

APEC at a Glance



Asia-Pacific
Economic Cooperation

Advancing Free Trade for Asia-Pacific Prosperity

APEC is a unique forum, operating on the basis of open dialogue and respect for the views of all participants. In APEC, all economies have an equal say and decision-making is reached by consensus. There are no binding commitments; compliance is achieved through discussion and mutual support in the form of economic and technical cooperation.



What are APEC's goals?

In 1989, the founding members of APEC outlined three objectives:

- To develop and strengthen the multilateral trading system;
- To increase the interdependence and prosperity of member economies; and
- To promote sustainable economic growth.

APEC's vision was further defined in 1994, when APEC Leaders committed to the 'Bogor Goals' of free and open trade and investment by further reducing barriers in the region and by promoting the free flow of goods, services and capital among APEC economies.

Recognising the differing levels of development among member economies, two broad timetables to achieve the Bogor Goals were set: 2010 for industrialized economies, and 2020 for developing economies. The Bogor Goals are a voluntary commitment, based on good faith and a pledge of best endeavour.

In 2010, APEC conducted an assessment to determine what progress has been made on the goal of free and open trade and investment. The results showed that APEC economies have taken concerted action and progressed in a wide array of areas. Average tariffs in the region have fallen from 16.9 percent when APEC was established in 1989 to 5.7 percent in 2011. Non-tariff barriers have also been substantially reduced across APEC economies. Most of those are WTO-consistent measures.

APEC also works to create an environment for the secure and efficient movement of goods, services and people across borders in the region through policy alignment and economic and technical cooperation. This cooperation also helps to ensure that the people of the APEC region have access to training and technology to take advantage of more open trade and investment.

What is Asia-Pacific Economic Cooperation?

The Asia-Pacific Economic Cooperation (APEC) forum was established in 1989 to leverage on the growing interdependence of Asia-Pacific economies. APEC aims to create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration.

APEC: Cooperation and Consensus

APEC is a unique forum, operating on the basis of open dialogue and respect for the views of all participants. In APEC, all economies have an equal say and decision-making is reached by consensus. There are no binding commitments; and compliance is achieved through discussion and mutual support in the form of economic and technical cooperation.

APEC has grown to become one of the world's most important regional groupings. Its 21 member economies are home to more than 2.8 billion people and represent approximately 54 percent of world real GDP and 44 percent of world trade.

APEC is the most economically dynamic region in the world. Since APEC's inception, members have experienced average annual GDP growth of 3.5 percent, versus 2.9 percent growth in non-APEC economies (on a purchasing power parity basis).

The forum constantly adapts to allow members to deal with important new challenges to the region's economic well-being. This includes planning for pandemics, countering terrorism, addressing climate change and implementing structural reform.

Which economies are members of APEC?





Improving the business environment by removing barriers between economies

How does **APEC operate?**

APEC operates as a cooperative, multilateral economic and trade forum. Member economies take individual and collective actions to open their markets and promote economic growth. These actions are discussed annually at a series of meetings of Senior Officials, Ministers and finally, by APEC Economic Leaders.

APEC's policy direction is provided by the 21 Leaders of APEC's 21 member economies. Strategic recommendations provided by APEC Ministers, APEC Senior Officials and the APEC Business Advisory Council, are considered by Leaders as part of this process.

APEC's working level activities and projects are guided by APEC Senior Officials and undertaken by four core committees:

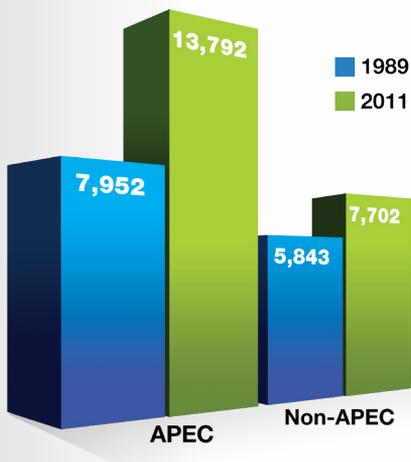
- Committee on Trade and Investment
- Senior Officials' Meeting - Steering Committee on Economic and Technical Cooperation
- Economic Committee
- Budget and Management Committee

Sub-Committees, Experts' Groups, Working Groups and Task Forces carry out the activities led by these four core committees.

The APEC Policy Support Unit provides research, analysis and evaluation capabilities to assist in the implementation of APEC's agenda.

