



**Asia-Pacific  
Economic Cooperation**

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

# Annual Report 2013



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**APEC Policy Support Unit**  
May 2014

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The views expressed in this paper are those of the authors and do not necessarily represent those of APEC Member Economies.

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**Asia-Pacific  
Economic Cooperation  
Secretariat**

APEC Senior Officials

Dear Senior Officials

On behalf of the APEC Policy Support Unit (PSU) and in accordance with clauses 54 and 55 of the APEC PSU Governance Arrangements, I am pleased to enclose the APEC PSU Annual Report 2013.

Denis Hew  
Director  
APEC Policy Support Unit



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## PROJECTS AND ACTIVITIES

### OVERVIEW OF PROJECTS AND ACTIVITIES

The APEC Policy Support Unit (PSU) was established in 2008 to elevate the quality of APEC's deliberations, provide tailor-made analytical work, and augment APEC's work on trade, investment and economic policy. In 2012, its mandate was extended to the end of 2020.

This year saw the PSU making further strides in its work under the leadership of the PSU Director, Dr Denis Hew. With a longer mandate secured, the PSU went on to develop a five-year strategic plan (2013-2017) which the PSU Board approved in March 2013. The strategic plan articulates the vision, mission, and objectives of the PSU, and aims to provide greater focus to its work through five core areas.

One key objective of the PSU is to provide robust research and analysis to support APEC fora and members. In this aspect, the PSU has taken on a variety of projects and worked with the Senior Officials' Meeting (SOM), the Economic Committee (EC), and the Committee on Trade and Investment (CTI). Notably, this year witnessed an increasing engagement with the Senior Finance Officials' Meeting (SFOM). The key deliverables this year included:

- For SOM, a study contributing to the APEC Framework on Connectivity, one of the three APEC 2013 priorities.
- For EC, an interim assessment of APEC's Ease of Doing Business (EoDB) initiative; a study on regulatory reform in green investments; and facilitating the organization of two policy discussions on regulatory reform in green investments and the state of the region.
- For CTI, an interim assessment of the Supply Chain Connectivity Framework Action Plan (SCFAP), and a report of case studies on the electrical and electronics industry supply chain operations.
- For SFOM, a study on the trends of trade finance across the APEC region.
- Two biannual reports on APEC Economic Trends Analysis and Key Trends and Developments Relating to Trade and Investment Measures and their Impact on the APEC Region, offering succinct and timely analysis on recent economic performances of the APEC region.
- Policy Briefs and Issues Papers addressing a variety of topics such as SMEs' participation in global production chains; SMEs in the APEC region; expansion of the Information Technology Agreement; and regulatory reform in energy efficiency and renewable energy.

Strengthening engagement and research collaboration with international organizations is another key objective. This year, the PSU continued to collaborate with international organizations on a number of projects – with the World Trade Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD) which provided valuable data and information on trade and investment measures; and with the World Bank, the World Economic Forum (WEF) and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) which contributed to the development of performance indicators to measure the progress of SCFAP.

Besides the abovementioned organizations, the PSU continued to engage the APEC Study Centers Consortium (ASCC); the ASEAN Secretariat; the Asian Development Bank (ADB); the Fung Global Institute (FGI); the International Monetary Fund (IMF); the Pacific Economic Cooperation Council (PECC); and the United Nations Conference on Trade and Development (UNCTAD).

As for communications, the third key objective, the PSU relied on the use of various channels to reach out to the stakeholders. It continued to build on its mailing list and send out regular electronic news alerts. It re-structured the PSU web pages to make them more informative and user-friendly. Electronic copies of project reports were made available on the PSU web page. The PSU staff also participated actively in both APEC and non-APEC events, sharing their knowledge and research work.

In terms of media activities, the PSU supported by the APEC Secretariat, issued a number of news releases; participated in press briefings on economic and trade outlook; and gave media interviews to ChannelnewsAsia and the Voice of Russia. In return, there has been an increasing coverage on its work. The new releases were carried by newswires such as Agence France Presse (AFP) and Dow Jones; national news agencies such as Bernama and Xinhua; and national dailies such as the Jakarta Post and Straits Times.

In communicating its work, the PSU observed a need to also cater to the non-technical audience. This led to an annual publication titled "Research Outcomes" which contains a summary of the findings and recommendations of research projects undertaken in a year. The PSU also launched a new publication titled "APEC in Charts" during the 2013 APEC Economic Leaders' Week. The publication, which presented the APEC region's economic, trade, investment and policy-related performance in easy-to-understand charts, was very well received. The PSU also enhanced StatsAPEC, APEC's statistics portal, by making it more accessible and user-friendly for mobile device users.

The various communications activities are starting to bear fruit as there is a growing awareness of the PSU and its work. For instance, the APEC Study Centre at the University of Indonesia has referred to a number of the PSU reports in its recent working paper on connectivity and trade performance. APEC fora were using the PSU studies as a basis for their further work. To cite an example, the SME Working Group held discussions based on the PSU Issues Paper on SMEs' Participation in Global Production Chains, and this eventually led to a new work stream in this area.

Institution matters wise, in order to implement the five-year strategic plan, the PSU prepared an annual action plan and added performance indicators and targets as part of monitoring and evaluation. In relation to this, the PSU surveyed nine APEC groups on projects completed in the period 2011-2012, and received positive responses and useful feedback. The PSU also administered surveys to delegates participating in a PSU-organized EC policy discussion on the state of the region, which drew favorable feedback.

All that is mentioned here is made possible with the continued support, goodwill and generosity from APEC member economies, which the PSU is most grateful for. In particular, the PSU would like to express its appreciation to economies who have contributed financially and in-kind in 2013, namely Australia; Indonesia; Japan; Korea; Malaysia; New Zealand; Singapore; Chinese Taipei; and the United States. The PSU would also like to thank APEC Ministers, Senior Officials and fora for their unstinting faith in and support to the PSU. In the year ahead, the PSU will strive towards its vision of becoming an integral part of the APEC architecture and a highly respected source of policy research and analysis.



