the global arms market but also have significant implications for ASEAN-level cooperation, given the political considerations of arms-producing countries. 4) Emerging Technologies: are transforming the nature of modern warfare and the defense industry. However, many ASEAN countries still lack policies that keep pace with the adoption of these technologies at the industrial level, putting them at risk of falling behind in the global landscape. Our world is currently transitioning into an era of geo-economic strategy, where economic decoupling and tariff hikes have become key tools in the rivalry between global powers. These developments have had a direct impact on the ASEAN region in the following ways: 1) Slowdown in Advanced Technology Transfer; 2) Increased Complexity and Cost of Supply Chains; 3) Uncertainty in Markets and Import Sources; 4) Impact on Strategic Planning Capabilities; and 5) New Opportunities Amid Risks. With visionary industrial policies and enhanced regional collaboration, ASEAN has the potential to emerge as a new manufacturing base or a center for final assembly in the global defense industry.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Geoeconomic Confrontation



18. Anchored in the geopolitical realities of contemporary international relations—marked by both cooperation and cautious competition, ASEAN Defense Industry Collaboration should start with pragmatic, low-barrier initiatives that deliver tangible outcomes and are rooted in clearly shared strategic interests. Recommendations for ASEAN Defense Industry Collaboration are as follows: 1) Establish a Joint Research Platform on Non-sensitive Issues (ASEAN Defence R&D Focal Platform – Non-sensitive Projects). The objective is to create a “safe space” for collaboration by focusing on topics that are not strategically sensitive. These may include the development of smart logistics systems, equipment maintenance, simulation software, or small drones for humanitarian missions. Such topics do not interfere with national decision-making over major defense systems and allow AMS to collaborate through universities or the private sector without disclosing classified military information. This approach fosters initial trust and lays a foundation for future cooperation. 2) Establish a Network for Private Sector and Academic Cooperation (ASEAN Defence Tech Innovation Circle). The objective is to strengthen linkages between private sector actors in defense technology and capable academic institutions to facilitate knowledge exchange in areas like AI, robotics, cyber defense, and non-combat military operations such as disaster relief. This is not a state-to-state platform, thereby reducing political pressure and allowing each country to control the level of information shared. It serves as a nurturing ground for talent, ideas, and innovation—without requiring immediate policy-level agreements and may eventually lead to joint research, startup initiatives, or collaborative security hackathons in the future.

Vietnamese Institute for Defence Strategy and History (VIDSH), Ministry of National Defence, Socialist Republic of Viet Nam

Defence Industrial Ecosystems and Markets

Presented by Sr. Col. Vu Cao Dinh

Director of International Studies Department, VIDSH

19. Amid a rapidly evolving regional security landscape - characterised by escalating tensions in the South China Sea, transnational terrorism, and intensifying strategic competition among major powers - the ASEAN defence ecosystem and defence industrial market are undergoing significant transformations aimed at enhancing strategic autonomy and resilience. Southeast Asian nations are actively modernising their armed forces, expanding domestic defence production capabilities and integrating more deeply into global supply chains. Nevertheless, the region continues to confront a series of structural challenges, such as fragmentation among member states, limited localisation of critical technologies, constrained private sector participation due to legal and regulatory barriers, the absence of a joint procurement and certification mechanism, inadequate investment in defence-related research and development. Besides, policy realignments by major powers present both opportunities, on the one hand, bringing potential access to high-quality foreign direct investment, dual-use technologies, and international industrial cooperation, on the other hand, posing risks, including technological dependence, exposure to geopolitical supply chain disruptions, and the imbalance between short-term procurement priorities and long-term domestic capability development.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



20. To advance a more self-reliant, sustainable, and innovation-driven ASEAN defence industrial ecosystem, member states should prioritize: 1) developing policies that actively encourage private sector participation and strengthen public-private partnerships, particularly across government - industry - research institutions; 2) deepening intra-regional cooperation through information sharing, policy transparency, and joint capacity-building initiatives; 3) initiating collaborative defence industrial projects on a voluntary and legally compatible basis amongst member states; 4) expanding strategic partnerships with global defence corporations to facilitate technology transfer and integration into international supply chains; and 5) enabling ADMM to play a leading role in operationalising the ASEAN Defence Industry Cooperation (ADIC) framework, including promoting intra-ASEAN procurement, supporting collaborative R&D initiatives, and establishing common industrial standards. Collectively, these measures would lay a solid institutional foundation for coordinated action and elevate ASEAN's strategic standing in the evolving global defence architecture.

