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**BANGKOK**  
**HIGH LEVEL DIALOGUE**  
**ON ASEAN ITALY**  
**ECONOMIC RELATIONS**

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**PRESENTATION BY**

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# **Circular and Digital Transition: Strategic Action for ASEAN-Italy Partnership**

**7<sup>th</sup> High-Level Dialogue on ASEAN Italy Economic Relations  
4 October 2023, Bangkok, Thailand**

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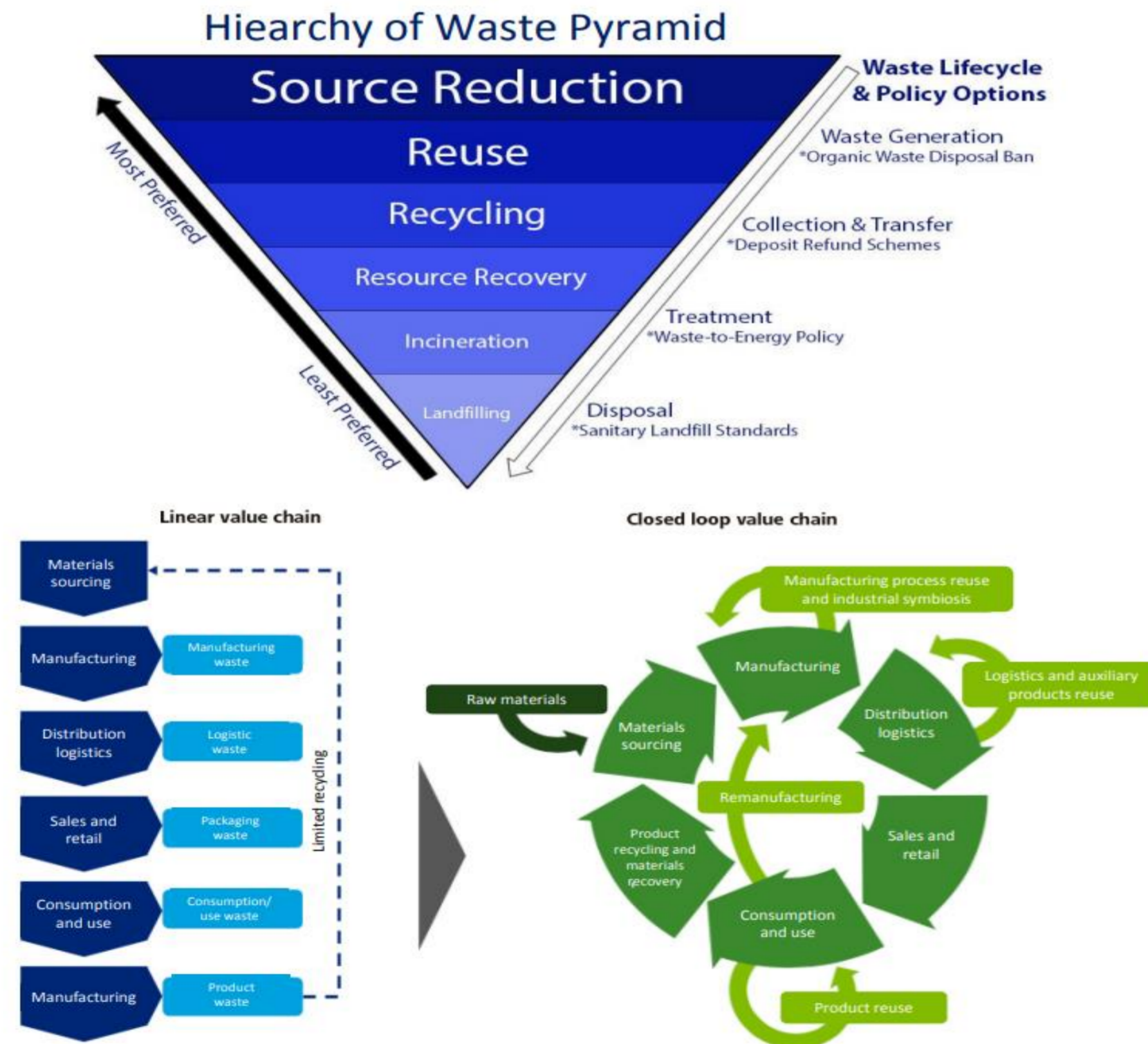
# Twin Transition: Key questions

- 1** **Why** circular transition and digitalization matter?
- 2** **What** are the opportunities and challenges of circular economy and digital innovation in ASEAN and East Asia?
- 3** **How** to make circular transition and digitalization work?

