



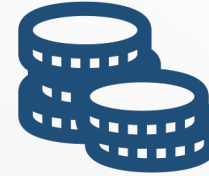
Asia-Pacific
Economic Cooperation

APEC Regional Trends Analysis

October 2025 • Policy Support Unit



GDP Growth
and Outlook



Inflation and
Monetary Policy

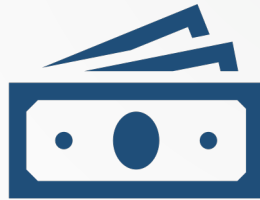


Trade Performance
and Outlook

APEC Regional Trends Analysis



Risks and
Challenges



Government
Debt



Suggested Policy
Options

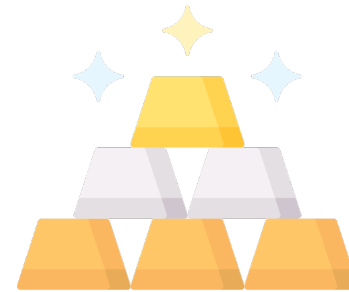
KEY POINTS



APEC region shows economic resilience as economies adapt to new trade policies, but growth is expected to slow in 2026 amid fiscal constraints and weaker trade.



Trade has strengthened so far in 2025 on short-term demand, but sustaining momentum in 2026 will be challenging as temporary drivers fade and policy uncertainty persists.



Elevated uncertainty and strong AI and high-tech demand have pushed metal prices higher, adding to cost pressures across metal-intensive sectors.

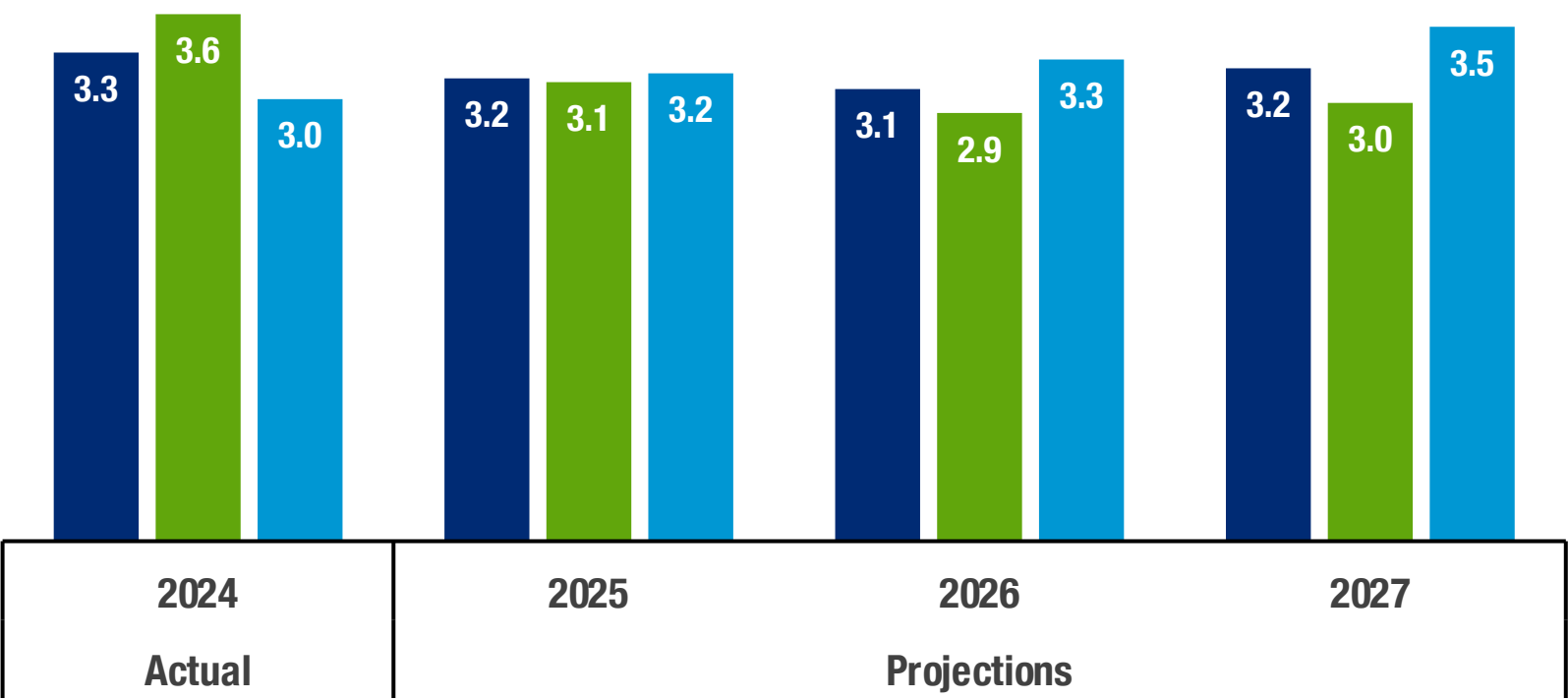


Rising public debt is eroding fiscal buffers and limiting policy capacity to respond to future shocks.



GDP Growth Outlook: Global, APEC and ROW (% , y-o-y)

