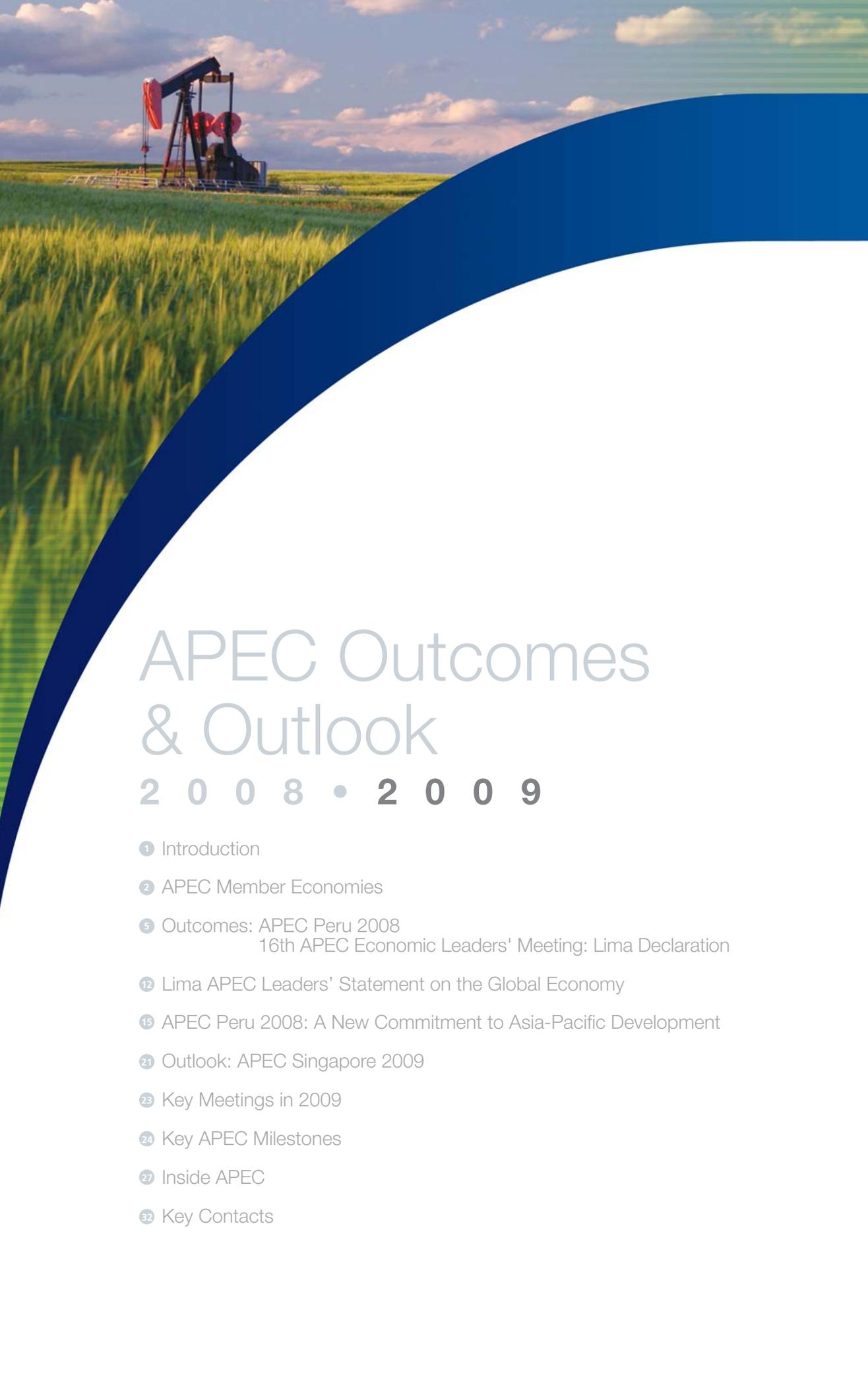




**Asia-Pacific  
Economic Cooperation**

# APEC Outcomes & Outlook

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A photograph of an oil pumpjack in a field of tall grass under a blue sky with clouds. A large blue curved graphic element is on the right side of the page.

# APEC Outcomes & Outlook

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# Introduction

Dear APEC Stakeholders,

The advent of the global financial crisis in 2008 presents many threats to economic growth and welfare in the Asia-Pacific region, however the challenges posed by the crisis emphasize more than ever the importance of the APEC agenda and the value that lies in members' pursuit of it.

In the 2008 Lima APEC Leaders' Statement on the Global Economy, Leaders reiterated the core APEC tenet that free market principles and open trade and investment regimes drive global growth, employment and poverty reduction. Accordingly, Leaders agreed to refrain from raising new barriers to trade and investment for a period of 12 months, and committed to work together to do everything possible to restore growth and stability.

Throughout 2008 Peru has helped APEC achieve concrete advances on its trade and economic agenda, as well as expand its social dimension. Under the theme, "A New Commitment to Asia-Pacific Development", emphasis was placed on boosting technical cooperation to ensure that all members, developing as well as developed, and economic sectors can benefit from trade and investment. Special attention was given to development issues such as improvements in education promoting small and medium enterprises, public-private sector partnerships and corporate social responsibility. Increased cooperation with international organisations, international financial institutions and civil society were also identified as key factors in the promotion of sustainable and inclusive development.

APEC's regulatory reform agenda progressed with the inaugural Structural Reform Ministers' Meeting held in August. Going forward this work will be assisted by the Policy Support Unit which has been established to provide analytical and research support.

Faced with a challenging global economic environment, APEC 2009 will focus on creating the necessary conditions for recovery and economic growth in the region. Under the theme "Sustaining Growth, Connecting the Region", Singapore's chairmanship of APEC in 2009 will aim to provide a "stimulus package" for trade and investment, by further resisting protectionism and accelerating economic integration within the Asia-Pacific region.

Specifically, the 2009 agenda will be three-fold: (i) strengthening trade and investment liberalisation at -the-border by intensifying work to reduce tariffs, non-tariff barriers and other restrictions to trade and investment flows - this will include developing a more focused capacity building strategy and continued analytical work on a possible regional Free Trade Area; (ii) improving the ease of doing business by simplifying behind-the-border business regulations; and (iii) improving logistics and transport networks, so as to enhance physical connectivity across-the-border, and to reduce the time, cost and uncertainty involved in moving goods along the entire supply chain. 2009 will also see the forging of closer partnerships between APEC and its various stakeholders, including the business community.

As APEC celebrates its 20th anniversary, we will strive for a dynamic APEC that continues to play an important role in economic integration and cooperation within the Asia-Pacific region. In order to strengthen the efficiency of the Secretariat, 2009 also marks the last year in which APEC will have an annual rotating Executive Director. From 2010, the position will be a professional appointment. This will provide continuity in management and strategic direction in the years to come.

Yours sincerely,



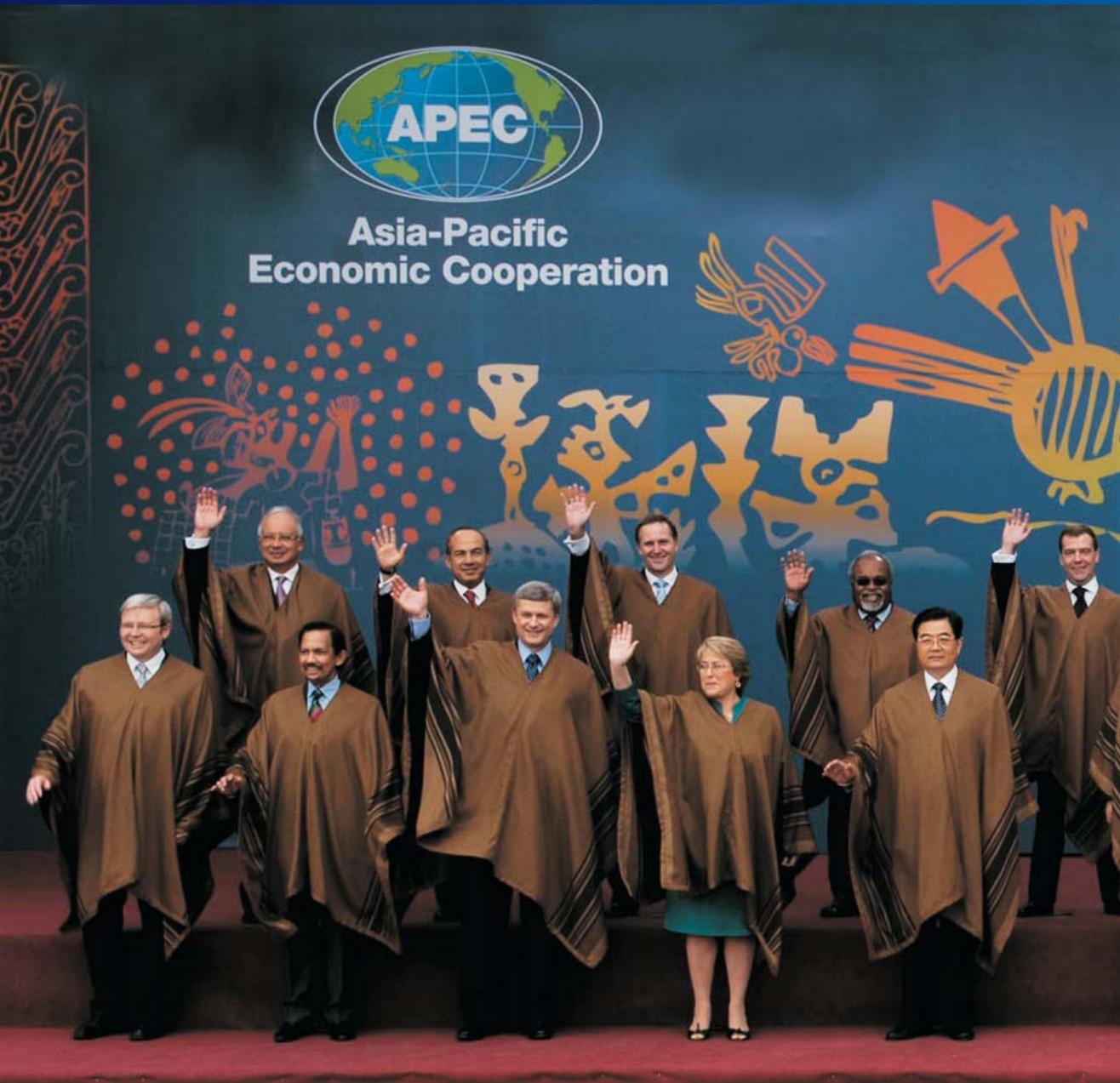
**Ambassador Juan C. Capuñay**  
*Executive Director*  
APEC Secretariat 2008



