



**Asia-Pacific
Economic Cooperation**

Advancing Free Trade
for Asia-Pacific **Prosperity**

Key Trends and Developments relating to Trade and Investment Measures and their Impact on the APEC region



APEC Policy Support Unit
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Executive Summary

The global economy showed signs of a recovery towards the second half of 2013. Global GDP growth accelerated to 3.8% in the latter half of 2013 – the fastest growth rate recorded since the first quarter of 2011. The Euro area registered positive growth in the last quarter of 2013, ending seven consecutive quarters of contraction. However, the recovery remains on an uneven path with activities moderating in the first few months of this year. An increase in volatility in the financial markets earlier this year has impacted real economic activities in many developing economies through tighter credit conditions, loss of financial income, and increased capital outflows. These developments prompted the International Monetary Fund (IMF) to slightly lower projections for global GDP growth in 2014.

In the APEC region, the pace of growth diverged between advanced and developing economies throughout 2013, slowing down in many developing economies just as economic activity picked up pace in advanced economies. Growth in industrialized APEC economies accelerated to 2.3% (year-on-year) in the second half of the year after growing 1.4% (y-o-y) in the first half. Conversely, developing APEC economies, excluding China, slowed down to 2.9% (y-o-y) growth in the second half of 2013 from 3.2% (y-o-y) in the first half. The strengthening growth in advanced APEC economies has given the region an impetus to stage a tentative recovery since the third quarter of last year,

Some of the momentum, however, has faltered in the first few months of this year. An advance estimate of first quarter growth indicates that GDP in the United States increased at a weaker-than-expected rate, mainly due to the severe winter earlier this year. Growth in China also slowed to 7.4% in the first quarter of this year, from 7.7% growth in 2013, partly due to the shutdown of manufacturing during the Lunar New Year holiday. First quarter growth in the rest of APEC region has also been weaker than expected with only a few exceptions.

Going forward, growth forecasts for the APEC region have been revised moderately downwards but the region's economic outlook remains favorable compared to the rest of the world. APEC's economy is projected to grow by 4.1% in 2014 and 4.3% in 2015. In comparison, GDP for the rest of the world is forecast to rise by 2.9% and 3.4% in 2014 and 2015, respectively.

Global merchandise trade, in volume terms, continued to moderate in 2013. The pick-up in industrial production in advanced economies did not translate into an increase in their import demand. Import demand from emerging and developing economies also subsided, reflecting a slowdown in their industrial production. In nominal USD terms, global export earnings picked up in 2013, but continued to slow down in the APEC region. World merchandise export earnings grew by 2.0% in 2013, an improvement over the 0.1% growth seen in 2012. The European Union (EU), whose merchandise exports earnings grew 4.4% in 2013, gained the most from the pick-up in global trade. In contrast, export earnings by APEC economies grew more slowly at 1.3% (from 3.1% growth in 2012), while earnings in the rest of the world outside APEC and EU contracted. Despite the pick-up in economic activity in the Eurozone, their demand for APEC goods continued to fall. APEC exported USD 923 billion worth of goods to the Eurozone in 2013, almost 4% lower than the value exported in 2011.

Most APEC economies reported subdued export earnings in 2013 relative to historical averages. The exception was New Zealand, where strong global demand for milk and proteins, and higher prices for its export commodities, led to an increase in export earnings despite a mild contraction in volume. However, other APEC commodity exporters did not perform as well in 2013. Export earnings in Australia; Chile; Indonesia; Peru; and Russia all

contracted during the year due to lower world prices for precious metals (including gold), natural gas, and palm oil.

World trade continued to slow down in the early months of this year, with export volumes contracting marginally at 0.6% (3m/3m saar) in February. Likewise, the volume of exports from developing economies contracted by 4.7% (3m/3m saar)—the sharpest contraction since April 2009—as economic recovery in advanced economies has not yet translated to higher import demand.

Foreign direct investment recovered in 2013, with two-thirds flowing into APEC economies. Global foreign direct investment (FDI) picked up steam in 2013. After a 22% decline in FDI in 2012, UNCTAD estimates global FDI to have increased by 8% in 2013. FDI into APEC economies grew by 16% in 2013, reaching USD 490.7 billion, accounting for two-thirds of global FDI. Notably, the increase in FDI inflows occurred against the backdrop of increased volatility in financial markets in the second half of last year, particularly in emerging economies. As developed economies showed signs of recovering, expectations on the direction of monetary policy shifted and there was a reallocation of investment portfolios. Some emerging economies experienced large capital outflows as portfolio investors moved to industrialized economies in the expectation of higher returns.

FDI inflows into China; Mexico; and Russia grew by 40% in 2013 relative to 2012. Russia posted stellar FDI growth of 83% during the year, placing it in third place among the top FDI destinations in 2013. FDI into smaller APEC economies, however, did not perform as well. FDI inflows into Hong Kong, China and Singapore stagnated in 2013, while falling commodity prices led to falling FDI into Chile and Peru. FDI inflows into industrialized APEC economies also continued to decline in 2013, falling 3% relative to 2012 and 18% relative to 2011.

A discussion of recent developments in economic growth, trade and investment is at [Annex 1](#).

Trade and investment measures implemented by APEC economies in 2013. Between mid-May and mid-November 2013, information from the WTO indicates that APEC economies implemented seven trade-facilitating measures, 89 trade remedy measures (mainly anti-dumping measures), and 17 other trade and trade-related measures. A detailed list of these trade measures is provided in [Annex 2](#). Between June 2013 and February 2014, ten APEC economies adopted 18 new policy measures relating to foreign investment, 14 of which were aimed liberalizing or promoting investment while four had the potential to restrict investment. A detailed list of these investment measures is provided in [Annex 3](#).

For Discussion

Despite a slowdown in exports growth in early 2014, trade and investment are still projected to pick up in 2014 and 2015. Recovery in the world's developed economies is expected to lead to higher consumer demand, which encourages trade and investment. Hence, the WTO projects that world merchandise trade will increase by 4.7% in 2014 and 5.3% in 2015. Similarly, UNCTAD forecasts FDI flows to rise to USD 1.6 trillion in 2014 and USD 1.8 trillion in 2015. However, downside risks still remain. Persistently high unemployment in Europe and the possibility of continued financial market volatility in developing economies can weigh down the expected rise in consumer demand. On the supply side, the WTO warns that an escalation in ongoing geopolitical tensions can hamper trade and increase energy prices. Furthermore, risks posed by natural calamities and climate change continue to threaten trade in APEC economies through their impacts on supply chain networks across the region. Already, extreme weather events in the Northern Hemisphere have contributed to a weaker trade performance in the first two months of this year.

Addressing these risks to trade and investment will require measures that promote trade and investment facilitation, connectivity, productivity, and sustainable growth. APEC Ministers may wish to discuss the following concrete steps:

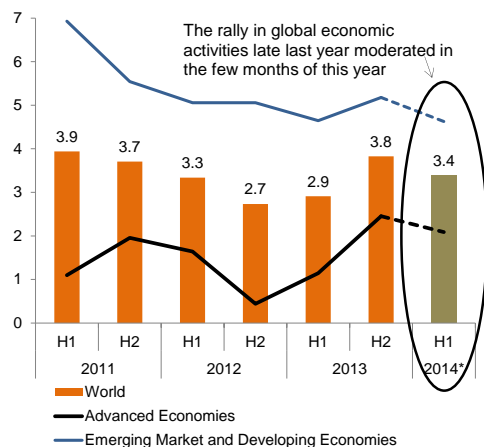
1. APEC reiterates its pledge to maintain free and open markets and renews its commitment to withdraw existing restrictive measures and resist new protectionist measures given the significant risks to economic recovery.
2. APEC reaffirms its commitments made in the 2013 Leaders' Declarations to improving physical, institutional, and people-to-people connectivity in the region not only to facilitate trade and investment but also to improve the resiliency of supply-chain networks.
3. APEC strengthens its commitment to promote innovative growth by promoting trade and investment in innovative activities such as education, skills development, and research.
4. APEC renews its commitments to address climate change and its adverse effects by liberalizing trade and investment in environmental goods as outlined in the 2012 Leaders' Declaration.
5. APEC continues to monitor trade and investment measures by member economies, with the APEC Policy Support Unit to prepare its next review for the AMM in November 2014.

Annex 1 Recent Economic Developments

Economic Outlook

Global economic activity showed encouraging signs of strengthening towards the second half of 2013. Global GDP growth accelerated to 3.8% in the second half of 2013, the strongest rate since the first half of 2011. Externally, the improvement was most notable in advanced economies. In the Euro area, growth turned positive in the last quarter of 2013, ending seven consecutive quarters of contraction. As a result, non-APEC advanced economies registered growth of 0.1% in 2013, a turnaround from the 0.3% contraction that was recorded in 2012. In emerging and developing economies, the strengthening pace of growth was not uniform, however. Brazil and India reported slower growth rates in the last quarter of 2013. As a group, GDP growth in non-APEC emerging and developing economies moderated to 3.5% in 2013, down slightly from 3.6% in 2012.

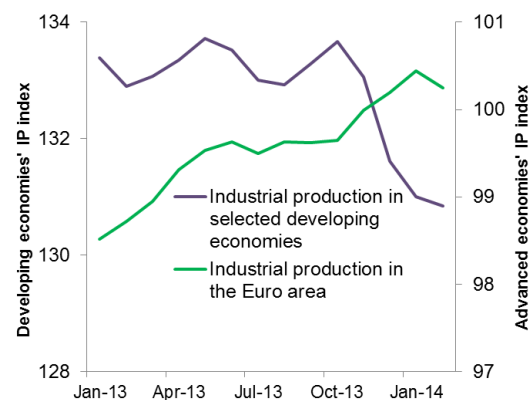
Figure 1: GDP growth
(annualized semiannual percentage change)



Source: IMF and APEC PSU calculations.

Note: GDP growth figures for the first half of 2014 are projected.

Figure 2: Industrial production has moderated in the external environment
(Industrial production index, 3-month average, seasonally adjusted)



Source: Thompson Reuters, CPB Netherlands and APEC PSU calculations.

Note: The index for selected external developing economies includes Argentina; Brazil and India.

The strong rally late last year has moderated in the first few months of this year, across both developed and developing economies. Global growth is expected to moderate to 3.4% in the first half of this year, from the 3.8% growth in the second half of last year (Figure 1). The recurrent financial turmoil in developing economies, which was triggered by the sharp and unexpected devaluation of the Argentine Peso in January, has affected real economic activities. Emerging and developing economies bore most of the brunt, with higher funding costs, large losses in financial income and weakened capital inflows. In some economies, domestic political tensions have also amplified the downturn in investor sentiment. Economic activity in developing economies has been affected to an extent, resulting in a slowdown in industrial production (Figure 2). On the other hand, industrial production in developed economies has remained at a higher pace than the average rate recorded in 2013.

