



Asia-Pacific  
Economic Cooperation

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

# APEC

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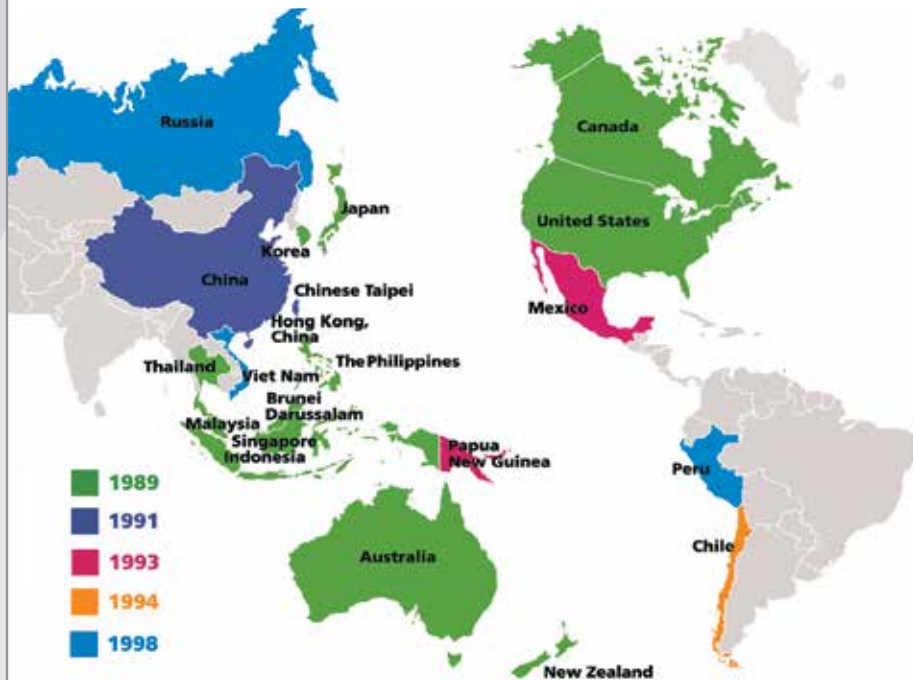
## at a glance



# What is the Asia-Pacific Economic Cooperation?

The Asia-Pacific Economic Cooperation (APEC) is a regional economic forum established in 1989 to leverage the growing interdependence of the Asia-Pacific. APEC's 21 members aim to create greater prosperity for the people of the region by promoting balanced, inclusive, sustainable, innovative and secure growth and by accelerating regional economic integration.

## Which economies are members of APEC?



## What does APEC do?

APEC ensures that goods, services, investment and people move easily across borders. Members facilitate this trade through faster customs procedures at borders; more favorable business climates behind the border; and aligning regulations and standards across the region. For example, APEC's initiatives to synchronize regulatory systems is a key step to integrating the Asia-Pacific economy. A product can be more easily exported with just one set of common standards across all economies.

### Sustainable and Inclusive Asia-Pacific

APEC works to help all residents of the Asia-Pacific participate in the growing economy. For example, APEC projects provide digital skills training for rural communities and help indigenous women export their products abroad. Recognizing the impacts of climate change, APEC members also implement initiatives to increase energy efficiency and promote sustainable management of forest and marine resources.

The forum constantly adapts to allow members to deal with important new challenges to the region's economic well-being. This includes ensuring disaster resilience, planning for pandemics, and addressing terrorism.

## ACROSS THE BORDER



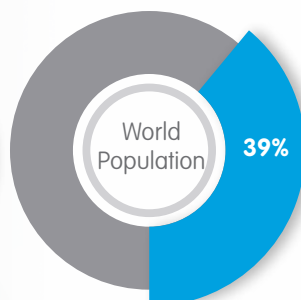
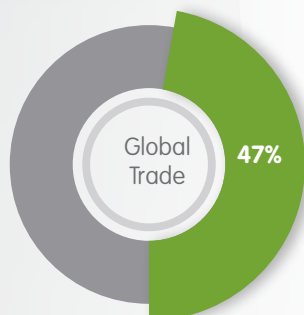
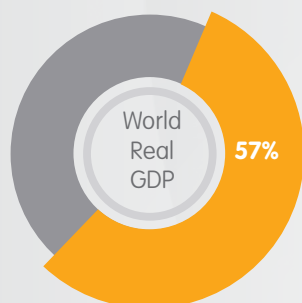
## How has the region benefited?