## COMPLETED PROJECTS IN 2013

### A. Regulatory Reform – Case Studies on Green Investments

The PSU managed this project in close collaboration with the Economic Committee's (EC) Friends of the Chair (FotC) on Regulatory Reform. The report consisted of 12 case studies on the implementation of regulatory policies in selected APEC economies. The purpose was to draw lessons on regulatory reform by analyzing different experiences in formulating and implementing policies to improve energy efficiency and promote renewable energy technologies.

The analysis highlighted a number of lessons learnt in terms of the implementation of regulatory reforms. Among the main findings were that alignment among authorities to implement reforms was more common in industrialized economies; policymakers in general gave excessive weight to scientific integrity in the formulation of policies; cost-benefit analysis was not the norm in the implementation of policies; and regulatory policies have been overly focused on energy savings rather than cost-based measures. The report also provided some recommendations to the FotC group such as to promote the use of cost-benefit analysis; to share experiences and discuss the benefits of using ex-post analysis of instituted regulatory policies; and to consider how to enhance harmonization among authorities.

### B. Investment Facilitation Action Plan (IFAP) Implementation in Facilitating Investment for the Asia Pacific Region

The PSU was tasked by the Investment Experts' Group (IEG) to assist in preparing an analysis of the progress that APEC has made in implementing the agreed-upon Investment Facilitation Action Plan (IFAP) principles, and in reviewing APEC completed projects that were related to IFAP. The analysis included the pattern and trends of foreign investment (mainly FDI), focusing on inter-regional and intra-regional FDI flows and the sectoral composition of FDI flows.

The results showed that reporting economies have made substantial progress towards implementing several IFAP principles while progress on others has been less fruitful. In terms of FDI flows, USD 4.7 trillion of foreign direct investment flowed into APEC economies during the last decade. Fifty-nine percent of that flowed into industrialized economies, confirming the idea that firms invest where they can minimize cost and risk; validating IFAP's premise that simply improving the investment climate would not be sufficient for attracting FDI; and highlighting the importance of economy-wide competitiveness. The PSU's analysis also showed positive correlations between per capita GDP and FDI, further demonstrating the importance of economy-wide improvements to better attract foreign funding. Recent trends also showed APEC firms were keen to invest within the region.

### C. The 2013 Interim Assessment for Supply Chain Connectivity Framework Action Plan

APEC Ministers in 2010 endorsed the APEC Supply Chain Connectivity Framework Action Plan (SCFAP) and committed to implement it with a view to achieve an APEC-wide target of a 10% improvement in supply chain performance in terms of time, cost and uncertainty by 2015. Tasked by the Committee on Trade and Investment (CTI) to assess the progress, the PSU constructed a measurement framework comprising a three-tracked assessment of internal indicators, external indicators and self-assessment survey, to find out the extent in which SCFAP actions are contributing to improving supply chain performance.

The external indicators assessment highlighted that APEC has made significant progress in reducing the time and uncertainty of supply chain performance. However, there was some indication of costs increase but this could be a result of unexpected supply chain disruptions due to natural events. The internal indicators assessment showed that 77% of actions were completed within three years of SCFAP implementation (2010 to 2012), which reflected good

progress in terms of project completion and implementation. As for the self-assessment survey, the results revealed that member economies have experienced benefits from SCFAP-related projects in improving supply chain performance, such as in knowledge sharing and improved awareness and understanding of new technologies that are important to the logistics and transportation sectors. The report also provided member economies with recommendations to improve their supply chain performance.

#### **D. APEC's Bogor Goals Dashboard**

Compiled by the PSU for the CTI, this Dashboard provided updated figures on the indicators included in the APEC's Bogor Goals Dashboard that was presented to APEC Senior Officials in 2012. The purpose of the Dashboard was to provide easy-to-understand figures to track the advances in areas critical to promoting greater regional economic integration, such as liberalization and facilitation of trade and investment.

#### **E. APEC's Ease of Doing Business Assessment – Interim Assessment 2009-2012**

APEC Leaders in 2009 endorsed an APEC-wide improvement of 25% by 2015 in five key areas of doing business: (1) Starting a Business; (2) Dealing with Construction Permits; (3) Getting Credit; (4) Trading Across Borders; and (5) Enforcing Contracts, with an interim target of 5% improvement by 2011, and a gradual target increase in 5 percent points every year from 2012 to 2015. This initiative is known as the APEC's Ease of Doing Business (EoDB).

Using the new Doing Business database that was released by the World Bank in October 2012, the PSU conducted a new interim assessment for the period 2009-2012. The results revealed that APEC has continued to make collective progress in the EoDB initiative from 2009 to 2012. APEC's combined improvement across the five EoDB priority areas between 2009 and 2012 was equal to 11.5%, exceeding the 10% interim target.

The priority areas of 'Starting a Business', 'Dealing with Construction Permits' and 'Getting Credit' registered the strongest accumulated improvements, well above the pro rata benchmark of 10% improvement. The improvement in 'Starting a Business' was particularly strong, with remarkable progress across the whole APEC region. However, APEC's collective progress was still uneven across its members. There is room for improvement across the APEC region in all EoDB priority areas, and APEC would need to intensify its efforts to meet the 25% target by 2015.

#### **F. Global Supply Chain Operation in the APEC Region: Case Study of the Electrical and Electronics Industry**

This project came about as a result of a Trade Policy Dialogue on Facilitating Global Supply Chains that was held at the sidelines of the CTI3 meeting in Kazan, Russia in May 2012. After further discussion at the CTI3 meeting, the CTI had requested the PSU to conduct case studies on the supply chains for key industries in the APEC region, and to identify obstacles affecting the flow of these supply chains and identify areas where APEC can help to improve the operation and flow of the supply chains for these industries. The sector under study was the electrical and electronics (E&E) sector.

