

PRESS RELEASE

12 November 2023

STAKEHOLDERS HOPEFUL FOR POSITIVE OUTCOMES FROM APEC MEET

(San Francisco) Making progress on regional trade and geo-political tensions topped the list of issues stakeholders think APEC Leaders should address when they meet in San Francisco later this week. This was followed by making supply chains more resilient in the aftermath of their fragility exposed during the pandemic and then long-term policy reforms considering the slower growth trajectory of regional economies.

Respondents continued to be negative about the growth prospects for the global economy. “Our survey revealed a pervasive sense of insecurity – around geopolitics, economics, climate, and health, food, and energy security,” said Dr Richard Cantor, co-chair of the Pacific Economic Cooperation Council (PECC).

Although the global and regional economies are recovering from the 2020 hit brought on by the pandemic, with the region expected to grow by 3.2 percent, respondents continue to be pessimistic about the global outlook, with 47 percent expecting slower growth compared to only 14 percent expecting stronger growth.

“Inflation remains the outlier among risks to growth, with rising prices expected to be higher for longer than previously expected,” said the report’s coordinator, Mr Eduardo Pedrosa. Over 50 percent of respondents selecting it as a top 5 risk to growth for their economies followed by a closely clustered set of risks - climate change, which was followed by concerns about slower trade growth; geo-economic fragmentation; and increased protectionism.

The survey also revealed concerns about the inclusiveness of the recovery. Although 76 percent of respondents thought that the recovery was moderately inclusive, specific parts of society were seen as lagging – small businesses and the most vulnerable groups of society and economy – the informal sector; the elderly, and youth, and ethnic minorities. Education, rapid technological and the lack of social safety nets were seen impacting inequality the most. Initiatives that specifically address these issues were seen as the most important work governments could do. While trade was seen as largely positive for growth, there were concerns about its impact on inequality. More work needs to be done to improve government consultation with a broader range of stakeholders to identify and respond to concerns at the local level.

Looking ahead to when APEC Leaders meet in San Francisco later this week, ameliorating geopolitical and trade conflicts in the region; strengthening supply chain resilience; and structural reforms that promote growth and aid in anti-corruption; climate change; and supporting the multilateral trading system were seen as top priorities for discussions. “While climate change and rapid technological change present formidable challenge for the region, deeper cooperation can help economies harness their potential to address these issues and harness their potential for stronger and more sustainable and inclusive growth,” said Ambassador Zhan Yongxin, co-chair of PECC.

The survey findings support APEC’s focus this year on “Creating a Resilient and Sustainable Future for All.” “The challenges we face in confronting the aftermath of the Covid-19 pandemic and rising concerns over climate change should help to bring us together to find solutions to shared problems”, said Dr Cantor.

See: <https://pecc.org/research/state-of-the-region>

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The *State of the Region* report (www.pecc.org/research/state-of-the-region) is an annual statement of PECC's views on the major developments affecting Asia-Pacific regional cooperation. The report contains a macroeconomic overview of the current state of the region and related issues. It contains results from its annual survey of opinion-leaders of perceptions on key developments in the region and priorities for APEC. It is useful for gauging converging and diverging perceptions of stakeholders from business, government, and the research/ media/ civil society. This year, the survey was conducted from 21 March to 28 April and responses were received from over 700 opinion leaders.

Respondents to the PECC survey are high-profile senior individuals from academia, business; government; civil society and the media. They are selected by PECC member committees based on their level of knowledge of the Asia-Pacific region. The criteria given for the selection of panelists were as follows:

Government

Panelists should be either decision-makers or senior advisors to decision-makers. The past government respondents included several former and current ministers, deputy and vice-ministers, central bank governors and their advisors for Asia-Pacific issues, current APEC senior officials, and several former APEC senior officials.

Business

Panelists should be from companies who have operations in several Asia-Pacific economies or conduct business with several partners from the region; this might include each economy's current ABAC members as well as past ABAC members. They may be CEOs, vice presidents for Asia-Pacific operations, and directors of chambers of commerce.

Research Community/Civil Society/Media

Panelists should be well versed in Asia-Pacific affairs, being the type of people governments, businesses, and the media would tap into for input on issues related to Asia-Pacific cooperation. These include heads of institutes concerned with Asia-Pacific issues, heads of departments, senior professors, and correspondents covering international affairs.

About the Pacific Economic Cooperation Council

The Pacific Economic Cooperation Council (PECC) is a non-profit international organization committed to the promotion of cooperation and dialogue in the Asia Pacific. Founded in 1980, PECC is a tripartite network of 25 member committees comprising individuals and institutions dedicated to this shared mission. Of the 26 member committees, 23 represent the economies of Australia, Brunei Darussalam, Canada, Chile, China, Colombia, Ecuador, Hong Kong (China), Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Peru, the Philippines, Singapore, Chinese Taipei, Thailand, the United States of America, Vietnam as well as the Pacific Islands Forum. The PECC also has one associate member, France (Pacific Territories), and two institutional members, the Pacific Trade and Development Conference and the Pacific Basin Economic Council. As a non-governmental official observer of APEC (Asia-Pacific Economic Cooperation), PECC provides independent business and research input for the regional policy-making process.