

# Enhancing Regional Integration: A Bilateral Input-Output Analysis on ASEAN's Electrical and Electronics Trade

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## ABSTRACT

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The Association of Southeast Asian Nations (ASEAN) has pursued economic integration since 1967 to promote regional peace, stability, and development (ASEAN, 2025). Key initiatives—such as the ASEAN Free Trade Area (AFTA) and the ASEAN Trade in Goods Agreement (ATIGA)—have lowered trade barriers and supported regional connectivity. Among ASEAN's most strategic sectors is electrical and electronics (E&E), contributing an average of 8.4% to regional GDP in 2023 (Pasadilla, 2023). ASEAN countries have developed strong export-oriented E&E industries driven by foreign investment and specialization, embedding them in global production networks (Asian Development Bank, 2023). Despite these advancements, intra-ASEAN trade in E&E remains limited compared to trade with external partners such as the United States and Japan (Pasadilla, 2023). In addition, there has been global trade war and on-going trade disputes, there have been rising protectionist policies (Foristella & Chen, 2022). This dependence exposes the region to global supply chain risks. The ASEAN Economic Community (AEC) and Regional Comprehensive Economic Partnership (RCEP) have aimed to deepen integration, but intra-regional linkages—especially in E&E—remain underdeveloped.

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