The study found, among others, that in terms of the overall characteristics of the E&E supply chains in the APEC region, the final assembly of consumer electronics has become increasingly centered in Asia, particularly China since 2001. In the case of the relatively younger and more robust smartphone industry, there was a tendency for a higher degree of vertical integration and vendor micro-management in supply chain operations, making it more challenging for new suppliers to join. The study also found that the key factors impacting the selection and location of suppliers were strong technical workforce skills; ease of labor mobility; access to financing; incentives for foreign direct investment; advanced infrastructure; and proximity to end markets.

### **G. Improving Connectivity in the Asia Pacific Region: Perspectives of the APEC Policy Support Unit**

Promoting connectivity was one of the three APEC 2013 priorities, and the APEC Framework on Connectivity one of the key deliverables. The PSU had undertaken this project at the request of SOM Chair, Indonesia, to provide strategic recommendations towards the development of an APEC Framework on Connectivity.

The project covered the three aspects of connectivity - physical, institutional, and people-to-people. It consisted of a study on the current state of connectivity in the APEC region; a mapping of regional initiatives on connectivity; and an assessment of the gaps and opportunities for APEC. Among the key conclusions was the importance of viewing the three aspects of connectivity within a holistic framework based on APEC's existing pillars of trade and investment liberalization, business facilitation, and economic and technical cooperation. The project also highlighted some key areas for improving regional connectivity such as in harmonization and mutual recognition of standards leading to interoperability; facilitation in logistics and transport regulations; expansion of trade routes and corridors; and supporting skilled labor mobility.

### **H. Issues Papers on (1) SMEs' Participation in Global Production Chains, and (2) Trends in Trade Finance across the APEC Region**

Launched in 2012, the issues paper aims to inform the discussions of APEC Committees and fora on emerging "cutting edge" topics of strong policy relevance to APEC, enhance conceptual understanding, and identify key challenges and priorities.

Two issues papers were published in 2013:

- (1) Small and Medium Enterprises' (SMEs') Participation in Global Production Chains (No. 3, February 2013) – This paper aimed to contribute to the understanding of this issue by addressing a variety of topics ranging from the definitions of SMEs and global production chains; the benefits and drawbacks of SMEs' participation in global production chains; the current situation and obstacles faced; and recommendations to facilitate their participation. The paper also provided examples of case studies at the sector level where successful SMEs' participation has been recorded, and where certain obstacles have constrained the SMEs' development.
- (2) Trends in Trade Finance across the APEC Region (No. 4, October 2013) – This paper provided an analysis of the trends in trade finance since the 2008 Global Financial Crisis; an assessment of the current situation; and the results of the APEC 2013 Trade Finance Survey that was conducted among the APEC members. The paper also offered policy recommendations for APEC members and for APEC as a whole to address some of the current challenges to trade finance.

### **I. Facilitated the organization of two policy discussions – Regulatory Reform in Green Investments and the State of the Region – Medan, Indonesia, 29-30 June 2013**

The PSU facilitated the organization of two policy discussions at the EC2 Plenary Meeting in Medan, Indonesia on 29-30 June 2013.

- (1) Policy discussion on "Regulatory Reform in Green Investments" – The PSU assisted Japan, Chair of the EC's FotC on Regulatory Reform, by inviting a speaker from the Energy Studies Institute and serving as a discussant at the session.

- (2) Policy discussion on “The State of the Region: Navigating towards Sustainable Growth in a Changing Landscape” – The PSU organized this session, and together with the APEC Secretariat and invited speakers from the ADB and IMF, spoke on the state of the global economy and APEC’s regional economy as well as the future challenges. The session drew very favorable responses from the delegates based on a PSU-administered survey. Majority of the respondents rated these areas highly - increasing their knowledge of the subject; satisfaction with discussion; usefulness of information presented; knowledge of presenters; and organization of discussion.

## **CURRENT PROJECTS - DISCRETE**

### **A. Asia Region Funds Passport: A Study of Potential Economic Benefits and Costs**

This project originated from the Senior Finance Officials' Meeting (SFOM) which requested the PSU to undertake a study assessing the potential economic benefits and costs deriving from the implementation of the Asia Region Funds Passport (ARFP) for selected participating economies and for the Asia region more generally. The study also aims to identify the necessary conditions to optimize the potential benefits under the ARFP, and evaluate the case for introducing the ARFP in the Asia region.

The PSU submitted the draft final report to the ARFP Working Group for comments in August 2013, after which the report would be submitted to SFOM in early 2014. Preliminary findings showed that the Asian funds industry exhibits a large degree of diversity, reflecting differing tax treatments, competition and varying levels of market maturity. In some of Asia's more open fund markets, there is evidence of a strong appetite for offshore funds to diversify investors' portfolio. In addition, funds from Asia in general have been disproportionately disadvantaged from benefiting the region's growing demand as evident from the low penetration of cross-border Asian fund flows in Asia.

The preliminary conclusions were that the funds industry in many Asian economies has yet to fulfill the potential to support economic growth, and the ARFP can play a critical role in developing the funds industry in Asia and helping to improve efficiency in the fund management industry. Besides accounting for the benefits, the study will also highlight some risks that policymakers should mitigate in order to reap the full benefits of the ARFP.

### **B. Perceptions in the Use of NTMs in the APEC Region**

This project is undertaken to assist the CTI to advance work on non-tariff measures (NTMs). It started when the CTI requested the PSU to present a literature review of recent international work on NTMs. The presentation was made at the CTI2 meeting in Surabaya, Indonesia in April 2013. The PSU also arranged for the participation of a WTO expert at the CTI2 meeting, who made a presentation on a new NTM database - the Integrated Trade Intelligence Portal (i-TIP). The PSU was subsequently tasked by the CTI to undertake further research and analysis on trends and developments of NTMs in the region and strategies that economies could adopt to pursue the policy objectives underlying NTMs in a more trade facilitative way.

The PSU presented a progress report with preliminary findings at the CTI3 meeting in Medan, Indonesia in June 2013 which included an illustrative list of existing behind-the-borders barriers/measures as well as an identification of sectors mostly affected. The draft final report will be completed in the second quarter of 2014.

