



Asia-Pacific
Economic Cooperation

Advancing Free Trade
for Asia-Pacific Prosperity

APEC

at a glance



What are APEC's goals?



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.

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 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.



What is Asia-Pacific Economic Cooperation?

APEC: Cooperation and Consensus

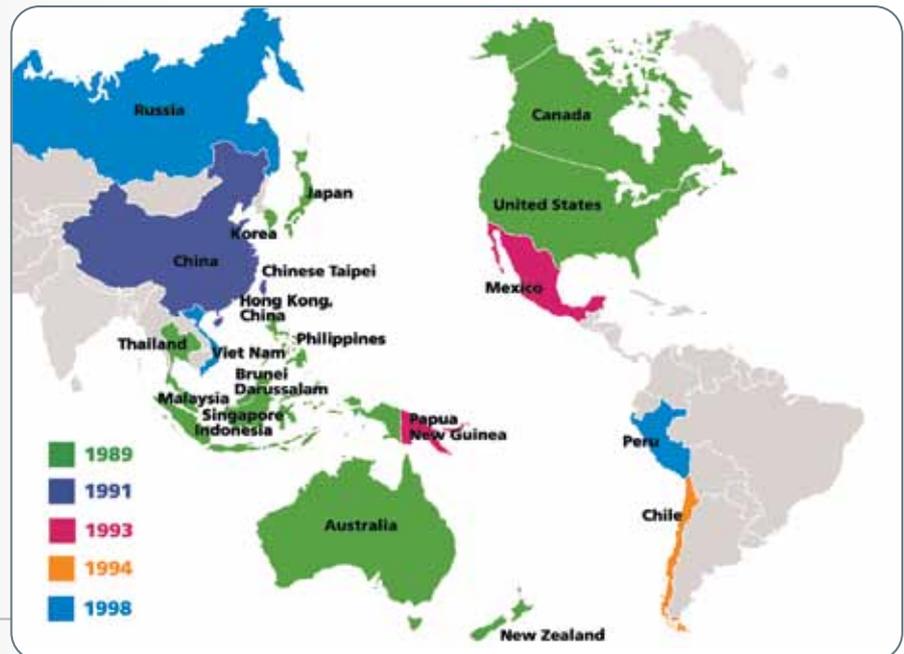
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APEC has grown to become one of the world's most important regional groupings. Its 21 member economies are home to around 2.8 billion people and represent

approximately 57 percent of world GDP and 47 percent of world trade in 2012.

APEC is the most economically dynamic region in the world. Since APEC's inception, members have experienced average annual real GDP growth of around 3.3 percent, versus 2.3 percent growth in non-APEC economies.

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.



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:

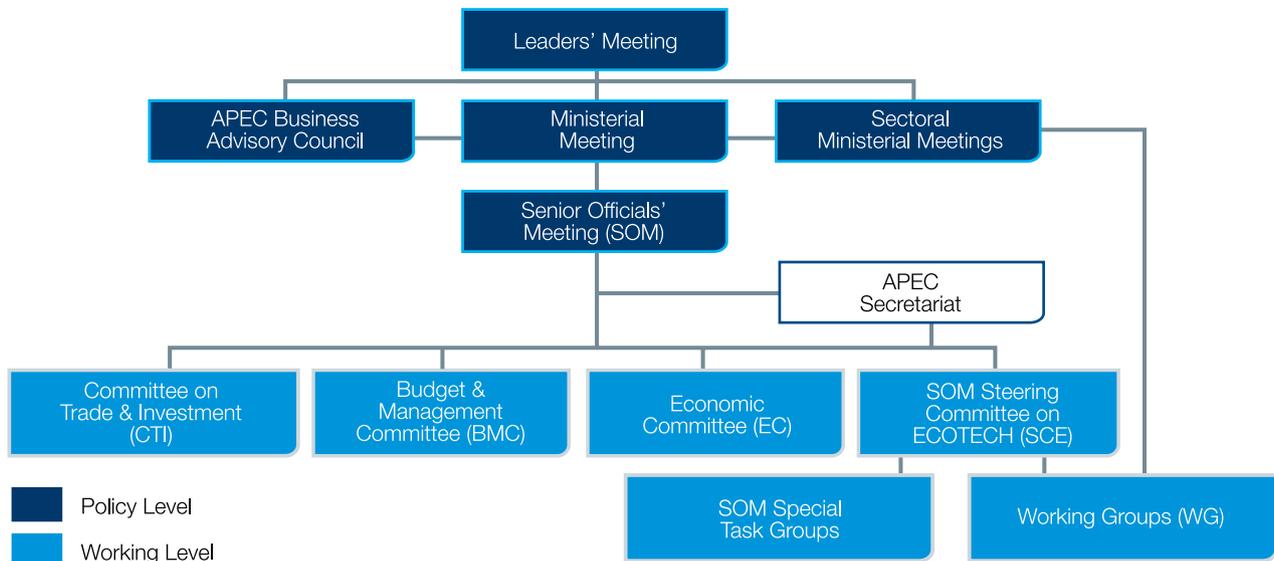
- Committee on Trade and Investment
- Senior Officials' Meeting - Steering Committee on Economic and Technical Cooperation
- Economic Committee
- Budget and Management Committee