■ Global economy ■ APEC region ■ Rest of the world



Downside Risks



Heightened Uncertainty



Policy Frictions

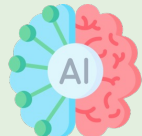


Elevated Debt

Upside Opportunities



Supply Chain Diversification



Innovative Technologies

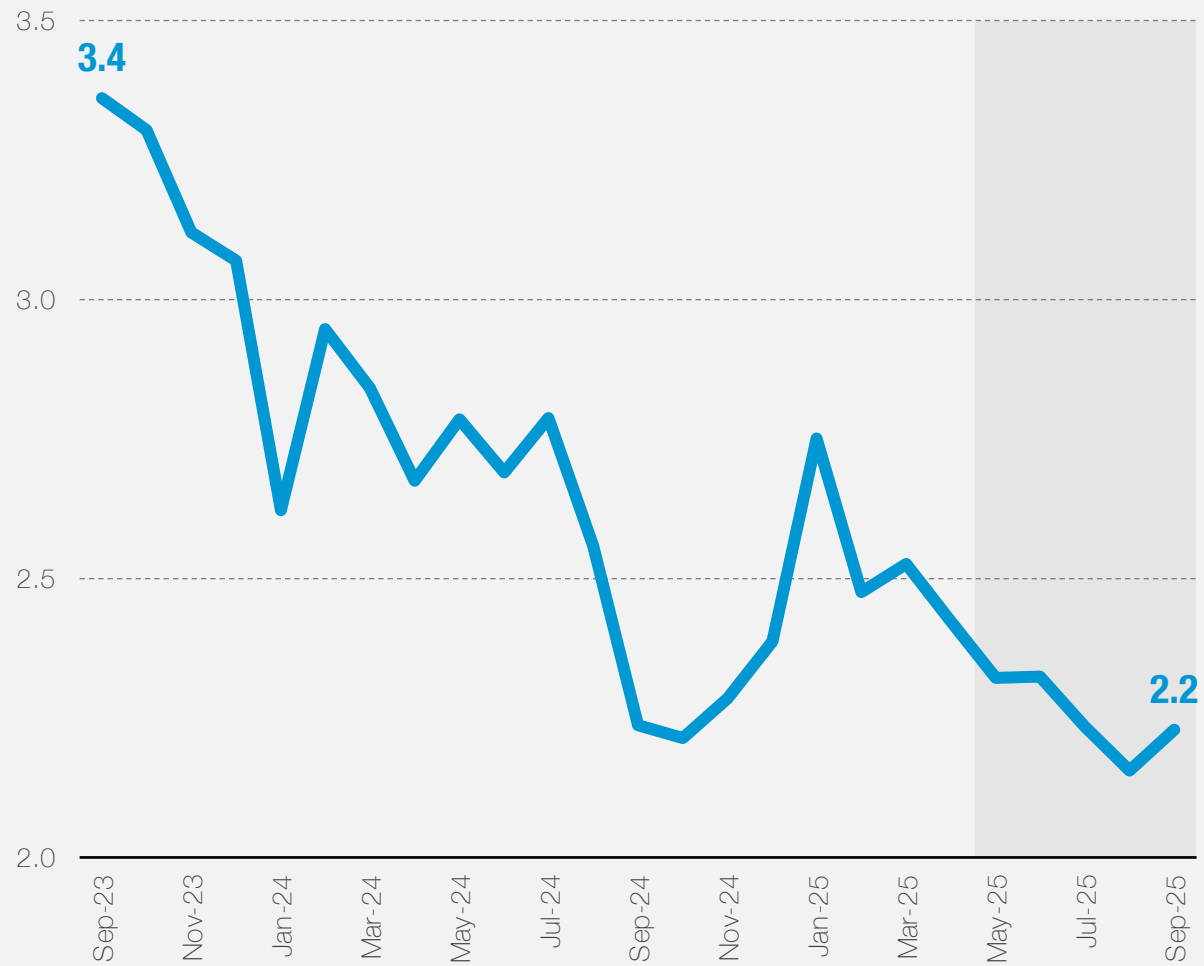


Multilateral Cooperation

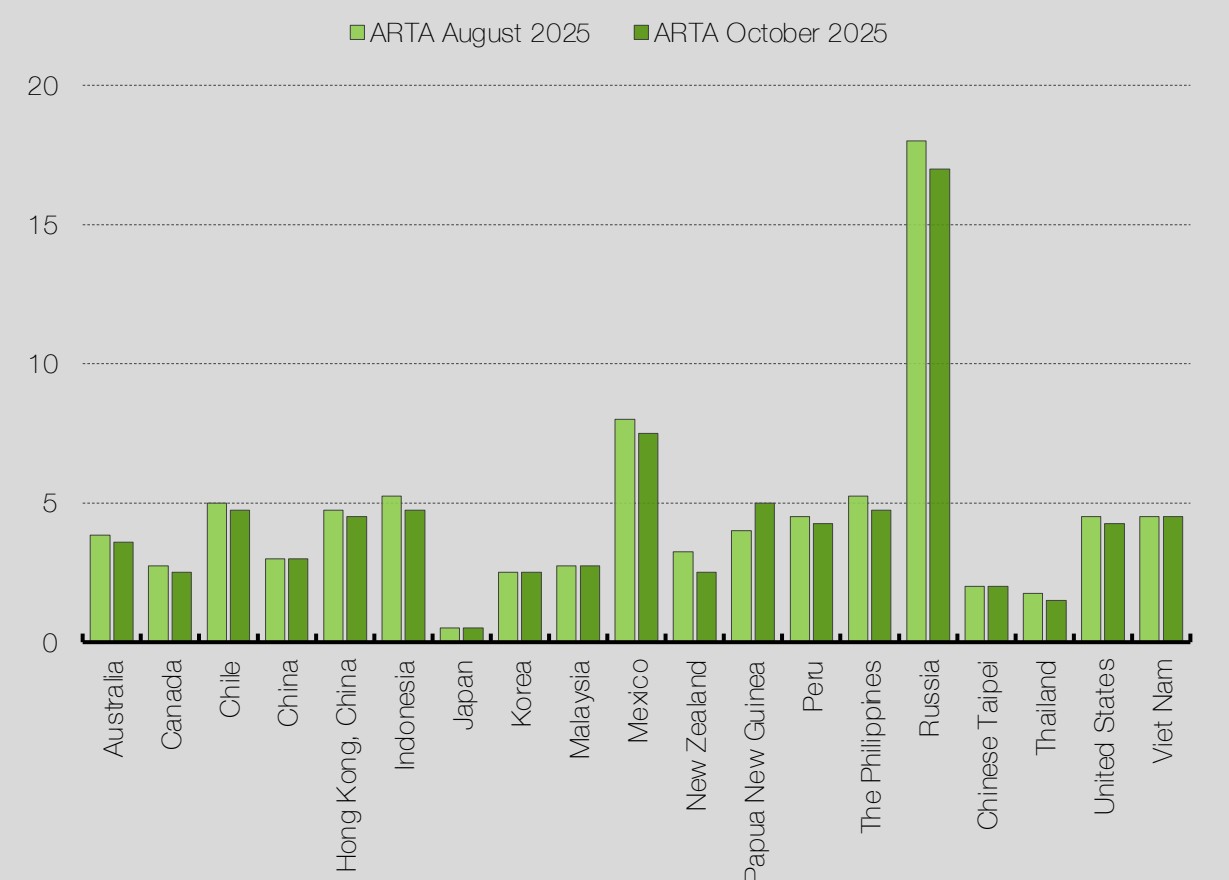
APEC growth remains resilient in 2025 despite elevated uncertainty and trade frictions, but may slow in 2026 amid tighter fiscal conditions and trade deceleration.