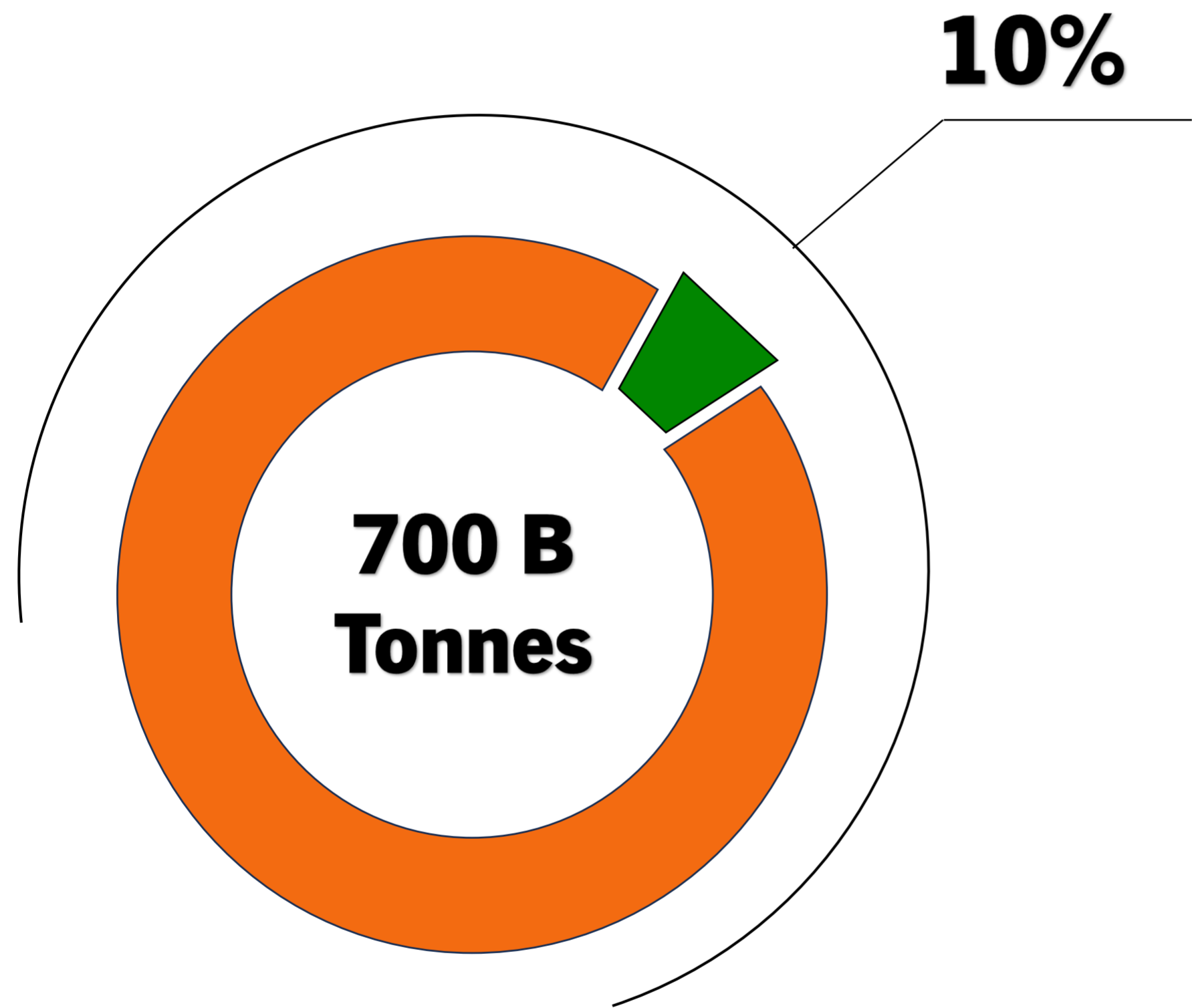


# Imperatives for circular economy

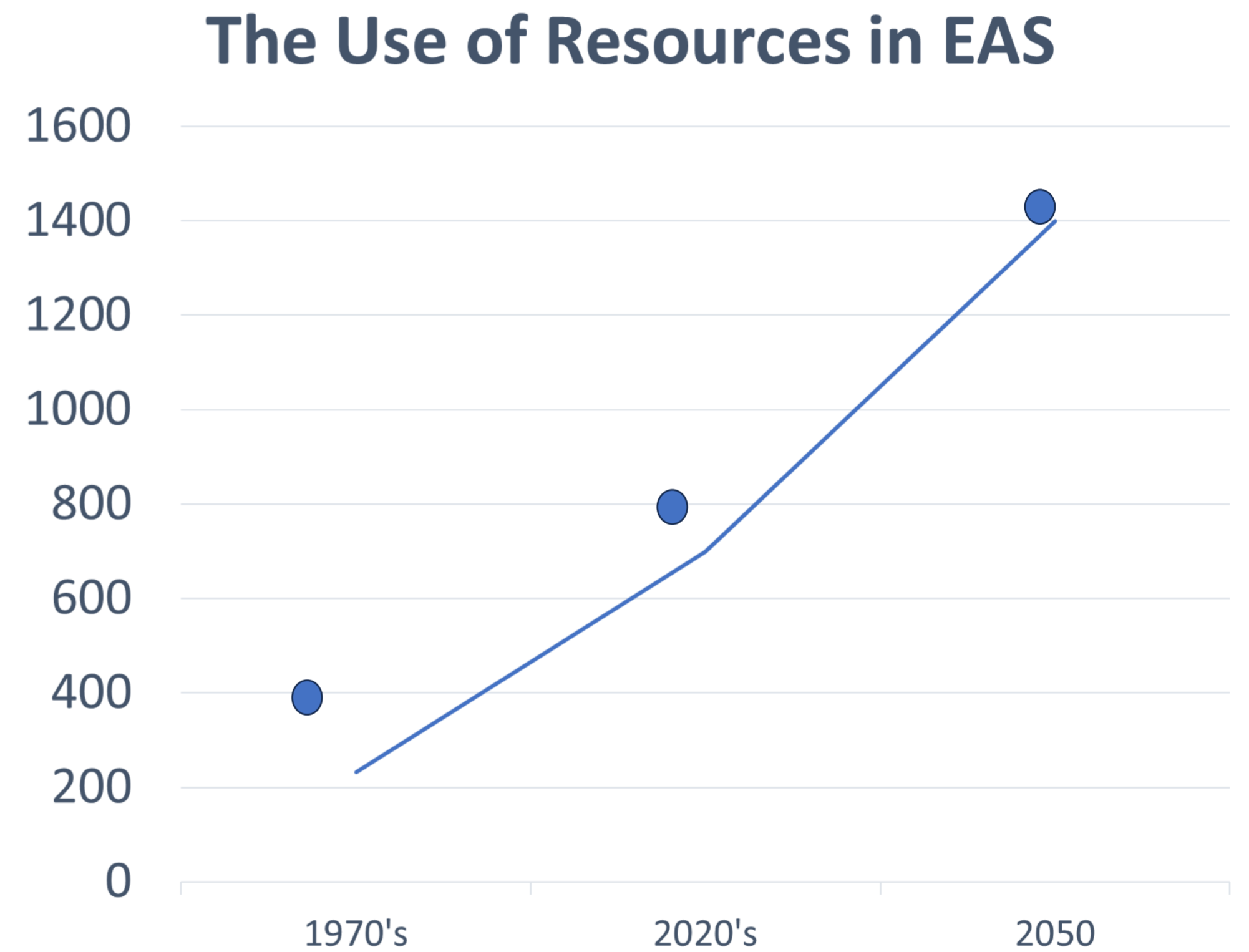
## Basic Principles of Circular Economy – A Cycle of Resource Efficiency Improvements