### **C. Bogor Goals Progress Report – IAP Peer Review Process**

The PSU, at the CTI's request, will be participating in the assessment of APEC's progress in achieving the Bogor Goals by 2020. Starting from 2012 until 2020, the PSU will prepare short biannual reports with key highlights on member economies, main achievements and possible areas of improvement based on the Individual Action Plans (IAP) reported by APEC economies, as well as a dashboard of key indicators to provide a quick snapshot of APEC's progress towards the Bogor Goals.

In 2012, 22 Progress Reports and Dashboards were prepared by the PSU (one each for APEC as a whole and for each of the 21 APEC member economies) for the APEC Economic Leaders' Week. To prepare for the next biannual reports which will be due in 2014, the PSU assisted the CTI with scheduling the IAP submission. Once member economies submit the IAP, the PSU will commence the drafting of the biannual reports. The final reports are expected to be completed by the APEC Economic Leaders' Week in 2014.

#### **D. Comprehensive Analysis on Enhanced Resiliency of Cross-Border Value Chains**

Undertaken at the request of the CTI, this project aims to deepen understanding and increase awareness of emerging systemic risks and value chain resilience (VCR) by evaluating VCR quantitatively and estimating its impact on the APEC region's trade and investment, and to provide policy recommendations for strengthening VCR of APEC economies and possible cooperation options. The project will be carried out from 2013 to 2014 over four phases: phase one involving a quantitative analysis on value chain risks of the APEC region; phase two on evaluating the value chain strength in the region; phase three on evaluating value chain connectedness in the region; and phase four involving the creation of a comprehensive model to evaluate the possible risks and impact of VCR by utilizing results from the earlier three phases.

With the PSU Board's approval on 26 August 2013, the PSU has commenced work on phase one of the project. Phase one is expected to be completed by CTI1 2014 while the last phase, i.e. phase four, by the APEC Economic Leaders' Week in 2014.

#### **E. Issues Paper on Voluntary Standards and Regulatory Approaches in Advertising in APEC Economies**

This project came about as a result of the Second APEC Regulatory Cooperation Advancement Mechanism (ARCAM) Dialogue on Self-Regulation in Advertising that was held in Hanoi, Viet Nam on 7-8 November 2012. In a report on the dialogue that Australia submitted to CTI1 2013, one of the recommendations was to request the PSU to conduct a stocktake of advertising standards and regulatory practice within APEC economies in order to inform further information sharing and capacity building work. The CTI Chair subsequently reported to SOM2 2013 of the CTI's agreement to this recommendation.

Upon securing the PSU Board's approval on 17 September 2013, the PSU started with the stocktake of advertising standards and regulatory practices in APEC economies for the purpose of identifying regulatory barriers to trade in advertising services as well as identifying gaps where capacity building in good regulatory practice in advertising may be warranted. This project is due for completion in the second quarter of 2014.

#### **F. Issues Paper on Integrating SMEs into Global Value Chains: Policy Principles and Best Practices**

At the 36<sup>th</sup> SME Working Group (SMEWG) meeting in Manila, Philippines in March 2013, a breakout session was held to discuss the feasibility of a body of work focusing on facilitating the participation of SMEs in global supply chain. The discussion was based on the PSU Issues Paper on SMEs' Participation in Global Production Chains (No. 3, February 2013). The 37<sup>th</sup> SMEWG meeting in Bali, Indonesia in September 2013 subsequently agreed on the need to conduct future work to promote viable and cost-effective solutions to help facilitate the integration of SMEs into global value chains.

So as to complement the work of the SMEWG, the PSU submitted a proposal to the PSU Board to prepare an issues paper that will provide policy and analytical perspectives on the relationship between MNCs and SMEs in the value chains of agriculture, electronics, handicrafts, food processing and automobiles sectors, and identify the sector(s) with the most potential to integrate domestic SMEs into global value chains. The issues paper will also be relevant to the CTI's work on enhancing SMEs' participation in global production chains, one of the next generation trade and investment issues. The proposal was approved on 19 November 2013, and the issues paper will be completed in the second quarter of 2014.

## **CURRENT PROJECTS - ONGOING**

### **A. Key Trends and Developments Relating to Trade and Investment Measures and their Impact on the APEC Region**

Continuing with the commitment made at the APEC Ministerial Meeting (AMM) in November 2009 to review trade, fiscal, and monetary measures undertaken by APEC economies, the PSU prepared two separate reports which were presented at the Ministers Responsible for Trade (MRT) meeting in April 2013 and at CSOM and AMM in October 2013.

The first report highlighted a sharp deceleration in trade growth as well as a reduction in FDI inflows in 2012, the result of a setback to the global economic recovery that occurred last year. Although the APEC region generally followed the global trends, the impact of these events differed markedly among the APEC members. Despite the relatively strong economic performance of the APEC region in comparison with the rest of the world, there remained substantial downside risks to the region. Given the need to support growth in light of the uneven global economic recovery and ensuing uncertainty, the report cautioned APEC members against resorting to restrictive trade and investment measures.

The second report reported that as economic activity has recently gathered strength in advanced economies, it has begun to slow in many developing and emerging economies. Trade performance in the first half of 2013 was also weaker than expected as the strong growth in import demand from emerging economies was not enough to offset the weakened import demand in advanced economies. The report also discussed how the recovery in FDI since the Global Financial Crisis was derailed in 2012 as global FDI inflows dropped by nearly 20%. Although the outlook for economic activity in the APEC region remained favorable in comparison with the rest of the world, downside risks to the global economy still remained, including a re-intensification of the Euro area crisis as well as the normalization of monetary policy in some major advanced economies leading to tighter financial conditions. Encouragingly, the report also found that APEC members have been faring quite well in implementing measures that help to facilitate trade and investment in their economies.

The PSU will continue its next review for the MRT meeting in May 2014, and will coordinate with the WTO, OECD, and other international organizations to prepare these reports.