National Defense College of the Philippines (NDCP), Department of National Defense, Republic of the Philippines

Trends in Defense Industrial Cooperation: Issues for Southeast Asia

Presented by Erick Nielson C Javier

Defense Research Officer II, National Defense College of the Philippines

21. Mr Javier discussed the increasing importance of defence industries in supporting a state's strategic autonomy. Current conflicts and tensions have magnified issues and trends in the defence industrial ecosystem including the urgent need for mass and volume of systems; the overlooked importance of industries such as critical minerals and computer numerical control machines to defence industrial production; and possible strategic bottlenecks which affect the reliability of suppliers.

22. These trends highlight the need for defence industrial collaboration as an ideal pathway for smaller states such as the members of ASEAN to pool resources and achieve economies of scale. Ensuring progress of initiatives such as ASEAN defence industrial collaboration requires overcoming long-running challenges such as lack of complementarity among regional defence industries, the economic and technological gaps, the lack of clear mechanisms for industrial collaboration, and the apparent lack of positive spillover for industrial collaboration despite successful cooperation in other areas. Noting these challenges, recommendations were made to: 1) review past ADIC meetings; 2) encourage voluntary common cooperation/ coordination groups for specific items that multiple AMS have already committed to purchase; and 3) conduct collaborative research to map defence industrial supply chains and create a database of third-party suppliers of dual-use items outside ASEAN.



Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



Session III: Defence Industrial Collaboration Issues and Ways Forward

**Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies (SHHBIDSS),
Ministry of Defence, Bolkiah Garrison, Brunei Darussalam**

Defence Industry Collaboration Issues and Way Forward

Presented by Dr Sabrina Daud
Assistant Director, SHHBIDSS

23. In her presentation, Dr. Sabrina Daud discussed how ASEAN defence industrial collaboration remains limited due to divergent national capacities and priorities, but a phased, inclusive approach focused on trust-building, local innovation, and institutional strengthening offers a viable path toward greater regional defence self-reliance. The ASEAN defence industry landscape has evolved significantly over the past two decades, with ASEAN Member States (AMS) seeking greater strategic autonomy through domestic capability development, joint security efforts, and public-private partnerships. However, despite the establishment of the ASEAN Defence Industry Collaboration (ADIC) framework in 2011, progress remains limited. Key challenges include divergent national threat perceptions, unequal technological and financial capacities, varying procurement systems, and the non-binding nature of ADIC itself. Brunei Darussalam faces challenges due to its developing defence industry and dependence on foreign suppliers. Nevertheless, its Ministry of Defence has expressed aspirations for enhanced self-reliance and has made incremental efforts to foster a local innovation ecosystem via exhibitions, research collaborations, and targeted procurement strategies.

24. Looking ahead, a phased approach to defence industrial collaboration could be considered. In the short term, AMS should pursue low-hanging opportunities such as knowledge exchange and non-sensitive dual-use equipment development. Medium-term strategies involve forming sub-regional clusters among technologically comparable AMS to facilitate pilot initiatives and build trust. In the long run, a more ambitious model envisions increased defence spending earmarked for regional cooperation and diversified procurement to reduce extra-regional dependency. Strengthening intellectual property rights and institutionalising ADIC mechanisms could serve as foundational enablers of this long-term vision. Overall, a more pragmatic, tiered, and inclusive approach is recommended to translate political will into tangible outcomes for ASEAN's collective defence industrial resilience.



Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



**General Department of Policy and Foreign Affairs (GDPFA), Ministry of National Defence,
Kingdom of Cambodia**

Defence Industrial Collaboration Issues and Ways Forward

Presented by Major General Chum Sam Ol

Deputy Director, Department of Defence Materials Manufacturing, General Department of
Materials and Technique

25. In his presentation, Major General CHUM SAM OL emphasised on the significant role of defence industrial sector in ensuring national security. This industry encompasses a wide range of products and services, including weapons systems, vehicles, aircraft, naval ships, cybersecurity solutions and communication technologies. A strong regional defence industry would also promote economic development through job creation, technological advancement, and regional cooperation. Furthermore, collaboration among ASEAN Member States in defence production can foster trust, interoperability and unity; reinforcing the organization's central role in maintaining peace and stability in Southeast Asia. ASEAN can look to strengthen its defence industrial cooperation through a pragmatic to enhance regional self-reliance by focusing on the Maintenance Repair Operation (MRO) in maritime security, small arms, cybersecurity and technological standardization. ASEAN based defence industry contributes positively to strengthening regional security by reducing dependency on foreign supply chains and enhancing strategic autonomy. Through building indigenous capabilities, ASEAN member states can respond more effectively to emerging security challenges that may arise within the larger ecosystem.

26. To strengthen and deepen defence industrial cooperation within ASEAN, he proposed a set of practical and forward-looking initiatives. First, encouraged the ASEAN Defence Ministers' Meeting to engage more actively with other key ASEAN sectoral bodies namely ASEAN Economic Ministers, in order to help harmonise trade and investment policies that support ASEAN defence industries and working with the ASEAN Committee on Science, Technology, and Innovation to facilitate joint research and development in dual-use technologies. Second, it is also essential to harmonise defence product quality standards and export-import regulations. Third, seek the development of an ASEAN Defence Industry Roadmap to outline a shared vision for achieving greater self-reliance, enhanced cooperation, and continuous capability development within our defence sector. Lastly, all cooperative efforts to enhance ASEAN's defence industrial potential and to truly maximise our collective strength, we must build on a foundation of shared vision, mutual trust, and joint investment in knowledge and capability. The implementation of ASEAN Defence Industry Cooperation must evolve beyond procurement alone to embrace research, innovation, and deeper economic integration. This approach will not only reduce our external dependencies but also strengthen regional solidarity and promote sustainable security. Together, by working pragmatically and building on our collective strengths, we can advance ASEAN's defence industrial capabilities and contribute meaningfully to regional peace, stability, and prosperity.

Track II

**Network of ASEAN Defence &
Security Institutions Meeting**

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



Center for Strategic Studies, Research and Development of TNI (CSSRD-TNI), Republic of Indonesia

Defence Industrial Collaboration Issues and Ways Forward

Presented by First Admiral Dr Antonius Widyoutomo S.H., M.Tr. Opsla
Director of Strategic Studies, CSSRD-TNI

27. First Admiral Dr. Antonius Widyoutomo, S.H., M.Tr. Opsla highlighted that amid growing geoeconomic rivalry and the region's heavy reliance on imported defense equipment and raw materials, strengthening ASEAN's defense industry cooperation has become a strategic imperative. While ASEAN has made strides in collaborative initiatives such as joint production, technology transfer, and human resource development, it continues to face structural challenges, most notably the fragmentation of industrial capacity, lack of harmonized technical standards, and low levels of strategic trust among member states. In this context, Indonesia, through the consolidation of its defense industry under DEFEND ID and its proven experience in global collaboration projects like the KF-21 fighter and the Scorpène submarine, is uniquely positioned to serve as a regional integrator. Indonesia's modular production model, co-development mechanisms, and commitment to technology transfer offer a scalable and replicable framework for other ASEAN countries to follow, depending on their respective strengths. With a pragmatic, trust-based approach and a focus on regional autonomy, ASEAN holds a critical opportunity to establish an intra-regional defense industry supply chain that is self-reliant, competitive, and resilient to external shocks.