APEC has grown to become a dynamic engine of economic growth and one of the most important regional forums in the Asia-Pacific. Its 21 member economies are home to around 2.8 billion people and represent approximately 57 per cent of world GDP and 47 per cent of world trade in 2012.

As a result of APEC's work, growth has soared in the region, with real GDP doubling from just USD 16 trillion in 1989 to USD 31 trillion in 2013. Meanwhile, residents of the Asia-Pacific saw their per capita income rise by 45 per cent, lifting millions out of poverty

and creating a growing middle class in just over two decades.

Bringing the region closer together, reducing trade barriers, and smoothing out differences in regulations have boosted trade which, in turn, has led to this dramatic increase in prosperity. Average tariffs fell from 17 per cent in 1989 to 5.2 per cent in 2012. During that same time period, the APEC region's total trade increased over seven times—outpacing the rest of the world with two-thirds of this trade occurring between member economies.



# How does APEC operate?

## APEC: Cooperation and Consensus

APEC operates as a cooperative, multilateral economic and trade forum. Member economies participate on the basis of open dialogue and respect for views of all participants. In APEC, all economies have an equal say and decision-making is reached by consensus. There are no binding commitments or treaty obligations. Compliance is achieved through discussion and mutual support in the form of capacity building projects to help members implement APEC initiatives.

APEC's structure is based on both a "bottom-up" and "top-down" approach. Four core committees and their respective working groups provide strategic policy recommendations to APEC Leaders and Ministers who annually set the vision

for overarching goals and initiatives. The working groups are then tasked with implementing these initiatives through a variety of APEC-funded projects. Members also take individual and collective actions to carry out APEC initiatives in their individual economies with the assistance of APEC capacity building projects.

## APEC Projects: Capacity Building

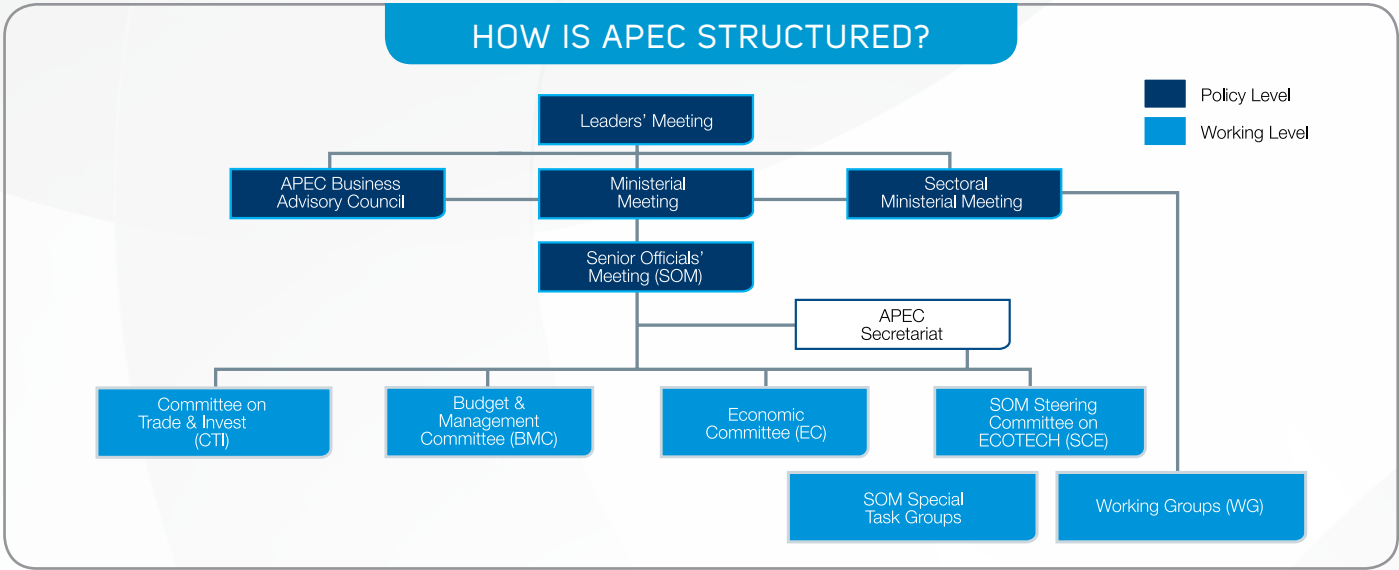
Capacity building projects play an important role in helping translate APEC's goals into reality. By enhancing members' capacity through skills training and technological know-how, APEC-funded projects strengthen members' readiness to adopt new initiatives from electronic customs processing to

regulatory reform. APEC projects also target specific policy areas from developing small and medium enterprise competitiveness to facilitating the adoption of renewable energy technologies in the region.