### **B. APEC Economic Trends Analysis**

Launched by the PSU in 2012, the APEC Economic Trends Analysis aims to provide succinct and timely analysis on the recent economic performance of APEC economies and the APEC region. The reports are prepared prior to the EC meetings to serve as a source of information for discussion among EC members as well as other APEC officials. The PSU prepared two reports in 2013 which were presented to the EC in April 2013 and at CSOM and AMM in October 2013. Presentation was also made at the ABAC2 meeting and CTI2 meeting in April 2013, SFOM in May 2013, and EC2 meeting in June 2013.

The first report highlighted that recovery of the global economy in 2012 faced disruption for a second consecutive year. Global trade was negatively impacted. However, positive signs had emerged in the APEC region in the first quarter of 2013 and growth was expected to strengthen as the year progressed. The report also cautioned challenges posed by high level of sovereign debt in some advanced economies, and risks of asset price bubbles and large currency appreciations associated with large capital inflows.

The second report examined the economic performance of the APEC region in the first half of this year. The report found divergent trends in the region. Economic activity has strengthened in industrialized APEC economies, while there has been weaker than expected GDP growth in some emerging and developing APEC economies. Some APEC economies were also affected as investors reassessed the outlook for monetary policy in some large economies,

with visible impacts on the bond, equity and currency markets. Notwithstanding, growth momentum was expected to strengthen in the APEC region in the coming quarters.

The PSU will present the first report for 2014 at the EC1 meeting in February 2014.

### **C. PSU Policy Brief Series**

The Policy Brief series was initiated by the PSU and launched in August 2011. Among the aims are to help shape the views of opinion leaders and APEC stakeholders by providing informative analysis of policy issues in a concise manner as well as summarizing the results of technical reports and/or extensive research studies in order to reach a non-technical audience through a simple narrative that rounds off with policy suggestions.

In 2013, three Policy Briefs were published:

- (1) Policy Brief on Expanding the Information Technology Agreement (No. 6, 6 May 2013) – This policy brief reviewed how the Information Technology Agreement (ITA) was achieved in 1996, in particular APEC's role in bringing the agreement into existence and demonstrated why APEC members should take the lead in WTO to expand the current scope of the ITA by including the IT products that have been developed in recent times.
- (2) Policy Brief on Drivers of Regulatory Reform in Energy Efficiency & Renewable Energy (No. 7, 10 July 2013) – This policy brief, prepared based on the findings from the PSU-commissioned study entitled "Regulatory Reform – Case Studies on Green Investments", discussed the motivations behind regulatory reforms in the energy sector as well as the factors that should be taken into account when designing and implementing such reforms.
- (3) Policy Brief on SMEs in the APEC Region (No. 8, 3 December 2013): This policy brief took a closer look at SMEs by discussing the definitions of SMEs and providing a snapshot of SMEs in the APEC region by size; share to total enterprises, total employment and total exports; and economic contribution, as well as APEC's efforts in SME development.

### **D. StatsAPEC**

StatsAPEC was initiated by the PSU and launched in July 2010 as APEC's first statistics portal with data dating back to APEC's inception in 1989. Using data from over 30 data providers, StatsAPEC consists of the Key Indicators Database and the Bilateral Linkages Database. The Key Indicators Database includes over 120 trade, financial and socio-economic indicators, allowing for an analysis of trends across a number of topics. The Bilateral Linkages Database facilitates detailed analysis of trade and investment flows between APEC member economies and with the rest of the world. APEC aggregates are available for most of the indicators found in StatsAPEC, making it easy to examine the region as a whole. StatsAPEC is updated biannually.

In 2013, data updates occurred in June and November, with data for 2012 currently available for most indicators and APEC economies. The optimization of StatsAPEC was also completed in August 2013, making it more accessible and user-friendly on mobile devices.

### **E. APEC in Charts**

The PSU conceived "APEC in Charts" in 2013 with an aim to provide an overview of the APEC region's economic, trade, investment and policy-related performance through easy-to-understand charts and simple narrations. The inaugural publication was prepared for the 2013 APEC Economic Leaders' Week. Encouraged by the positive response, the PSU will continue with this publication in 2014.



## MANAGEMENT AND ACCOUNTABILITY

### ROLE AND STRUCTURE

The PSU was established in 2008 as APEC's research and analysis arm. The founding principles and expectations of the PSU are set out in the PSU Governance Arrangements.

The PSU comprises of a Board and staff under the management of the PSU Director. The Board comprises of:

- representatives from each of the current, immediate past and next host economies (often referred to collectively as the 'troika');
- a representative of each contributing economy; and
- APEC Secretariat Executive Director, PSU Director, and chairs of the CTI, EC and SFOM in an ex-officio capacity.

The Chair of the Board is the current SOM chair. The representative of the next host economy is the Vice-Chair. Members have agreed that where a member economy is nominally entitled to more than one representative on the PSU Board, due to being both a troika member and a contributing economy, that economy would only send a single representative to sit on the Board. PSU Board decisions are made by consensus.

PSU research professionals are contracted employees, recruited on merit through an internationally competitive selection process. Information on the PSU Board members and PSU staff members in 2013 are set out in the 'About the PSU' section in this annual report.

### KEY RESPONSIBILITIES

The PSU Board provides strategic guidance to the PSU. The PSU Director is responsible for implementing the principal objectives of the PSU, while ensuring its work program is undertaken in a timely manner, and managing its budget and procurement of consultants.

The Senior Analysts assist in research, project management and supervision of staff. With respect to financial management, accounting services are outsourced and the PSU Director and Administrative Executive are responsible for financial management.

### CONTRIBUTIONS IN 2013

The PSU is very grateful to all contributing economies for their contributions in 2013. The PSU received the following financial contributions in 2013:

- Australia: AUD 400,000
- Indonesia: USD 75,000
- Japan: JPY 40 million
- Korea: USD 350,000
- Malaysia: USD 10,000
- New Zealand: NZD 100,000
- Chinese Taipei: USD 200,000
- United States: USD 485,000

The PSU works in office space that is provided by Singapore as an in-kind contribution.