- Circular Economy is a means to improving resource efficiency along supply chains both upstream and downstream by adopting regenerative business model that need innovation
- ERIA's research demonstrates a positive vision of a circular transition
- ERIA's CADP 3.0 recognized the importance of digitalization in navigating the post-pandemic era
- Regional initiatives acknowledge how circular economy is crucial for inclusive and resilient future



Resource Entry = 700 B Tonnes  
Recycled = 10%



Will double by 2050

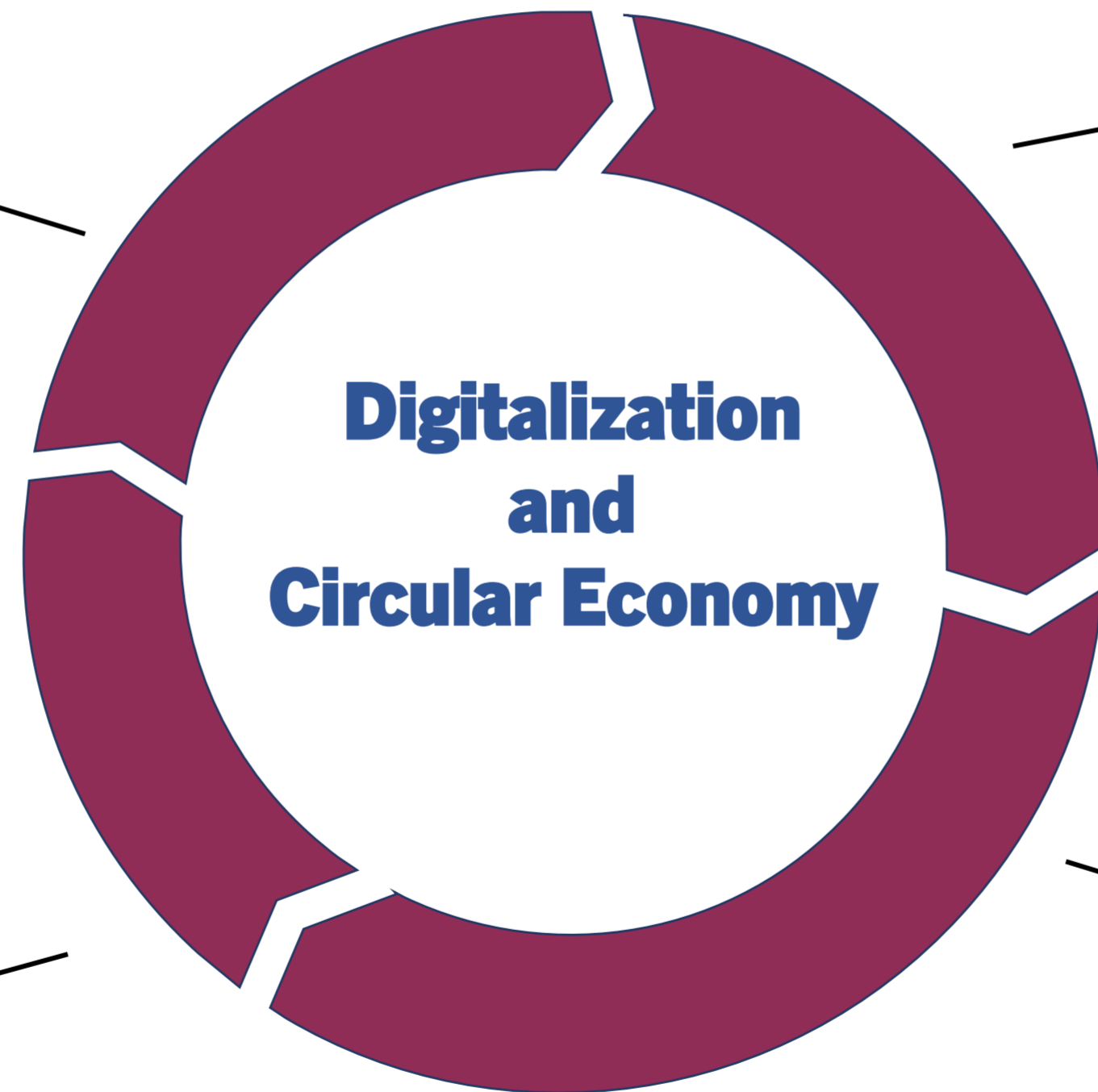
# Digitalization as a driver of circular economy