The APEC process is supported by a permanent Secretariat based in Singapore.

How do the people of the Asia-Pacific **benefit from APEC's work?**



APEC enjoys solid economic growth. The region has benefited from an increase in GDP, resulting in more job opportunities and training programmes, greater employment, stronger social safety nets, and reduced poverty. Consumers in APEC member economies enjoy a lower cost of living because reduced trade barriers and a more economically competitive region helps to lower prices for goods and services that everyone needs on a daily basis, from food to clothes to shelter. More broadly, citizens in the APEC region also benefit from APEC's anti-corruption and human and food security related initiatives.



Promoting the safe and efficient movement of goods, services and people through the Asia-Pacific region

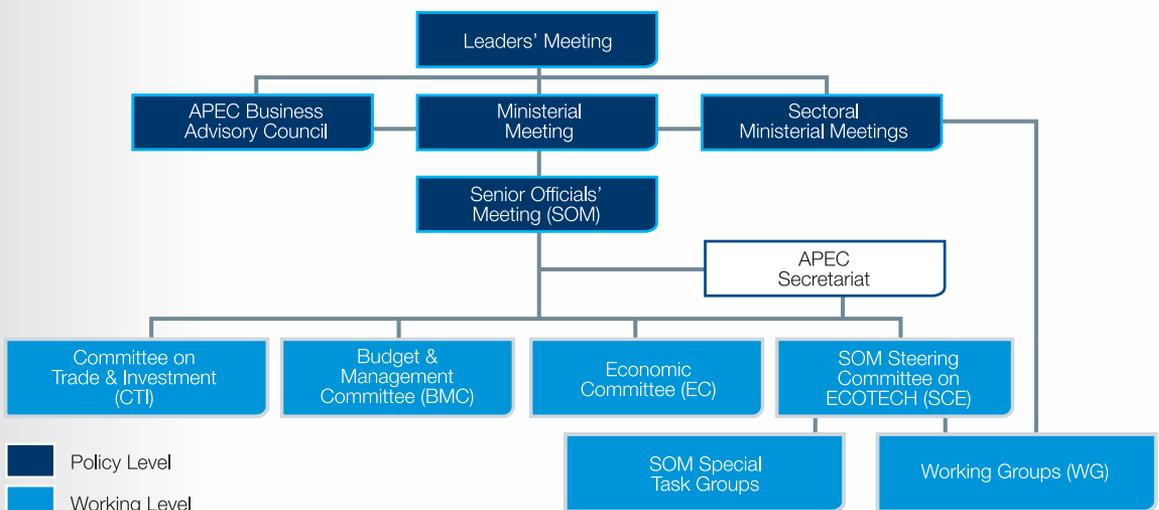
How does APEC benefit the economies of the region?

Members are working together to sustain economic growth through a commitment to free and open trade, investment liberalisation and facilitation, and structural reform. Recognising the needs of business in the region, members have progressively reduced tariffs and other barriers to trade, making the flow of goods, services and people easier and less costly. Actions taken aid economies to grow, create jobs and increase international trade and investment.

Highlights

- Leaders, Ministers, government administrators and business people come together regularly for active information exchange and dialogue that help promote cooperation and policy development.
- APEC works to align standards regimes with international norms to reduce barriers to trade, to facilitate innovation and new technologies, and to offer consumers better prices and greater choice.
- APEC works to harmonise, standardise, and simplify customs procedures.
- APEC implements technical assistance projects which develop skills and strengthen economic infrastructure.
- Over 100,000 travellers use the APEC Business Travel Card (ABTC) throughout the year. This scheme provides bona fide frequent business travellers with pre-approved visa clearance and fast-track entry through special APEC lanes at major international airports in the region. All APEC members now participate in the scheme – 18 fully participating and three transitional members.
- Making travel safer, facilitating faster processing of legitimate travellers while reducing opportunities for unauthorised and improperly documented persons to cross borders.

How is APEC structured?



What is **APEC's scope of work?**

APEC's activities are focused on three key areas:

- Trade and Investment Liberalisation
- Business Facilitation
- Economic and Technical Cooperation

Trade and Investment Liberalisation

Trade and investment liberalisation focuses on opening markets and reducing tariff and non-tariff barriers to trade and investment. Since APEC was established in 1989, average tariffs in the region have declined by close to 70 percent.