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 is APEC structured?



How does APEC benefit the economies and people of the region?

Members work together to promote 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. APEC's goals also focus on achieving balanced, sustainable and inclusive growth.

Highlights

- A significant achievement in 2012, APEC economies agreed on a list of 54 environmental goods on which they committed to reducing applied tariffs to 5% or less by the end of 2015. The APEC environmental goods list includes solar panels, wind turbine blades and renewable energy equipment.
- APEC launched its Ease of Doing Business Action Plan in 2009 to reduce the costs of doing business. Between 2009-2012, member economies improved the ease of doing business in the Asia-Pacific by 11.5%, exceeding their 10% pro rata target for the period and keeping them on pace to realize a 25% improvement by 2015.

This is delivering concrete benefits. For example, between 2009 and 2012, the median time to start a business in the APEC region fell 56.5%, from 23 to 10 days. By contrast, it fell only 15% for the rest of the world, from 20 to 17 days, according to an APEC Policy Support Unit assessment.

- 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 – nineteen fully participating and two transitional members.



Improving the business environment by removing barriers between economies

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. For more information: <http://www.apec.org/about-us/how-apec-operates/action-plans.aspx>

Individual and Collective 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. Collective Action Plans (CAPs) detail the joint actions of all APEC member economies and serve as the compass by which APEC charts its course towards the ultimate objective of free trade and investment.

APEC Projects: Capacity Building

APEC capacity-building projects are a critical part of APEC's work to make its goals a reality. By enhancing members' capacity through skills training and technological know-how, APEC-funded projects strengthen members' readiness to adopt new trade facilitation initiatives from electronic customs processing to regulatory reform. APEC projects also target specific policy areas from enhancing small and medium-sized enterprise competitiveness to facilitating the adoption of renewable energy technologies in the region.

What is APEC's scope of work?

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 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.

To get there, member economies are addressing eight priority chokepoints—i.e. regulatory impediments, customs inefficiencies and inadequate transport networks and infrastructure. Between 2009 and 2011, APEC economies have already reduced trade times nearly 7% and uncertainty by 4% based on the percentage of shipments meeting firm quality criteria, according to an APEC Policy Support Unit assessment.

Economic and Technical Cooperation

Economic and Technical Cooperation (ECOTECH) is aimed at fostering sustainable and inclusive growth and development in the Asia-Pacific and improving the overall economic and social well-being of all citizens living across the APEC region. The agenda is based on the view—held firmly within APEC—that the gap between developing and industrialized economies needs to narrow if the region's future growth is to be secured. ECOTECH programmes focuses on capacity building, training and information sharing, particularly in developing member economies, to advance APEC's goals of trade liberalization and sustainable, inclusive growth.

Who participates in the APEC process?

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 ASSC facilitates cultural and intellectual exchanges in the region and undertakes collaborative, interdisciplinary and policy-relevant research from an independent and long-term perspective.

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 through the APEC website.

Contact Us



**Asia-Pacific
Economic Cooperation**

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Inquiries can also be directed to contacts in APEC Member Economies. A complete list of these contacts is available on the APEC website or by contacting the APEC Secretariat directly.