The slowing momentum in the first few months of this year prompted the IMF to lower its forecast for global growth. In their April 2014 *World Economic Outlook Report* (WEO), global GDP in 2014 is expected to increase at 3.6%, an improvement from a 3.0% last year, but it is a touch lower than the 3.7% rate forecast in the January WEO (Table 1). Expectations for emerging and developing economies have lowered to 4.9% for 2014 and 5.3% in 2015¹. Projections for advanced economies remained intact, at 2.2% for 2014 and 2.3% for 2015.

In the APEC region, while economic activity gathered strength in advanced economies throughout 2013, it began to slow in many developing economies. Growth in industrialized APEC economies accelerated to 2.3% (year-on-year) in the second half of 2013 after expanding by 1.4% (y-o-y) in the first half. Output growth in APEC Newly Industrialized Economies (NIEs) also rose to 3.3% (y-o-y) in the second half from 2.4% in the first half. In contrast, GDP growth in developing APEC economies, excluding China, moderated to 2.9% (y-o-y) in the second half, from growth of 3.2% in the first half. China's growth throughout 2013 was relatively stable, albeit at a more moderate rate than the previous few years. The improved pace in high-income APEC economies, as well as stable growth in China, has

Table 1. Real GDP Growth

Year-on-year (%)	Projection			
	2012	2013	2014	2015
Australia	3.6	2.4	2.6	2.7
Brunei Darussalam	0.9	-1.2	5.4	3.0
Canada	1.7	2.0	2.3	2.4
Chile	5.5	4.2	3.6	4.1
China	7.7	7.7	7.5	7.3
Hong Kong, China	1.6	2.9	3.7	3.8
Indonesia	6.3	5.8	5.4	5.8
Japan	1.4	1.5	1.4	1.0
Korea	2.0	2.8	3.7	3.8
Malaysia	5.6	4.7	5.2	5.0
Mexico	3.9	1.1	3.0	3.5
New Zealand	2.6	2.4	3.3	3.0
Papua New Guinea	8.1	4.6	6.0	21.6
Peru	6.3	5.0	5.5	5.8
Philippines	6.8	7.2	6.5	6.5
Russia	3.4	1.3	1.3	2.3
Singapore	1.9	4.1	3.6	3.6
Chinese Taipei	1.5	2.1	3.1	3.9
Thailand	6.5	2.9	2.5	3.8
United States	2.8	1.9	2.8	3.0
Vietnam	5.2	5.4	5.6	5.7
APEC	4.2	3.7	4.1	4.3
Advanced economies	2.5	1.8	2.5	2.5
Emerging/developing	5.9	5.5	5.7	5.8
Rest of world	2.0	2.1	2.9	3.4
Advanced economies	-0.3	0.1	1.6	1.7
Emerging/developing	3.6	3.5	3.8	4.5
World	3.2	3.0	3.6	3.9

Source: IMF, World Economic Outlook April 2014 and APEC PSU

helped the region to stage a recovery with growth rising to 4.1% in Q4 2013, 75 basis points higher the growth rate seen in the first quarter of last year.

Unfortunately, some of the impetus for APEC growth late last year has faded somewhat in the first few months of this year. Advance estimates for the first quarter of 2014 show that real GDP in the United States increased at a weaker-than-expected rate of 0.1% (annualized, quarter-over-quarter) on slower growth in exports and inventories. However, this weakness in growth may be temporary and mostly due to severe weather and the coldest winter on record. Going forward, the U.S. is expected to post 2.8% growth in 2014 before accelerating to 3.9% in 2015.

In China, GDP growth slowed to 7.4% in Q1 2014, down from 7.7% in 2013. The slow start for the year in China was due in part to the seasonal shutdown in the manufacturing sector during the Lunar New Year holiday. As the

¹ In the IMF World Economic Outlook update, published on 21 January 2014, growth in the emerging and developing economies was expected to be 5.1% in 2014 and 5.4% in 2015.

government is committed to implementing major structural economic reforms that are designed to create more jobs with better equality², growth in China is expected moderate further, in comparison with average rates seen in recent years. With the expected annual pace of 7.5% in 2014, however, China will continue to contribute to a large proportion of APEC growth.

For the rest of the APEC region, with only a few exceptions, the expansion rate in the first quarter of this year has been less optimistic than previously anticipated. The pullback in export earnings has been a contributing factor. New Zealand and Chinese Taipei bucked the trend. In New Zealand, post-earthquake reconstruction in the Canterbury region is continuing to support economic growth through strong increases in the construction sector. If the current pace of activity continues, New Zealand is set to achieve a growth rate of 3.3% this year, which would be its strongest rate since 2007. In Chinese Taipei, robust domestic consumption has helped to offset soft exports, resulting in GDP growing at 3.0% in Q1 2014, an encouraging improvement from the 2.1% growth seen in 2013.

The softer pace in the first quarter of this year has resulted in a mild downward revision in the forecast for APEC growth. APEC GDP is forecast to grow by 4.1% in 2014 before accelerating to 4.3% in 2015. Much of the risk to the outlook has subsided but still remains on the downside. According to a PSU report³, volatility in the financial markets remains as the key downside external risk facing the APEC region. While the gradual withdrawal of the asset purchase program by the U.S. Federal Reserve did not appear to be the primary reason for the most recent restiveness in the financial markets, it is a continuing cause for concern. Markets are likely to continue to be sensitive to movements in the direction and the scale of large advanced economies' monetary policy changes. While fundamentals are still given a large weight in investor portfolio decisions, some degree of contagion among emerging markets can continue as investors reevaluate risks and returns.

Merchandise Trade and Trade-Related Measures

World trade volume⁴ moderated again in 2013. After increasing by 2.3% in 2012, total world merchandise trade volume increased by 2.1% in 2013, according to the most recent report from the World Trade Organization (WTO, April 2014)⁵. Indeed, the recovery in industrial production in advanced economies last year did not translate into an improvement in their imports which contracted by 0.2% in 2013. Moderated demand was also recorded in developing and emerging economies, in which imports grew by 4.4% in 2013, down from a 5.1% growth in 2012. The slowdown in import demand in developing and emerging economies was in tandem with the moderate reduction in the pace of their industrial production growth.

In nominal USD terms, total world merchandise export earnings grew by 2.0% in 2013, a slight improvement from 0.1% growth in 2012. The European Union (EU) benefited most from the improvement in global trade: the value of merchandise goods exports from the EU rose by 4.0% in 2013, a turnaround from a contraction of 4.1% that was registered in 2012.

² See the [Communiqué of the Third Plenary Session of the Third Plenary Session of the 18th Central Committee of the Communist Party of China](#) (November 2013).

³ For an in-depth analysis of the recent economic developments in the APEC region, please see the APEC Policy Support Unit's "[APEC Economic Trends Analysis – April 2014](#)", available through [the APEC Policy Support Unit webpage](#).

⁴ World trade, in volume terms, refers to the average of merchandise exports and imports, adjusted for differences in inflation and exchange rates across markets.

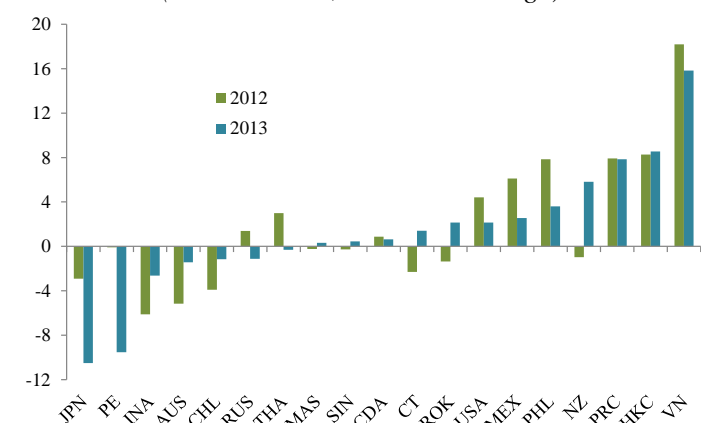
⁵ For more information, please see the WTO's Press Release 721, "[Modest trade growth anticipated for 2014 and 2015 following two year slump](#)", 14 April 2014.

Outside the EU, the performance of the exporting sector remained weak. Indeed, the rest of world, excluding the European Union and the APEC region, reported a contraction in export earnings.

Trade performance in the APEC region also slowed in 2013. The value of APEC trade⁶, in nominal USD terms, decelerated from 3.4% growth to 2012 to 1.9% growth in 2013, extending the slowdown that has been seen since 2011. APEC import growth reduced at a faster rate than that of exports. Imports from many high-income APEC economies, with the exception of Korea and New Zealand, fell in 2013. The moderated import demand from high-income APEC economies was also reflected in intra-APEC trade which grew by only 2.6% last year, to reach USD 6,083 billion. Excluding the years in which intra-APEC trade contracted, the rate of expansion in 2013 was the lowest since 1985.

Despite the pick-up in economic performance in the Euro area, the demand for APEC goods has continued to fall in recent years. In 2013, APEC exported USD 923 billion worth of merchandise goods to the Euro area⁷, almost 4% lower than the value exported in 2011. Across most APEC economies, the increases in export value were subdued or even negative, with New Zealand being the exception (Figure 3). The external sector of New Zealand has benefited from strong global protein consumption. In spite of the summer drought – which contributed to a mild contraction in export volumes – high global prices for New Zealand’s commodity goods resulted in a 5.8% increase in export earnings in 2013.

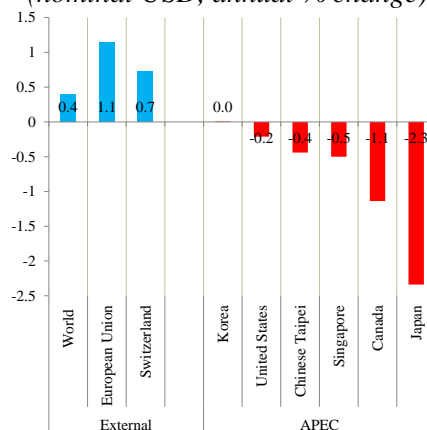
Figure 2: APEC export earnings in 2012 and 2013
(nominal USD, annual % change)



Source: WTO and APEC PSU.

Figure 3:

Manufacturing export prices, 2013
(nominal USD, annual % change)



Source: WTO and APEC PSU.

Not all commodity producers in APEC experienced such strong growth in 2013, however. The retreat of world prices across a wide range of raw materials contributed to the contraction in export earnings in Australia; Chile; Indonesia; Peru and Russia. The price of copper, an export mainstay of Chile and Peru, fell by 17%⁸ in 2013. APEC producers of manufactured goods generally fared better as the moderation in prices was not as severe, with the exception of Japan. The price for Japan’s manufactured goods fell significantly, by 2.3% (Figure 4). The combination of lower prices and lower volume saw Japan’s export earnings, in USD terms, posting a contraction of more than 10% last year.

