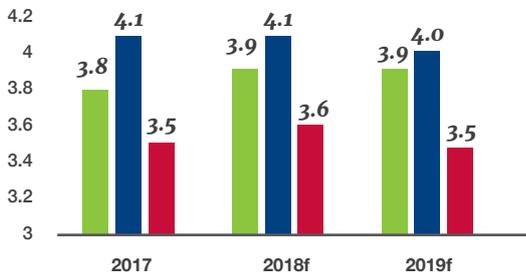


GROWTH SURGES IN APEC

The APEC region is experiencing broad-based economic growth that has seen significant contributions from trade and household spending.

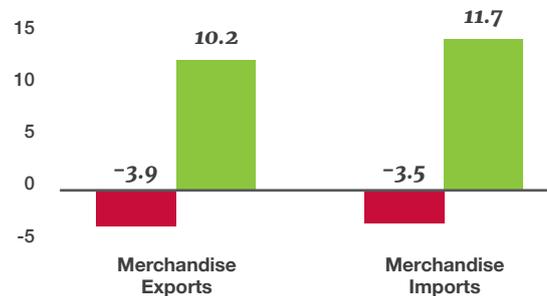
APEC GDP growth surged to 4.1% in 2017 from 3.4% in 2016. High growth is expected to be maintained in 2018-2019.

■ WORLD ■ APEC ■ ROW
Notes: ROW = rest of world; f = forecast



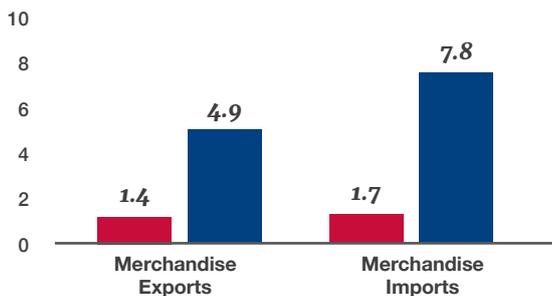
The value of merchandise trade experienced a turnaround in 2017.

■ 2016 ■ 2017



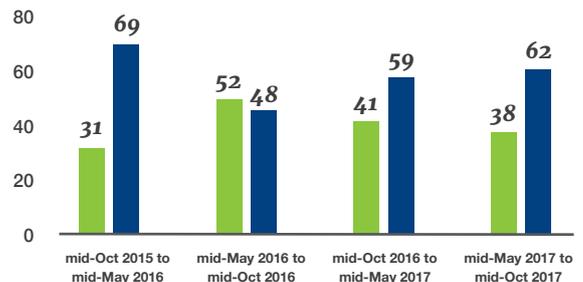
Trade volume also expanded.

■ 2016 ■ 2017



**BUT UNCERTAINTY PERSISTS
Trade-restrictive measures are rising.**

■ Trade-facilitating measures ■ Trade-restrictive measures



Risks and opportunities

Short-term risks are broadly balanced

Downside risks could come from policy decisions that affect the free flow of trade and investments as well as a build-up of financial vulnerabilities.

On the upside, a stronger pick-up in global economic activity combined with higher trade growth could counter consequences from policy missteps.

Medium-term risks are tilted to the downside

Persistent uncertainty in monetary, fiscal, and trade policies continues to hamper growth prospects.

THE PURSUIT OF INCLUSION

What Works



Access to human capital development

- Education and skills training
- Health care



Social inclusion policies

- Labor standards
- Social protection
- Fiscal policies



Access to opportunities

- Infrastructure development
- Financial inclusion



Trade and regional integration

- Ensure economic growth
- Expand opportunities for employment and entrepreneurial activity

Recent trade agreements
have also contributed to
inclusion by highlighting



Labor standards
Environmental standards
Gender and nondiscrimination
Internationalization of small businesses

and What Does Not

Inclusion is often cited as a reason to protect domestic firms and local jobs from international trade, but this may lead to widespread losses for limited gains.



- Protectionism benefits workers in the protected sector as domestic production and prices increase
- But workers in the wider economy suffer from lower jobs growth and falling real wages due to higher consumer prices