



**Asia-Pacific
Economic Cooperation**

2015/SOM1/EC/016

Agenda Item: 04

APEC Fora vis-à-vis APEC 2015 Priorities

Purpose: Information

Submitted by: APEC Secretariat



**First Economic Committee Meeting
Clark, Philippines
4-5 February 2015**

I. APEC 2015 Priorities

Building Inclusive Economies, Building a Better World

- In 2015, APEC will expand the region's growth story to include a vision of economic prosperity and interconnectedness felt at all levels, beginning at the grassroots. As regional economic integration continues to take form and strengthen, APEC 2015 will orient policies and work programs through the prism of its inclusive growth strategy. Integration as such, will be defined and advanced not only for the benefit of economies but also of the people that drive economic growth.
- The pursuit of trade and investment liberalization, business facilitation, and economic and technical cooperation will be guided by the goal of democratizing the fruits of economic growth – empowering individuals, businesses and communities to take advantage of the opportunities of regional economic integration, as well as withstand and address economic risks and challenges such as rising income gaps and economic inequity, natural disasters, and food security.
- Under the theme “Building Inclusive Economies, Building a Better World”, APEC 2015 will focus on the following key priorities:
 - Enhancing the Regional Economic Integration Agenda
 - Fostering SMEs' Participation in Regional and Global Markets
 - Investing in Human Capital Development
 - Building Sustainable and Resilient Communities

Priority 1: Enhancing the Regional Economic Integration Agenda

- Following from APEC's multi-year work program towards the Bogor Goals of free trade and investment, and the realization of a Free Trade Area of the Asia-Pacific (FTAAP), APEC 2015 will expand the regional economic integration agenda to include initial building blocks such as the collective strategic study on the FTAAP, and forward-looking plans based on the review of APEC's Growth Strategy, among others.
- APEC initiatives will focus on connectivity and trade facilitation, particularly in areas that will promote trade in services and the ease of doing business. Structural reform, financial inclusion measures, and good governance will also place high on the agenda to support efforts to build more inclusive value and production chains in the APEC region.

Priority 2: Fostering SMEs' Participation in Regional and Global Markets

- Recognizing the potential of small and medium enterprises (SMEs) to generate employment and serve as engines of economic development, APEC will place SMEs front and center in the trade liberalization and facilitation workstream. SMEs, which comprise more than 90 percent of businesses in many economies, are key stakeholders in regional economic integration particularly in reaping the benefits of FTAs/RTAs. While also most at risk to economic shocks and challenges of globalization, SMEs continue to adapt as sources of innovative business models and new technologies.
- To support the entrepreneurial nature of SMEs and their valuable contribution to overall economic growth, APEC will align its capacity-building initiatives to the needs of SMEs. APEC will continue to support SMEs through trade facilitations measures to link SMEs to global value chains and promote their full participation in markets by removing barriers to entry and promoting greater access to finance, technology, training programs and tools.

Priority 3: Investing in Human Capital Development

- APEC underscores the importance of investing in human capital development in achieving sustained and broad-based growth. Recognizing that economic growth is anchored on the quality of its human resources, APEC will continue to pursue the long-term goal of building a skilled and adaptable APEC community through cross-border education, science and technology-based education and skills development, and innovation-driven ECOTECH programs.
- Placed within the context of new technologies that increase the “volume, velocity, and variety” of knowledge and information flows, APEC’s human capital development initiatives will be designed to foster economic competitiveness coupled with equality of opportunity. APEC looks to the enhanced cooperation between education providers and businesses as employers in helping realize the human resource development goals.

Priority 4: Building Sustainable and Resilient Communities

- Given the changing global environment and disasters such as typhoons, earthquakes, volcanic eruptions and health pandemics, APEC will prioritize the twin goals of resilience and sustainability, and food security.
- As trade in the Asia-Pacific continues to be increasingly integrated and interlinked by production and supply chains, disaster-related disruptions in

these interwoven chains can hurt both the supply and demand sides. The transnational nature and cross-border effects of disasters thus make regional mechanisms and contingencies more necessary. Preparedness such as investing in resilient infrastructure, more than relief and recovery are coming to the fore of APEC's relevant work streams. APEC looks to create and promote risk reduction and management, build SMEs' resilience to disaster, and ensure business continuity.

- Also faced by the need to better manage its food and energy requirements, APEC's agenda will include initiatives to enhance food security and the Blue Economy in the APEC region by promoting coastal management, sustainable fishing and marine conservation.

II. Linking to the APEC 2015 Priorities (Annex A)

- The APEC 2015 Priorities are so designed to cut across several policy areas in the broad spectrum of APEC's work. This horizontal relevance highlights an emerging feature of cooperation across APEC where issues cut across fora and require synergy and collaboration.
- Each Working Group and Committee, therefore, has the potential to contribute to the achievement of the goals and objectives set forth by the APEC 2015 Priorities along with their respective medium term strategic plans and annual work plans.
- Annex A presents how each Working Group and Committee can potentially contribute to the APEC 2015 Priorities. The list is not exhaustive but can be viewed as an exploratory indicator of how the Committee and each of their Working Groups' Plans support and implement the APEC 2015 Priorities. In effect, we are integrating initiatives, small as they are, that support the APEC 2015 Priorities across the board. This will also ensure that moving forward post-2015, the APEC 2015 priorities are carried on as integral to the work program of the Working Groups under CTI, EC and SCE.