⁶ The value of APEC is calculated as the sum of APEC exports and imports. Due to data unavailability, Brunei Darussalam and Papua New Guinea are excluded in this analysis.

⁷ Based on the IMF’s Direction of Trade Statistics

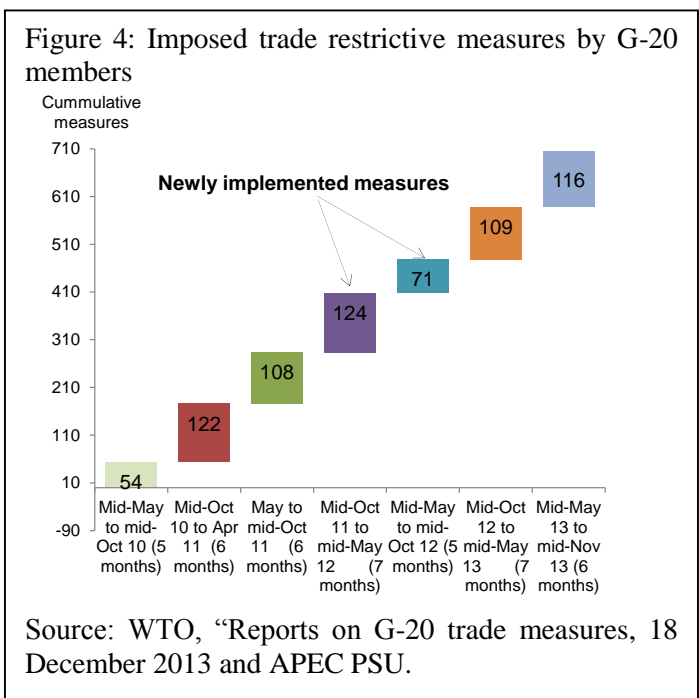
⁸ Based on the World Bank data

Subdued global demand has prompted some economies to put into place measures that have had the potential to restrict trade, thereby exacerbating the overall trade slowdown. In its most recent report on G20 trade measures, the WTO found that there had been an acceleration in the imposition of new trade restrictive measures between mid-May 2013 to mid-November 2013 (Figure 5). During this period, G20 members implemented 116 new trade restrictive measures, up from 109 measures recorded during the seven-month period between mid-October 2012 and mid-May 2013. Of particular concern is that these new impositions have added to the existing large stock of trade restrictive measures which have been implemented since the GFC. Cumulatively, these new trade restrictions are affecting around 3.9% of world merchandise imports.

So far this year, the much-anticipated recovery in global trade has not yet occurred. In volume terms, world trade contracted marginally at 0.6% (3m/3 saar)⁹ in February. The exporting sector in developing economies continued to fare worse than that in advanced economies. In volume terms, developing economies' exports contracted by 4.7% (3m/3m saar), the sharpest contraction rate since April 2009, as the recovery in some advanced economies has not yet lifted their demand for exports from developing economies. However, some of the weakness seen in global trade in the first few months of this year is cyclical and mostly due to the extreme weather conditions in some economies in the Northern Hemisphere. Accordingly, the WTO remained optimistic on the prospects for global trade, which was evident in the recent upward revisions of their forecasts.

According to WTO's April 2014 report, global trade is projected to increase at 4.7% this year, more than double the rate seen in 2013, before accelerating to 5.3% in 2015. Of significance to the APEC region is the projected recovery in the import demand of advanced

economies which is forecast to rise from a 0.2% contraction in 2013 to 3.4% growth in 2014. Prior to the 2008-09 Global Financial Crisis, demand from advanced economies contributed to almost 70% of APEC export earnings. While demand from developing and emerging economies has helped to shelter APEC export growth in recent years, trade with advanced economies has continued to constitute the bulk of APEC export earnings. A recovery in their economic growth, alongside stronger consumer demand, will therefore provide a powerful push for APEC trade prospects.



⁹ Average 3 month over 3 month period, seasonally adjusted annualized rate.

Foreign Direct Investment (FDI) and Investment-Related Measures

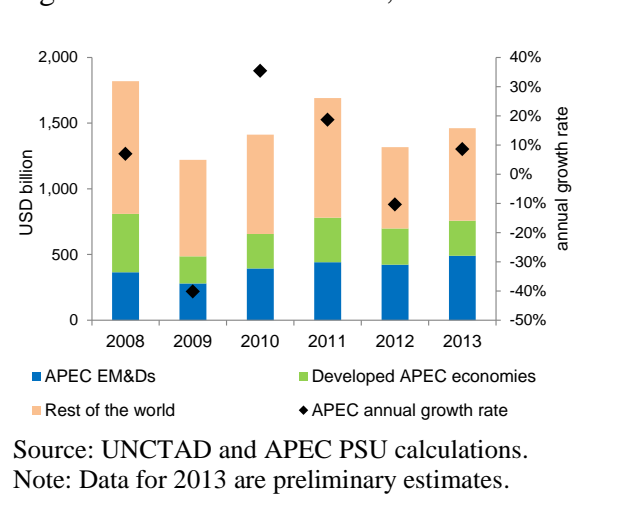
After a sharp 22% contraction in 2012, preliminary estimates from UNCTAD show that global foreign direct investment (FDI) picked up in 2013 (Figure 6)¹⁰. Global FDI inflows were estimated to increase by 11% in 2013 to reach USD 1.46 trillion, although a rebound of 5% in cross-border merger and acquisitions (M&As) was weaker than expected and Greenfield investments fell for the fifth consecutive year by 1.7%. Substantially increased inflows to the European Union (EU) were among the main contributors to the surge of global FDI – FDI flows into the EU rose by 37.7% to USD 286 billion as the region’s economic recovery started to gain traction in 2013. In particular, some major European economies which had experienced reductions of FDI inflows in 2012 saw a substantial recovery – a surge of 392% to USD 32.3 billion in Germany, 37% to USD 37.1 billion in Spain, and from USD 0.1 billion to USD 9.9 billion in Italy.

The recovery of FDI inflows was not synchronized in the EU with the flows into France posting another year of decline. At USD 5.7 billion, FDI inflows to France in 2013 were only about 6% of the inflows recorded in 2007.

Preliminary estimates for APEC show that FDI inflows to the region have recovered from the setback seen last year. Inward FDI grew by over 8% in 2013, reaching USD 757 billion. This development was driven by increased investment into emerging and developing APEC economies. As a group, the value of FDI inflows into APEC EM&Ds rose by an approximately 16% to USD 490.7 billion. This gain was made against the backdrop of increased volatility in the financial markets during May to September last year. As the expectation on the direction of monetary policies in major economies has shifted, there has been a reallocation in global investment portfolios. Some EM&D economies experienced large portfolio capital outflows, as reflected in exchange rate depreciations and stock market declines.

The contrast in the performance of FDI inflows and portfolio investments in 2013 highlights the importance of FDI as a reliable source of capital compared to portfolio investment and bank loans. In particular, FDI is largely motivated by the investor’s long-term prospects in making profits in production activities. In comparison, other types of cross-border investment, including foreign bank lending and portfolio investment, are often driven by short-term profit considerations and influenced by a variety of cyclical factors, including interest rates. The potential shift in global interest rates in the next few years is therefore likely to exert more impact on cross-border bank loans and portfolio investment in APEC EM&Ds. FDI inflows should be relatively more sheltered from this change, provided that the region’s business investment climate remains favorable.

Figure 5: Global FDI inflows, 2008-2013



¹⁰ For more information, please see UNCTAD’s Global Investment Trends Monitor, No. 15, 28 January 2014.

Large developing APEC economies continued to be strong performers in attracting global FDI. Together, China; Russia and Mexico received 40% more inward FDI in 2013 than the USD 185 billion recorded in 2012. Russia stood out with inward-FDI rising by 83% to USD 94 billion. This sharp rise helped to place Russia third in the global ranking for top FDI destinations, the first time on record. In Mexico, the acquisition of Grupo Modelo accounted for more than 70% of the USD 25 billion increase in inward FDI in 2013 while China continued to benefit from FDI into a wide range of sectors, including infrastructure, finance and manufacturing. Some smaller emerging and developing APEC economies, however, did not fare as well. After a few years of solid performance, FDI inflows into Hong Kong, China and Singapore – the fourth and sixth largest recipients in APEC – stagnated at USD 72 billion and USD 56 billion, respectively. Similarly, lower commodity prices in 2013 appeared to have an effect on FDI inflows for APEC commodity exporters. Inflows to Chile fell by 33% to USD 20.4 billion while Peru’s inward FDI fell by 2% to USD 12 billion.

In contrast with the strong performance of APEC EM&Ds, FDI inflows to developed APEC economies registered a second consecutive year of decline. In 2013, FDI flows into developed APEC economies¹¹ stood at USD 266 billion, 3% and 18% below the values seen in 2012 and 2011, respectively. Indeed, with only the exception of 2011, developed APEC economies have consistently underperformed EM&Ds in receiving FDI. As a consequence, inward FDI inflows for this group of economies fell to 60% of the amount in 2008. Some of this loss was absorbed by emerging and developing APEC economies and resulted in a marked shift in the geographical composition of APEC’s inward FDI. In 2008, developed APEC economies received 55% of the region’s FDI inflows, but its share has decreased to 35% in 2013 (Figure 7 and Figure 8).

Figure 7: Percentage share of APEC FDI inflows in 2008

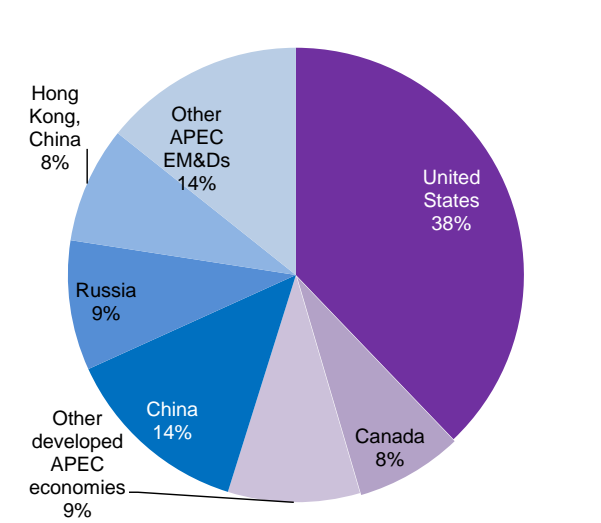
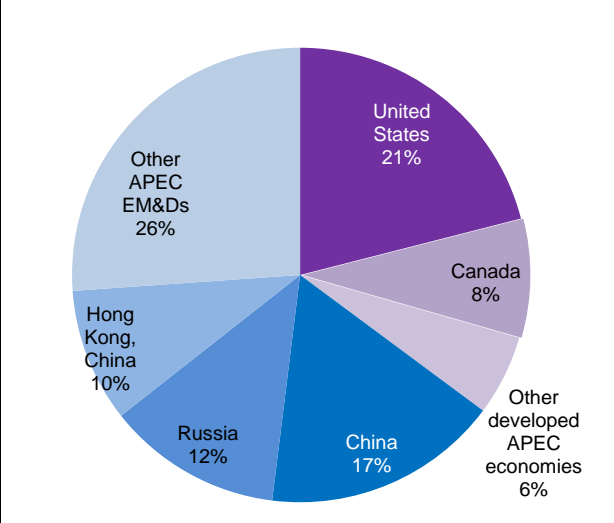


Figure 8: Percentage share of APEC FDI inflows in 2013



Source: UNCTAD and APEC PSU.
 Note: Data for 2013 are preliminary estimates.

