

**Asia-Pacific
Economic Cooperation**

What is Asia-Pacific Economic Cooperation?

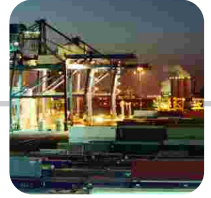
Asia-Pacific Economic Cooperation, or APEC, is the premier forum for facilitating economic growth, trade and investment in the Asia-Pacific region.

APEC has 21 members – referred to as “Member Economies” – which account for more than 2.5 billion people, a combined GDP of 19 trillion US dollars and 47% of world trade. It also proudly represents the most economically dynamic region in the world, generating nearly 70% of global economic growth in its first 10 years.

APEC's 21 Member Economies are Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam.

APEC works in the broad areas of trade and investment liberalisation and facilitation, and economic and technical cooperation, to help APEC Member Economies grow and prosper.

APEC is a dynamic forum which constantly adapts itself to address important new economic challenges. These include facilitating electronic commerce, addressing the digital divide, countering terrorism and introducing measures to safeguard against infectious disease.



**Building a
Prosperous
Asia-Pacific
through Free
and Open Trade
and Investment**

What are APEC's goals?

APEC was established in 1989 to further enhance economic growth and prosperity for the region and to strengthen the Asia-Pacific community.

Since its inception, APEC has worked to reduce tariffs and other trade barriers across the Asia-Pacific region, creating efficient domestic economies and dramatically increasing exports. Key to achieving APEC's vision are what are referred to as the 'Bogor Goals' of *Free and Open Trade and Investment in the Asia-Pacific by 2010 for Industrialised Economies and 2020 for Developing Economies*. These goals were adopted by APEC Economic Leaders at their 1994 meeting in Bogor, Indonesia.

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.

How does APEC operate?

APEC operates as a cooperative, multilateral economic and trade forum. It is unique in that it is the only multilateral grouping in the world committed to reducing trade barriers and increasing investment without requiring its members to enter into legally binding obligations. The forum succeeds by promoting dialogue and equal respect for the views of all participants, making decisions based on consensus to achieve its free and open trade and investment goals.

APEC Member Economies take individual and collective actions to open their markets and promote economic growth.

APEC policy direction is provided by the 21 APEC Economic Leaders. Strategic recommendations provided by APEC Ministers and the APEC Business Advisory Council are considered by APEC Economic Leaders as part of this process.

APEC's working level activities and projects are guided by APEC Senior Officials from the 21 APEC Member Economies. These activities and projects are carried out by four high level committees:

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

Sub-Committees, Experts' Groups, Working Groups and Task Forces support the activities and projects led by these four high level committees

**Connecting People
and Economies
through Trade,
Investment and
Technology**



How does APEC benefit the economies of the region?

In its first decade, APEC Member Economies generated nearly 70 percent of global economic growth and the APEC region consistently outperformed the rest of the world, even during the Asian financial crisis.

APEC Member Economies work together to sustain economic growth through a commitment to free and open trade, investment and economic reform. By progressively reducing tariffs and other barriers to trade, APEC Member Economies have become more efficient and exports have expanded dramatically.

Highlights of APEC's achievements in the first 10 years include-

- Exports increased by 113 percent to over US\$2.5 trillion.



Sharing Knowledge and Skills to Promote Growth in the Asia-Pacific Region

- Foreign direct investment grew by 210 percent overall and by 475 percent in lower income APEC economies.
- Real Gross Domestic Product grew by about a third overall and by 74 percent in lower income APEC economies.
- Gross Domestic Product per person in lower income APEC economies grew by 61 percent.

Expanding Business, Training and Employment Opportunities for the People of the Asia-Pacific



How do the people of the Asia-Pacific benefit from APEC's work?

The people of the Asia-Pacific benefit from the collective and individual actions of APEC Member Economies in a number of ways. Direct benefits include increased job opportunities and training programmes, stronger social safety nets and poverty alleviation. More broadly, APEC Member Economies, on average, enjoy a lower cost of living because reduced trade barriers and a more economically competitive region helps to lower prices for goods and services that everyone needs on a daily basis, from food to clothes to mobile phones.

Accomplishments during APEC's first decade of existence include—

- 195 million new jobs created in APEC Member Economies, including 174 million in lower income economies.
- Improved and streamlined business travel through mutual recognition arrangements, paperless customs procedures and information about business visits in APEC.