**Ambassador Michael Tay**  
*Executive Director*  
APEC Secretariat 2009

# APEC Member Economies

**Australia • Brunei Darussalam • Canada • Chile • China • Hong Kong, China • Indonesia • Japan • Korea • Malaysia • Mexico • New Zealand • Papua New Guinea • Peru • The Republic of the Philippines • Singapore • South Korea • Chinese Taipei • Thailand • United States**



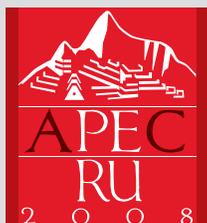
Canada • Chile • People's Republic of  
China • Indonesia • Japan • Republic of Korea  
Malaysia • Papua New Guinea • Peru  
Philippines • Russian Federation • Singapore  
United States of America • Viet Nam





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# APEC Peru 2008



APEC comprises 21 Member Economies. It is home to more than 2.7 billion people and represents approximately 54 percent of world GDP and 44 percent of world trade. Leaders of APEC Economies meet annually to discuss a range of issues that are focused on economic growth and prosperity for the region. At this year's APEC Economic Leaders' Meeting, held on 22-23 November in Lima, Peru, Leaders issued the 2008 Leaders' Declaration and the Lima APEC Leaders' Statement on the Global Economy.

## 16th APEC Economic Leaders' Meeting Lima, Peru, 22-23 November 2008

# Declaration: A New Commitment to Asia-Pacific Development

We, the Economic Leaders of the Asia-Pacific Economic Cooperation (APEC) forum, gathered in Lima, Peru, under the theme: "A New Commitment to Asia-Pacific Development". The theme chosen for APEC 2008 highlights the importance of reducing the gap between developed and developing member economies. We are committed to strengthening the social dimension of globalisation and ensuring that all members and all sectors of our economies can access the skills and opportunities to participate in, and benefit from, regional and global trade and investment.

The current global financial crisis is one of the most serious economic challenges we have ever faced. We will act quickly and decisively to address the impending global economic slowdown. We welcomed the monetary and fiscal stimulus provided by APEC member economies and will take all necessary economic and financial measures to resolve this crisis, taking the necessary actions to offer hope to those most in need.

Our resolve to address the deteriorating global economic situation, and support a prompt, ambitious and balanced conclusion to the WTO Doha Development Agenda (DDA) negotiations, is outlined in a separate statement issued at this meeting.

### REGIONAL ECONOMIC CHALLENGES

#### **Advancing Regional Economic Integration**

Last year we agreed to an ambitious long-term agenda to strengthen regional economic integration. We welcomed the 2008 progress report from Ministers and officials on efforts to achieve this goal. We endorsed the 2009 work plan for the APEC Regional Economic Integration (REI) Agenda in order to build upon this year's accomplishments on REI and to accelerate efforts in all areas of this agenda.



Our goal of free and open trade and investment in the Asia-Pacific region will be achieved through a series of unilateral reform measures combined with bilateral, regional and multilateral liberalisation. We are committed to continuing the implementation of APEC's REI Agenda. In that regard, we:

- welcomed progress made by member economies towards the Bogor Goals of free and open trade and investment in the Asia-Pacific region. We reinforced our commitment to achieving the Bogor Goals to promote growth, development and a rapid recovery from the current global slowdown.
- we commended the progress made in examining the prospects and options of a possible Free Trade Area of the Asia-Pacific (FTAAP) as a long-term prospect. We noted advice from Ministers that while an FTAAP would likely be of economic benefit to the region as a whole, there would also be challenges in its creation. We instructed Ministers and officials to undertake further steps in examining the prospects and options of a possible FTAAP, including by conducting further analytical work on the likely economic impact of an FTAAP, and discussing the possible capacity building requirements for any possible future negotiations. In addition, we instructed officials to undertake initiatives designed to promote greater convergence among economies in key areas of APEC's trade and investment portfolio, including areas such as customs administration, trade facilitation and cross-border services.
- welcomed five new model measures, resulting in a set of 15 completed chapters for Regional Trade Agreements (RTAs) and Free Trade Agreements (FTAs) that will promote high-quality RTAs/FTAs and greater consistency and coherence among these agreements in the region.
- endorsed the continued process of implementation of APEC's second Trade Facilitation Action Plan (TFAP II) to achieve our stated goal of reducing trade transaction costs by an additional five percent between 2007 - 2010.
- welcomed the APEC Investment Facilitation Action Plan (IFAP) to improve the investment environment in the region and commended the initiation of the study of bilateral investment agreements and core-investment-related activities of existing free-trade agreements.
- emphasized the importance of strengthening financial markets in the region and welcomed the capacity building activities initiated by APEC Finance Ministers to reform capital markets. We recognized the pressing need for infrastructure development in APEC economies and welcomed the work undertaken by Finance Ministers on linkages between private public partnerships and capital market development. In this regard, we called on Finance Ministers to examine more fully the means to optimise linkages between private infrastructure finance and growth and development.
- reaffirmed our commitment to strengthen the protection and enforcement of intellectual property rights (IPR) in the region, and reiterated the importance of comprehensive and balanced IPR systems that provide for and protect the incentives that encourage creation and innovation. We will continue to promote greater collaboration among our IPR experts and enforcement authorities.
- we welcomed the progress by economies to implement the APEC Anti-Counterfeiting and Piracy Initiative as well as efforts to improve patent systems in the region and look forward to further progress in this area next year.
- welcomed the Digital Prosperity Checklist as an important tool in APEC's efforts to promote sustained economic growth through the use and development of information and communication technologies.

We welcomed the views and work carried out by the APEC Business Advisory Council (ABAC) on improving the business environment, and called for an active participation of small and medium enterprises (SMEs) in the REI agenda.



We asked Ministers and officials to continue the implementation of the REI Agenda as outlined in the progress report and report back to us in 2009 with a summary of steps taken to promote this agenda.

Noting the increased economic integration in the region, we also discussed Australia's suggestions on how regional architecture can keep pace with changing circumstances.

### **Implementing Structural Reform**

We agreed that our Leader's Agenda to Implement Structural Reform (LAISR) is a central element of APEC's agenda, integrating the three pillars of trade and investment liberalisation, business facilitation, and economic and technical assistance and cooperation. We reiterated the fundamental importance of tackling 'behind-the-border' barriers to trade and investment in the creation of well-performing, resilient and robust economies.

We welcomed the outcomes of the Structural Reform Ministerial Meeting (SRMM), held in Melbourne in August 2008 and noted the endorsement by Ministers of APEC's Good Practice Guide on Regulatory Reform. We recognized the importance of developing a program of practical support for member economies to successfully undertake structural reform. This includes capacity building initiatives in the areas of regulatory reform, corporate governance and other LAISR areas. We encouraged active participation in the voluntary system of peer or self-review of our economies' efforts to implement structural economic reform.

We welcomed publication of the annual APEC Economic Policy Report and the accelerated work plan for Private Sector Development endorsed by Trade Ministers in June.