Looking forward, UNCTAD forecasts that global FDI flows will rise in 2014 and 2015, to USD 1.6 trillion and USD 1.8 trillion respectively, as investors regain confidence in the global economy. According to UNCTAD’s most recent World Investment Prospects

¹¹ In this section, developed APEC economies include Australia; Canada; Japan; New Zealand and the United States

Survey¹², almost half of the 159 large Transnational Corporations (TNCs) across all sectors showed optimism for the global investment environment in the medium term and responded with intentions to increase FDI expenditures by 2015. The outlook for the APEC region is favorable, with 13 APEC economies being ranked in the top 20 prospective host economies for further investment from transnational corporations between 2013 and 2015. China ranked top, followed closely by the United States. Some emerging and developing APEC economies, including Hong Kong, China and the Philippines, emerged in the top 20 prospective destination for the first time.

Although downside risks to growth remain particularly in emerging economies, the favorable outlook for FDI inflows into the APEC region reflects many factors, including the expected improved economic outlook in advanced economies and solid market fundamentals in the region. It is also a reflection of the continuing efforts being made by APEC members to actively pursue investment liberalization and promotion strategies. Over the period between June 2013 and mid-February 2014, ten APEC economies adopted 18 new policy measures relating to foreign investment. Fourteen of these measures aimed to further liberalize investment or promote and facilitate the creation of a more favorable environment for foreign investment while only four had the potential to restrict investment. All new measures that are favorable to investment were adopted by APEC emerging and developing economies. Among the most notable development included the launch of Shanghai Pilot Free Trade Zone (PFTZ) by China. With regard to foreign investment, the establishment of Shanghai PFTZ allowed foreign investors to invest in six service sectors, including finance, transport, commerce and trade, professional services, cultural services and public services. In addition, of the nine international investment agreements (IIAs) signed between June 2013 and 15 February 2014, five involved an APEC member.

Policy Discussion

As mentioned earlier, prospects for trade and investment in 2014 and 2015 are on the upside. Global trade growth is expected to accelerate from 2.3% last year to 4.7% this year and on to 5.3% next year. Likewise, FDI flows are expected to increase from USD 1.5 trillion last year to USD 1.6 trillion in 2014 and USD 1.8 trillion in 2015. These optimistic outlooks for world trade and investment are grounded on expected higher demand and economic activity from developed economies. However, persistently high unemployment in Europe and financial market volatility in developing economies present downside risks to consumer demand. On the supply side, the WTO warns that an escalation of geopolitical tensions could disrupt trade flows and lead to higher energy prices. APEC economies will need therefore to take efforts that insulate international trade and investments from these tensions. Reaffirming commitments to liberalizing trade, improving cross-border connectivity, and resisting the imposition of protective or punitive economic measures will go a long way to reassuring markets.

Meanwhile, slower merchandise trade growth in the aftermath of the global financial crisis shows that manufacturing exports may no longer be the driver of growth it was once. Moreover, the low-cost advantage of emerging APEC economies is being withered away as wages rise in fast-growing economies and cost competition from other economies and regions – such as sub-Saharan Africa – becomes stiffer. In order to remain competitive while ensuring sustainable growth, APEC economies will need to focus on improving productivity and connectivity. Promoting foreign investment and trade in research and development

¹² For more information, please see [UNCTAD's World Investment Report 2013](#).

(R&D) and human capital development—such as in education and skills training—will help transfer ideas, technology, and know-how across borders.

Increasing exports in high-value services can also counteract any slowdown in manufacturing exports. While trade in services currently accounts for less than 20% of total trade value in APEC, structural transformation into “knowledge economies” and advancements in information and communication technologies will lead to the growing importance of trade in services. A good example is the Philippines’ business process outsourcing (BPO)¹³ industry, which went from being nonexistent less than 20 years ago to now being the economy’s second largest source of foreign currency next to workers’ remittances. In ten years, revenues of the BPO industry in the Philippines grew ten-fold from USD 1.3 billion in 2004 to an estimated USD 13.3 billion in 2013¹⁴. APEC is already well-poised to expand its presence in the global BPO market: of the top 25 BPO destinations in 2013, ten cities are in emerging APEC economies¹⁵. But apart from BPO, APEC economies could also enhance services trade in construction, telecommunications, transportation, and tourism, all of which are high-value and, crucially for emerging economies, labor-intensive services. To reap the benefits of service trade, APEC economies must ensure frictionless physical, institutional, and people-to-people connectivity in the region, ensuring that goods, services, and people are efficiently ferried across borders.

The impacts of natural calamities also present risks to continued trade and investment growth not only by reducing incomes and depressing consumer demand, but also through disruptions in the global supply chain. Experience with natural disasters shows that improving connectivity and logistics performance not only encourages trade and investment but also helps mitigate the impacts of disasters. As was observed in the aftermath of the Tohoku earthquake in 2011 and Typhoon Haiyan in 2013, the physical and institutional infrastructures that facilitate trade also facilitate the transport of emergency materiel and first responders. Climate change is another risk that APEC economies need to address, not least because APEC economies are among the most affected by it. In the short term, climate change exacerbates the risk extreme weather events like droughts or typhoons, slowing down economic activity and disrupting supply chain networks—indeed, extreme weather events in the first two months of this year already contributed to slower economic growth in the region. In the longer term, climate change damages an economy’s productive capacity by reducing land and water resources such as through desertification or saltwater intrusion. APEC economies need to mitigate the immediate risks of natural disasters and climate change by improving the resiliency of global value chains. On the other hand, longer term risks from climate change require a change in the way economies do trade and investment, focusing on greener technologies with less carbon footprint. APEC’s initiative of liberalizing trade and investment in environmental goods, which was begun two years ago, is a step in the right direction for mitigating longer-term risks.

¹³ Business process outsourcing (BPO) is the process of subcontracting business operations to external firms. BPO is often used in the context of outsourcing business services such as customer care, information technology support, or payroll accounting to other firms that specialize in providing those services. In the context of services exports, BPO refers to firms in one economy that provide business services to firms located in another economy.

¹⁴ Estimates from the Central Bank of the Philippines.

¹⁵ Based on Tholons’ [2013 Top 100 Outsourcing Destinations: Rankings and Report Overview](#).

Annex 2

Trade and Trade-Related Measures (mid-May 2013 to mid-November 2013)

The following list of trade and trade-related measures implemented in APEC economies from mid-May to mid-November 2013 is adapted from the WTO's most recent report to the Trade Policy Review Body on trade-related developments. This list follows on from an earlier list provided at the APEC Ministerial Meeting (AMM) in Bali, Indonesia in October 2013, which covered the period mid-October 2012 to mid-May 2013.

Economy	Measure Facilitating Trade	Source/Date	Status
China	Elimination of automatic import licensing requirements on 130 tariff lines (10 digit), i.e. base metals (iron, steel, and copper), meat products, waste of paper and paperboard, natural gas, and electrical machinery products (steam turbines, water turbines and other electrical installations, and textile machinery) (HS chapters 02; 27; 28; 47; 72; 73; 74; 76; 84)	Permanent Delegation of China to the WTO (26 November 2013) and MOFCOM Announcement No. 60/2013	Effective 26 August 2013
Korea, Republic of	Adjustment in tariff reduction of goods (21 tariff lines) for preventing environmental pollution (HS Chapters 69; 84; 85; 90)	Permanent Delegation of the Republic of Korea to the WTO (3 December 2013)	Effective 1 October 2013
Mexico	Elimination of import tariffs on tomato (from 10%), citrus fruit (from 20%), and poultry meat and edible offal (HS 0207; 0702; 0805)	Permanent Delegation of Mexico to the WTO (5 November 2013)	Effective 15 May 2013
Mexico	Reduction of import tariffs (from 15%/10% to 7%) on 11 plywood, veneered panels and similar laminated wood tariff lines (HS Chapter 44)	Permanent Delegation of Mexico to the WTO (5 November 2013)	Effective 2 September 2013
Russian Federation	Exemption of VAT for imports of certain machinery, including components and spare parts not locally produced (HS 8419.20.00; 8419.32.00; 8419.89.98; 8421.39.20; 8465.10.90; 8465.91.20; 8465.96.00; 8479.30.10)	Permanent Delegation of the Russian Federation (28 November 2013)	Effective 28 May 2013
Customs Union between the Russian Federation, Belarus, and Kazakhstan	Temporary elimination of import tariffs on certain products, i.e. artificial staple fibres of viscose rayon (effective from 1 July 2013 to 30 June 2014); apricots and peaches with a sugar content exceeding 13% by weight (effective from 1 July 2013 to 31 December 2014); and silicon (effective from 1 October 2013 to 30 September 2014)	Permanent Delegation of the Russian Federation (28 November 2013)	
Customs Union between the Russian Federation, Belarus, and Kazakhstan	Termination of the temporary increase of import tariffs on butter, dairy spreads, fats and oils derived from milk (HS 0405) (originally implemented in June 2013)	Permanent Delegation of the Russian Federation (28 November 2013)	Effective 31 August 2013
Customs Union between the Russian Federation, Belarus, and Kazakhstan	Temporary decrease of import tariffs (from 20% to 17.3%) on certain plastic storage products for contact lenses (HS 3926.90.97)	Permanent Delegation of the Russian Federation (28 November 2013)	Effective 1 September 2013
Economy	Trade Remedy Measure	Source/Date	Status
Australia	Initiation on 26 November 2012 of countervailing investigation on imports of aluminium zinc coated steel (HS 7210.61.00) from China	WTO document G/SCM/N/259/AUS, 18 September 2013; and Permanent Delegation of Australia to the WTO (11 November 2013)	Definitive duty imposed on 5 August 2013
Australia	Initiation on 26 November 2012 of countervailing investigation on imports of zinc coated (galvanised)	WTO document G/SCM/N/259/AUS, 18	Definitive duty imposed on 5