**ACCOUNTING AND GOVERNANCE CHANGES IN 2013**

APEC Senior Officials approved the update to clause 57 in the PSU Governance Arrangements at SOM1 in Jakarta, Indonesia on 6-7 February 2013 which reads, "The operation of the PSU was first reviewed in 2010. The PSU mandate was extended until the end of 2013. Following another review of the PSU in 2012, the PSU mandate was extended for an additional seven years from 2014 until the end of 2020 with a mid-term review to examine the strategic direction of the PSU."

**FINANCIAL STATEMENTS 2013**

As required by the PSU Governance Arrangements, the audited financial statements are as follows.

**APEC POLICY SUPPORT UNIT PTE LTD**

**ANNUAL REPORT**

**31 DECEMBER 2013**

**Y C TAN & CO**  
Chartered Accountants  
Singapore

**APEC POLICY SUPPORT UNIT  
ASIA-PACIFIC ECONOMIC COOPERATION SECRETARIAT**

**GENERAL DATA**

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<b>Director</b>	Hew Wei Yen (Denis Hew)
<b>Registered office</b>	29 Heng Mui Keng Terrace, #09-01 Singapore 119620
<b>Bankers</b>	DBS Bank Limited
<b>Auditors</b>	Y C Tan & Co

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# Y C TAN & CO

Chartered Accountants of Singapore

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#12-06 Maxwell House  
Singapore 069113

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陈荣田  
特许会计师  
会计公司

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEC POLICY SUPPORT UNIT (PSU)

We have audited the accompanying financial statements of APEC POLICY SUPPORT UNIT (the "PSU") as at 31 December 2013 set out on pages 2 to 16, which comprise statement of financial position, statement of income and expenditure, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### PSU Director's Responsibility for the Financial Statements

The PSU Director is responsible for the preparation of financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statement of financial position and to maintain accountability of assets.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the PSU as at 31 December 2013 and the results, and cash flows of the PSU for the year ended on that date.



Y C TAN & CO  
Public Accountants and  
Chartered Accountants

## APEC POLICY SUPPORT UNIT

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	3	23,987	1,014
<b>Current assets</b>			
Other receivables	4	37,263	180,304
Fixed deposits	5	3,520,128	3,514,555
Cash and cash equivalents		6,277,190	5,571,646
		<u>9,834,581</u>	<u>9,266,505</u>
<b>Total assets</b>		<u>9,858,568</u>	<u>9,267,519</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	6	105,003	82,776
		<u>105,003</u>	<u>82,776</u>
<b>Net assets</b>		<u>9,753,565</u>	<u>9,184,743</u>
<b>Represented by:</b>			
Accumulated fund	7	<u>9,753,565</u>	<u>9,184,743</u>



Hew Wei Yen (Denis Hew)  
Director  
Policy Support Unit

The accompanying notes form an integral part of the financial statements.

## APEC POLICY SUPPORT UNIT

## STATEMENT OF INCOME AND EXPENDITURE FOR YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<b>Income</b>	8	2,583,948	2,538,683
Other income	9	15,626	5,135
Administrative expenditure	10	(2,030,752)	(2,110,637)
<b>Surplus for the year</b>		<u>568,822</u>	<u>433,181</u>



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Hew Wei Yen (Denis Hew)  
Director  
Policy Support Unit

The accompanying notes form an integral part of the financial statements.

## APEC POLICY SUPPORT UNIT

## STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Surplus for the year		568,822	433,181
Adjustment for:			
Depreciation of plant and equipment		11,351	7,058
Fixed deposit interest		(5,304)	(5,135)
		<u>574,869</u>	<u>435,104</u>
Adjusted surplus for the year			
Changes in working capital:			
(Increase)/Decrease in :-			
Other receivable		143,041	(155,770)
Increase/(Decrease in) :-			
Other payables		22,227	15,552
		<u>165,268</u>	<u>(140,218)</u>
Cash generated from/(used in) operations			
Net cash flow from operating activities		740,137	294,886
<b>Cash flows from investing activities</b>			
Purchase plant and equipment		(34,324)	(765)
Fixed deposit interest		5,304	5,134
		<u>(29,020)</u>	<u>4,369</u>
Net cash flow from investing activities			
<b>Cash flows from financing activities</b>			
Net Cash inflows from financing activities			
Net increase in cash and cash equivalents		711,117	299,255
Cash and cash equivalents at beginning of the year		9,086,201	8,786,946
Cash and cash equivalents at end of the year	11	<u>9,797,318</u>	<u>9,086,201</u>



Hew Wei Yen (Denis Hew)  
Director  
Policy Support Unit

The accompanying notes form an integral part of the financial statements.



## APEC POLICY SUPPORT UNIT

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### 1 General

The financial statements are expressed in Singapore dollars.

The Asia-Pacific Economic Cooperation Secretariat (the "Secretariat") is a body corporate established in the Republic of Singapore under the International Organisations (Immunities and Privileges) Act. The principal place of operations of the Secretariat is located at 35 Heng Mui Keng Terrace, Singapore 119616.

The APEC Policy Support Unit (PSU) became active in August 2008 as a new function within the Secretariat with a mandate to provide a policy and research capability to assist in the implementation of APEC's ongoing regional economic integration agenda. It currently focuses on behind-the-border (structural) economic reforms and at-the-border trade policy reforms; both of which contribute to increase living standards in APEC economies and the enhancement of trade and investment amongst them. It is funded differently from the Secretariat under arrangements as set out in the APEC PSU Governance Arrangements.

The principal activities of the APEC Policy Support Unit (PSU) include the following:

- i. Undertaking analytical work or commissioning research for consideration by APEC committees;
- ii. preparing policy dialogue papers for APEC committees;
- iii. evaluating progress in implementation of policy measures; and
- iv. identifying high level policy principles and best practice.

#### 2 Significant Accounting Policies

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Financial Reporting Standards ("FRS").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.1.

The PSU has adopted the new and revised FRSs and Interpretations of FRS ("INT FRS") that are applicable in the current financial period.

The adoption of the new or revised FRSs and INT FRS does not result in substantial changes to the PSU's accounting policies and has no material effect on the amounts reported for the current and prior financial periods.