### **Improving Food Security in the Asia-Pacific**

We are deeply concerned about the impact that volatile global food prices, combined with food shortages in some developing economies, are having on our achievements in reducing poverty and lifting real incomes over the last decade. The poor are especially vulnerable to increases in food prices. We support a fully coordinated response and a comprehensive strategy to tackle this issue through the Comprehensive Framework for Action developed by the United Nations (UN) Task Force on the Global Food Security Crisis. We will support the application and implementation of this Framework within the region, as appropriate.

Individual and collective policy responses to expand food and agricultural supply in the region should strengthen market forces to encourage new investment in agricultural technology and production systems. A prompt, ambitious and balanced conclusion to the WTO DDA negotiations would deliver substantial improvements in market access and reduce market-distorting measures in global agricultural trade.

We commended the work that APEC has undertaken in the area of food and agriculture, and welcome the work plan endorsed by APEC Ministers to refine and strengthen APEC's agenda to meet current and emerging food security challenges. We also recognized the role of ABAC in raising the importance of food and agricultural issues on the APEC agenda.

We directed APEC to increase technical cooperation and capacity building that will help foster agricultural sector growth, including efforts to increase food production; improve agricultural education; enhance natural resource management; promote the development of next generation biofuels made from non-food materials; build well-functioning markets and regulatory



institutions; and make food storage, transportation, and distribution systems more efficient. We pledged cooperation to bolster conditions conducive to promoting agricultural research and development. We directed APEC to help member economies develop science-based regulatory frameworks to benefit from the potential of agricultural biotechnology.

## ADDRESSING THE SOCIAL DIMENSION OF GLOBALISATION

### Promoting Corporate Social Responsibility (CSR) in the Asia-Pacific

We stressed that globalisation based on economic, social and environmental progress can bring sustainable benefits to all APEC economies, their business sectors and their people. CSR can reinforce the positive effects that trade and investment have on growth, competitiveness and sustainable development. We encourage responsible and transparent business conduct that adheres to local legislation and regulations and takes into account guidelines related to CSR that have been developed by multilateral bodies, as appropriate.

We agreed that given increasing expectations amongst global consumers, investors and business partners regarding responsible and sustainable business practices, the voluntary activities that comprise CSR will remain an important aspect of doing business in the 21st century. We recognize that all stakeholders in our communities benefit when governments foster a business environment that encourages voluntary CSR practices. This will create greater value both for businesses and for the societies in which they function.

We welcomed the work that has been undertaken within APEC to promote CSR awareness and capabilities in the region, and future work that will encourage dialogue on CSR among relevant stakeholders including: businesses, governments, employees, communities, consumers, investors, and non-governmental organisations. We recognized ABAC's efforts in promoting CSR awareness and uptake in the region through the dissemination of information regarding CSR principles, practices and benefits.

We encouraged companies to incorporate CSR into their business strategies to take account of social, labour and environmental concerns. The development of CSR in the region will depend on the different domestic economic, social and cultural context of APEC members. We agreed to promote CSR practices in APEC economies on a voluntary basis in business operations of all sizes to complement public policies that foster sustainable development.

### Combating Corruption in the Region

Corruption in both the public and private sectors is a serious threat to social and economic development in the region. We recognize that when criminal entities collude with corrupt public and private sector officials, it results in a culture of impunity and financial exploitation of the legitimate economy. We agreed to leverage our collective will to combat corruption and related transnational illicit networks by promoting clean government, supporting public-private partnerships, fostering market integrity, and transparent financial systems. We recognize that the criminalization of corruption can facilitate greater regional cooperation.

In support of our earlier APEC anti-corruption commitments, we commend efforts undertaken by member economies to develop comprehensive anti-corruption strategies. These include efforts to restore the public trust and protect against the abuse of our financial system through financial intelligence and law enforcement cooperation related to corrupt payments and illicit financial flows. These anti-corruption activities through APEC are consistent with the UN Convention Against Corruption (UNCAC), which we encouraged economies to ratify and implement, where applicable. We also supported the revised Financial Action Task Force (FATF) recommendations, where appropriate.

We welcomed the Lima Anti-Corruption Declaration on Financial Market Integrity through Effective Public-Private Partnerships and the APEC Guidelines for Public-Private Action against Corruption.

### Strengthening Cooperation and Capacity Building in APEC

APEC's program of Economic and Technical Cooperation (ECOTECH) is essential to achieving our



objective of building capacity in a range of sectors in APEC economies. We reaffirmed our commitment to the Manila Framework, which serves as the basis for the implementation of the ECOTECH activities outlined in the Osaka Action Agenda. We welcomed contributions from economies to APEC's capacity building programmes.

We welcomed China's proposal to host the 5th APEC Human Resources Development Ministerial Meeting in 2010. Ensuring that all members of our economies receive a quality education is critical to achieving social, individual, economic and sustainable development. It enables people to take advantage of the opportunities created by globalisation. We supported the efforts of APEC Education Ministers to strengthen education systems in the region including ongoing support to the APEC Education Network. We welcomed the research-based steps taken by APEC in the areas of mathematics and science; language learning; career and technical education/technical vocational education and training; and information and communication technologies (ICT) and systemic reform. We support the recommendation of Education Ministers to facilitate international exchanges, working towards reciprocal exchanges of talented students, graduates and researchers.

We reaffirmed our commitment to build regional capacity to minimize health-related threats including avian and human influenza pandemics and communicable diseases such as HIV/AIDS. We welcomed continuing efforts to ensure economies are well prepared to deal with health threats and to respond to them in a way that minimizes their adverse impacts on human welfare, trade and investment. We reaffirmed our commitment to improve food and product safety standards and practices to facilitate trade and ensure the health and safety of our populations. We endorsed the work of the APEC Food Safety Cooperation Forum's Partnership Training Institute Network and called on Ministers to take additional steps to enhance food and product safety next year.

We are concerned that gender discrimination continues to have a significant impact on our economies. We committed to strengthening the capacity of APEC members to ensure that gender considerations are taken into account in the development of trade and economic policy, and to ensuring that the region's

women are better able to participate in and benefit from regional and global trade.

## ENHANCING HUMAN SECURITY IN THE REGION

### Combating Terrorism and Securing Regional Trade

Enhancing human security and protecting the region's business and trade against natural, accidental or deliberate disruptions remains an enduring priority for APEC, and an essential enabling element in APEC's core trade and investment agenda.

We agreed that international terrorism and the proliferation of weapons of mass destruction and their means of delivery pose a direct threat to our vision of free, open, peaceful and prosperous societies, and reaffirmed our commitment to eliminate these threats. Since 2001, we have worked together with a common understanding that all terrorist acts are criminal and unjustifiable, and must be unequivocally condemned, especially when they target or injure civilians, or use the abhorrent practices of suicide bombing and hostage taking. Terrorism in all forms and manifestations, committed by whomever, wherever and for whatever purposes, is a profound threat to the peace and security of all people, and of all faiths. Terrorist acts cannot be excused or justified by any alleged cause, conflict, oppression, or poverty.

We agreed that terrorist attempts to abuse or corrupt trade flows, finance, transportation, travel communications and modern technologies will not be tolerated. We pledged our full cooperation to ensure that the flow of people, goods and investments remained secure and open, and that economies and markets operated without disruption. We welcomed the initiative of a group of member economies led by Singapore to undertake a Trade Recovery Programme pilot exercise in 2009. We recognized the important role played by the UN and its Global Counter-Terrorism Strategy. We stressed the need for implementation, where applicable, of UN counter-terrorism measures and the Financial Action Task Force's (FATF) Special Recommendations on Terrorist Financing. We urged APEC Ministers and officials to continue to help secure the region's economic,



trade, investment and financial systems from terrorist attack or abuse and trade-based money laundering. We welcomed the ongoing efforts of the international community to combat piracy and armed robbery at sea and encouraged further concerted efforts to fight against piracy.

#### **Disaster Risk Reduction, Preparedness and Management**

The frequency and intensity of natural disasters related to the distortion of climate patterns in the region is increasing and the location of, and growth of, cities and mega-cities in vulnerable areas increases the impact of catastrophic events. Improving risk reduction, disaster preparedness and management in the region is a critical human security issue facing the region. We agreed that the challenges in this area are significant and growing in complexity and required greater international cooperation and coordination with the private sector, international organisations and non-government organisations.

We recognized that there continues to be operational challenges in regional disaster responses and greater coordination is needed as the number of disaster management arrangements and players in the region continues to grow. We agreed that greater focus is needed on disaster risk reduction, emergency preparedness and building domestic disaster management capabilities. In this regard, we welcomed the adoption of an APEC Strategy for Disaster Risk Reduction and Emergency Preparedness and Response initiated by Peru; the APEC Principles on Disaster Response and Cooperation proposed by China; the Stocktake on Disaster Management Capacity Building Needs; and welcomed the Australia-Indonesia proposal for a Disaster Risk Reduction Facility and its linkages to APEC economies and the APEC Task Force on Emergency Preparedness.