	steel (HS 7210.49.00; 7212.30.00) from China	September 2013; and Permanent Delegation of Australia to the WTO (11 November 2013)	August 2013
Australia	Initiation on 12 February 2013 of anti-dumping investigation on imports of hot rolled plate steel (HS 7208.40.00; 7208.51.00; 7208.52.00; 7225.40.00) from China; Indonesia; Japan; Korea, Republic of; and Chinese Taipei	WTO document G/ADP/N/244/AUS, 18 September 2013; and Permanent Delegation of Australia to the WTO (11 November 2013)	Terminated on 10 September 2013 (without measure) on imports from Chinese Taipei. Provisional duty imposed on 19 July 2013
Australia	Initiation on 12 February 2013 of countervailing investigation on imports of hot rolled plate steel (HS 7208.40.00; 7208.51.00; 7208.52.00; 7225.40.00) from China	WTO document G/SCM/N/259/AUS, 18 September 2013; and Permanent Delegation of Australia to the WTO (11 November 2013)	Provisional duty imposed on 19 July 2013
Australia	Termination on 8 June 2013 of anti-dumping duties on imports of greyback cartonboard (HS 4810.13.90; 4810.19.90; 4810.29.90; 4810.99.00) from Korea, Republic of (imposed on 28 July 2005)	Australia Anti-Dumping Commission Notice No. 2013/86 (1 November 2013)	
Australia	Initiation on 21 June 2013 of safeguard investigation on imports of certain processed fruit products (i.e. citrus fruits; pears; apricots; peaches, including nectarines) (HS 2008.30.00; 2008.40.00; 2008.50.00; 2008.70.00; 2008.97.00; 2008.99.00)	WTO document G/SG/N/6/AUS/4, 3 July 2013	
Australia	Initiation on 21 June 2013 of safeguard investigation on imports of canned tomatoes (HS 2002.10.00)	WTO document G/SG/N/6/AUS/3, 28 June 2013	
Australia	Termination on 24 June 2013 (without measure) of anti-dumping investigation on imports of formulated glyphosate (HS 3808.93.00) from China (initiated on 6 February 2012, and terminated on 2 August 2012, but resumed on 25 October 2012)	WTO document G/ADP/N/237/AUS, 11 March 2013; and Permanent Delegation of Australia to the WTO (11 November 2013)	
Australia	Initiation on 10 July 2013 of anti-dumping investigation on imports of prepared or preserved peach products (HS 2008.70.00) from South Africa	Permanent Delegation of Australia to the WTO (11 November 2013)	
Australia	Initiation on 10 July 2013 of anti-dumping investigation on imports of prepared or preserved tomato products (HS 2002.10.00) from Italy	Permanent Delegation of Australia to the WTO (11 November 2013)	Provisional duty imposed on 1 November 2013
Australia	Initiation on 29 July 2013 of anti-dumping investigation on imports of power transformers (HS 8504.22.00; 8504.23.00) from China; Indonesia; Korea, Republic of; Chinese Taipei; Thailand; and Viet Nam	Permanent Delegation of Australia to the WTO (11 November 2013)	
Australia	Resumption on 9 August 2013 of anti-dumping investigation on imports of quicklime "calcium oxide" (HS 2522.10.00) from Thailand (investigation originally initiated on 31 October 2011. Terminated on 3 April 2012, but on appeal the TMRO revoked the termination and the investigation was resumed on 28 June 2012. After resumption of the investigation on 2 May 2013, the Australian Customs and Border Protection Service terminated the investigation)	WTO documents G/ADP/N/244/AUS, 18 September 2013; WT/TPR/OV/W/7, 5 July 2013; and Permanent Delegation of Australia to the WTO (11 November 2013)	
Australia	Initiation on 28 August 2013 of anti-dumping investigation on imports of wind towers (HS 7308.20.00; 7308.90.00; 8502.31.10; 8502.31.90) from China; and Korea, Republic of	Permanent Delegation of Australia to the WTO (11 November 2013)	
Australia	Termination on 18 September 2013 of anti-dumping duties on imports of iron and steel grinding mill	Permanent Delegation of Australia to the WTO (11 November 2013)	

	liners (HS 8474.90.00) from Canada (imposed on 18 September 2003)	November 2013)	
Australia	Initiation on 10 October 2013 of anti-dumping investigation on imports of white uncoated A4 and A3 cut sheet paper “copy paper” (HS 4802.56.10;4802.56.90) from China	Permanent Delegation of Australia to the WTO (11 November 2013)	
Australia	Initiation on 24 October 2013 of anti-dumping investigation on imports of hot rolled structural steel sections “HRS” (HS 7216.31.00; 7216.32.00; 7216.33.00; 7216.40.00; 7216.50.00) from Japan; Korea, Republic of; Chinese Taipei; and Thailand	Permanent Delegation of Australia to the WTO (11 November 2013)	
Canada	Initiation on 4 March 2013 of anti-dumping investigation on imports of unitized wall modules (HS 4016.93.99; 6802.23.00; 6806.10.90; 7005.29.00; 7008.00.00; 7016.90.00; 7308.30.00; 7318.15.90; 7604.29.20; 7610.10.00; 7610.90.00; 7610.90.10; 7610.90.90) from China	WTO document G/ADP/N/244/CAN, 11 September 2013 and Permanent Delegation of Canada to the WTO (11 November 2013)	Provisional duty imposed on 15 July 2013
Canada	Initiation on 4 March 2013 of countervailing investigation on imports of unitized wall modules (HS 4016.93.99; 6802.23.00; 6806.10.90; 7005.29.00; 7008.00.00; 7016.90.00; 7308.30.00; 7318.15.90; 7604.29.20; 7610.10.00; 7610.90.00; 7610.90.10; 7610.90.90) from China	WTO document G/SCM/N/259/CAN, 11 September 2013 and Permanent Delegation of Canada to the WTO (11 November 2013)	Provisional duty imposed on 15 July 2013
Canada	Initiation on 22 April 2013 of anti-dumping investigation on imports of certain silicon metal (HS 2804.69.00) from China	WTO document G/ADP/N/244/CAN, 11 September 2013 and Permanent Delegation of Canada to the WTO (11 November 2013)	Provisional duty imposed on 22 July 2013
Canada	Initiation on 22 April 2013 of countervailing investigation on imports of certain silicon metal (HS 2804.69.00) from China	WTO document G/SCM/N/259/CAN, 11 September 2013 and Permanent Delegation of Canada to the WTO (11 November 2013)	Provisional duty imposed on 22 July 2013
Canada	Initiation on 22 May 2013 of anti-dumping investigation on imports of certain copper tube (HS 7411.10.00) from Brazil; China; Greece; Korea, Republic of; and Mexico	WTO document G/ADP/N/244/CAN, 11 September 2013; and Permanent Delegation of Canada to the WTO (26 November 2013)	Provisional duty imposed on 20 August 2013
Canada	Initiation on 22 May 2013 of countervailing investigation on imports of certain copper tube (HS 7411.10.00) from China	WTO document G/SCM/N/259/CAN, 11 September 2013; and Permanent Delegation of Canada to the WTO (26 November 2013)	Provisional duty imposed on 20 August 2013
Canada	Termination on 14 July 2013 of anti-dumping duties on imports of carbon steel pipe nipples and adaptor fittings, in nominal diameters up to and including 6 inches or the metric equivalents (HS 7307.99.99) from China (imposed on 16 July 2003)	Permanent Delegation of Canada to the WTO (26 November 2013)	
Canada	Termination on 20 August 2013 of anti-dumping duties on imports of galvanized steel wire (HS 7217.20.00; 7217.90.00; 7229.90.00) from China, Israel, and Spain (investigation initiated on 21 January 2013 and provisional duty imposed on 22 April 2013)	WTO document G/ADP/N/244/CAN, 11 September 2013; and Permanent Delegation of Canada to the WTO (26 November 2013)	
Canada	Termination on 20 August 2013 of countervailing duties on imports of galvanized steel wire (HS 7217.20.00; 7217.90.00; 7229.90.00) from China (investigation initiated on 21 January 2013 and provisional duty imposed on 22 April 2013)	WTO document G/SCM/N/259/CAN, 11 September 2013 and Permanent Delegation of Canada to the WTO (26 November 2013)	
Canada	Initiation on 5 September 2013 of anti-dumping investigation on imports of hot-rolled carbon steel plate (HS 7208.51.00; 7208.52.00) from Brazil;	Permanent Delegation of Canada to the WTO (26 November 2013)	

	Denmark; Indonesia; Italy; Japan; Korea, Republic of; and Chinese Taipei		
Canada	Termination on 30 September 2013 of anti-dumping duties on imports of bicycles, assembled or unassembled, with wheel diameters of 16 inches (40.64 cm) and greater (HS 8712.00.00) from China and Chinese Taipei (imposed on 11 December 1992)	Permanent Delegation of Canada to the WTO (26 November 2013)	
Chile	Initiation on 25 June 2013 of anti-dumping investigation on imports of self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastic (HS 3919.10.10; 3919.10.20; 3919.90.10; 3919.90.20; 4811.41.10) from Argentina	WTO document G/ADP/N/244/CHL, 7 October 2013	
Chile	Termination on 30 June 2013 of anti-dumping duties on imports of wheat (HS 1101.00.00) from Argentina (investigation initiated on 18 June 2011, and provisional and definitive duties imposed on 1 October 2011 and 30 June 2012, respectively)	WTO document G/ADP/N/244/CHL, 7 October 2013	
Chile	Termination on 31 July 2013 of safeguard duties on imports of maize (HS 1005.90.20; 1005.90.90) (investigation initiated on 9 April 2013 and provisional duty imposed on 24 April 2013)	WTO documents G/SG/N/6/CHL/14, 23 April 2013; G/SG/N/7/CHL/11/Suppl.1, 29 April 2013; and G/SG/N/9/CHL/7, 7 August 2013	
Chile	Termination on 19 October 2013 (without measure) of safeguard investigation on imports of frozen pork (HS 0203.22.00; 0203.29.10; 0203.29.20; 0203.29.30; 0203.29.90) (initiated on 31 May 2013)	WTO document G/SG/N/9/CHL/8, 30 October 2013	
China	Initiation on 6 February 2013 of anti-dumping investigation on imports of cellulose pulp native products (HS 4702.00.00; 4706.10.00; 4706.30.00) from Brazil, Canada, and the U.S.	WTO document G/ADP/N/244/CHN, 17 October 2013; and MOFCOM Announcement No. 75/2013 (8 November 2013)	Provisional duty imposed on 6 November 2013
China	Initiation on 10 May 2013 of anti-dumping investigation on imports of certain alloy-steel seamless tubes and pipes for high temperature and pressure service (HS 7304.51.10; 7304.51.90; 7304.59.10; 7304.59.90) from the EU, Japan, and the U.S.	WTO document G/ADP/N/244/CHN, 17 October 2013	
China	Termination on 16 May 2013 (without measure) of anti-dumping investigation on imports of coated bleached folding, solid bleached sulfate (SBS), folding boxboard (FBB), coated ivory board or white card paper (HS 4810.31.00; 4810.32.00; 4810.39.00; 4810.92.00; 4810.99.00; 4811.51.90; 4811.59.99; 4811.60.90) from the U.S. (initiated on 18 November 2011)	WTO document G/ADP/N/244/CHN, 17 October 2013	
China	Initiation on 31 May 2013 of anti-dumping investigation on imports of perchlorethylene "PCE" (HS 2903.23.00) from the EU and the U.S.	WTO document G/ADP/N/244/CHN, 17 October 2013	
China	Initiation on 1 July 2013 of anti-dumping investigation on imports of wine (HS 2204.10.00; 2204.21.00; 2204.29.00) from the EU	Permanent Delegation of China to the WTO (26 November 2013)	
China	Initiation on 1 July 2013 of countervailing investigation on imports of wine (HS 2204.10.00; 2204.21.00; 2204.29.00) from the EU	Permanent Delegation of China to the WTO (26 November 2013)	
China	Initiation on 14 August 2013 of anti-dumping investigation on imports of single-mode optical fibres (HS 9001.10.00) from India	Permanent Delegation of China to the WTO (26 November 2013)	
China	Initiation on 22 August 2013 of anti-dumping investigation on imports of tertiary butylhydroquinone "TBHQ" (HS 2907.22.10; 2907.22.90; 2907.29.90) from India	Permanent Delegation of China to the WTO (26 November 2013)	
Indonesia	Termination on 31 July 2013 (without measure) of safeguard investigation on imports of dextrose	WTO document G/SG/N/10/IDN/2/	