## APEC POLICY SUPPORT UNIT

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

## 2 Significant Accounting Policies (continued)

**FRS / INT FRS issued but not effective**

Certain new accounting standards and interpretations have been published that are mandatory for accounting periods beginning on or after 1 January 2014.

The PSU does not expect that adoption of these accounting standards and interpretations will have a material impact on the PSU's financial statements in the period of initial application.

**Cash and cash equivalents**

Cash and cash equivalents comprise bank balances and fixed deposits.

**Plant and equipment**

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment losses.

The cost of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be operating in the manner intended by management.

Depreciation of plant and equipment is calculated on the straight line method so as to write off the cost of the assets over their estimated useful lives as follows :

Computer	3 years
Office equipment	3 years
Software	3 years
Furniture and fittings	3 years

Capital work-in-progress, representing costs of plant and equipment which have not been commissioned for use, is not depreciated.

The residual values, useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of income and expenditure when the changes arise.

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the PSU and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the profit or loss when incurred.

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the profit or loss.

**APEC POLICY SUPPORT UNIT****NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013****2 Significant Accounting Policies (continued)****Financial liabilities**

Financial liabilities are recognised on the reporting date when, and only when, the PSU become a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at the fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the profit or loss when the liabilities are derecognised, and through amortisation process.

**Financial assets**

Financial assets are recognised on the reporting date when, and only when, the PSU become a party to the contractual provisions of the financial instrument. The PSU does not have any financial assets designated as at fair value through profit or loss, or held-to-maturity.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flow from the asset had expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the PSU commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

**(a) Loans and receivables**

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

**Borrowing costs**

Borrowing costs are recognised on a time-proportion basis in the profit or loss using the effective interest method.

**APEC POLICY SUPPORT UNIT****NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013****2 Significant Accounting Policies (continued)****Impairment of non-financial assets**

Plant and equipments are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. higher of the CGU's fair value less cost to sell and value in use) of the asset is estimated to determine the amount of the impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating unit (CGU) to which the assets belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognized in the profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior year. A reversal of impairment loss for an asset is recognised in the profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

**Impairment of financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit or loss. Impairment losses in respect of financial assets measured at amortised cost are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognized.

**APEC POLICY SUPPORT UNIT****NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013****2 Significant Accounting Policies (continued)****Foreign currency translation****Functional and presentation currency**

Items included in the financial statements of the PSU are measured using the currency of the primary environment in which the PSU operates ("the functional currency"). The financial statements are presented in Singapore dollars, which is the Company's functional and presentation currency.

**Transactions and balances**

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Currency gains or losses resulting from the settlement of such transactions and from the year-end exchange rates of monetary assets and liabilities are denominated in foreign currencies are recognised in the profit or loss.

**Employee benefits****Defined contribution plans**

Contributions made to defined contribution plans, the Central Provident Fund ("CPF") are recognised as an expense in the income and expenditure statement as incurred.

**Employee paid leave entitlement**

Employee paid leave entitlement is recognised when they accrue to employees. A provision is made for the estimated liability for unconsumed leave as a result of services rendered by employees up to reporting date.

**Income Tax**

The PSU is a new function within the Secretariat which is exempted from tax liability in respect of its income generated from its principal activities by virtue of the provisions of Section 11(1) of the Singapore Income Tax Act, Chapter 134.

**Operating lease**

Operating lease payments are recognised as an expense in the income and expenditure statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

**APEC POLICY SUPPORT UNIT****NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013****2 Significant Accounting Policies (continued)****Provisions**

Provisions are recognised when the PSU has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

**Income recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of rebates and discounts. Revenue is recognised as follows:

Contributions from member economies is recognised on an accrual basis.

Interest on fixed deposit is recognised on time-proportion basis using the effective interest method.

**2.1 Significant accounting estimates and judgements**

There were no critical judgments made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognized in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year.

## APEC POLICY SUPPORT UNIT

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

## 3 Plant and Equipment

	Furniture and fittings \$	Computer \$	Office equipment \$	Software \$	Total \$
<b>Cost</b>					
At 01.01.2013	865	45,730	8,328	6,878	61,801
Additions	-	30,255	2,594	1,475	34,324
Disposals	-	-	-	-	-
At 31.12.2013	865	75,985	10,922	8,353	96,125
<b>Accumulated depreciation</b>					
At 01.01.2013	388	45,730	7,791	6,878	60,787
Charge for the year	288	10,085	937	41	11,351
Disposals	-	-	-	-	-
At 31.12.2013	676	55,815	8,728	6,919	72,138
Charge for 2012	288	3,902	1,839	1,029	7,058
<b>Net book value</b>					
At 31.12.2013	189	20,170	2,194	1,434	23,987
At 31.12.2012	477	-	537	-	1,014

## 4 Other Receivables

	2013 \$	2012 \$
Deposits	4,250	-
Prepayments	29,627	17,529
GST recoverable	532	4,936
Interest receivable	1,321	1,589
Receivable from member's contribution	1,533	156,250
	37,263	180,304

## APEC POLICY SUPPORT UNIT

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

## 4 Other Receivables (continued)

Other receivables are denominated in the following currencies:

	2013	2012
	\$	\$
Singapore dollars	27,288	169,946
US dollars	9,975	8,063
Australia dollars	-	2,295
	<u>37,263</u>	<u>180,304</u>

## 5 Fixed Deposits

Fixed deposits are placed with financial institutions and earn interest at the rates ranging from 0.05% to 0.24% per annum (2012: 0.05% to 0.13%). The fixed deposits are on auto rollover and have maturity terms of 14 to 85 days (2012: 12 to 28 days) from reporting date.

## 6 Other Payables

	2013	2012
	\$	\$
Accrued operating expenses:	<u>105,003</u>	<u>82,776</u>

Other payables are denominated in Singapore dollar.