The APEC Project Management Unit oversees APEC-funded projects in collaboration with working groups. Funding for projects is made possible by contributions from APEC members.

The APEC Policy Support Unit provides policy research, analysis and evaluation to assist in the implementation of APEC's agenda.

The APEC process is supported by a permanent secretariat based in Singapore.



# What are APEC's success stories?

APEC implements a wide variety of initiatives to help integrate the region's economies and promote trade while addressing sustainability and social equity.

## Promoting Regional Economic Integration and Trade

Since 1989, APEC's role in facilitating regional integration has proven essential to promoting trade and economic growth in the Asia-Pacific. For example, reducing trade barriers between members, harmonizing standards and regulations, and streamlining customs procedures have enabled goods to move more easily across borders.

**Making it Easier to Trade Across Borders:** In 1994, APEC Leaders committed to achieving the 'Bogor Goals' of free and open trade and investment by 2020 through reducing trade barriers in the region and promoting the free flow of goods, services and capital among

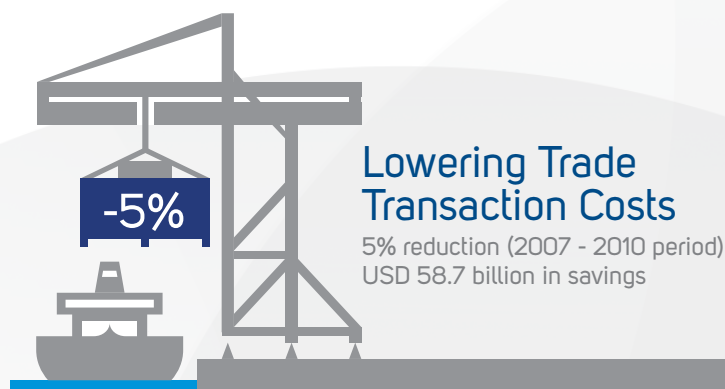


APEC economies. APEC's Trade Facilitation Action Plan which includes streamlining customs procedures reached its target of region-wide reduction in costs at the border by 5 per cent between 2007 and 2010.

**Making it Easier to do Business:** Behind the border, APEC launched its Ease of Doing Business Action Plan in 2009, with the goal of making it cheaper, easier and faster to

do business in the region. Between 2009 and 2013, member economies improved the ease of doing business in the Asia-Pacific by 11.3 per cent across all areas of the initiative, including starting a business, getting credit or applying for permits. Today, construction permits are issued at a faster pace, dropping 18.7 per cent from 169 days to 134 days in the last four years with APEC topping the charts globally for the shortest permit time. Starting a company in the Asia-Pacific is also simpler with the number of procedures falling by 20.2 per cent since 2009.

## MAKING TRADING ACROSS BORDERS EASIER, CHEAPER AND FASTER!



**Faster Customs Procedures:** At the border, APEC economies have centralized export-import processes online, accelerating the time it takes for goods to travel across borders. Known widely as Single Window, this virtual system links all government agencies involved in the export-import process, allowing companies to submit documents electronically one time from anywhere. Gone are the myriad forms, long queues, and visits to multiple agencies, while goods spoil in warehouses.

By 2013, 14 APEC economies had adopted various stages of the Single Window system, with the goal of all 21 members coming on board by 2020.

**The Free Trade Area of the Asia-Pacific (FTAAP):** In 2014, APEC members committed to taking a concrete step towards greater regional economic integration by endorsing a roadmap for the Free Trade Area of the Asia-Pacific (FTAAP) to translate this vision into reality. As a first step, APEC is implementing a strategic study on issues related to the realization of a Free Trade Area of the Asia-Pacific. The study will provide an analysis of potential economic and social benefits and costs, analyze the various pathways towards a Free Trade Area of the Asia-Pacific, and identify challenges economies may face in realizing this goal.

## Connecting the Region

APEC is working to connect the region through improving physical infrastructure linkages, people mobility and institutional ties across the Asia-Pacific. APEC's Connectivity Blueprint maps out initiatives from improving information technology and transportation infrastructure to making it easier for students, business people, and tourists to travel around the region.

**APEC Business Travel Card:** By making it simpler for business people to travel, APEC is enabling them to conduct their business, trade and investment more easily. Over 160,000 travellers use the APEC



Business Travel Card which provides pre-approved frequent business travellers with visa clearance and fast-track entry through special APEC lanes at major international airports in the region. 19 APEC members fully participate in the scheme with the United States and Canada as transitional members.

