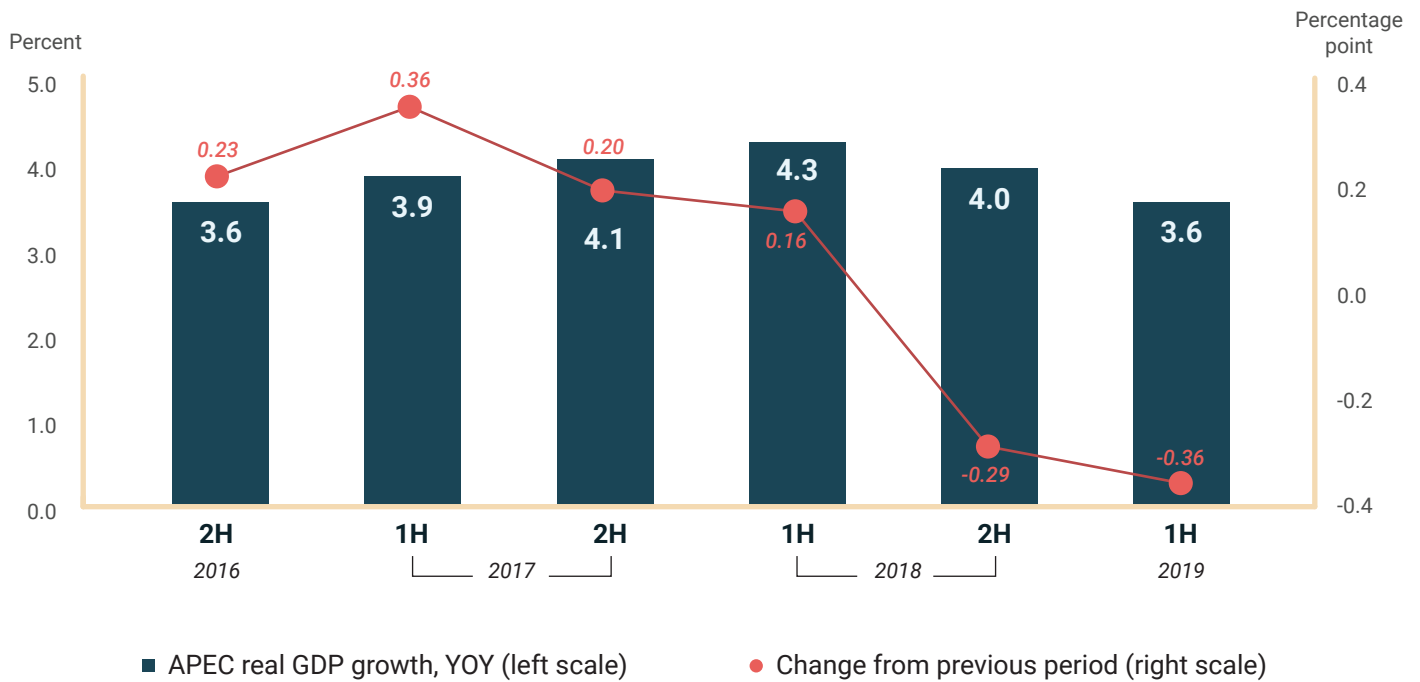


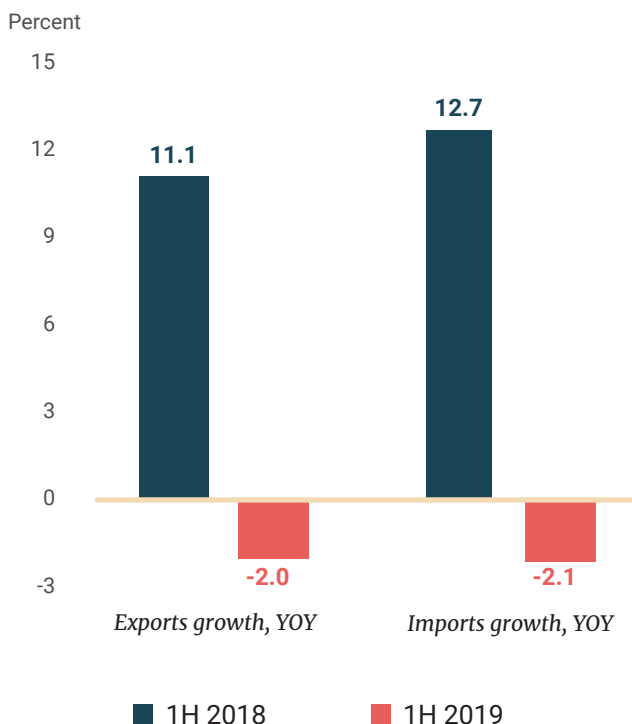
SLOWER GROWTH, BIGGER CHALLENGES

Global uncertainty has led to a moderation in APEC GDP growth in the first half of 2019.