We endorsed the priority APEC has given to promoting risk management, business resilience and public-private sector partnerships, and supported efforts to prepare economies for the recovery phase. We instructed officials to undertake long-term capacity building projects aimed at accelerating recovery in disaster affected areas in APEC economies and supported the inclusion of education on disaster issues in school curricula where appropriate.

#### **CLIMATE CHANGE, ENERGY SECURITY AND CLEAN DEVELOPMENT**

Our ability to successfully confront the challenge of climate change will be crucial to the wellbeing of future generations. As a global issue, climate change must be addressed in a comprehensive manner, through international cooperation under the UN Framework Convention on Climate Change (UNFCCC) in 2009. Reducing poverty is likely to become more difficult in those developing economies most vulnerable to the adverse effects of climate change and related natural disasters. We reaffirmed our commitment to the Sydney APEC Leaders' Declaration on Climate Change, Energy Security and Clean Development.

We support decisive and effective long term cooperation now, up to and beyond 2012 to address climate change under the UNFCCC, in accordance with the principle of common but differentiated responsibilities and respective capabilities. We welcomed decisions taken by the international community at the UN Climate Change Conference in Bali in 2007 and the efforts to build a consensus on long term cooperative action, including a global emission reduction goal. We also noted the declaration in this regard by the G8 Hokkaido Toyako Summit held in July this year. We recognize the economic diversity and different domestic circumstances of individual APEC economies in addressing climate change.



We reaffirmed our commitment to the Action Agenda announced as part of the Sydney Declaration. We appreciate and encourage the efforts of individual APEC economies to meet these goals. We also welcomed the establishment of the Asia-Pacific Network for sustainable Forest Management and Rehabilitation (APFNet) and appreciate China's commitment to further financial support for this initiative. We expressed support for the cooperation and capacity building for climate change mitigation and adaptation, including those that promote the development and deployment of clean technologies. We appreciate Australia, Japan and the United States' financial support for the Climate Investment Funds, particularly the Clean Technology Fund.

We recognized the value of conservation, sustainable forests management and land use practices and enhancement of carbon stocks in forests and agricultural soils for carbon sequestration in the global response to climate change.

Recognizing that climate change could impede economies' abilities to achieve sustainable economic growth and reduce poverty, we strongly support international cooperation and capacity building for mitigation and adaptation as objectives that should be equally pursued, including those that promote low-emissions technology development and transfer to, and financial support for, developing economies. We also call for additional and coordinated efforts to better understand vulnerabilities caused by the impact of climate change on our oceans and their resources to develop more effective adaptation strategies. We endorsed the positive contribution of the Major Economies Leaders' Declaration to the UNFCCC. We committed to concerted action under the UN and complementary processes to reach an equitable and effective post-2012 international climate change arrangement at the UN Climate Change Conference in Copenhagen in December 2009.

Conscious that access to adequate, reliable, clean and affordable energy resources is vital to sustaining economic prosperity in the region, we reaffirmed our commitment to supporting the energy needs of regional economies by promoting open energy markets and free energy trade and investment. Such markets are crucial to the development of renewable sources of energy and the dissemination of low emission energy technologies, including new and alternative energy resources and technologies. We encouraged our officials to promote such developments and urge them to pursue regional energy efficiencies and maximize the potential development of clean energy technology.

## STRENGTHENING APEC

APEC is the pre-eminent forum for economic cooperation in the region. We are committed to Strengthening APEC's institutional processes to ensure it remains responsive to a rapidly changing global environment. Cooperative action within APEC can contribute to better outcomes on the major international challenges we face. We welcomed advice from APEC Ministers on the successful establishment of a Policy Support Unit in the APEC Secretariat as well as progress on the appointment of an Executive Director of the APEC Secretariat for a fixed term.

We endorsed in full the Joint Statement of Ministers at the 20th APEC Ministerial Meeting.

We welcomed the offer of Indonesia to host APEC in 2013. We welcomed the invitation from the Prime Minister of Singapore to meet again in Singapore in 2009.



## 16th APEC Economic Leaders' Meeting Lima, Peru, 22 November 2008

# Lima APEC Leaders' Statement on the Global Economy

We, the APEC Economic Leaders, began our 16th Meeting in Peru on 22 November with a discussion on the impact of the global financial crisis and the actions APEC members are taking, individually and collectively, to restore confidence in our economies and maintain our region on a path of long-term growth.

We are convinced that we can overcome this crisis in a period of eighteen months. We have already taken urgent and extraordinary steps to stabilize our financial sectors and strengthen economic growth and promote investment and consumption. We will continue to take such steps, and work closely, in a coordinated and comprehensive manner, to implement future actions to address this crisis. We will also support efforts by export credit agencies, international financial institutions (IFIs) and private banks to ensure that adequate finance is available to business, including small and medium-sized enterprises, and to keep trade and investment flowing in the region.

The current situation highlights the importance of ongoing financial sector reform in our economies and the valuable role played by APEC's financial sector capacity building work. We welcome continued development and innovation in the financial sector and believe that as financial systems deepen and become more complex,

regulatory and supervisory tools must be more effective. The crisis also highlights the need to develop more effective standards of corporate governance and risk management as well as the importance of social responsibility in the financial sector.

We welcome the Washington Declaration of the leaders of the Group of Twenty at their Summit on Financial Markets and the World Economy and strongly support the common principles that will guide the Action Plan for financial markets reform. In this regard, we strongly support the broad policy response needed to restore global economic growth and stability through: closer macroeconomic cooperation; avoiding negative spillovers; supporting emerging and developing economies; and comprehensively reforming and strengthening the IFIs to reflect the increasing voice and representation of emerging and developing economies and be more responsive to future challenges. We reiterate our firm belief that free market principles, and open trade and investment regimes, will continue to drive global growth, employment and poverty reduction.

We recognize that the International Monetary Fund (IMF), the World Bank, the Asian Development Bank, the Inter-American Development Bank and other



multilateral development banks have a critical role in assisting economies affected by the financial crisis and require sufficient and readily available resources. The IMF, with its focus on surveillance, should strengthen collaboration with other IFIs, enhancing efforts to integrate regulatory and supervisory responses into the macro-prudential policy framework and conduct early warning exercises. We endorse the APEC Finance Ministers' encouragement for our economies, where applicable, to participate in the IMF/World Bank Financial Sector Assessment Program taking into account the level of development and the specific conditions of each member economy.

There is a risk that slower world growth could lead to calls for protectionist measures which would only exacerbate the current economic situation. In this regard, we strongly support the Washington Declaration and will refrain within the next 12 months from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures in all areas, including those that stimulate exports. We seek an ambitious and balanced conclusion to the Doha Development Agenda negotiations to provide the basis for our economies to

grow and prosper. We are committed to reach agreement on modalities next month on the basis of progress made to date and we direct our Ministers to meet in Geneva in December to achieve that objective. We and our Ministers are intensifying our engagement with WTO counterparts to create the convergence necessary to achieve this outcome.

We reaffirm our commitment to the Bogor Goals of free and open trade and investment in the Asia-Pacific as a key organizing principle and driving force for APEC. We instruct APEC Ministers and officials to accelerate implementation of the measures contained in our Regional Economic Integration Agenda, including a possible Free Trade Area of the Asia-Pacific as a long-term prospect and intensifying work on structural reform. The current growth crisis will not shake our determination to address the important challenges facing the region including climate change, energy security and clean development, and the fight against poverty, hunger, disease and terrorism. We will stand by our international commitments in these areas, including in Official Development Assistance and the Millennium Development Goals.



## A New Commitment to Asia-Pacific Development

APEC Leaders met in Lima, Peru at a time when the world's financial and economic systems were facing critical challenges. Together, APEC member economies constitute 54% of world GDP and 44% of world trade, so it was highly significant that APEC Leaders focused on sharing views on the most efficient ways to overcome the financial crisis, and on committing to measures that will restore growth and stability.

The XVI APEC Economic Leaders' Meeting concluded with a package of recommendations and deliverables. Of crucial importance was the Lima APEC Leaders' Statement on the Global Economy, a stand-alone statement addressing the international financial crisis. The Statement also calls for a prompt conclusion of the World Trade Organisation's Doha Development Agenda (DDA) negotiations. Another key outcome was Leaders' endorsement of an accelerated regional economic integration agenda, based on the detailed multi-year work plan set out by APEC Senior Officials.

APEC 2008 placed particular emphasis on the role that Corporate Social Responsibility (CSR) can play in the region, to improve the business environment and to integrate business activities with the goal of sustainable social and economic development. Also with the aim of widening the social dimension of the APEC agenda, special attention was paid to intensifying the actions required to further reduce the gap between developed and developing economies. Strengthening capacity building efforts to achieve this goal was identified as a priority. Concrete achievements in human security, education, climate change and energy security were also reported, and directions were set for future action.