Another step that APEC has taken to promote regional economic integration is the development of model measures for regional trade agreements (RTAs) and free trade agreements (FTAs). APEC is also taking concrete steps toward the realisation of a Free Trade Area of the Asia-Pacific.

In addition, APEC continues to support the multilateral trading system and WTO-based negotiations through strong and unambiguous political commitments and a range of practical and concrete actions.

Business Facilitation

Business facilitation helps importers and exporters in the Asia-Pacific conduct business more efficiently. The costs of production are reduced, leading to cheaper goods and services, increased trade, and more employment opportunities.

Traditionally the focus has been on reducing business transaction costs. APEC's original Trade Facilitation Action plan reached its target of a region-wide reduction in costs at the border by 5 percent between 2002 and 2006. A further 5 percent reduction was achieved between 2007 and 2010, which saved businesses in the APEC region a total of US\$58.7 billion. An Investment Facilitation Action Plan has also been implemented.

Over time the APEC agenda has broadened to include a complementary focus on behind-the-border and across-the-border barriers. APEC addresses behind-the-border impediments through its structural reform agenda which APEC Leaders endorsed in 2004. The agenda focuses on five priority areas: regulatory reform, competition policy, public sector governance, corporate

governance and strengthening economic and legal infrastructure.

In 2010, APEC Leaders endorsed the APEC New Strategy for Structural Reform that aims to promote balanced and sustainable growth by fostering transparency, competition and better functioning markets in the Asia-Pacific. In addition, this new strategy emphasizes a social dimension that includes enhancing opportunities for women and pressing for more education and SME development.

APEC's work on logistics and transport networks aimed at enhancing physical connectivity across-the-border is being undertaken under the ambit of the APEC Supply Chain Connectivity Initiative, with the goal of achieving an APEC-wide 10 percent improvement in supply-chain performance in terms of time, cost and uncertainty by 2015.

Economic and Technical Cooperation

Economic and technical cooperation comprises training and other cooperative activities to build skills and transfer knowledge to assist all APEC members so that they can participate in the regional economy and reach the APEC goals of free and open trade and investment in the region. ECOTECH programmes are particularly important for developing member economies to build up their capacity and improve competitiveness and productivity, which improves the standard of living for its citizens.



Econom

Over the last few years, the global economy has faced significant challenges. The commercial impact of the 2008 financial crisis and terrorist attacks has led to a global recession, meeting these challenges at ensuring trade and investment flows and the economies of the region.

Another challenge facing the region is the impact of global free trade. APEC has taken steps that such agreements genuinely pave the way for the region's steps toward the realization of a free trade area.

How does APEC put its goals and vision into action?

In order to meet APEC's Bogor Goals of free and open trade and investment in the Asia-Pacific, APEC member economies follow the strategic roadmap agreed by APEC Economic Leaders in Osaka, Japan in 1995. This roadmap is known as the Osaka Action Agenda.

Osaka Action Agenda

The Osaka Action Agenda provides a framework for meeting the Bogor Goals through trade and investment liberalisation, business facilitation and sectoral activities, underpinned by policy dialogues and economic and technical cooperation. As part of this framework, General Principles have been defined for APEC member economies as they proceed through the APEC liberalisation and facilitation process.

The following General Principles are provided in the Osaka Action Agenda and are applied to the entire APEC liberalisation and facilitation process:

- *Comprehensiveness* - address all impediments to achieve the long-term goal of free and open trade.
- *WTO-consistency* - measures undertaken in the context of the APEC Action Agenda are consistent with the principles of the World Trade Organization (WTO).
- *Comparability* - APEC member economies endeavour to have comparable trade and investment liberalisation and facilitation, taking into account the general levels achieved by each APEC economy.
- *Non-discrimination* - reductions in barriers to trade achieved through APEC are available to all APEC member economies and non-APEC economies.
- *Transparency* - the laws, regulations and administrative procedures in all APEC member economies which affect the flow of goods, services and capital among APEC member economies are transparent.
- *Standstill* - APEC member economies do not take measures which have the effect of increasing levels of protection.
- *Simultaneous start, continuous process and differentiated timetables* - APEC member economies began simultaneously the process

of liberalisation, facilitation and cooperation and continuously contribute to the long-term goal of free and open trade and investment.

- *Flexibility* - APEC member economies deal with the liberalisation and facilitation process in a flexible manner, taking into account differing levels of economic development.
- *Cooperation* - economic and technical cooperation contributing to liberalisation and facilitation is actively pursued.