APEC Average Inflation (%, y-o-y)



Monetary Policy Rate (%)

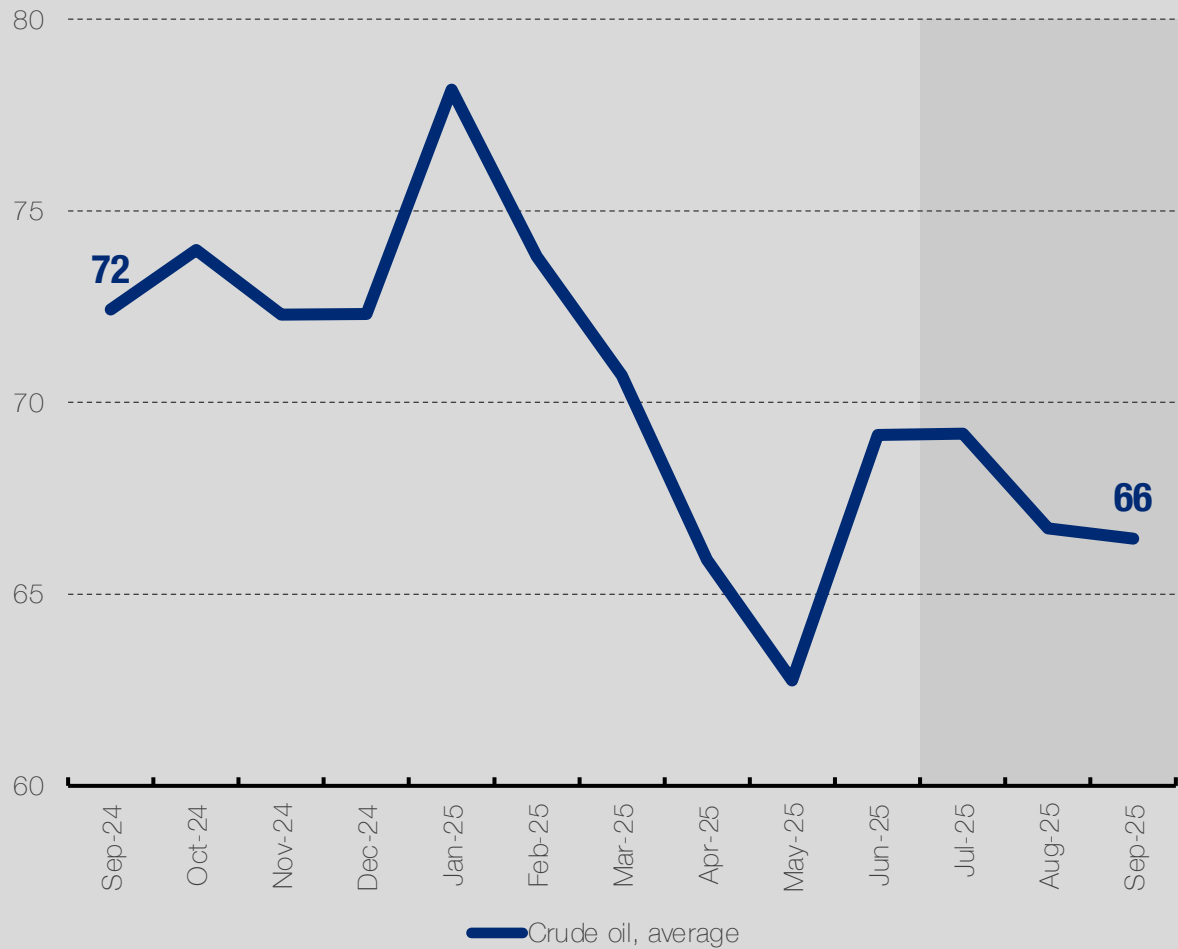


Note: As of 13 October 2025. The monetary policy framework in Brunei Darussalam is based on a currency board system, with the Brunei dollar anchored to the Singapore dollar at par. For Singapore, monetary policy is conducted through the trade-weighted exchange rate, which is allowed to fluctuate within a policy band.

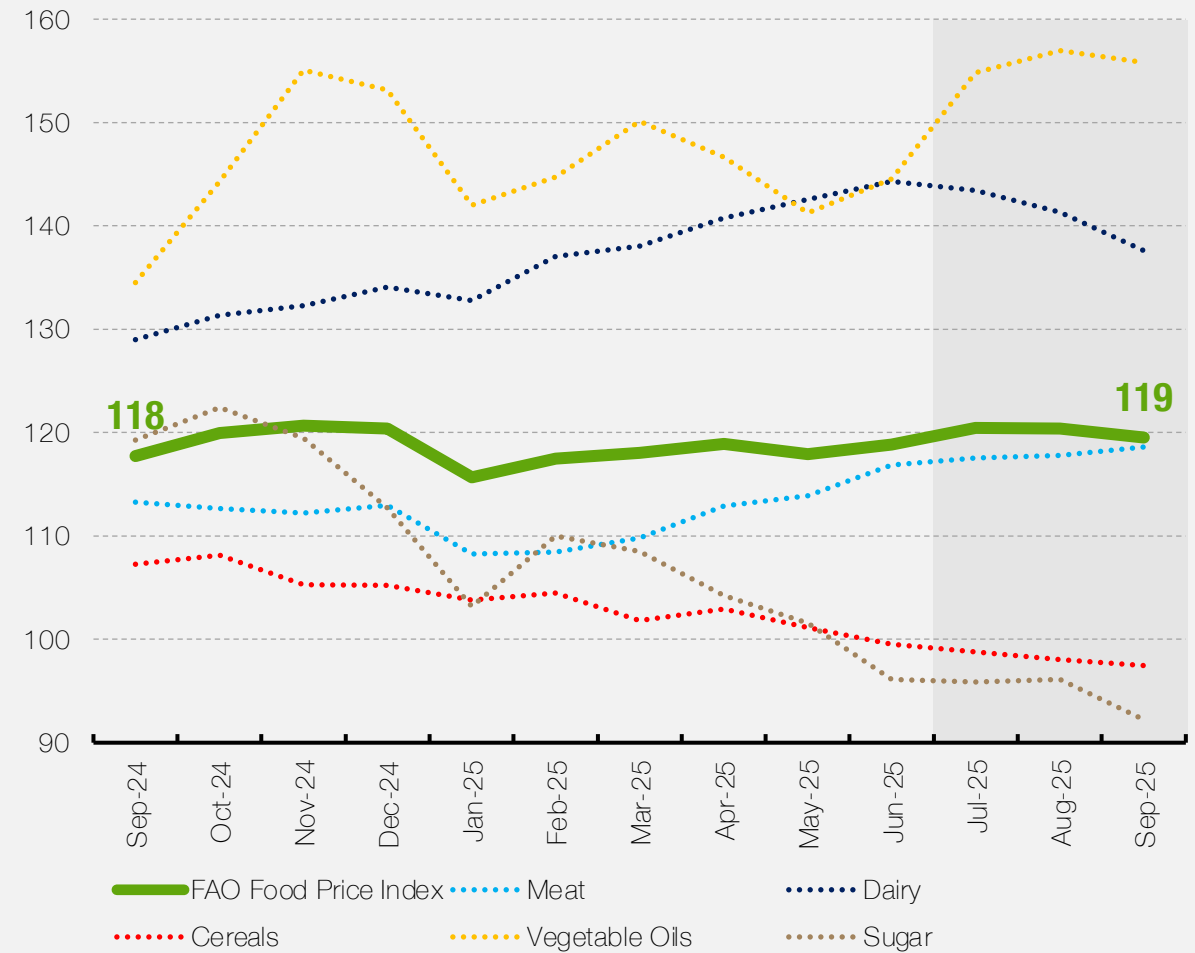
Amid a low-inflation environment, central banks maintain accommodative stance to support growth while remaining vigilant against emerging price pressures.