### THE GLOBAL ECONOMY AND THE MULTILATERAL TRADING SYSTEM

APEC gave top priority to the financial crisis and its impact on economic growth in the region. In their Statement on the Global Economy, APEC Leaders committed to undertake all necessary measures to restore confidence in APEC economies and to keep the region on a path of long-term growth. Steps endorsed include enhancing regional economic cooperation and intensifying work on structural reform.

Leaders pledged to reject protectionism and to intensify engagement in the WTO in order to achieve an ambitious and balanced conclusion to the DDA negotiations. They also committed to support efforts to ensure that business can access finance, and highlighted the need to develop more effective standards of corporate governance and risk management.

### REGIONAL ECONOMIC INTEGRATION

Leaders endorsed the progress report on the steps taken this year to advance regional economic integration (REI) in the Asia-Pacific. The work responds to the 53 agreed actions contained in the report, *Strengthening Regional Economic Integration*, endorsed by Leaders in Sydney in 2007. The main outcomes in this area include:

- Significant progress on examining the options and prospects for a possible Free Trade Area of the Asia-Pacific (FTAAP). This work will continue in 2009.
- The development of a preliminary inventory of issues that would need to be addressed in preparing for a regional free trade agreement (RTA/FTA).



- The Study on Identifying Convergences and Divergences in APEC's Regional Trade Agreements identified a high level of similarities in some provisions, as well as differences in other key chapters. In 2009 initiatives designed to promote greater convergence among economies in key areas of APEC's trade and investment portfolio will be undertaken.
- Agreement was reached on five new model measures for FTAs: Customs Administration and Trade Facilitation, Competition Policy, Environment, Temporary Entry of Business People and Safeguards. This brings the total number of APEC model measures to 15.
- Progress was made on the implementation of the second Trade Facilitation Action Plan (TFAP II), including the establishment of Key Performance Indicators (KPIs) and reporting methodologies for monitoring its implementation.
- Agreement on a new APEC Investment Facilitation Action Plan (IFAP) for 2008 to 2010. This is a significant achievement for APEC that will assist economies in improving their investment environments.
- The endorsement of the APEC Digital Prosperity Checklist, which provides assistance to economies to advance the use of information and communications technologies as catalysts for growth and development.
- A concrete work plan for REI in 2009.

## STRUCTURAL REFORM

This year, considerable impetus was given to the Leaders' Agenda to Implement Structural Reform (LAISR) by the inaugural Structural Reform Ministerial Meeting (SRMM), held in Melbourne, Australia in August 2008. The key outcomes of the SRMM were:

- Endorsement of a Good Practice Guide on Regulatory Reform, which will be promoted through the Economic Committee's (EC) forward work program;
- Tasking the APEC Policy Support Unit to undertake necessary research on key elements of the LAISR agenda;
- Encouraging practical support to member economies to successfully undertake structural reform through enriching capacity building efforts; and

- Tasking APEC to develop a system for voluntary reviews or self-reviews of member economies' institutional frameworks that support structural reform.

## CORPORATE SOCIAL RESPONSIBILITY

In 2008, Leaders stressed for the first time the important role that Corporate Social Responsibility (CSR) plays in integrating business activities with APEC's goals of sustainable social and economic development. It was found that although a strong level of voluntary CSR practice already exists within the business community, further coordinated work could be undertaken to raise understanding and awareness of CSR practices: consequently, continued dialogue will be encouraged within APEC, and between APEC and the business community.

## CLIMATE CHANGE, ENERGY SECURITY AND CLEAN DEVELOPMENT

APEC continues to address the challenge of climate change through its work on energy efficiency, energy security and clean energy development. In 2008 the Energy Working Group (EWG) undertook a number of activities in response to instructions from Leaders and Ministers:

- The APEC Peer Review on Energy Efficiency (PREE) initiative was endorsed. Under this scheme the energy efficiency policies of APEC member economies that submit to review will be compiled, to promote information sharing on energy efficiency performances and on policies and measures for improving energy efficiency. New Zealand and Chile have volunteered to undergo the PREE in the first half of 2009.
- Progress was made on the APEC Energy Trade and Investment Action Plan. The plan addresses impediments to trade and investment in energy.
- The Energy Security Initiative (ESI) continues to be implemented and the 9th report was submitted to APEC Senior Officials. It addresses energy for sustainable development by strengthening the security and reliability of affordable energy; mitigating the environmental impacts of increased production; and consumption of energy in the APEC region.



- To enhance collaboration with international financial institutions, the EWG is working with the Asian Development Bank on a joint energy source book, *Energy Outlook and Data Book 2008 for Asia and the Pacific Region*, to be published in 2009.
- A symposium on sustainable forest management and the launch of the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet), an initiative proposed in 2007, was successfully held in September in Beijing, China. The symposium discussed the nature, mission, objectives and potential priority areas and modalities of the APFNet. The APFNet successfully conducted its first training course on sustainable forest management in October 2008.
- A series of EWG projects are being implemented in the areas of energy efficiency and conservation, new and renewable energy technology, clean fossil energy, biofuels and energy data analysis.

## HUMAN SECURITY

Considerable progress was made on human security issues in 2008, including in the areas of counter-terrorism and secure trade, health, emergency preparedness and food and product safety. A series of productive capacity building initiatives were undertaken in these areas during the year.

### Counter-terrorism

A number of major counter-terrorism initiatives were implemented. They include: the APEC Best Practices in Post-Blast Scene Management Workshop; the APEC Seminar on Protection of Cyberspace from Terrorist Use and Attacks; the APEC Workshop on Trade Recovery Programme (TRP); a test of the Aviation Security Emergency Points of Contact Network; the STAR VI Conference; a workshop on Effective Public Private Partnerships in Counter-Terrorism and Secure Trade; and the APEC Seminar on Securing Remittance and Cross Border Payments from Terrorist Use. The APEC Counter Terrorism Task Force also welcomed

the initiative of a group of member economies, led by Singapore, to conduct a TRP pilot exercise in 2009 as suggested by Economic Leaders in Sydney 2007. The Task Force also endorsed the best practice document on the Protection of Critical Energy Infrastructure.

### Health

APEC consolidated the creation of the Health Working Group (HWG) by endorsing its new Terms of Reference and its medium-term work plan for 2008. The HWG will continue to focus on: avian and human pandemic influenza preparedness and response; HIV/AIDS prevention and reduction; and utilizing information technology to improve health.

### Emergency Preparedness

Since the renewal of its mandate in March 2008, the Task Force on Emergency Preparedness (TFEP) has been very active in helping economies prepare for, and build resilience to, natural disasters. As a result of this year's deliberations, in the future the TFEP will develop joint capacity building projects and share best practices on: strengthening business and community resilience; promoting public-private partnerships; improving disaster response coordination and cooperation; improving coordination with international organizations; integrating disaster risk awareness and management education into school curricula; understanding the economic impact of disasters in the Asia-Pacific region; disaster risk information systems and tsunami early warning systems.

In 2008 APEC also approved the Strategy for Disaster Risk Reduction and Emergency Preparedness and Response in the Asia-Pacific region, a needs and best practices stock take. To reinforce its commitment in this field, APEC will hold annual meetings of the heads of emergency management authorities in the region. The TFEP will undertake initiatives that address damage assessment techniques and public-private sector partnerships for business resilience, and will conduct long-term projects on social economic recovery and development after large-scale disasters.



### Food Security & Safety

Finance Ministers meeting in Peru in November addressed the volatility of food prices: an issue that presented a major challenge to many APEC economies in 2008, and that added upward pressure on inflation. Leaders responded to these concerns and to the need to secure sufficient food supplies in the region by determining to undertake an extensive review of the APEC Food System. They also instructed officials to develop a new work plan on food security aimed at helping economies to better understand food price volatility and food markets, and at exchanging experiences on the use of new technologies and research and development cooperation. To this end, APEC fora evaluated and commented on the possible actions outlined in the APEC Food System, with a view to developing concrete recommendations and prescribing prospective steps for their implementation.

APEC also addressed the issue of food safety in 2008. Projects were undertaken under the auspices of the APEC Food Safety Cooperation Forum (FSCF). They included a Seminar on Food Safety Control System and Risk Analysis, and Capacity Building Training on Food Safety Risk Communication for APEC Developing Member Economies. Importantly, the APEC Food Safety Cooperation Forum Partnership Training Institute Network (PTIN) was launched as a multi-year initiative to strengthen food safety in the region. It will work to build capacity in line with the needs and goals identified by the 2007 FSCF Hunter Valley Statement. The PTIN will bring together public and private sector representatives, including scientific experts, and will promote the use of international food safety standards in a manner consistent with the obligations of the WTO's SPS Agreement.

### ENVIRONMENTAL GOODS AND SERVICES

The Committee on Trade and Investment (CTI) continued work on environmental goods and services (EGS) as directed by Ministers Responsible for Trade (MRT) in June. The CTI agreed on a work program framework to promote the development and awareness of trade and investment in EGS within APEC. This framework will enable APEC to prepare a work plan that will include specific initiatives identified by other APEC committees or sub-fora for delivery to MRT in 2009.