Extending the Benefits of the Knowledge-Based Economy to the People of the Asia-Pacific

What is APEC's Scope of Work?

Known as APEC's 'Three Pillars', APEC focuses on three key areas:

- Trade and Investment Liberalisation
- Business Facilitation
- Economic and Technical Cooperation

The outcomes of these three areas enable APEC Member Economies to strengthen their economies by pooling resources within the region to achieve efficiencies and growth.

Working in Partnership to Strengthen Asia-Pacific Economies and Communities



Business Facilitation

Business Facilitation focuses on reducing the costs of business transactions, improving access to trade information, maximising the benefits of information and communications technology and aligning policy and business strategies to facilitate growth, and free and open trade and investment. Essentially, Business Facilitation helps importers and exporters in Asia Pacific to meet and conduct business more efficiently. Costs of production are reduced, leading to increased trade, cheaper goods and services and more employment opportunities.

Economic and Technical Cooperation (ECOTECH)

ECOTECH is dedicated to providing training and cooperation to build capacities in all APEC Member Economies to enable them to take advantage of global trade and the New Economy. This area builds capacity at the institutional and personal level to assist APEC Member Economies and its people gain the necessary skills to meet their economic potential.

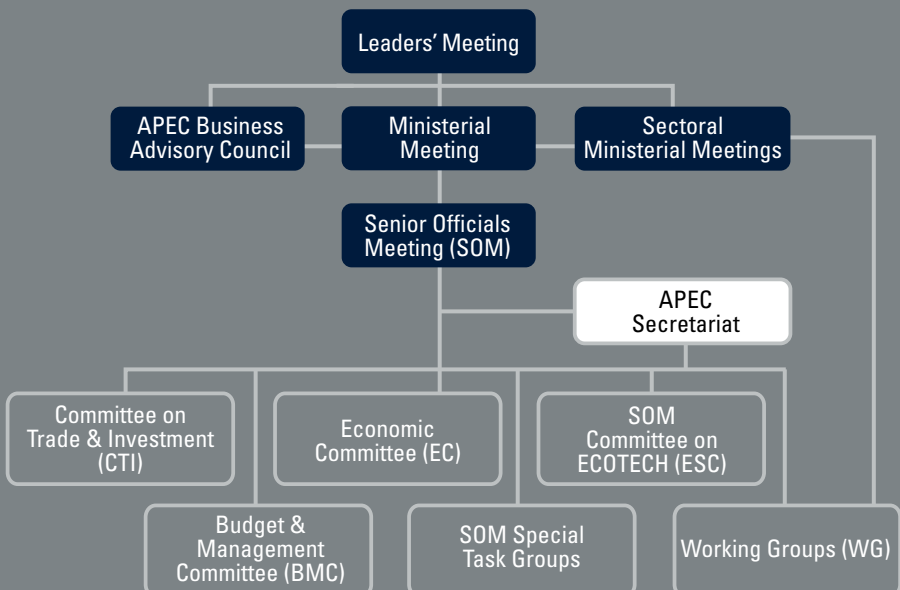
Trade and Investment Liberalisation

Trade and Investment Liberalisation reduces and eventually eliminates tariff and non-tariff barriers to trade and investment. Trade and Investment Liberalisation focuses on opening markets to increase trade and investment among economies, resulting in economic growth for APEC Member Economies and increased standard of living for all.



Strengthening the Global Trading System

How is APEC structured?



How does APEC put into action its goals and vision?

In order to meet APEC's Bogor Goals for free and open trade and investment in Asia-Pacific, APEC Member Economies follow the strategic roadmap agreed by APEC Economic Leaders in Osaka, Japan. This roadmap is known as the Osaka Action Agenda.