Crude Oil Price (USD/barrel)



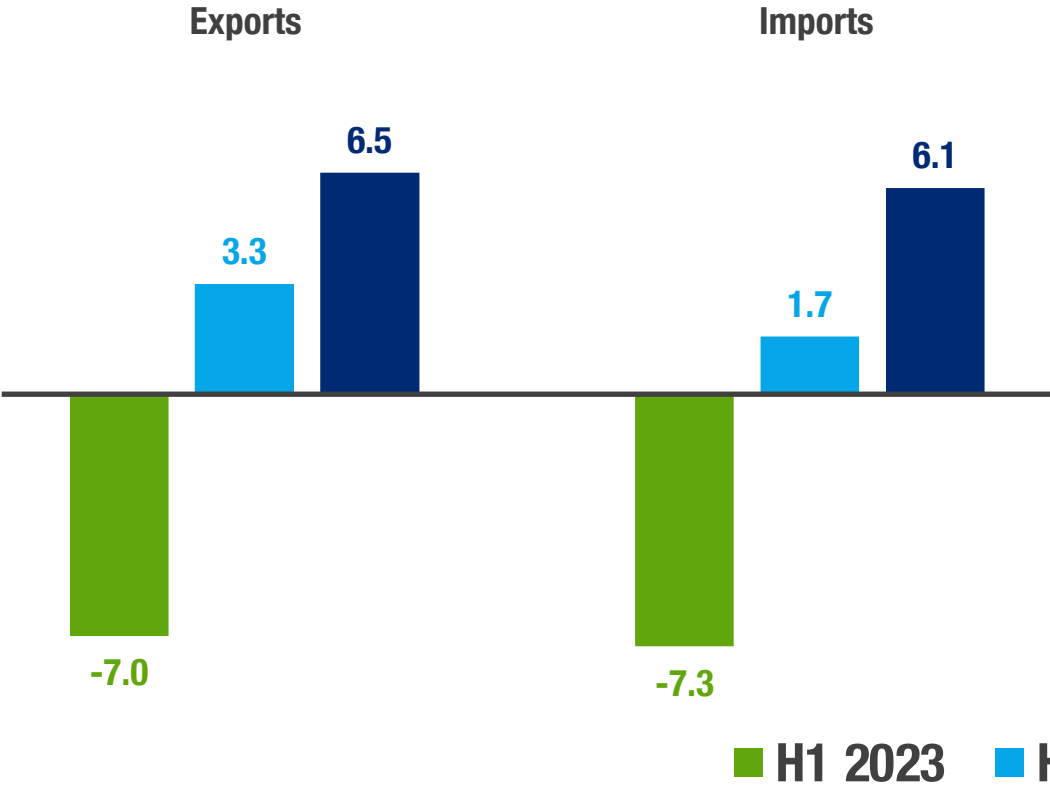
Food Prices (Index, 2014-2016=100)



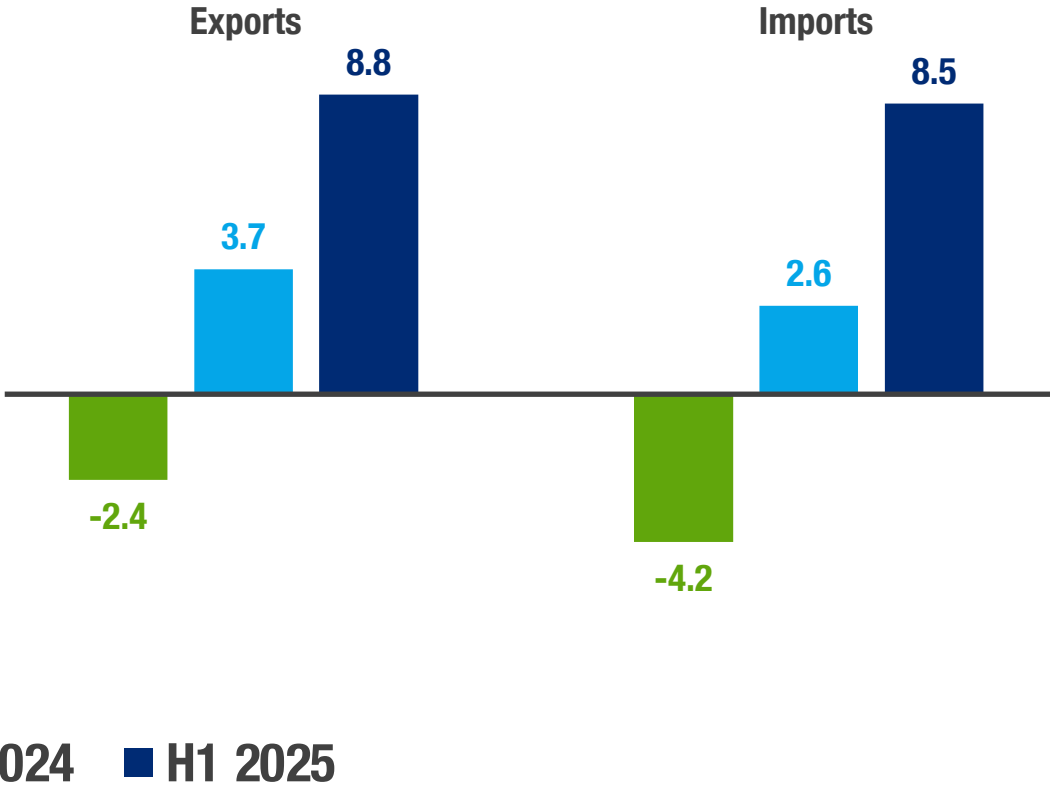
Oil prices ease as supply conditions improve following earlier geopolitical strains, while food prices remain broadly stable across key commodity groups.