### TRANSPARENCY AND ANTI-CORRUPTION

Leaders reaffirmed the region's commitment to fight corruption in the private and public sectors, noting the compatibility of APEC efforts with the United Nations Convention Against Corruption. Leaders endorsed:

- The Lima Anti-Corruption Declaration on Financial Market Integrity.
- The APEC Guidelines on Private-Public Action against Corruption.

### INSTITUTIONAL REFORM

APEC has progressed the 2007 recommendations of Ministers and Leaders for institutional reform. A significant advance has been the establishment of the APEC Policy Support Unit (PSU) which became operational in July 2008. A comprehensive work program that will support APEC's trade, investment, economic and capacity building agenda has been formulated.

APEC has also agreed on the conditions, responsibilities and accountability mechanisms related to the appointment of a fixed-term Executive Director of the APEC Secretariat, bringing to an end the system of annually rotating Executive Directors linked to the host economy.





# APEC Singapore 2009



## Sustaining Growth, Connecting the Region

APEC 2009 will take place amidst a challenging global economic environment. The economic slowdown which began in North America and Europe has spread to emerging developing economies. Global trade volumes are expected to fall, the first decrease since 1982<sup>1</sup>.

The key to recovery and sustained economic growth is governments' ability to create conditions for trade and investment to grow. Conversely, one of the biggest risks the world faces is that countries might restrict markets in a misguided attempt to protect jobs. Doing so will only deepen and prolong the global slowdown.

APEC economies have an important role to play at this critical juncture. To help sustain growth, APEC can provide a "stimulus package" for trade, by resisting protectionism and accelerating economic integration within the Asia-Pacific region. Singapore's chairmanship of APEC in 2009 will pursue this goal under the theme of "Sustaining Growth, Connecting the Region".

### RESIST PROTECTIONISM, SUPPORT DOHA

APEC's top priority for 2009 is to provide impetus for the successful conclusion of the Doha Round of negotiations under the World Trade Organization (WTO). Securing a global deal will help deliver new trade flows. More importantly, it will serve as the best possible firewall against protectionist pressures by locking in current levels of access for trade and investment flows.

### ACCELERATE REGIONAL ECONOMIC INTEGRATION

There are three things that APEC will focus on in 2009 to accelerate regional economic integration.

#### **Strengthen Trade and Investment Liberalisation At-the-border**

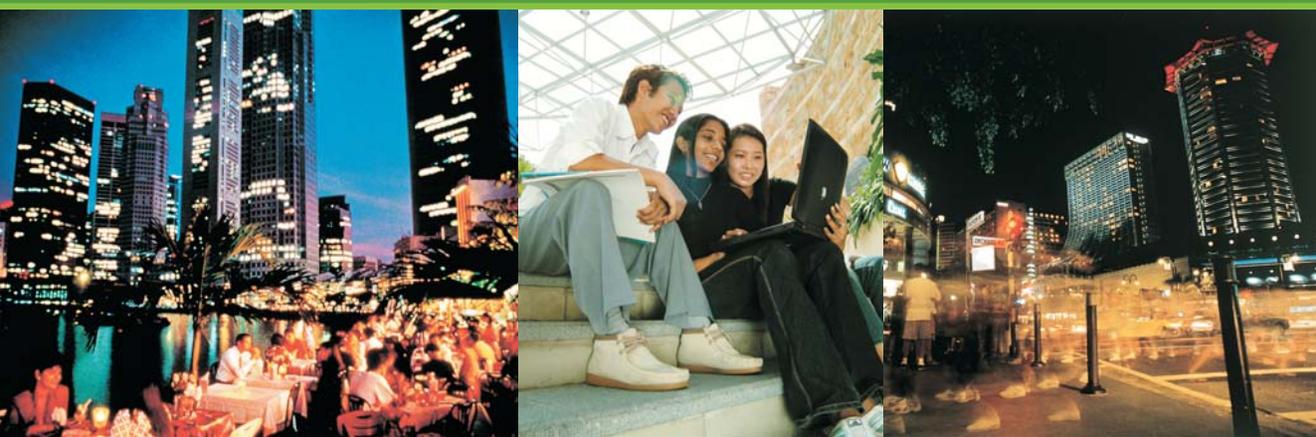
First, APEC will intensify work to reduce tariffs, non-tariff barriers and other restrictions to trade and investment flows at-the-border. In 2006, APEC Leaders identified the Free Trade Area of the Asia-Pacific (FTAAP) as a possible long-term goal. Since then, APEC has been studying various options for achieving an FTAAP. APEC economies have over 30 free trade agreements (FTAs) amongst themselves. Using that as a foundation, there are various practical steps APEC can take to put in place building blocks for a possible FTAAP. For example, APEC will discuss ways to streamline the rules of origin amongst existing FTAs to minimize the "spaghetti bowl" effect, reduce compliance costs, and increase FTA utilization rates. APEC will also study the various options of docking, merging or enlarging some of these FTAs to possibly form a larger regional FTA over time.

#### **Improve the Ease of Doing Business Behind-the-border**

Second, APEC will improve the ease of doing business by simplifying business regulations, as part of its larger structural reform agenda. Research suggests that the gains to APEC economies from regulatory reform could outweigh the benefits from further tariff reductions<sup>2</sup>. The current economic crisis has made it even more important for APEC to pursue regulatory reform to make it easier, faster and cheaper for business to get trade and investment flowing.

<sup>1</sup> The World Bank (2008), "Global Economic Prospects 2009: World trade," 9 Dec.

<sup>2</sup> Dee, P (2007), "East Asian Economic Integration and its Impact on Future Growth", The World Economy, Volume 30, Issue 3, pp.405-423.



In 2009, APEC will identify and prioritise reform efforts to address key behind-the-border barriers, with inputs from the business community. We will make use of international tools and benchmarks such as the World Bank Ease of Doing Business Survey and the APEC-OECD Integrated Checklist on Regulatory Reform to build capacity for reform and ensure tangible benefits from our reform efforts.

#### **Enhance Physical Connectivity Across-the-border**

Third, APEC will look into improving logistics and transport networks so as to enhance physical connectivity across-the-border. This has great potential to increase trade flows. One study has shown that for each day a product is delayed prior to shipment trade is reduced by 1 per cent<sup>3</sup>. Another study states that a one-day reduction in time taken to move cargo from a US warehouse to the port will increase total trade for the US by \$29 billion a year<sup>4</sup>.

APEC is already ahead of the rest of the world in its work on trade facilitation, which aims to streamline customs and other administrative procedures involved in moving goods across borders. We will build on this work to develop a comprehensive framework of initiatives that could further reduce the time, cost and the uncertainty involved in moving goods along the entire supply chain.

## **STRENGTHEN APEC**

In 2009, APEC will continue to strive to be the premier forum for economic integration and cooperation within the Asia-Pacific region, as well as an effective platform for business sector engagement.

We will continue our efforts to strengthen and professionalize the APEC Secretariat so that it is best equipped to implement the work set out by APEC Leaders, Ministers and Senior Officials. Most notably, in 2009, APEC will bring to fruition its plan to appoint a fixed-term professional Executive Director to provide continuity in leadership at the Secretariat.

APEC will also continue to find ways to streamline its activities and explore innovative meeting formats to foster more informal interaction and meaningful exchange among member economies.

APEC will seek to forge closer partnerships with the business community by, for instance, creating more synergies between the APEC Business Advisory Council (ABAC) and the Senior Officials' Meeting (SOM) process.

<sup>3</sup> Djankov, S, Freund, C & Pham, C.S, (updated August 2007), "Trading on Time", World Bank Working Paper, p.21.

<sup>4</sup> Creskoff, S (2008), "Trade Facilitation: An Often Overlooked Engine of Trade Expansion," Global Trade and Customs Journal 3, No.1.

# Key Meetings in 2009

<b>Meeting</b>	<b>Date</b>
Senior Officials' Meeting I and Related Meetings	13 Feb - 26 Feb
Transportation Ministerial Meeting	27 - 29 Apr
Senior Officials' Meeting II and Related Meetings	15 - 19 Jul
Ministers Responsible for Trade Meeting	21 - 22 Jul
Small and Medium Enterprise Ministerial Meeting	8 - 9 Oct
Finance Ministers' Meeting	29 - 30 Oct
Concluding Senior Officials' Meeting	8 - 9 Nov
Business Advisory Council Meeting	9 - 12 Nov
21st APEC Ministerial Meeting	11 - 12 Nov
APEC 2009 CEO Summit	12 - 14 Nov
17th APEC Economic Leaders' Meeting	14 - 15 Nov

Scheduled Meetings of Leaders, Ministers and Senior Officials in 2009 can be found at [www.apec2009.sg](http://www.apec2009.sg)



#### **2008 • Lima, Peru**

APEC Economic Leaders address the global financial crisis in the Lima Statement on the Global Economy, in which they commit to take all necessary economic and financial measures to restore stability and growth, to reject protectionism and to intensify efforts to advance the WTO Doha Development Agenda negotiations. APEC focuses on the social dimensions of trade, reducing the gap between developing and developed members and Corporate Social Responsibility. Leaders welcome the APEC Investment Facilitation Action Plan aimed at improving the investment environment in the region.