## 1. Transformation to Circular Economy

Requires a change in production, consumption and distribution

## 4. Big Data Usage

Mapping of problems within various stages of economic cycle



## 2. Digitalization as key to circular economy

Robots, AI, IoT and ICT tools support recycling, re-manufacturing and enhancing connectivity

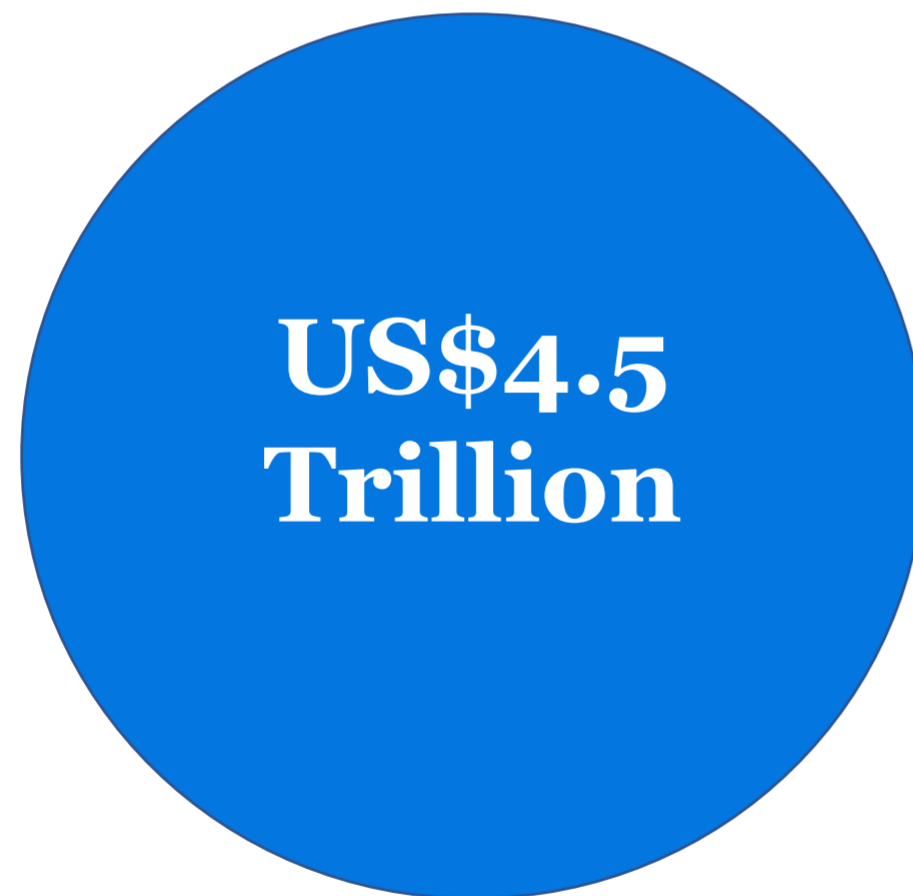
## 3. Digitalization of Supply Chain

Digital solutions can:

- Enhance efficiency and visibility
- Optimize production
- Minimize impact of future shocks