APEC Merchandise Trade Value Growth (% , y-o-y)



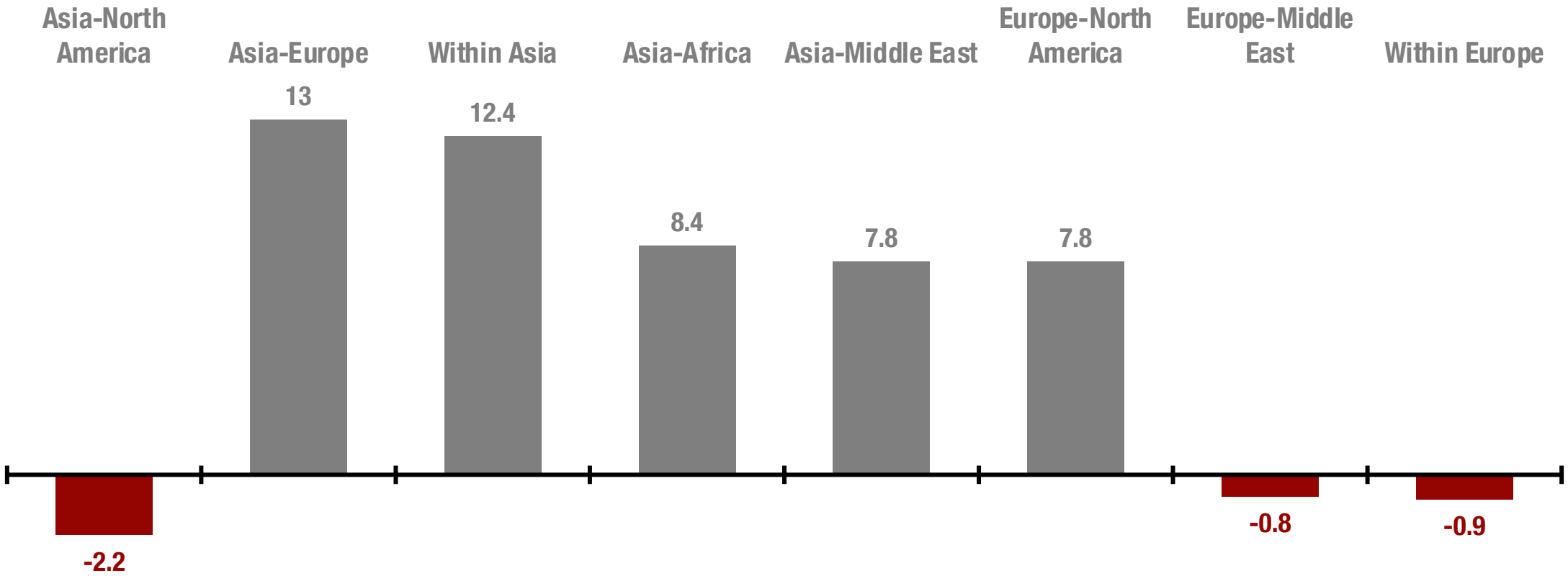
APEC Merchandise Trade Volume Growth (% , y-o-y)



Merchandise trade strengthens on frontloaded shipments, supply chain diversification, and rising demand for metals and components from high-tech industries.



Global Air Freight Volume Growth (% , y-o-y)



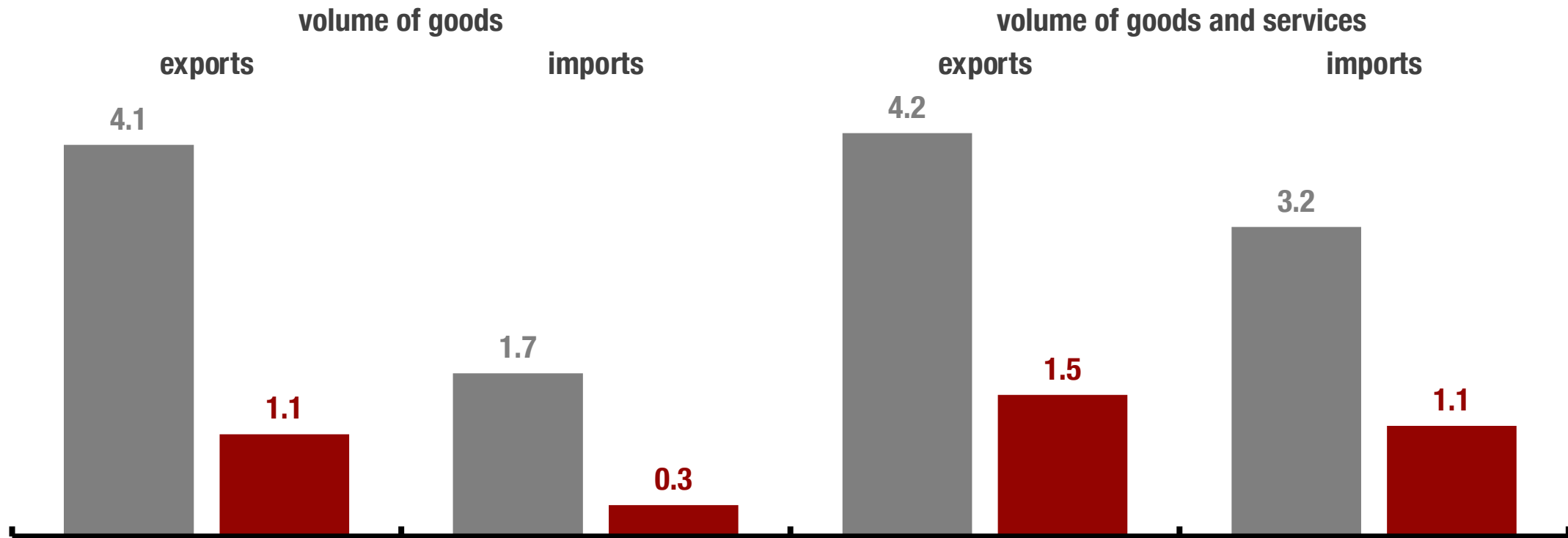
Note: Values reflect August 2025 data.

Air freight traffic is adjusting as supply chains realign, with gains on some routes offset by declines elsewhere amid shifting trade policies.



