TECH FOR GOOD INSTITUTE

3 Media Close, Singapore 138498
w: techforgoodinstitute.org

PRESS STATEMENT

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Southeast Asia's New Phase of Digital Governance: Governments Shift Focus from Design to Implementation

KUALA LUMPUR, 11 June 2026 – Governments across Southeast Asia are entering a new phase of digital governance, moving beyond policy development and into implementation, enforcement, and institutional coordination. This is the key finding of the *The Evolution of Tech Governance in Southeast Asia 6 (SEA 6)*, the annual report of the Tech For Good Institute (TFGI) launched during the "**The Evolution of Tech Governance in Southeast Asia-6: Governing Emerging Technologies in Malaysia" roundtable discussion** in Kuala Lumpur, Malaysia, co-hosted with the Social and Economic Research Initiative (SERI).

Now in its third edition, TFGI's flagship annual report, the Evolution of Tech Governance in Southeast Asia, tracks how governance policy priorities and approaches to the digital economy are evolving across Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

Today's closed-door roundtable discussion held in Kuala Lumpur brought together government officials, industry representatives, academics, and policy researchers to reflect on the evolving technology governance landscape across Southeast Asia and to examine Malaysia's strategic priorities in governing emerging technologies, with a particular focus on AI governance amid rapid technological change and shifting geopolitical dynamics.

The discussion took place in the context of Malaysia's goal of becoming an "AI Nation" by 2030 and increasing the digital economy to more than 25% of GDP. That ambition has been matched by significant investment in digital infrastructure such as the 2026 budget proposed approximately USD 496 million (MYR 2 billion) for Sovereign AI Cloud, as well as dedicated funding for the National AI Office and national cybersecurity. Malaysia's leadership role during its ASEAN Chairmanship in 2025, in advancing negotiations on the ASEAN Digital Economy Framework Agreement (DEFA), has further positioned the country as an important contributor to the region's evolving digital governance landscape. These developments highlight the growing necessity of flexible, interoperable, and forward-thinking governance models that foster innovation while ensuring trust, security, and regional digital integration.

"*Southeast Asia is moving beyond the question of whether to govern emerging technology, towards the more challenging task of governing it well*," said Arifah Sharifuddin, Institute Director of the Tech for Good Institute (TFGI). "*At TFGI, we always believed that understanding digital governance means looking past the rules on paper, to who exercises authority, and how implementation unfolds on the ground. This year's report captures that shift: governments in Southeast Asia are moving from designing frameworks to enforcing them, and building the institutions to make them work*."

"*As new technologies become a bigger part of our daily lives, it is important that conversations around how they are governed keep pace with innovation. We are pleased to have partnered with TFGI to bring together stakeholders from different sectors to exchange views and share experiences on this important issue,*" said Rashaad Ali, Managing Director of Social and Economic Research Initiative (SERI). "*At SERI, we believe that good policymaking starts with open dialogue and diverse perspectives. Discussions like these help ensure that Malaysia is better prepared to navigate both the opportunities and challenges that emerging technologies present.*"

The discussion opened with a regional overview of technology governance developments across Southeast Asia-6, examining how governments are responding to key policy priorities, including AI, cybersecurity and data protection, and digital platform regulation.

A key finding of the report is the region's wide shift from policy frameworks to active implementation. Countries across Southeast Asia have strengthened regulatory oversight through new compliance mechanisms, platform accountability measures, and expanded enforcement powers. Governments are also investing in dedicated institutions and regulatory capabilities to oversee an increasingly complex digital economy.

The report further highlights the rapid evolution of AI governance across the region. Governments are increasingly treating AI as strategic infrastructure and investing in sovereign capabilities, including computing power, cloud infrastructure, data centres, and AI safety frameworks. Rather than relying solely on voluntary principles, policymakers are developing more structured approaches to support innovation while managing risks.

Another significant development is growing momentum towards regional digital cooperation. The conclusion of negotiations for the ASEAN Digital Economy Framework Agreement (DEFA), alongside initiatives such as the ASEAN AI Safety Network and enhanced cybercrime cooperation, reflects a stronger commitment to regional interoperability and digital integration.