	monohydrate (HS 1702.30.10; 1702.40.00) (initiated on 22 October 2012)	Suppl.2, 13 August 2013	
Japan	Termination on 26 June 2013 (without measure) of anti-dumping investigation on imports of uncoated certain cut sheet paper (HS 4802.56; 4802.62) from Indonesia (initiated on 29 June 2012)	WTO document G/ADP/N/244/JPN, 1 August 2013	
Japan	Termination on 31 August 2013 of anti-dumping duties on imports of electrolytic manganese dioxide (HS 2820.10) from Australia (imposed on 1 September 2008)	Permanent Delegation of Japan to the WTO (11 November 2013)	
Korea, Republic of	Initiation on 9 November 2012 of anti-dumping investigation on plywood (HS 4412.31; 4412.32) from China	WTO document G/ADP/N/237/KOR, 4 February 2013; and Permanent Delegation of the Republic of Korea to the WTO (8 November 2013)	Definitive duty imposed on 18 October 2013
Korea, Republic of	Initiation on 7 January 2013 of anti-dumping investigation on oriented polypropylene film (HS 3920.20.00; 3921.90.20) from China, Indonesia, and Thailand	Korea Trade Commission (2013-1), Korean Government Gazette-17924 (7 January 2013)	
Malaysia	Initiation on 2 July 2013 of anti-dumping investigation on imports of cellulose fibre reinforced cement flat and pattern sheets (HS 6811.82.10; 6811.82.90) from Thailand	Federal Government Gazette P.U. (B) 280 - [MITI:ID/(S)/AP/AD/045/35; PN(PU2)529/XII] (26 June 2013)	
Mexico	Initiation on 21 November 2012 of anti-dumping investigation on imports of seamless steel pipes (HS 7304.19.01; 7304.19.04; 7304.19.99; 7304.31.01; 7304.31.10; 7304.31.99; 7304.39.01; 7304.39.05; 7304.39.99) from China	WTO document G/ADP/N/244/MEX, 12 September 2013	Provisional duty imposed on 25 June 2013
Mexico	Initiation on 1 March 2013 of anti-dumping investigation on imports of synthetic fibre blankets (HS 6301.40.01; 9404.90.99) from China	WTO document G/ADP/N/244/MEX, 12 September 2013; and Resolución - Expediente Administrativo 02/13 UPCI (29 August 2013)	Provisional duty imposed on 9 September 2013
Mexico	Initiation on 8 March 2013 of anti-dumping investigation on imports of pencils (HS 9609.10.01) from China	WTO document G/ADP/N/244/MEX, 12 September 2013; and Resolución - Expediente Administrativo 16/12 UPCI (26 August 2013)	Provisional duty imposed on 5 September 2013
Mexico	Initiation on 22 May 2013 of anti-dumping investigation on imports of carbon steel plate in sheets (HS 7225.40.01; 7225.40.02) from the Russian Federation and Ukraine (possible circumvention of anti-dumping measures)	Permanent Delegation of Mexico to the WTO (28 November 2013)	
Mexico	Initiation on 4 June 2013 of anti-dumping investigation on imports of galvanized steel mesh (HS 7314.19.02; 7314.19.03; 7314.31.01) from China	WTO document G/ADP/N/244/MEX, 12 September 2013	
Mexico	Initiation on 5 July 2013 of anti-dumping investigation on imports of flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated (HS 7225.30.03) from the Russian Federation (possible circumvention of anti-dumping measures)	Resolución - Expediente Administrativo A.E. 06/13 UPCI (27 June 2013)	
Mexico	Initiation on 19 July 2013 of anti-dumping investigation on imports of flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated (HS 7225.30.04; 7225.30.05; 7225.40.03; 7225.40.04) from the Russian Federation (possible circumvention of anti-dumping measures)	Permanent Delegation of Mexico to the WTO (28 November 2013)	
Mexico	Initiation on 27 July 2013 of anti-dumping investigation on imports of flat-rolled products of	Permanent Delegation of Mexico to the WTO (28	

	iron or non-alloy steel (HS 7208.51.01; 7208.51.02; 7208.51.03; 7208.52.01; 7225.40.01; 7225.40.02) from China	November 2013)	
Mexico	Initiation on 10 August 2013 of anti-dumping investigation on imports of food mixers (HS 8509.40.01) from China	Permanent Delegation of Mexico to the WTO (28 November 2013)	
Mexico	Initiation on 23 August 2013 of anti-dumping investigation on imports of steel stranded cables (HS 7312.10.01; 7312.10.05; 7312.10.07; 7312.10.99) from China	Permanent Delegation of Mexico to the WTO (28 November 2013)	
Mexico	Initiation on 27 October 2013 of countervailing investigation on imports of metropol tartrate (HS 2922.19.28) from India	Permanent Delegation of Mexico to the WTO (28 November 2013)	
New Zealand	Initiation on 11 June 2013 of anti-dumping investigation on imports of diaries, with or without covers, containing a written record of daily/weekly/yearly events, appointments, reference material and observations (HS 4820.10.00) from Korea, Republic of	WTO document G/ADP/N/244/NZL, 18 September 2013	
New Zealand	Termination in September 2013 of anti-dumping duties on imports of certain bound stationery (HS 4820.10.00; 4820.20.00; 4820.90.01; 4820.90.09) from Malaysia (imposed on 12 September 2007)	Permanent Delegation of New Zealand to the WTO (16 October 2013)	
Peru	Initiation on 18 October 2013 of anti-dumping investigation on imports of hot-welded tubes of iron or steel (HS 7306.30.99; 7306.61.00; 7306.90.00) from China	Permanent Delegation of Peru to the WTO (3 December 2013)	
Philippines	Initiation on 7 June 2013 of anti-dumping investigation on imports of wheat flour (HS 1101.00.10) from Turkey	WTO document G/ADP/N/244/PHL, 11 September 2013	
Philippines	Initiation on 20 September 2013 of safeguard investigation on imports of newsprint (HS 4801.00.10; 4801.00.90)	WTO document G/SG/N/6/PHL/9, 1 October 2013	
Philippines	Initiation on 27 September 2013 of safeguard investigation on imports of galvanized iron sheets and coils (GI), and pre-painted galvanized iron sheets and coils (PPGI) (HS 7210.41.10; 7210.41.90; 7210.49.90; 7210.69.10; 7210.69.90; 7210.70.11; 7210.70.12; 7210.70.30; 7210.70.60; 7210.70.90; 7210.90.40; 7210.90.50; 7210.90.90; 7212.30.19; 7212.30.93; 7212.30.99; 7212.40.11; 7212.40.19; 7212.50.12; 7212.50.13; 7212.50.19; 7212.50.29)	WTO document G/SG/N/6/PHL/10, 10 October 2013	
Customs Union between the Russian Federation, Belarus, and Kazakhstan	Termination on 14 May 2013 (without measure) of anti-dumping investigation on imports of light commercial vehicles (HS 8704.21.31; 8704.21.91) from Poland (initiated on 16 November 2011)	WTO document G/ADP/N/244/RUS, 24 September 2013; and Permanent Delegation of the Russian Federation (28 November 2013)	
Customs Union between the Russian Federation, Belarus, and Kazakhstan	Termination on 16 June 2013 of anti-dumping duties on imports of bearing tubes (HS 7304.51.12; 7304.51.18; 7304.51.81; 7304.51.89; 7304.59.32; 7304.59.38; 7304.59.92; 7304.59.93; 7304.59.99) from China; Hong Kong, China; Macao, China; and Chinese Taipei (imposed on 17 June 2010)	WTO document G/ADP/N/244/RUS, 24 September 2013; and Permanent Delegation of the Russian Federation (28 November 2013)	
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	Initiation on 20 February 2013 of anti-dumping investigation on imports of flat-rolled products of stainless steel, coldrolled, whether in coils or sheets (HS 7219.32; 7219.33; 7219.34; 7219.35; 7220.20) from China and Korea, Republic of	WTO document G/ADP/N/244/TPKM, 11 September 2013; and Permanent Delegation of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the WTO (11 November 2013)	Provisional duty imposed on 15 August 2013
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	Initiation on 18 October 2013 of safeguard investigation on imports of high density polyethylene "HDPE" and linear low density polyethylene "LLDPE" (HS 3901.10.00; 3901.20.00)	WTO document G/SG/N/6/TPKM/1, 28 October 2013	