APEC Trade Outlook (% , y-o-y)

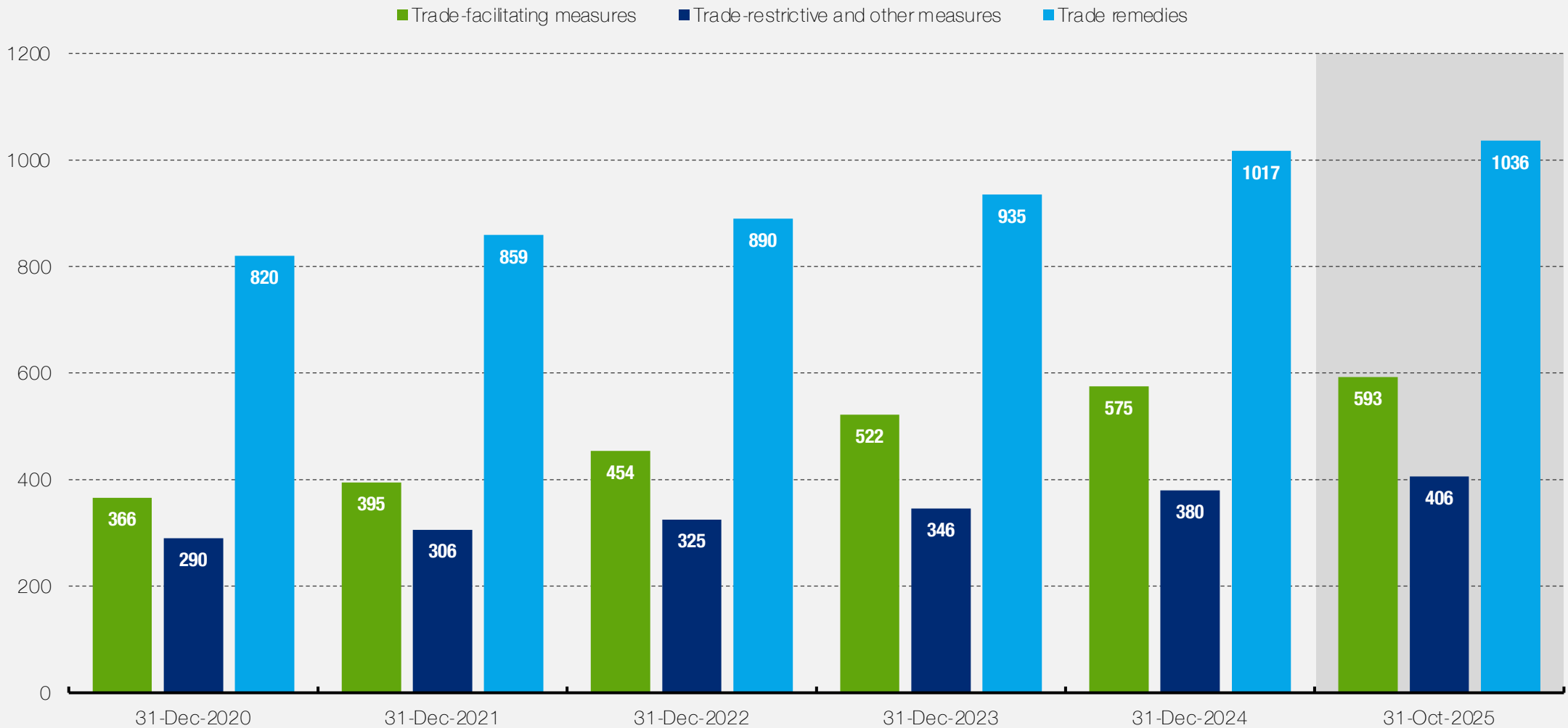
■ 2025 ■ 2026



Trade momentum is projected to firm on strong AI and high-tech demand as well as frontloading in 2025, but could weaken in 2026 as transitory factors fade and policy headwinds intensify.



APEC Trade Measures in Force (accumulated number)

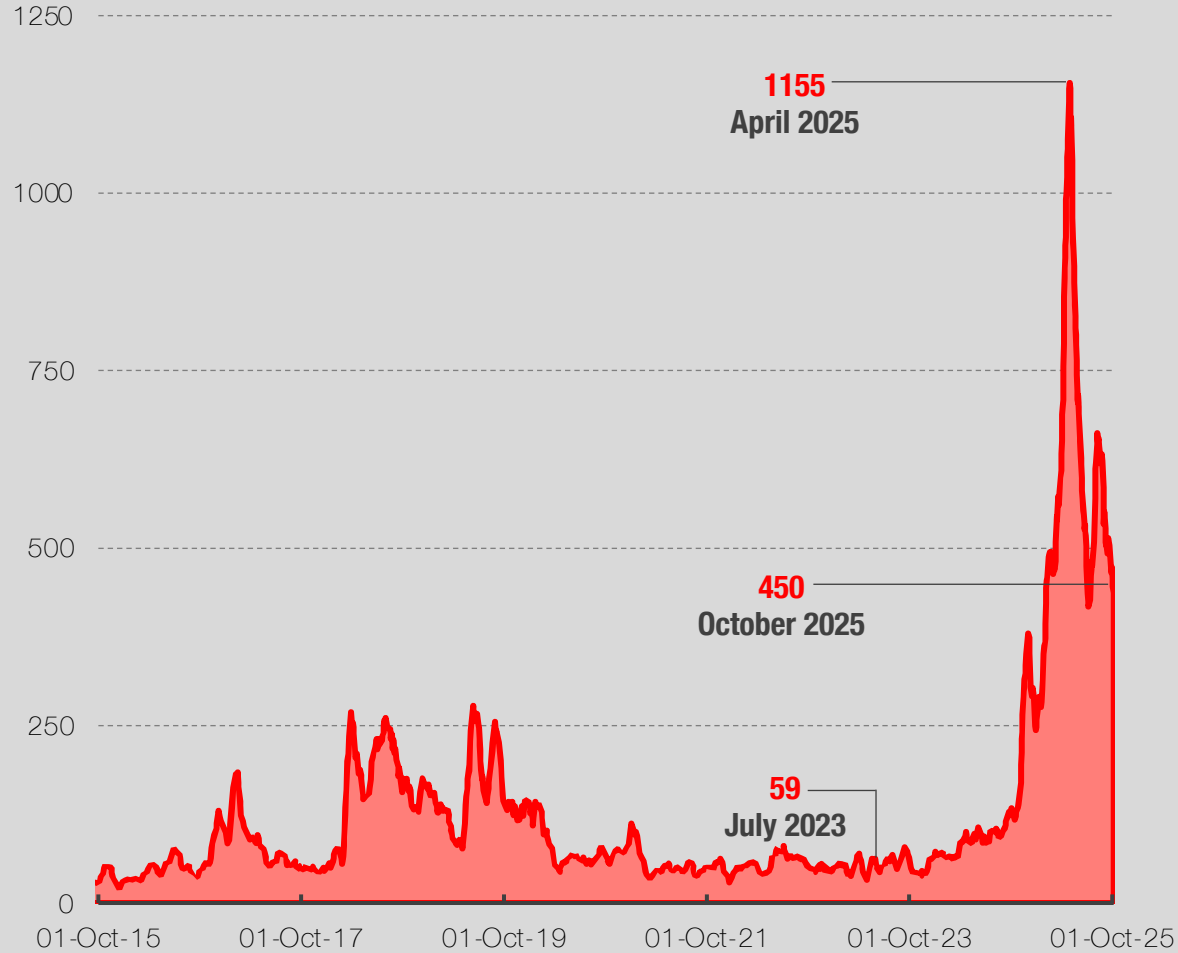


Trade-facilitating measures remain active, however, continued build-up in restrictive actions and remedies reflects deepening trade frictions.