At the same time, the report notes that many governments are simultaneously pursuing stronger digital sovereignty strategies through greater control over data, infrastructure, and critical technologies. While these efforts reflect legitimate national priorities, they may also create new complexities for businesses operating across multiple jurisdictions. The report identifies the balance between national sovereignty and regional interoperability as the defining challenge for Southeast Asia's digital future. How governments manage this balance will play a critical role in determining whether the region develops into a more integrated, resilient, and globally competitive digital economy.

"The promise of technology, including AI, cannot be realised through technology alone. It demands the intentional construction of innovation ecosystems grounded in cross-sector collaboration among governments, the private sector, and academia. This co-creation can help identify opportunities where we can balance innovation and regulation as digital transformation continues," said Keith Detros, Programme Manager, Tech for Good Institute.

The roundtable concluded with an in-depth discussion among representatives from government, industry, academia, and policy institutions on Malaysia's evolving approach to AI governance and digital transformation. Participants examined the governance challenges arising from increasingly complex AI ecosystems, including the need to balance innovation, competition, trust, and safety while supporting domestic capability development. Discussions also highlighted the importance of governance instruments, institutional coordination, digital infrastructure, and regional cooperation in ensuring that Southeast Asia can capture the benefits of AI adoption while managing emerging risks and strategic dependencies.

Key contributors to the discussion included Ellina Roslan, Senior Director, MyDigital; Raja Segaran, Director, Regional Digital Economy Office, Malaysia Digital Economy Corporation; Bryan Yeoh, Senior Manager, Strategy and Knowledge Leadership, Malaysia 4IR Center; Darmain Segaran, Manager, AI Policy Lab, National AI Office; Hasnul Nadzrin Shah, Government Affairs Director, American Malaysia Chamber of Commerce; Nabila Hussain, Director, Government Affairs and Public Policy, Microsoft; Shariffah Rashidah Syed Othman, Deputy Director General, Personal Data Protection Department; Wan Khatina binti Wan Mohd Nawawi, Managing Director, EconWorks Advisory; Farlina Md Said, Director, Institute of Strategic and International Studies; and Dr. Jun-E Tan, Senior Research Associate, Khazanah Research Institute. Together, they shared their perspectives on Malaysia's policy priorities and strategic directions for 2026.

As regulatory frameworks move further into their enforcement phase, success will depend on strengthening technical expertise, improving coordination across institutions, and delivering tangible benefits for citizens, businesses, and society.

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About the Tech for Good Institute (TFGI)

The Tech for Good Institute (TFGI) is a non-profit policy research institute working to advance the promise of technology and the digital economy for inclusive, equitable and sustainable growth in Southeast Asia (SEA). TFGI serves as a platform for research, conversations and collaborations focused on SEA, while staying

connected to the rest of the world. Our work is centred on issues at the intersection o in f technology, society and the economy, and is intrinsically linked to the region's development. We seek to understand and inform policy with rigour, balance and perspective by using research, effective outreach and evidence-based recommendations.

TFGI works in partnership with the Mastercard Center for Inclusive Growth and Grab, to advance the vision of a thriving and innovative SEA for all. We welcome opportunities for partnership and support, financial or in-kind, from organisations and individuals committed to fostering responsible innovation and digital progress for sustainable growth in the region.

Learn more about TFGI: www.techforgoodinstitute.org

About Social & Economic Research Initiative

SERI conducts rigorous research, engages with stakeholders across government, civil society, and academia, and promotes informed dialogue to support policies that improve health, education, and socioeconomic outcomes.

Through initiatives such as convening high-level roundtables and producing policy recommendations, SERI seeks to translate research into actionable solutions that benefit all Malaysians.

For media Inquiries, please contact:

Keith Detros
Programme Manager, Tech for Good Institute
keith.detros@techforgoodinstitute.org

Nur Farthinie
PR & Operations, Social & Economic Research Initiative
nfarthinie@seri.my