SUSTAINABLE RECOVERY AMID UNCERTAINTY

2022 Economic Trends

APEC GDP growth is expected to slow down to 3.2% in 2022 and 3.4% in 2023, following a 5.9% expansion in 2021.

APEC inflation averaged 3.0% in 2021, doubling from 1.5% in 2020. Inflation for Q1 2022 averaged higher at 4.5% compared to 1.8% in Q1 2021.

Rising inflation, particularly of food prices, could push more people into extreme poverty. Higher inflation, interest rates and debt could slow down economic activity.

Other risks: protracted conflict, moderating growth in trading partners, climate change and the emergence of highly transmissible variants from the ongoing pandemic.
Merchandise and commercial services trade recorded double-digit growth in 2021 after contracting in 2020. However, forecasts for world trade volume for 2022-2023 have been downgraded due to multiple challenges.
Staying the Course

Amid heightened uncertainty and rising risks from crisis upon crisis, APEC has remained committed to stay the course of sustainable and inclusive growth by implementing the Putrajaya Vision through the Aotearoa Plan of Action (APA).

The APA is focused on implementing inclusive policies that:

- Equip people with upgraded digital skills
- Advance women’s economic empowerment
- Support MSMEs’ access to finance, global markets and global value chains
- Deepen work on groups with untapped economic potential

APEC recognizes that growth and prosperity need to be attained through environmentally sustainable approaches such as:

- Doubling renewable energy in the APEC energy mix by 2030
- Reducing aggregate energy intensity by 45% in 2035

Integrating the Bio–Circular–Green (BCG) model into the region’s economic approaches
Food security also forms a vital part of APEC’s sustainable growth agenda, which is timely amid rising food prices.

The APEC Food Security Roadmap Towards 2030 leverages public–private partnership to utilize digital and innovative approaches to:

- increase productivity and efficiency
- minimize food loss and waste
- mitigate and adapt to climate change
- reduce costs and facilitate food trade

In the immediate period, the priority remains on ensuring that the region’s people are healthy so that economies can recover, reopen and rebuild.

Trade facilitation to ensure the free and rapid flow of vaccines, therapeutics and related medical supplies across borders

Resumption of cross-border activity to strengthen the region’s connectivity and re-energize travel and tourism to support economic growth

The challenge remains for APEC to translate the Putrajaya 2040 vision of an ‘open, dynamic, resilient and peaceful Asia-Pacific’ into concrete actions and tangible benefits for all people.