#### **2007 • Sydney, Australia**

For the first time, APEC member economies issue a Declaration on Climate Change, Energy Security and Clean Development outlining future action in support of a new international climate change arrangement and announcing a forward program of practical, cooperative actions and initiatives. Leaders also adopt a major report on closer Regional Economic Integration, including structural reform initiatives, and welcome the new APEC Trade Facilitation Action Plan which will reduce trade transaction costs by a further 5 percent by 2010.

#### **2006 • Ha Noi, Viet Nam**

APEC Economic Leaders endorse the Ha Noi Action Plan which identifies specific actions and milestones to implement the Bogor Goals and support capacity-building measures to help APEC economies. They also issue a statement on the WTO Doha Development Agenda calling for ambitious and balanced outcomes. To prioritize its agenda, APEC takes a strategic approach to reform working groups and strengthen the Secretariat.

#### **2005 • Busan, Korea**

APEC adopts the Busan Roadmap, completes the Mid-Term Stocktake which found that APEC is well on its way to meeting the Bogor Goals, and approves the APEC Privacy Framework. Leaders issue a stand-alone statement in support of a successful conclusion to the WTO's 6th Ministerial Meeting in Hong Kong, China and agree to confront pandemic health threats and to continue to fight against terrorism.

#### **2004 • Santiago, Chile**

APEC issues a strong statement of support for progress in the WTO Doha Development Agenda. APEC adopts Best Practices for RTAs and FTAs, the Santiago Initiative for Expanded Trade and a Data Privacy Framework. APEC reiterates its "unmistakable resolve" to confront the threat of terrorism, and makes a political commitment to fight corruption and ensure transparency, and endorses a specific Course of Action towards this end.

#### **2003 • Bangkok, Thailand**

APEC agrees to re-energize the WTO Doha Development Agenda negotiations. Actions are agreed to curb terrorist threats posed by Man Portable Air Defense Systems, to better co-ordinate counter-terrorism activities and to implement the APEC Action Plan on SARS and the Health Security Initiative. Stepping up efforts to build Knowledge-Based Economies, strengthening efforts to promote sound and efficient financial systems and accelerating regional structural reform are also agreed.

# Key APEC Milestones

## **2002 • Los Cabos, Mexico**

APEC adopts a Trade Facilitation Action Plan, Policies on Trade and the Digital Economy and Transparency Standards. APEC's second Counter-Terrorism Statement is delivered, along with the adoption of the Secure Trade in the APEC Region (STAR) Initiative.

## **2001 • Shanghai, People's Republic of China**

APEC adopts the Shanghai Accord, which focuses on Broadening the APEC Vision, Clarifying the Roadmap to Bogor and Strengthening the Implementation Mechanism. The e-APEC Strategy is adopted, which sets out an agenda to strengthen market structures and institutions, facilitate infrastructure investment and technology for on-line transactions and promote entrepreneurship and human capacity building. APEC's first Counter-Terrorism Statement is issued.

## **2000 • Bandar Seri Begawan, Brunei Darussalam**

APEC establishes an electronic Individual Action Plan (e-IAP) system, providing IAPs online and commits to the Action Plan for the New Economy, which, amongst other objectives, aims to triple Internet access throughout APEC region by 2005.

## **1999 • Auckland, New Zealand**

APEC commits to paperless trading by 2005 in developed economies and 2010 in developing economies. The APEC Business Travel Card scheme is approved and a Mutual Recognition Arrangement on Electrical Equipment and a Framework for the Integration of Women in APEC is endorsed.

## **1998 • Kuala Lumpur, Malaysia**

APEC agrees on the first nine sectors for EVSL and seeks an EVSL agreement with non-APEC members at the World Trade Organization.

## **1997 • Vancouver, Canada**

APEC endorses a proposal for early voluntary sectoral liberalization (EVSL) in 15 sectors and decides that Individual Action Plans should be updated annually.

## **1996 • Manila, The Philippines**

The Manila Action Plan for APEC (MAPA) is adopted, outlining the trade and investment liberalization and facilitation measures to reach the Bogor Goals. The first Collective and Individual Action Plans are compiled, outlining how economies will achieve the free trade goals.

## **1995 • Osaka, Japan**

APEC adopts the Osaka Action Agenda (OAA) which provides a framework for meeting the Bogor Goals through trade and investment liberalization, business facilitation and sectoral activities, underpinned by policy dialogues and economic and technical cooperation.

## **1994 • Bogor, Indonesia**

APEC sets the Bogor Goals of, "free and open trade and investment in the Asia-Pacific by 2010 for industrialised economies and 2020 for developing economies."

## **1993 • Blake Island, United States**

APEC Economic Leaders meet for the first time and outline APEC's vision, "stability, security and prosperity for our peoples."

## **1989 • Canberra, Australia**

APEC begins as an informal Ministerial-level dialogue group with 12 members.



# Inside APEC

The Asia-Pacific Economic Cooperation (APEC) forum was established to take advantage of the growing interdependence among Asia-Pacific Economies, to facilitate economic growth for all participants by improving trade linkages and performance, and to enhance a sense of community in the region.

Since its inception in 1989, APEC has helped to reduce tariffs and other barriers to trade across the Asia-Pacific region. Business transaction costs were reduced by

5 percent between 2002 and 2006 and are scheduled to be cut by a further 5 percent by 2010. APEC has worked to create an environment that ensures the safe and efficient movement of goods, services and people across borders through policy decisions and economic and technical cooperation. During this period, APEC Member Economies have grown and developing economies, in particular, have experienced increases in GDP and standards of living.

## ECONOMIC DATA

Member Economy and Year Joined	Area ('000 sq km)	Population (million)	GDP (US\$bn)	GDP per capita (US\$)	Exports* (US\$m)	Imports* (US\$m)
Australia (1989)	7,692	21.2	911.0	43,010	181,719	196,568
Brunei Darussalam (1989)	6	0.4	12.3	31,879	7,351	2,314
Canada (1989)	9,971	32.9	1,436.1	43,674	483,332	460,981
Chile (1994)	757	16.6	163.9	9,884	74,574	52,661
China (1991)	9,561	1,321.1	3,280.2	2,483	1,340,361	1,086,372
Hong Kong, China (1991)	1	7.0	207.2	29,753	433,227	411,968
Indonesia (1989)	1,905	224.9	432.9	1,925	126,579	98,749
Japan (1989)	378	127.8	4,381.6	34,296	843,246	772,432
Korea, Republic of (1989)	99	48.5	969.9	20,015	434,361	440,062
Malaysia (1989)	330	26.8	186.7	6,956	204,583	175,052
Mexico (1993)	1,958	105.3	1,002.8	9,717	289,694	305,867
New Zealand (1989)	271	4.2	128.7	30,390	36,247	38,145
Papua New Guinea (1993)	463	6.1	6.0	991	7,755	4,514
Peru (1998)	1,285	28.1	107.4	3,826	31,142	24,764
Philippines (1989)	300	88.6	144.1	1,626	58,133	62,688
Russian Federation (1998)	17,098	142.1	1,289.5	9,075	391,614	250,158
Singapore (1989)	1	4.6	161.3	35,163	369,146	335,596
Chinese Taipei (1991)	36	23.0	383.3	16,697	266,021	253,750
Thailand (1989)	513	65.7	245.4	3,732	192,535	190,032
United States (1989)	9,364	302.0	13,807.6	45,725	1,655,639	2,335,082
Viet Nam (1998)	332	85.6	70.9	829	52,219	69,017

Area; Population; GDP (current prices); GDP per capita  
 Source: *Economic Fact Sheets*, <http://www.dfat.gov.au/geo/fs>

Exports and Imports  
 Source: *The APEC Region Trade and Investment 2008*

\* From 2008, Exports and Imports include goods and services trade

## APEC PROCESS

APEC is a unique forum operating on the basis of open dialogue and equal respect for the views of all participants. Decision making within APEC is reached by consensus. There are no binding commitments; compliance is promoted through peer pressure and, when appropriate, supported by economic and technical cooperation. Through APEC, developing economies have as much say in setting APEC's agenda as some of the largest economies in the world.

APEC's priorities and goals are set at annual meetings of APEC Economic Leaders and Ministers. Officials and experts in APEC Member Economies carry out projects and other work to meet these goals. This work is supported by a Secretariat based in Singapore.