28. Based on this analysis, he proposed several strategic recommendations to the ADMM. First, the functional activation and institutional strengthening of the ASEAN Defence Industry Collaboration (ADIC) mechanism must be prioritized. ADIC should become the central platform for joint development programs, technology transfers, and collective procurement efforts, supported by a joint funding mechanism and regional fiscal incentives. Second, the appointment of countries as lead integrator for modular regional defense projects, such as ASEAN patrol vessels, unmanned systems, or tactical communication platforms. Third, harmonization of technical standards and production regulations for defense equipment across ASEAN is essential. This could be pursued through the establishment of a joint technical task force involving national defense industries to develop interoperable systems and joint technical specifications. Fourth, all procurements from non-ASEAN countries must be subjected to strong offset requirements, including licensing, joint training, and investments in local defense industries. Finally, to ensure long-term sustainability, regional human resource development and dual-use technological innovation must be prioritized through scholarship programs, expert exchanges, and joint research funding, in coordination between ADMM and the ASEAN Committee on Science, Technology and Innovation (COSTI).

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Geoeconomic Confrontation



Military Science and History Department (MSHD), Ministry of National Defence, Lao People's Democratic Republic

ASEAN Defence Industrial Issues and Ways Forward

Presented by LTC Souksan Kaimpom

Director, Office of Military History-Science Department, MSHD

29. Lt.Col Souksan highlighted the evolving regional and global security environment, shaped by both traditional and non-traditional threats, has prompted ASEAN Member States to strengthen their cooperation in various areas, including defence industry collaboration. The ASEAN Defence Industry Cooperation (ADIC), initiated in 2011, represents a key mechanism to foster self-reliance, enhance technological competitiveness, and reduce dependence on foreign defence imports. Lao PDR welcomes Malaysia's effort, as ADMM Chair, in bringing ADIC back into focus. Notable progress has been made in joint initiatives such as defence product development, research and development, training, and humanitarian assistance and disaster relief (HADR). These initiatives are critical not only for cost-efficiency but also for advancing regional integration and resilience.

30. However, despite these efforts, gaps still remain in achieving stronger intra-ASEAN defence industrial collaboration. The ADMM is encouraged to focus on boosting joint R&D, technology transfer, and the creation of a regional defence market, while fostering partnerships with economic and innovation bodies such as the AEC and ACI. To further enhance ADIC's effectiveness, Lao PDR recommends promoting education and training, defence trade events, academic exchanges, and expanded collaboration with regional and global partners. Ultimately, strengthening ADIC will lay the foundation for a robust regional defence industry, supporting technological growth, education, and human capacity development across ASEAN.

National Defence University of Malaysia (NDUM), Malaysia

Defence Industrial Collaboration: Issues and Ways Forward

Presented by Professor Dr Adam Leong Kok Wey

Centre for Defence and International Security Studies, NDUM

31. ASEAN was formed based on socio-economic regional cooperation, and later, when the Cold War ended, ASEAN initiated various platforms to discuss and operationalize security mechanisms to safeguard the region, but predominantly focused on non-traditional security issues such as humanitarian assistance during natural disasters, anti-piracy and combating terrorism. Nonetheless, a bold move was initiated in 2011 to build regional collaboration in defence industry research, development, innovation and production. The 'Concept Paper on the Establishment of ASEAN Defence Industry Collaboration (ADIC)' was adopted then but progress in establishing concrete defence industry collaboration via ADIC has been very slow. There are established bilateral defence industry collaborations in the region. For example, in the maintenance, repair and overhaul (MRO) of transport aircraft and small arms production, but more substantive joint regional defence industry collaboration still lacks traction.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