Individual Action Plans

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

Reporting is based on the following areas:

- Tariffs
- Non-tariff measures
- Services
- Investment
- Standards and conformance
- Customs procedures
- Intellectual property rights
- Competition policy
- Government procurement
- Deregulation/regulatory review
- WTO obligations (including rules of origin)
- Dispute mediation
- Mobility of business people
- Information gathering and analysis
- Transparency
- Regional Trade Agreements / Free Trade Agreements (RTAs/FTAs)

Collective Action Plans

Collective Action Plans (CAPs) detail the joint actions of all APEC member economies in the same issue areas outlined in the Osaka Action Agenda. CAPs are the compass by which APEC charts its course towards the ultimate objective of free trade and investment.

Capacity Building

Aimed at enhancing economic growth and prosperity in the region, projects are a vital part of the APEC process. APEC projects build capacity in key priority areas identified by Leaders' calls for action. Targeting specific policy areas, projects are conducted through seminars, workshops, publications and research. Projects typically focus on building human capacity, strengthening economic infrastructure and ensuring security for the region. The ultimate goal of all projects is to advance trade and investment liberalisation and facilitation.

Economic Challenges

...ers new threats to the economic well-being of the region have emerged. ...act on member economies of devastating natural disasters, pandemics, ...reinforces the connection between human security and trade. APEC is ...enges through a range of cooperative and capacity building activities aimed ...d economic development continues, while safeguarding the people and ...ion.

...ing APEC is to ensure that sub-regional trade agreements contribute to ...EC has developed model measures for RTAs and FTAs, which help ensure ...s are high quality, comprehensive, consistent with WTO requirements, and ...ray for the realisation of the Bogor Goals. APEC is also taking concrete ...isation of a Free Trade Area of the Asia-Pacific.

Who participates in the APEC process?

APEC recognises that strong and vibrant economies are not built by governments alone, but by partnerships between government and its key stakeholders including the business sector, industry, academia, policy and research institutions, and other interest groups. APEC actively involves these key stakeholders in the work of the forum.

Business

APEC Economic Leaders meet annually with the APEC Business Advisory Council (ABAC), which comprises high-level business people from all 21 APEC member economies. ABAC presents recommendations to Leaders and advises APEC officials on business sector priorities and concerns. APEC is the only multilateral body that gives business a seat at the table, not just for consultation, but as a partner.

At the working level, representatives from the private sector are invited to join many APEC industry dialogues, working groups and expert groups. This process provides an important opportunity for industry to provide direct input into APEC's ongoing work.

Academic and Research Institutions

Through the APEC Study Centres Consortium (ASCC) APEC member economies engage academic and research institutions in the APEC process. The ASCC facilitates cultural and intellectual exchanges in the region and undertakes collaborative, interdisciplinary and policy-relevant research from an independent and long-term perspective.

There are APEC Study Centres in most APEC member economies, comprising some 100 universities, research centres and centres of academic excellence.

Academics and research institutions also participate at the APEC working level through meetings, seminars and other activities.

APEC Observers

APEC has three Official Observers: the Association of Southeast Asian Nations, the Pacific Economic Cooperation Council and the Pacific Islands Forum.

How do I get involved with APEC?

If you are interested in participating in the APEC process, you can apply to attend APEC meetings or seminars. Contact the APEC Secretariat or visit the website for further information.

Views can also be expressed about APEC's work to your economy's APEC office. Enquiries can also be directed to contacts within APEC member economies. A complete list of these contacts is available on the APEC website.

How can I keep up-to-date with APEC progress?

Keep up-to-date with the latest APEC news by regularly accessing the APEC website at www.apec.org, join us on Facebook and follow us on Twitter. The APEC Secretariat also produces the APEC Bulletin – a free online newsletter

that provides information on the key elements of APEC's agenda, current activities, new publications, upcoming events and more. Simply fill out your details on the APEC website and the latest edition of the Bulletin will be emailed to you.

Contact Us

For general information about APEC, please contact:

APEC Secretariat, 35 Heng Mui Keng Terrace, Singapore 119616 • Telephone Number: (65) 6891 9600 • Facsimile Number: (65) 6891 9690
Website: www.apec.org • Facebook: www.facebook.com/APECnews • Twitter: www.twitter.com/@followAPEC
General Inquiries: info@apec.org • Media Inquiries: media@apec.org • Publications Inquiries: publications@apec.org