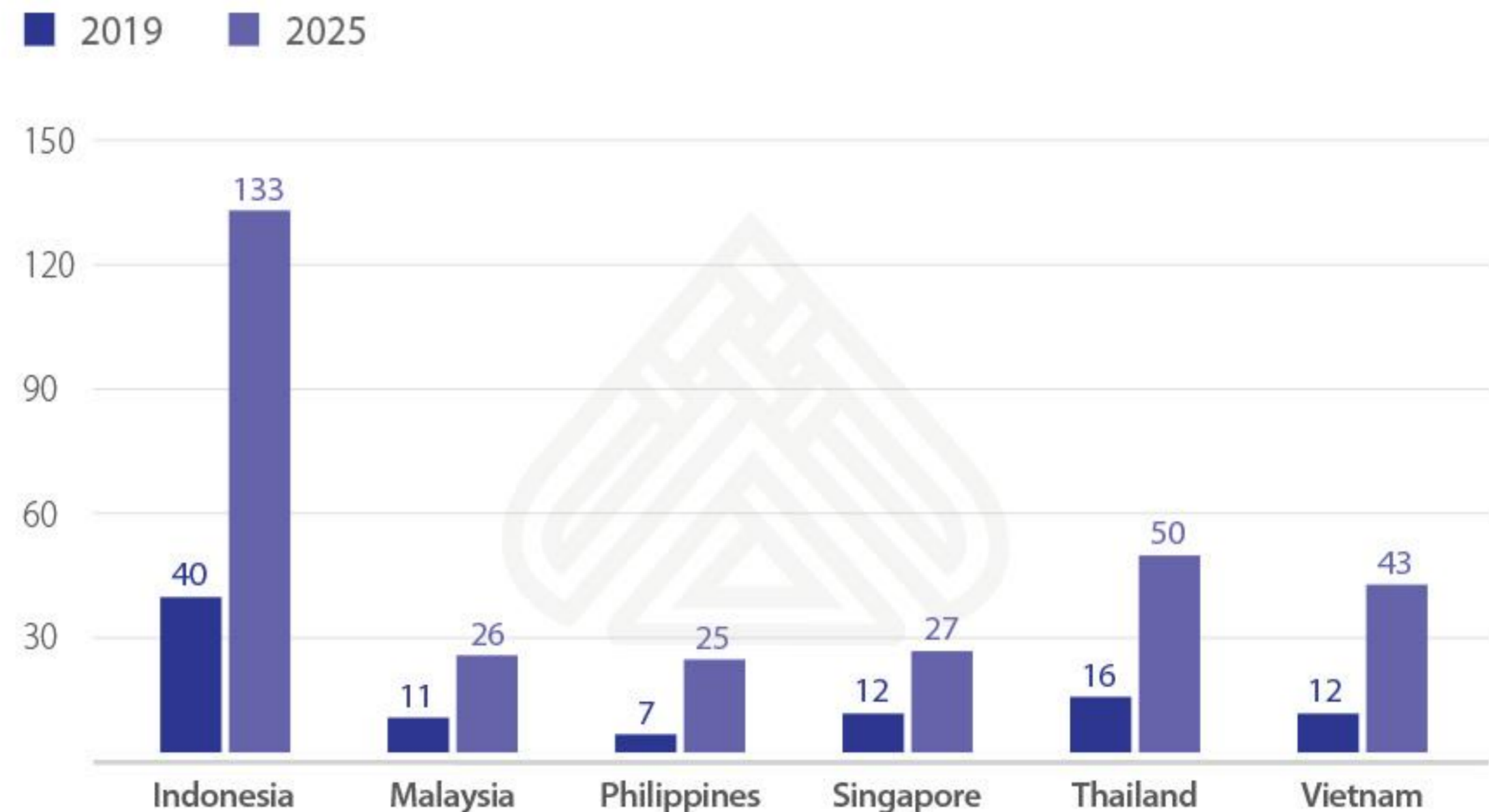
# Maximizing the opportunities of circular economy and digital innovation in ASEAN and East Asia ...