APEC Member Economies report progress towards achieving free and open trade and investment goals through Individual Action Plans (IAPs) and Collective Action Plans (CAPs), submitted to APEC on an annual basis



Increasing Asia-Pacific Prosperity, Stability and Security through Partnership and Cooperation

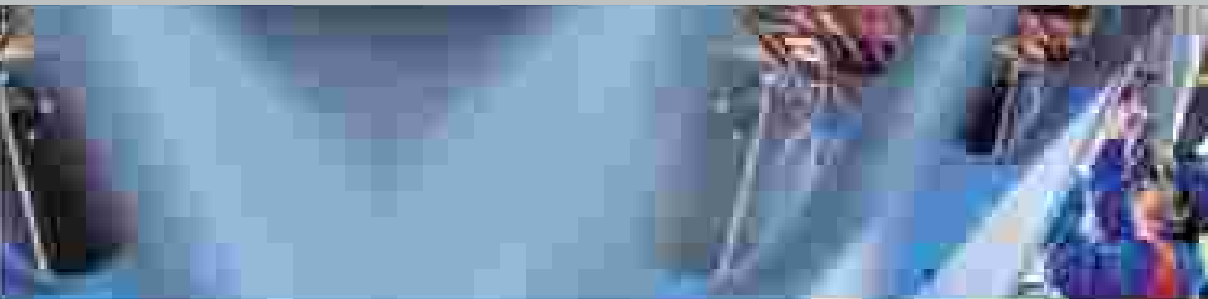
Osaka Action Agenda

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.

The following General Principles are provided in the Osaka Action Agenda and are applied to the entire APEC liberalisation and facilitation process -

- **Comprehensiveness** - addressing all impediments to achieving the long-term goal of free and open trade.
- **WTO-consistency** - measures undertaken in the context of the APEC Action Agenda are consistent with the principles of the World Trade Organization (WTO).
- **Comparability** - APEC Member Economies endeavor to have comparable trade and investment liberalisation and facilitation, taking into account the general levels achieved by each APEC economy.

- **Non-discrimination** - reductions in barriers to trade achieved through APEC are available to all APEC Member Economies and non-APEC economies.
- **Transparency** - the laws, regulations and administrative procedures in all APEC Member Economies which affect the flow of goods, services and capital among APEC Member Economies are transparent.
- **Standstill** - APEC Member Economies do not take measures which have the effect of increasing levels of protection.
- **Simultaneous start, continuous process and differentiated timetables** - APEC Member Economies began simultaneously the process of liberalisation, facilitation and cooperation and continuously contribute to the long-term goal of free and open trade and investment.
- **Flexibility** - APEC Member Economies deal with the liberalisation and facilitation process in a flexible manner, taking into account differing levels of economic development.
- **Cooperation** - Economic and technical cooperation contributing to liberalisation and facilitation is actively pursued.



Individual Action Plans

Every Member Economy submits annually an Individual Action Plan (IAP). This is a record of actions taken to meet its stated goals for free and open trade and investment. APEC Member Economies set their own timelines and goals, and undertake these actions on a voluntary and non-binding basis.

As specified in the Osaka Action Agenda, reporting is based on 15 issue areas:

- Tariffs
- Non-tariff measures
- Services
- Investment
- Standards and Conformance
- Customs Procedures
- Intellectual Property
- Competition Policy
- Government Procurement
- Deregulation/Regulatory Review
- WTO Obligations (inc. Rules of Origin)
- Dispute Mediation
- Mobility of Business People
- Information Gathering and Analysis

Each year, several APEC Member Economies volunteer to have their IAPs reviewed. Known as Peer Reviews, this process involves a formal review team considering each volunteer economy's IAP. Experts conducting independent in-country research and analysis and the involvement of the independent private sector body, the APEC Business Advisory Council (ABAC) are also part of the process.

Promoting the Safe and Efficient Movement of Goods, Services and People through the Asia-Pacific Region



Collective Action Plans

Collective Action Plans (CAPs) detail the collective actions of all APEC Member Economies in the 15 issue areas outlined in the Osaka Action Agenda. The 15 issue areas mirror the IAP's.

CAPs are used by APEC to outline actions and objectives to meet the free trade and investment goals, as well as to monitor and report on progress.

How do I get involved with APEC?

APEC recognises that strong and vibrant economies are not built by governments alone, but by partnerships between government and its key stakeholders including the business sector, industry, academia, policy and research institutions, and interest groups within the community.

If you are interested in participating in APEC you can apply or be invited to APEC activities subject to guidelines. Contact the APEC Secretariat or visit the website for further information.

Contact Us

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Inquiries can also be directed to contacts in APEC Member Economies. A complete list of these contacts is available through the APEC Secretariat.