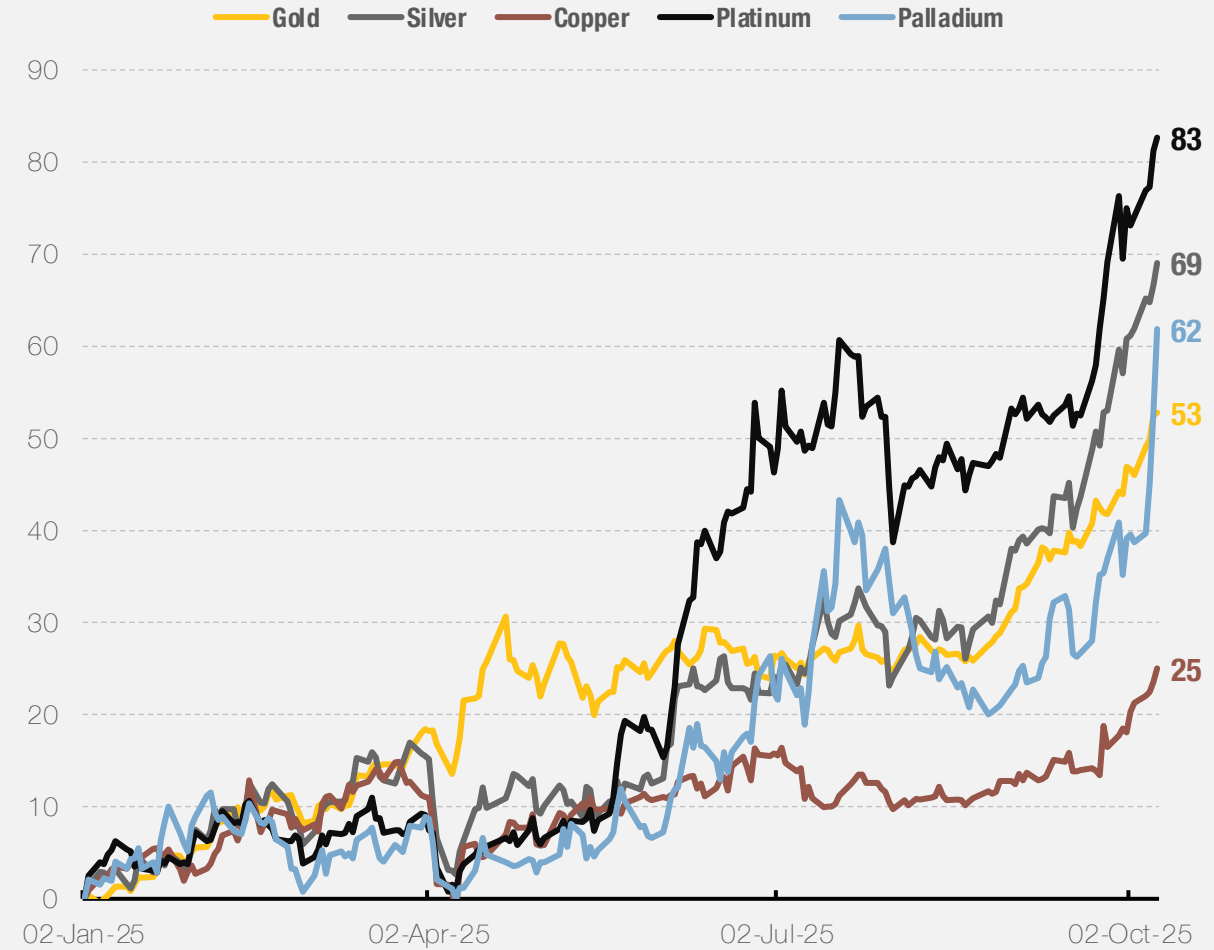
Trade Policy Uncertainty

(Index, September 2024=100, 30-day moving average)



Metal Prices

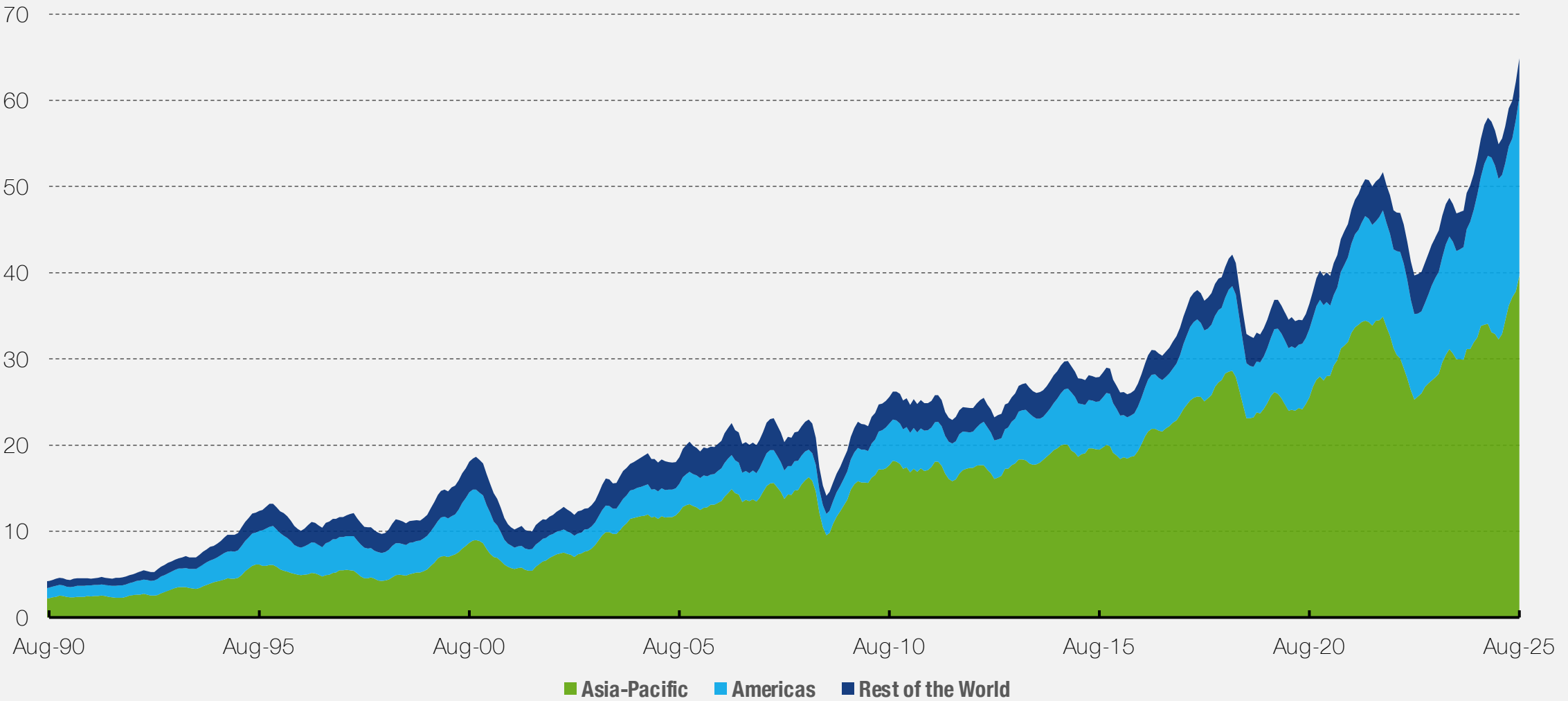
(%, year-to-date change)