**Circular Economy  
output by 2030**



Source: Accenture (2015)

Value of the Internet Economy of ASEAN-6 (US\$ billion)



Source: e-Conomy Report, Google, Temasek Holdings, and Bain & Co

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# ... and addressing challenges and constraints

## Infrastructure

- Digital divide at the local level
- Limited powerful ICT infrastructure for new technologies e.g., AI, Blockchain

## Governance

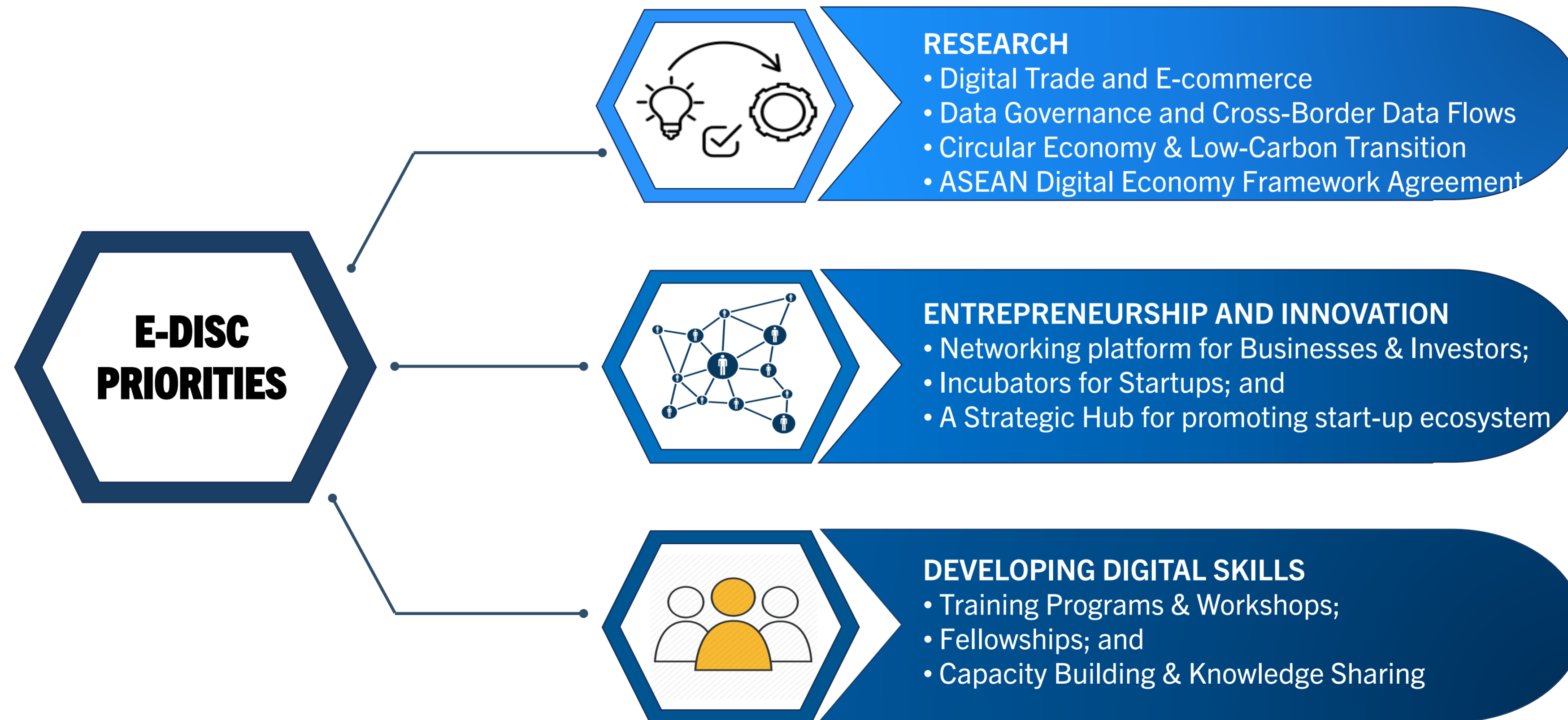
- The interconnected nature of EAS countries through trade and tech
- Lack of harmonized system codes and policy instruments



# Toward a circular and digital transition - strategy for ASEAN-Italy economic relations



# Supporting ASEAN and East Asia through E-DISC: ERIA's Digital Innovation and Sustainable Economy Center



# Thank you!

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