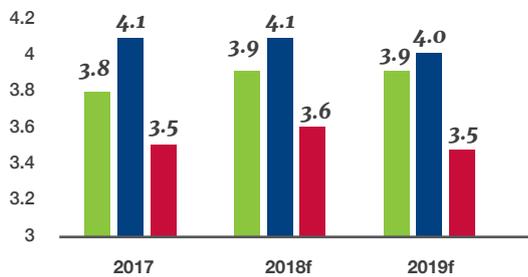


# GROWTH SURGES IN APEC

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

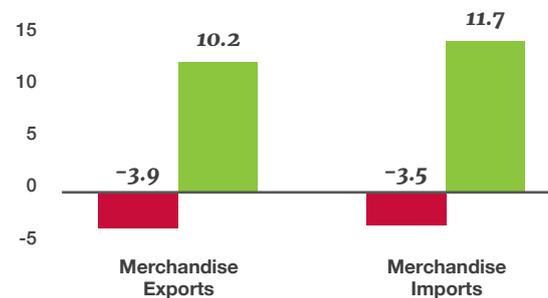
**APEC GDP growth surged to 4.1% in 2017 from 3.4% in 2016. High growth is expected to be maintained in 2018-2019.**

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



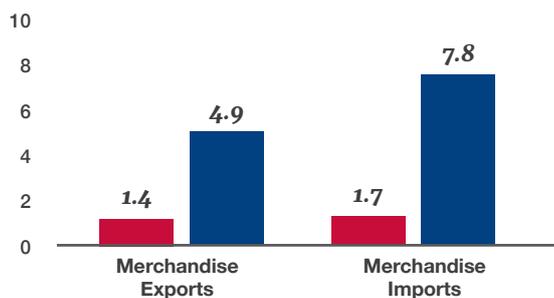
**The value of merchandise trade experienced a turnaround in 2017.**

■ 2016 ■ 2017



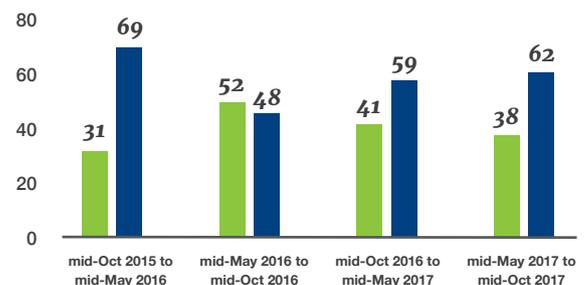
**Trade volume also expanded.**

■ 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