Despite easing from historic highs, persistent trade policy uncertainty together with strong safe-haven and industrial demand lift metal prices.



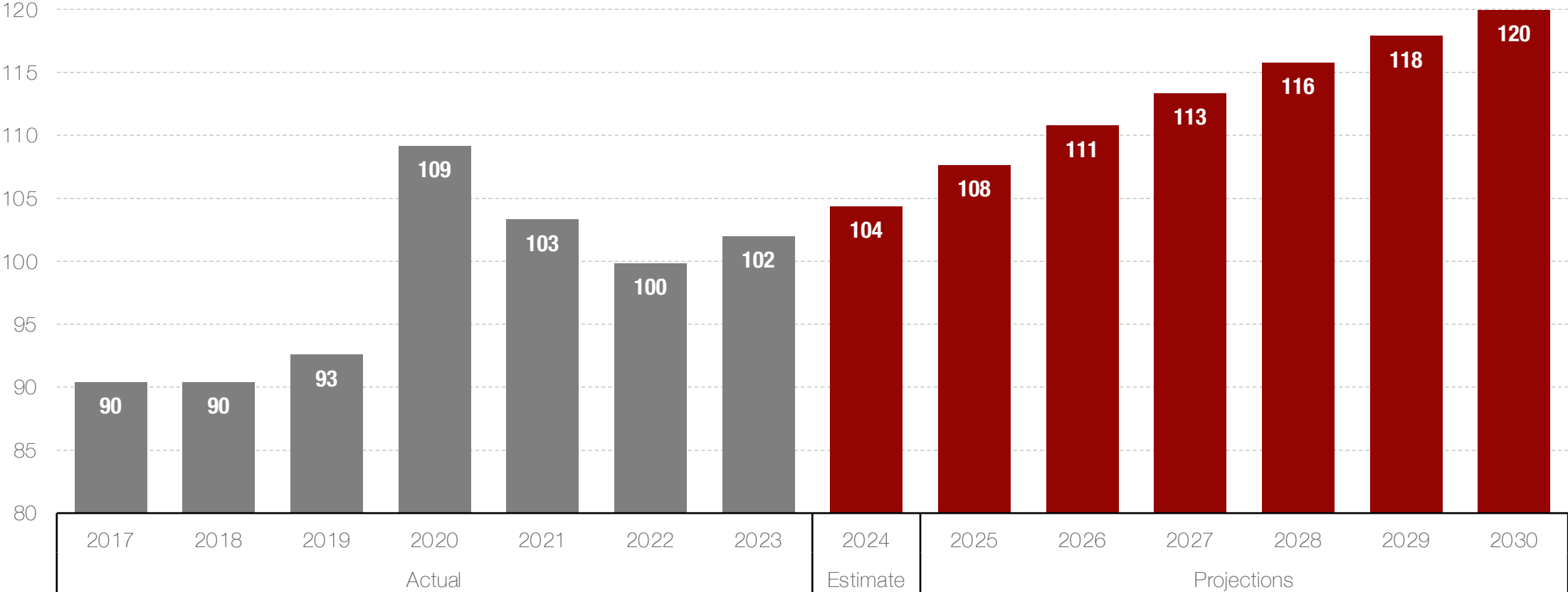
Semiconductor Industry Billings (USD billion)



Amid global tensions, semiconductor billings reach record highs on strong AI-driven demand for logic and memory chips, led by growth in Asia-Pacific.



APEC General Government Gross Debt (% of GDP)



**Governments face a tightrope as rising debt limits fiscal space,
with public debt projections revised upwards from 2026 amid ongoing uncertainties.**

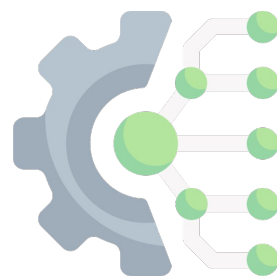


Policy Priorities: Restoring Confidence, Revitalising Growth



SOUND ECONOMIC POLICIES

Strengthen macroeconomic fundamentals, policy certainty and credibility to reduce vulnerabilities and reinforce confidence in the business community.



TRANSFORMATIVE STRUCTURAL REFORMS

Boost productivity and long-term growth through labor market, innovation, and digital reforms that harness AI and build human capital amid accelerating digital and demographic shifts.



ADAPTIVE REGIONAL COOPERATION

Leverage APEC as a platform for dialogue and coordination to strengthen multilateral cooperation, rebuild confidence, and promote predictable frameworks that foster trade and investment.

Asia-Pacific Economic Cooperation (APEC) was established in 1989. The 21 member economies are Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States; and Viet Nam.

APEC Policy Support Unit (PSU) is the policy research and analysis arm for APEC. It supports APEC members and fora in improving the quality of their deliberations and decisions and promoting policies that support the achievement of APEC's goals by providing objective and high-quality research, analytical capacity, and policy support capability.

APEC Regional Trends Analysis (ARTA) is a serial publication of the PSU which provides an overview of the region's economy through an analysis of recent macroeconomic, trade and investment trends. It tracks recent trade and investment measures implemented around the region, and discusses risks and opportunities to the region's economic outlook.

This report was prepared by **Rhea C. Hernando** and **Glacer Niño A. Vasquez**, Analyst and Researcher, respectively, at the PSU. The views expressed in the APEC Regional Trends Analysis are those of the authors and do not necessarily represent those of the APEC Member Economies. This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. To view a copy of this license, visit <https://creativecommons.org/licenses/by-nc-sa/4.0/deed.en>.



**Asia-Pacific
Economic Cooperation**

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