*\* The word 'Economies' is used to describe APEC Members because the APEC cooperative process is predominantly concerned with trade and economic issues, with Members engaging with one another as economic entities.*

## APEC'S SCOPE OF WORK

APEC works in three broad areas to meet its goals of free and open trade and investment in the Asia-Pacific by 2010 for developed Economies and 2020 for developing Economies. These goals are referred to as the 'Bogor Goals'. The three areas in which APEC works are:

- *Trade and Investment Liberalisation* - reducing and eliminating tariff and non-tariff barriers to trade and investment, and opening markets.
- *Business Facilitation* - reducing the costs of business transactions, improving access to trade information and bringing into line policy and business strategies to facilitate growth, and free and open trade.
- *Economic and Technical Cooperation (ECOTECH)* - assisting APEC Member Economies to build the necessary capacities to take advantage of global trade.

Together, the outcomes assist APEC Member Economies to continue to grow and prosper. Tangible benefits are also delivered to the people of the region through increased choices in the marketplace, cheaper goods and services and improved access to international markets.

Over the last few years new threats to the economic well-being of the region have emerged. The commercial impact of terrorist attacks, regional epidemics and devastating natural disasters, reinforces the link between trade and human security. APEC is meeting these new challenges through cooperative activities aimed at ensuring trade and economic development continues, while safeguarding the people and economies of the region.

## KEY ACTION PLANS

### Osaka Action Agenda

The Osaka Action Agenda mapped out a path to meet the Bogor Goals. It provides a framework through a mix of individual and collective steps in liberalisation, facilitation and economic and technical cooperation, underpinned by policy dialogues. As part of this framework, General Principles have been defined for Member Economies as they proceed through the APEC liberalisation and facilitation process:

- Comprehensiveness
- Standstill
- WTO-consistency
- Simultaneous start, continuous process and differentiated timetables
- Comparability
- Flexibility
- Non-discrimination
- Cooperation
- Transparency

### Individual and Collective Action Plans

APEC Member Economies report progress towards achieving free and open trade and investment goals through Individual and Collective Action Plans, submitted to APEC on an annual basis. Individual Action Plans (IAPs) contain a chapter for each specified policy area and report the steps that each member is taking to fulfill the objectives set out in the Osaka Action Agenda for each action area.

As specified in the Osaka Action Agenda, reporting is based on the following issue areas:

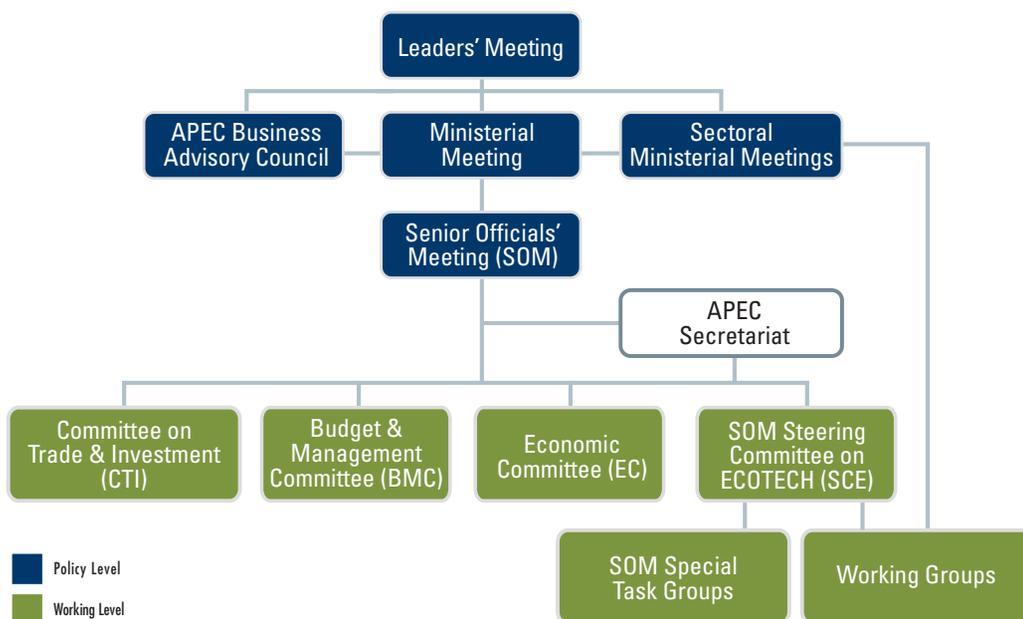
- Tariffs
- Competition Policy
- Non-tariff measures
- Government Procurement
- Services
- Deregulation/Regulatory Review
- Investment
- WTO Obligations (including Rules of Origin)
- Standards and Conformance
- Dispute Mediation
- Customs Procedures
- Mobility of Business People
- Intellectual Property
- Information Gathering and Analysis
- Strengthening Economic Legal Infrastructure

Each year, several APEC Member Economies have their IAPs reviewed. These Peer Reviews involve independent on-site research and analysis by experts. The economy under review fields comments and questions from other APEC Members and the APEC Business Advisory Council. Collective Action Plans (CAPs) detail the joint actions of all APEC Member Economies in the same issue areas. CAPs are the compass by which APEC charts its course towards the ultimate objective of free trade and investment.

APEC Member Economies also work within a framework to meet the free and open trade goals. This framework comprises:

- Actions by individual APEC Economies;
- Actions by APEC fora; and
- APEC actions related to multilateral fora.

## APEC ORGANISATIONAL CHART



Every year one of the 21 Member Economies plays host to APEC meetings and serves as the APEC Chair. The APEC host economy is responsible for chairing the annual Economic Leaders' Meeting, Ministerial Meetings, Senior Officials' Meetings, the APEC Business Advisory Council and the APEC Study Centers Consortium.



The APEC Secretariat holds ISO 9001:2000 Quality Management Certification. This recognizes the continuous efforts made by the APEC Secretariat to provide high quality administrative and support activities. The APEC Secretariat is the first international trade-related secretariat to attain ISO certification.

## The APEC Secretariat

The APEC Secretariat is staffed with a team of diplomats seconded from APEC Member Economies as well as by professional, specialist and administrative staff. 2009 marks the last year when the position of Executive Director will be filled by an officer of Ambassadorial rank from the host economy. From 2010 it will be a fixed-term position, open to candidates from any of APEC's 21 member economies.

### The APEC Policy Support Unit

In 2008, the APEC Policy Support Unit (PSU) was established to provide research, analysis and evaluation capabilities to assist in the implementation of APEC's agenda. The PSU is guided and overseen by a Board that comprises representatives from the current, immediate past and next APEC host economy, and from each major donor.

### APEC Stakeholder Participation

APEC recognizes that strong and vibrant economies are not built by governments alone, but by partnerships between governments and key stakeholders, including the business sector, industry, academia, policy and research institutions, and interest groups within the community.

APEC Member Economies recognize that business drives the economies of the region and therefore involves business at all levels of the APEC process. At the highest level, APEC Economic Leaders communicate through annual meetings with the APEC Business Advisory Council (ABAC). ABAC comprises high-level business people from all 21 APEC Member Economies.

Through the APEC Study Centers (ASC) Consortium, APEC Member Economies actively engage academic and research institutions in the APEC process. The ASC Consortium facilitates cultural and intellectual exchanges in the Asia-Pacific region and assists the APEC process by undertaking advanced, collaborative interdisciplinary and policy-relevant research from an independent and long-term perspective. There are ASCs in 20 APEC Member Economies.

### On The Web

**The APEC Secretariat** - [www.apec.org](http://www.apec.org) contains information about APEC developments, issues and work programs, an APEC event calendar and links to key APEC websites.

**APEC Singapore 2009** - [www.apec2009.sg](http://www.apec2009.sg) provides details of the events and meetings to be held in 2009.

## Publications

**Key APEC Documents 2008** outlines the key policy decisions and initiatives endorsed by Leaders and Ministers, which provide the direction for on-going APEC work. Also available in this publication are the 2008 APEC Leaders' Declaration and Statements from Ministerial Meetings.

**2008 APEC Economic Policy Report** focuses on the competition policy theme of APEC's Structural Reform agenda. It details the role of competition policy in structural reform, outlines the key elements of an effective competition policy regime and traces the implementation of competition policy in APEC economies. The report also reviews individual economies' domestic competition policies, laws and initiatives and identifies key priorities and challenges for future years.

**2008 Annual Report to Ministers - APEC Committee on Trade and Investment (CTI)** contains an overview of the CTI's work on trade and investment liberalisation and regional economic integration in 2008. It also provides a series of recommendations to advance the Committee's continued work program.

**2008 APEC SOM Report on Economic and Technical Cooperation (ECOTECH)** outlines key achievements, including the development of a strategic direction for strengthening the policy guidance role of the SOM Steering Committee on ECOTECH (SCE). The Report also highlights some of the projects undertaken by APEC fora in 2008 to support ECOTECH and the outcomes achieved by various APEC working groups and task forces.

## Ordering Publications

APEC publications can be downloaded free of charge from the APEC Secretariat website, [www.apec.org](http://www.apec.org) or hard copy publications can be purchased from APEC. To order publications, use any of the following:

Phone: (65) 6891 9600

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