32. ADIC aims to build stronger defence ties among ASEAN Member States (AMS) and initiate regional economy-of-scale for acquisitions of defence assets and technologies. However, progress has been stunted due to a few reasons. The most critical issue is the protection of national sovereignty and military technological secrets which have continued to influence AMS to view cautiously on defence industry collaboration. Each AMS also has its strategic partners and defence allies from competing geopolitical blocs which influence their choices in defence procurements. However, there is a silver lining - AMS has done well in cooperating in non-traditional security issues via ADMM/ ADMM-Plus which can be used as the technological foundation to jumpstart regional defence industry collaboration in the development of common regional equipment for humanitarian assistance during natural disasters such as mobile toilets, food ration packs, mobile hospitals, and common land logistics vehicles. This commonality in equipment and material will enhance regional cooperation in the emergency deployment of military personnel and equipment to disaster-hit areas, and start rescue and relief operations with a sustainable and homogeneous supply chain. This, in turn, will build a more unified ASEAN Community.

Office of the Chief of Armed Forces Training (OCAFT), Republic of the Union of Myanmar

Concretising Defence Industrial Cooperation in the Height of Goeconomic Confrontations

Presented by BG Win Bo

Deputy Chief of Armed Forces Training (Strategic Studies), OCAFT

33. BG Win Bo mentioned that the defence industry is vital not only for national security but also for international relations and economic growth. He noted that technological advances, political demands, and sustainability concerns are shaping the modern defence sector. He pointed out that many countries invest in their own defence industries to ensure supply security and adapt to evolving military needs. However, he highlighted that rising research and development costs, small domestic markets, and fast technological changes are pushing nations toward international cooperation, including mergers and shared production. He observed that AMS also want to enhance defence industrial ties and strengthen regional supply chains. He mentioned that most AMS are net buyers of military equipment and remain dependent on imports from powerful nations like the United States, Russia, China, and European countries. He noted that each AMS follows its own defence priorities, creating a lack of standardisation and shared systems. Despite growing local industries, he stressed that most AMS continue to spend their defence budgets on imported equipment. He identified this pattern as a sign of limited self-reliance and uneven development within the region. He argued that this undermines efforts to build a more interconnected ASEAN defence sector.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



34. He pointed out that although the ADIC was established, it has had little success beyond dialogue and consultation. He identified unequal industrial capacity, regional competition, and the absence of joint policies as key obstacles to effective cooperation. He also noted that ASEAN's nature as a regional grouping—rather than a military alliance—makes it harder to pursue shared security goals. He recommended that if AMS truly wish to deepen defence cooperation, they should begin with trust-building measures such as regular meetings, workshops, technical seminars, research partnerships, and exchange programmes. He stressed that these small steps can create a foundation for future collaboration. He also recommended that AMS focus on peace-oriented efforts, such as HADR and anti-mine operations, rather than major combat platforms or offensive weapons, and joint production of non-offensive equipment could build trust and regional resilience. He argued that these areas are practical, less sensitive, and align better with ASEAN's commitment to peace and stability. He cautioned that pushing too hard on sensitive cooperation could create division instead of unity. He concluded that ASEAN should first build mutual trust, understanding, and collaboration before attempting deeper defence industry integration. He believes that with patience and unity, AMS can gradually overcome challenges and move towards more meaningful regional cooperation.

Office for Strategic Studies and Strategy Management (OSSSM), Armed Forces of the Philippines, Republic of the Philippines

Defence Industrial Collaboration Issues and Ways Forward

Presented by Capt James S Ramon Jr PN (MNSA)

Chief, Policy Studies Division, OSSSM

35. Capt Ramon presented a comprehensive overview of ASEAN defence industrial collaboration in response to evolving regional and non-traditional security threats. He highlighted key trends such as ASEAN's continued reliance on external suppliers, uneven defence industrial capacities among member states, and a growing commitment to structured regional cooperation. Capt Ramon emphasized the strategic alignment between ASEAN initiatives and the Philippines' Self-Reliant Defence Posture Revitalization Act, underscoring efforts to enhance regional defence autonomy, foster public-private innovation, and reduce dependence on foreign sources through synergized national and regional policies.