Thailand	Initiation on 29 November 2012 of anti-dumping investigation on imports of high carbon steel wire rod (HS 7213.91.90; 7227.90.00) from China	WTO document G/ADP/N/237/THA, 27 March 2013; and Permanent Delegation of Thailand to the WTO (11 November 2013)	Provisional duty imposed on 9 August 2013
Thailand	Initiation on 30 November 2012 of safeguard investigation on imports of hot rolled steel flat products with certain amounts of alloying elements such as boron, chromium, etc., in coils and not in coils, with or without patterns in relief, of a thickness of 0.9-50 mm and a width of 100-3,048 mm (HS 7225.30.90; 7225.40.90; 7226.91.10; 7226.91.90)	WTO documents G/SG/N/6/THA/2, 4 December 2012; G/SG/N/7/THA/2/ Suppl.1, 24 June 2013 and Permanent Delegation of Thailand to the WTO (11 November 2013)	Provisional and definitive duties imposed on 27 February and 15 September 2013, respectively
Thailand	Termination on 31 August 2013 (without measure) of safeguard investigation on imports of woven fabrics (HS 5208; 5513) (initiated on 7 December 2012)	WTO document G/SG/N/9/THA/1, 12 September 2013	
United States	Initiation on 25 October 2012 of anti-dumping investigation on imports of hardwood and decorative plywood (HS 4412.10.05; 4412.31.05; 4412.31.25; 4412.31.40; 4412.31.51; 4412.31.60; 4412.31.91; 4412.32.05; 4412.32.25; 4412.32.31; 4412.32.56; 4412.39.10; 4412.39.30; 4412.39.40; 4412.39.50; 4412.94.10; 4412.94.31; 4412.94.41; 4412.94.60; 4412.94.70; 4412.94.80; 4412.94.90; 4412.99.06; 4412.99.10; 4412.99.31; 4412.99.41; 4412.99.57; 4412.99.60; 4412.99.70; 4412.99.80; 4412.99.90) from China	WTO document G/ADP/N/244/USA, 19 September 2013	Provisional duty imposed on 3 May 2013
United States	Initiation on 12 December 2012 of anti-dumping investigation on imports of silica bricks and shapes (HS 6901.00.00; 6902.20.10; 6902.20.50) from China	WTO document G/ADP/N/244/USA, 19 September 2013	Provisional duty imposed on 20 June 2013
United States	Initiation on 20 May 2013 of anti-dumping investigation on imports of pre-stressed concrete steel rail tie wire (HS 7217.10; 7229.90) from China, Mexico, and Thailand	WTO document G/ADP/N/244/USA, 19 September 2013	
United States	Initiation on 12 June 2013 of anti-dumping investigation on imports of welded stainless pressure pipe (HS 7306.40.10; 7306.40.50) from Malaysia, Thailand, and Viet Nam	WTO document G/ADP/N/244/USA, 19 September 2013	
United States	Initiation on 24 July 2013 of anti-dumping investigation on imports of steel threaded rod (HS 7318.15.20; 7318.15.50) from India and Thailand	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 24 July 2013 of countervailing investigation on imports of steel threaded rod (HS 7318.15.20; 7318.15.50) from India	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 29 July 2013 of anti-dumping investigation on imports of oil country tubular goods "OCTG" (HS 7304.29.10; 7304.29.20; 7304.29.31; 7304.29.41; 7304.29.50; 7304.29.61; 7304.39.00; 7304.59.60; 7304.59.80; 7305.20.20; 7305.20.40; 7305.20.60; 7305.20.80; 7305.31.40; 7305.31.60; 7306.29.10; 7306.29.20; 7306.29.31; 7306.29.41; 7306.29.60; 7306.29.81; 7306.30.50; 7306.50.50) from India; Korea, Republic of; Philippines; Saudi Arabia, Kingdom of; Chinese Taipei; Thailand; Turkey; Ukraine; and Viet Nam	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 29 July 2013 of countervailing investigation on imports of oil country tubular goods "OCTG" (HS 7304.29.10; 7304.29.20; 7304.29.31; 7304.29.41; 7304.29.50; 7304.29.61; 7304.39.00; 7304.59.60; 7304.59.80; 7305.20.20; 7305.20.40; 7305.20.60; 7305.20.80; 7305.31.40; 7305.31.60; 7306.29.10; 7306.29.20; 7306.29.31; 7306.29.41; 7306.29.60; 7306.29.81; 7306.30.50; 7306.50.50)	Permanent Delegation of the United States to the WTO (26 November 2013)	

	from India and Turkey		
United States	Initiation on 14 August 2013 of anti-dumping investigation on imports of ferrosilicon (HS 7202.21.10; 7202.21.50; 7202.21.75; 7202.21.90; 7202.29.00) from the Russian Federation and Venezuela	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Termination on 19 August 2013 of countervailing duties on imports of frozen warmwater shrimp (HS 0306.17.00; 1605.21.10; 1605.29.10) from Indonesia and Thailand; and on 25 October 2013 on imports from China, Ecuador, India, Malaysia, and Viet Nam (investigation initiated on 25 January 2013 and provisional duty imposed on 4 June 2013)	WTO document G/SCM/N/259/USA, 18 September 2013; and Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 25 September 2013 of anti-dumping investigation on imports of chlorinated isocyanurates (HS 2933.69.60; 3808.40.50; 3808.50.40; 3808.94.50; 3808.99.95) from Japan	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 25 September 2013 of countervailing investigation on imports of chlorinated isocyanurates (HS 2933.69.60; 3808.40.50; 3808.50.40; 3808.94.50; 3808.99.95) from China	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 2 October 2013 of anti-dumping investigation on imports of steel concrete reinforcing bar (HS 7213.10.00; 7214.20.00; 7228.30.80) from Mexico and Turkey	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 2 October 2013 of countervailing investigation on imports of steel concrete reinforcing bar (HS 7213.10.00; 7214.20.00; 7228.30.80) from Turkey	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 31 October 2013 of anti-dumping investigation on imports of monosodium glutamate "MSG" (HS 2922.42.10) from China and Indonesia	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 31 October 2013 of countervailing investigation on imports of monosodium glutamate "MSG" (HS 2922.42.10) from China and Indonesia	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 31 October 2013 of anti-dumping investigation on imports of grain-oriented electrical steel "GOES" (HS 7225.11.00; 7226.11.10; 7226.11.90) from China; Czech Republic; Germany; Japan; Korea, Republic of; Poland; and Russian Federation	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 31 October 2013 of countervailing investigation on imports of grain-oriented electrical steel "GOES" (HS 7225.11.00; 7226.11.10; 7226.11.90) from China	Permanent Delegation of the United States to the WTO (26 November 2013)	
United States	Initiation on 14 November 2013 of countervailing investigation on imports of non-oriented electrical steel "NOES" (HS 7225.50.80; 7225.99.00; 7226.92.50; 7226.92.70; 7226.92.80; 7226.99.01) from China; Korea, Republic of; and Chinese Taipei	Permanent Delegation of the United States to the WTO (26 November 2013)	
Viet Nam	Initiation on 26 December 2012 of safeguard investigation on imports of vegetable oils (HS 1507.90.90; 1511.90.91; 1511.90.92; 1511.90.99)	WTO documents G/SG/N/6/VNM/2, 11 January 2013; G/SG/N/7/VNM/1, 15 May 2013; and G/SG/N/8/VNM/2, 12 September 2013	Provisional and definitive duties imposed on 10 May and 23 August 2013, respectively

Economy	Other Trade and Trade-Related Measures	Source/Date	Status
Australia	Streamlining the Anti-Dumping System's Policy revising the current Ministerial Direction on Material Injury to confirm that profits foregone and loss of market share in an expanding market are relevant injury considerations	Australia Customs Dumping Notices Nos. 2012/24 (1 June 2012) and 2013/46 (7 June 2013)	Effective 11 June 2013
Canada	Import tax on live bovine animals and bovine meat and edible meat offal (HS 0201; 0202; 0206; 0210; 1602)	Permanent Delegation of Canada to the WTO (26 November 2013)	Effective 30 July 2013 (to be implemented on 1 January 2014)
China	Second batch for 2013 of export quotas for rare earths (15,500 metal metric tonnes) announced on 1 July 2013 (first batch for 2013 was 15,499 metal metric tonnes)	Permanent Delegation of China to the WTO (26 November 2013)	Effective 1 July 2013
China	Import bans on: swine, wild boar and related products from Belarus (5 July 2013), due to African swine fever; poultry products (HS 0207) from the States of Arkansas and Wisconsin (USA) (22 July 2013) and Chile (26 July 2013), due to pathogenic avian influenza disease; artiodactyl from Mongolia (22 July 2013), due to foot and mouth disease	Permanent Delegation of China to the WTO (12 November 2013)	
China	Termination of the application of "interim import tariff rates" and resumption of the application of normal MFN tariff rates, (from zero to 3%) on lignite (HS 2702.10.00; 2702.20.00), and (from 1% to 5%) on passenger aircraft with unladen weight of 25 tonnes and above but not more than 45 tonnes (HS 8802.40.10)	Permanent Delegation of China to the WTO (26 November 2013)	Effective 30 August 2013
Indonesia	Amendments in the licensing procedures for horticultural imports (HS Chapters 08; 20; 21) introduced aiming at establishing a one-stop service delivering import permits and licences to streamline the overall import process	Permanent Delegation of Indonesia to the WTO (23 May 2013)	Effective 15 May 2013
Mexico	Increase of import tariffs (from zero to 7%) on 2 plywood, veneered panels and similar laminated wood tariff lines (HS 4412.31.01; 4412.31.99)	Permanent Delegation of Mexico to the WTO (5 November 2013)	Effective 2 September 2013
New Zealand	Annual adjustment to the excise and excise-equivalent duty rates on alcoholic beverages (HS 2203; 2204; 2205; 2206; 2207; 2208)	Permanent Delegation of New Zealand to the WTO (29 November 2013)	Effective 1 July 2013
New Zealand	Increase in excise duty on "motor spirits" (HS 2710.12; 2710.19) by \$NZ 0.03/litre in 2013 and further increases of \$NZ 0.03/litre in 2014 and in 2015	Permanent Delegation of New Zealand to the WTO (29 November 2013)	Effective 1 July 2013
New Zealand	Import prohibition on southern bluefin tuna (<i>thunnus maccoyii</i>) (HS 0301.95.00; 0302.36.00; 0303.46.00; 0303.49.00; 0304.59.00; 0304.87.00) unless it has appropriate documentation validating that the fish was legally caught	Permanent Delegation of New Zealand to the WTO (29 November 2013)	Effective 1 October 2013
New Zealand	New government procurement regulation (Government Rules of Sourcing replacing the Mandatory Rules for Procurement by Departments)	Permanent Delegation of New Zealand to the WTO (16 October 2013)	Effective 1 October 2013
Russian Federation	Customs related requirements for transport by road of imported goods with a view to secure payment of duties and taxes (operators can choose between cash, mortgages, or bank guarantees). In very high risk cases additional requirements may apply	Permanent Delegation of the Russian Federation (28 November 2013)	Effective July 2013
Russian Federation	Temporary import ban on confectionary products from Ukrainian manufacturer "Roshen" (HS 1704)	Permanent Delegation of the Russian Federation (28 November 2013)	Effective 29 July 2013
Customs Union between the Russian Federation, Belarus, and	Temporary increase of import tariffs (from 10% to 16%) on certain LCD and plasma televisions with and without video recording, and GPS navigation systems (HS 8528.72.20; 8528.72.40)	Permanent Delegation of the Russian Federation (23 May 2013)	Effective 8 May 2013