GDP growth for January–June 2019 was 3.6%, down from January–June 2018 GDP growth of 4.3%. APEC has been growing at a decelerated pace since the second half of 2017, coinciding with the onset of trade tensions.



Value of merchandise trade has contracted significantly.

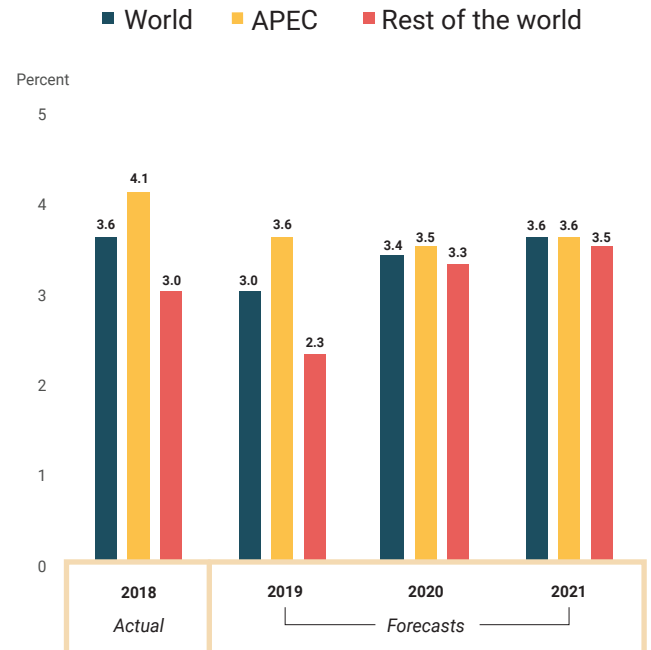


Domestic consumption has also declined, while investment growth was flat.



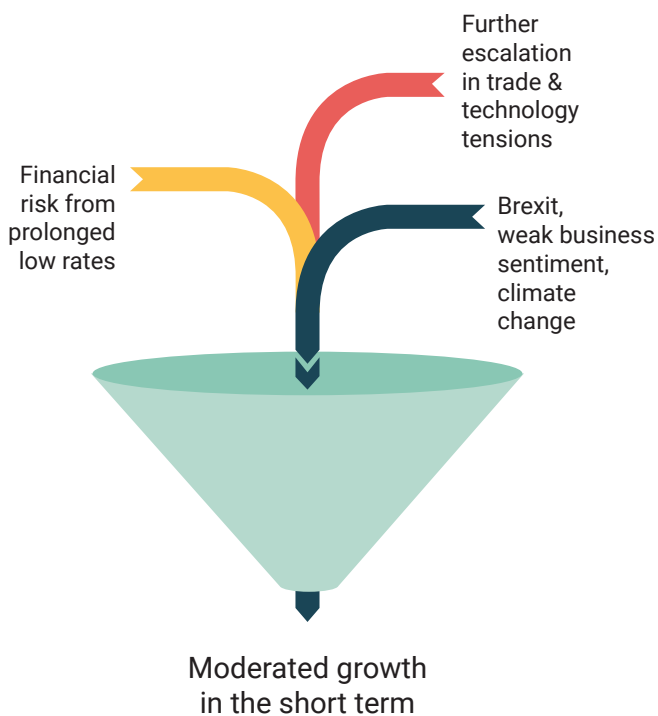
Economic activity seems caught in a negative feedback loop, resulting in slower growth.

APEC GDP growth is expected to moderate in 2019–2021, in tandem with the global economy.



Downside risks could come from a combination of factors, which could further weaken economic growth.

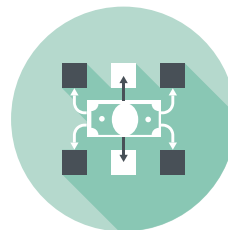
Economies should diversify sources of growth beyond domestic consumption and global trade.



Services sector



Digital opportunities



Financial inclusion



Women's economic empowerment