36. In outlining short- to medium-term priorities, Capt Ramon proposed practical and actionable measures including joint education and R&D programs, shared maintenance and repair facilities, and co-hosted defence exhibitions to stimulate intra-ASEAN trade. He further advocated for the establishment of regional defence innovation hubs, harmonized procurement standards, and technology-sharing partnerships with external actors. To move beyond dialogue, Capt Ramon called for the institutionalization of the ASEAN Defence Industry Collaboration (ADIC), supported by a dedicated secretariat and funding mechanisms. He concluded by stressing the need to integrate defence industrial efforts with broader ASEAN platforms to ensure strategic, sustainable, and future-proof regional growth.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



Discussion

37. Harmonisation of technical standards and production regulations for ASEAN defence industries.
38. The voluntary appointment of countries as lead integrator for modular regional defence projects, such as ASEAN patrol vessels, unmanned systems, or tactical communication platforms.
39. Public-Private Partnership/Establish a network linking private defence tech firms and academic institutions.
40. Leverage ASEAN economic and innovation financing platforms for dual-use defence industry projects.

Recommendations

41. The ADMM should consider implementing the principles and objectives of the ASEAN Defence Industry Collaboration (ADIC), in pursuit of enhancing operational collaboration on joint research and development programs.
42. The ADMM should promote sub-regional cooperation arrangements for common systems that multiple AMS have or will procure, to maximise economies of scale and enhance bargaining with suppliers.
43. The ADMM should explore the establishment of a common procurement framework, which includes defence product catalogues and guidelines for procurement.
44. The ADMM, through NADI, should conduct collaborative research to map out defence industrial supply chains and identify key dual-use items bottlenecks, such as critical minerals, rare earth elements, and production tools.
45. The ADMM should facilitate defense collaboration through exhibitions and networking activities to foster awareness of AMS local defence firms.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



Other Matters

46. Forthcoming NADI activities:

Date	Activity	Country
26 – 29 August 2025	Meeting on “Artificial Intelligence in Defence: Potential and Challenges for ADMM Cooperation”	Pattaya, Thailand
29 August – 1 September 2025	Thailand Security Dialogue 2025 “Peace and Security in a Global Disruption”	Bangkok, Thailand
10 – 13 November 2025	Meeting on “The Evolving Character of Warfare: Readiness and Adaptation” Research Publication	Brunei Darussalam
21 – 24 April 2026	Annual General Meeting	Philippines

Closing Remarks

Brigadier General Joel M Paloma PA

Chief, Office for Strategic Studies and Strategy Management, J5
Armed Forces of the Philippines

47. In his remarks, Brigadier General Paloma noted the importance of investing in the region’s defence industries amidst territorial conflicts and geopolitical tensions. He said that developing AMS defence capabilities does not only respond to regional security challenges but also marks the region’s competitiveness.

48. BGen Paloma highlighted that combined efforts of AMS are necessary for defence industrial growth to become a reality. Further, AMS must work together and move beyond their respective differences in order to continue regional security, stability, and economic growth.



Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation



Closing Remarks

Lieutenant General Ferdinand M Cartujano PAF (Ret)

President

National Defense College of the Philippines

49. Lieutenant General Cartujano stressed the need for AMS to equip themselves with a formidable defence industry that is capable of defending the region and its people. He mentioned the story of Filipino hero Lapu-Lapu, who defeated Portuguese explorer Ferdinand Magellan in 1521 during the Spanish colonization in the Philippines. Lt Gen Cartujano said that while Lapu-Lapu's men used indigenous weapons then, it will take more for AMS to secure and defend the region today. Nevertheless, AMS may take inspiration from Lapu-Lapu in fighting against external forces who infringe on their rights and interests.

50. In addition, Lt Gen Cartujano highlighted the sacred duty of AMS to prevent unruly actors from defining what ASEAN centrality means for ASEAN, as well as destroying ASEAN's collective sense of purpose.

Track II

Network of ASEAN Defence & Security Institutions Meeting

Concretizing Defense Industrial Cooperation in the Height of Goeconomic Confrontation