Kazakhstan				
Customs between Russian Federation, Belarus, and Kazakhstan	Union the Russian Federation, and	Increase of import tariffs on certain products, i.e. (from zero to 8.3%) instantaneous gas water heaters (effective 10 June 2013); (from zero to 5%) hoods having a maximum horizontal side not exceeding 120 cm (effective 2 August 2013); and (from 5% to 10%) pipe layers (effective 13 September 2013)	Permanent Delegation of the Russian Federation (28 November 2013)	
Customs between Russian Federation, Belarus, and Kazakhstan	Union the Russian Federation, and	Increase of import tariffs on certain products, i.e. (to 15%) insulated cables, (to 3.5%) drilling machines, (to 10%) watches (HS 8430.41.00; 8430.49.00; 8544.49.95; 9102.11.00; 9102.29.00)	Permanent Delegation of the Russian Federation (28 November 2013)	Effective September 2013 2
Thailand		Changes in the import licensing procedures on certain products, i.e. cassava; swine's offal; shallots; fresh oranges; new pneumatic tyres of rubber; and electric fans, electric rice cookers, electric lamps	WTO document G/LIC/N/2/THA/4, 19 March 2013	Effective December 2012 27
United States		Extension of the National Dairy Promotion and Research Programme (which introduced an import assessment fee which applies to both imports and domestic production) until September 2013 (originally implemented on 1 August 2011)	Permanent Delegation of the United States to the WTO (26 November 2013); and WTO Document WT/TPR/OV/W/7, 5 July 2013	

Annex 3

Investment Measures (June 2013 – February 2014)

The following list of investment measures implemented in selected APEC economies from June 2013 to 15 February 2014 is adapted from the two most recent UNCTAD Investment Policy Monitors (November 2013 and March 2014 editions). This list follows on from an earlier list provided at the APEC Ministerial Meeting (AMM) in Bali, Indonesia in October 2013, which covered the period October 2012 to May 2013.

Type	Description	Date	Source
Canada			
Entry	On 26 June 2013, changes to the Investment Canada Act (ICA) received Royal assent. The changes introduce the possibility for the Minister (Industry Canada) to decide – in the context of ‘net benefit’ reviews under the ICA – that an entity is controlled by one or more state-owned enterprises even though it would qualify as Canadian-controlled under the criteria established by the act; this decision can be made retroactively for any date after the 29 April 2013.	26 June 2013	Bill C- 60, Royal Assent (41-1), Parliament of Canada, 26 June 2013
Entry	The Government of Canada rejected the proposed acquisition of the Allstream division of Manitoba Telecom Services Inc. (MTS) by Accelero Capital Holdings under the national security provisions of the Investment Canada Act. Accelero Capital Holdings is an investment and management firm controlled by an Egyptian national.	7 October 2013	Press Release, Government of Canada, 7 October 2013
Chile			
Treatment	The President of Chile signed the Ley Única de Fondos, which was passed in November 2013. This law introduces, inter alia, measures that align the tax treatment of investment funds established in Chile and abroad, allow foreigners to invest directly in the same funds as Chileans, standardize the regulatory framework for mutual funds and private investment funds, and improve the supervisory tools of the regulator, the Superintendency of Securities and Insurance.	24 December 2013	Ley sobre administración de fondos de terceros y carteras individuales, que deroga los cuerpos legales que indica, Ministry of Finance, 7 January 2014
China			
Entry	China launched the «China (Shanghai) Pilot Free Trade Zone», introducing various new policy measures in the areas of trade, investment and finance. With regard to inward FDI, the zone adopts a new approach providing for pre-establishment national treatment with a negative list. Specific segments in six service sectors – finance, transport, commerce and trade, professional services, cultural services, and public services – were opened to foreign investors.	18 September 2013	Circular of the State Council on the Framework Plan for the China (Shanghai) Pilot Free Trade Zone, The State Council, Guo Fa [2013] No. 38, 18 September 2013
Indonesia			
Promotion	The Government of Indonesia unveiled an emergency fiscal package to promote foreign investment, reduce imports and boosts its depreciating currency	23 August 2013	Economic Policy Package to Maintain Economic Growth Sustainability and Tranquillize Markets, Ministry of Finance, 26 August 2013
Republic of Korea			
Entry	The Republic of Korea passed the amended Telecommunications Business Act, which allows foreign investors covered by an FTA with Korea to acquire up to 100 per cent of Korea’s facility-based telecommunication businesses.	2 July 2013	Amendment to Telecommunications Business Act, National Assembly, 2 July 2013
Promotion	The Act on Supporting the Return of Overseas Korean Enterprises was passed by the National Assembly. The Korean Government founded the Reshoring Support Center and is planning to provide reshoring businesses with incentives that are similar to those provided to foreign-invested companies.	27 June 2013	Act on Supporting the Return of Overseas Korean Enterprises, National Assembly, 27 June 2013

Entry	The government of Korea amended the Foreign Investment Promotion Act. Under the current Act on Monopoly Regulation and Fair Trade, a subsidiary of a holding company could not - up to now - make a joint investment with a foreigner. The amendment allows subsidiaries to establish a joint venture with a foreigner under certain conditions: - The subsidiary holds 50 percent or more of the total stocks issued by the joint stock corporation; - The foreigner holds 30 percent or more of the total stocks; - The investment falls into the category of "separate" foreign investment, etc. The revised act was promulgated on 10 January 2014 and will be effective as of 11 March 2014.	10 January 2014	Amendment to Foreign Investment Promotion Act, The National Assembly of Republic of Korea, 9 January 2014
Malaysia			
Promotion	Malaysia announced its National Automotive Policy 2014 which is to promote a competitive and sustainable domestic automotive industry and to make Malaysia the regional automotive hub for energy efficient vehicles. An exemption of excise duties and import taxes for hybrids and electric vehicles (EV) will be granted for models assembled in Malaysia. The exemption will be extended until 31 December 2015 for hybrids and until 31 December 2017 for electric vehicles.	20 January 2014	National Automotive Policy (NAP) 2014, Ministry of International Trade and Industry, 20 January 2014
Mexico			
Entry	The Government amended the telecommunications law to allow more foreign investment. The reforms increased the threshold for foreign investment in telecommunication (100 per cent in all areas except radio, where the limit is 49 Per cent). Other reforms seek to bolster access to information rights; set up a unified regulation on concessions, as well as new competition regulations.	11 June 2013	Telecommunications Reform Decree, Official Gazette, 11 June 2013
Entry	The Mexican Congress approved modifications to the Mexican Constitution, reforming the energy sector including lifting a restriction on private capital in the oil industry. The reforms allow the government to issue licenses and enter into contracts for production-sharing, profit-sharing, and services. The reforms also create a public trust administered by the central bank to receive, administer, and distribute after-tax oil and gas revenues.	20 December 2013	Diario Oficial de la Federación Volume DCCXXIII No. 17, Official Gazette, 20 December 2013
Treatment	The Mexican Senate passed legislation to overhaul the banking sector. The reforms include, among other things, a court system to streamline and speed up collection of guarantees on unpaid debt, encouragement of competition in the sector to facilitate the growth of small banks, a call for the establishment of a universal credit bureau, and permission for the Comisión Nacional Bancaria y de Valores, the banking sector regulator, to place limits on the amount of government bonds that banks can hold.	11 January 2014	Diario Oficial de La Federación Volume DCCXXIII No 8, Official Gazette, 10 January 2014
Peru			
Entry	The Peruvian Congress approved a law, which allows for the privatization of up to 49 per cent of the state energy firm Petroperú. The law calls for Petroperú to be restructured to gain access to capital markets. The law restricts Petroperú from investing in activities other than refining until at least 40 per cent of the company is privately held.	18 December 2013	Normas Legales No. 12690, Official Gazette, 18 December 2013
Philippines			
Entry	The Philippines has amended its Rural Bank Act to allow foreign individuals or entities to have equity of up to 60 per cent in rural banks in the country. Prior to the passage of this Act, foreign banks were allowed to acquire equity in rural banks, but not foreign individuals or foreign entities.	8 June 2013	Official Gazette, 24 May 2013
Viet Nam			
Promotion	Vietnam reduced the corporate income tax rate. The tax rate will be cut to 22 per cent from 25 per cent starting 1 January 2014 and to 20 per cent from 1 January 2016. The rate for companies with fewer than 200 employees and total revenue of less than 20 billion dong will be lowered to 20 per cent from July 1, 2013 and to 17 per cent from 1 January 2016.	19 June 2013	Press Release, National Assembly, 21 June 2013
Promotion	The Government of Viet Nam issued a Decree providing for areas of centralized information technology (IT). According to the Decree, enterprises in focused information technology areas will enjoy tax benefits, i.e. an income tax rate of 10 percent within 15	8 November 2013	Decree No.154/2013, Ministry of Industry and Trade, 16 January 2014

	years, in some specific cases, extended to 30 years; and an exempt of 50 percent within 5 subsequent years. They are exempted from import tax when importing goods to build fixed properties or manufacture such as machines, equipment, parts, assemblies. Besides, these enterprises may enjoy convenient conditions in customs procedure, incentives for exports, investment credit, import credit and favorable policies for high-level business. The Decree came into effect on 1 January 2014.		
General Business Climate	The government of Viet Nam amended the Labour Code in respect of foreign workers. Work permits for foreign employees can no longer be extended; reissuance is required since November 2013. New regulations now also require approval from the Chairman of the provincial People's Committee regarding the annual demand for foreign employees. The People's Committee approval must be submitted with the work permit application. However, compared to extensions in the past, a reissuance does not require a training contract with a Vietnamese national.	1 November 2013	Decree No. 102/2013/ND-CP, National Institution of Labour Protection, 5 September 2013
Promotion	The Vietnamese government enacted a new Decree regulating the development of industrial parks (IPs), export processing zones and economic zones (EZs). Firstly, the new decree contains tighter regulations on the establishment of IPs through more efficient licensing procedures. Secondly, the decree outlines the rights and obligations of businesses operating in IPs and EZs. Thirdly, the decree amends and supplements some regulations covering export processing zones (EPZ) and EPZ businesses. Fourthly, the decree has added regulations on housing development for IP and EZ workers.	1 January 2014	Decree No. 164/2013/ND-CP, Ministry of Industry and Trade, 12 November 2013
Entry	Wholly foreign-invested enterprises ("FIE") are permitted to provide almost all types of logistic services in Vietnam subject to proper licensing. Market access should be granted under Vietnam's WTO service sector commitments, which use the United Nations' Central Product Classification ("CPC") codes. Although the term "logistic services" is not defined in Vietnam's WTO commitments, "services auxiliary to all modes of transport" (sector H) are now technically open to FIE. However, container handling services and road transport services still require joint ventures with Vietnamese partners.	11 January 2014	Vietnam Opens Logistics Sector To Foreign Investors, Mondaq.com, 28 January 2014