**APEC Supply Chain Connectivity:** APEC is also improving logistics and transport networks to enable component parts and final goods to travel across multiple borders, contributing to a more efficient regional supply chain. To improve efficiency,

APEC is addressing eight 'chokepoints' from regulatory impediments to customs procedures and infrastructure bottlenecks with the goal of an APEC-wide 10 per cent improvement in supply chain performance in terms of time, cost and uncertainty by 2015. APEC has made progress towards achieving this goal. For example, between 2009 and 2013, the lead time to import goods dropped by an average 25 per cent while lead time to export fell by 21 per cent in the region, according to an APEC Policy Support Unit assessment.





## A Sustainable Future for the Asia-Pacific

**Environmental Goods List:** In a landmark agreement, APEC is encouraging the development of clean technologies and greener growth across the region by lower tariffs on environmental goods. In 2012 in Vladivostok, Russia, APEC Leaders agreed to reduce applied tariffs on 54 environmental goods to five per cent or less by the end of 2015. The APEC list of 54 products— from solar panels to wind turbines—accounts for around USD 600 billion in world trade. APEC member economies are currently moving forward with implementing the list.



**Green Towns in the Asia-Pacific:** Funded by a multi-year project under the APEC Energy Working Group, APEC helped urban planners develop low-carbon model town plans for a series of cities throughout the Asia-Pacific. These cities are reducing their carbon footprint by adopting a set of carbon emission reduction targets and energy efficient initiatives from solar panels to electric vehicles. APEC projects also support the development of smart electricity grids that enable sources of clean power to be seamlessly connected to existing structures and distributed to rural communities.

## Inclusive Growth: Ensuring Everyone is On Board

**Nurturing Small Businesses:** Nurturing the competitiveness of small and medium enterprises (SMEs) and their ability to participate in global supply chains have been critical elements of APEC's agenda.

The APEC Start-up Accelerator Network was launched in 2013 to promote entrepreneurship and innovation by connecting technology start-ups with funding and mentors.

Since 2011, APEC has worked to enhance SME business ethics, particularly in the healthcare sector. By 2014, APEC's initiative resulted in codes of ethics being adopted and implemented by around 60 biopharmaceutical and medical device industry associations and their member companies from 19 economies across the Asia-Pacific, representing more than 14,000 firms. To improve SME disaster resilience, APEC has trained more than 250 regional experts to assist SMEs with business continuity planning in order to minimize disruptions due to a disaster.

**Enhancing Social Equity in the Region:** In addition to supporting small businesses, APEC is working to ensure all members of the Asia-Pacific can participate in the growing economy. The APEC Digital Opportunity Center was established in 2004 to provide computer skills training to vulnerable rural and urban communities. With over a hundred centers in 10 APEC economies offering information technology (IT) training, the APEC Digital Opportunity Center (ADOC) is focused on transforming digital divides into digital opportunities. Over the last decade, these Centers have trained over half a million people throughout the APEC region, and almost half are female.



# Who participates in the APEC process?

APEC recognizes 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 other interest groups. In addition to APEC's 21 member governments, APEC actively involves other key stakeholders in the work of the forum.

## Business

APEC Economic Leaders meet annually with the APEC Business Advisory Council (ABAC), which is comprised of high-level business people from all 21 APEC member economies. ABAC presents recommendations to Leaders and advises APEC officials on business sector priorities and concerns. APEC is the only multilateral body that gives business a seat at the table, not just for consultation, but as a partner. At the working level, representatives from the private sector are invited to join many

APEC industry dialogues, working groups and expert groups. This process provides an important opportunity for industry to provide direct input into APEC's ongoing work.

## Academic and Research Institutions

Through the APEC Study Centers Consortium (ASCC), APEC member economies engage academic and research institutions in the APEC process. The ASCC undertakes interdisciplinary policy research on APEC issues from an independent and long-term perspective. There are over 50 APEC Study Centers in APEC member economies.

## APEC Observers

**APEC has three Official Observers:** the Association of Southeast Asian Nations, the Pacific Economic Cooperation Council and the Pacific Islands Forum.



## How do I get involved with APEC?

If you are interested in participating in the APEC process, you can apply to attend APEC meetings or seminars. Contact the APEC Secretariat [info@apec.org](mailto:info@apec.org) or visit the website for further information.

Enquiries can also be directed to contacts within APEC member economies:

<http://www.apec.org/ContactUs>



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