## APEC POLICY SUPPORT UNIT

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

## 7 Accumulated Fund

	2013	2012
	\$	\$
Movement changes in accumulated fund:		
At beginning of year	9,184,743	8,751,562
Surplus for the financial year	568,822	433,181
At end of year	<u>9,753,565</u>	<u>9,184,743</u>

## 8 Income

	2013	2012
	\$	\$
Members' Contributions:		
Australia	460,200	513,920
Chinese Taipei	247,000	249,720
Indonesia	92,767	94,088
Japan	625,000	625,000
Korea	439,845	436,800
Malaysia	12,441	12,670
New Zealand	102,020	100,755
United States of America	604,675	505,730
	<u>2,583,948</u>	<u>2,538,683</u>

## 9 Other Income

	2013	2012
	\$	\$
Fixed deposit interest	5,304	5,135
Foreign currency exchange gain	10,322	-
	<u>15,626</u>	<u>5,135</u>

## APEC POLICY SUPPORT UNIT

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

## 10 Administrative Expenditure

	2013	2012
	\$	\$
Accountancy fee	4,800	4,800
Advertisement	5,077	7,246
Audit fee	3,200	3,200
Bank charges	752	880
Consultants and research fee	203,303	292,165
CPF and SDL	50,326	47,866
Data subscription	13,850	13,523
Depreciation of plant and equipment	11,351	7,058
Foreign exchange difference	-	20,178
General expenses	24,412	1,019
Insurance	15,579	14,097
Medical fee	2,097	2,001
Newspaper and periodical	10,246	5,818
Office and building maintenance	38,543	37,200
Printing and stationery	9,748	20,792
Postage and courier	390	878
Rental - office equipment	1,515	1,440
Staff salaries and bonuses	1,249,850	1,221,449
Staff welfare	256,142	195,659
Telecommunication	4,314	4,069
Transportation	2,005	2,220
Travelling expenses	123,252	207,079
	<u>2,030,752</u>	<u>2,110,637</u>

**APEC POLICY SUPPORT UNIT**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013**

**11 Cash and Cash Equivalents**

	2013 \$	2012 \$
Bank balances	6,277,190	5,571,646
Fixed deposits	3,520,128	3,514,555
	<u>9,797,318</u>	<u>9,086,201</u>

Cash and cash equivalents are denominated in the following currencies:

	2013 \$	2012 \$
Singapore dollars	9,527,577	8,786,353
US dollars	269,741	299,848
	<u>9,797,318</u>	<u>9,086,201</u>

**12 Operating Lease Commitments**

At the end of financial year, the commitments under operating leases for the office equipment are as follows:

	2013 \$	2012 \$
Payable within 1 year	1,740	2,860
Payable after 1 year	6,525	-
	<u>8,265</u>	<u>2,860</u>

**13 Financial Risk Management**

The PSU overall approach to risk management is to minimize potential adverse effects on the operations of the PSU. The policies for management of these risks are as follows:

**Foreign exchange risk**

The Company incurs foreign currency risk on transactions and balances that are denominated in currencies other than Singapore dollars. The foreign currency exposure is primarily US dollars. Exposure to foreign currency risk is monitored on an on going basis to ensure that the net exposure is at an acceptable level. The PSU does not use any financial derivatives for hedging purposes.

The sensitivity analysis for foreign currency risk is not presented as the PSU does not have significant foreign transactions and balances.

**APEC POLICY SUPPORT UNIT****NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013****13 Financial Risk Management (continued)****Liquidity risk**

The PSU manage the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by the management to fund the PSU's activities and mitigate the effects of fluctuations in cash flows.

The PSU maintains sufficient cash and funding where required is obtained from contributions from member's countries.

**Interest rate risk**

The PSU is exposed to interest rate risk through the impact of rate changes on interest earning assets.

Interests earning financial assets are mainly bank balances and fixed deposits which are short-term in nature. Therefore, any future variations in interest rates will not have a material impact on the results of the PSU.

The sensitivity analysis to a reasonably possible change in interest rates with all other variables held constant, of the PSU's operating result has not been disclosed as the PSU's exposure to changes in market interest rates is not significant.

**Credit risk**

The PSU has no significant concentrations of credit risk.

**14 Fair values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their respective fair values due to the relatively short-term maturity of those financial instruments.

**15 Authorisation of Financial Statements**

The financial statements for the year ended 31 December 2013 were authorised for issue by the PSU Director on **21 APR 2014**.

## ABOUT THE PSU

### ESTABLISHMENT

In September 2007, APEC Ministers agreed to establish a Policy Support Unit (PSU) attached to the APEC Secretariat. The unit, to be funded by voluntary contributions, was to provide analytical capacity, policy support and assistance in coordinating related capacity building for APEC's trade, investment and economic reform agenda and related Economic and Technical Cooperation (ECOTECH) activities. The underlying aim was to offer the potential for APEC fora to elevate the quality of their deliberations with access to tailor-made analytical work and provide for greater follow-up of initiatives intersessionally.

In March 2008, Senior Officials approved a paper setting out the PSU Governance Arrangements which provides the foundations for the PSU and sets out its structure, functions and processes. The PSU Governance Arrangements is available on the [PSU website](#). The PSU became operational in August 2008.

In September 2012, APEC Ministers agreed with Senior Officials to extend the PSU's mandate until the end of 2020 with a mid-term review to examine its strategic direction. Subsequently in March 2013, PSU Board approved a five-year strategic plan (in Appendix 1) to provide a broad direction to the PSU's work until the mid-term review.

### VISION, MISSION AND OBJECTIVES

The five-year strategic plan articulates the PSU's vision, mission and objectives as follows:

**Vision:** Recognized as an integral part of the APEC architecture and highly respected source of policy research and analysis, contributing to APEC's goal of supporting sustainable economic growth and prosperity in the Asia-Pacific region.

**Mission:** PSU is the policy research and analysis arm of APEC comprising openly recruited professionals working together with APEC SOM, committees and fora, in improving the quality of their deliberations and decisions and promoting policies that support the achievement of APEC's goals, by providing objective and high quality research, analytical capacity and policy support capability.

**Objectives:** (1) Provide robust research and analysis to support APEC fora and members so that policy development is evidence-based, internal capacities are enhanced, and implementation of policy measures can be evaluated; (2) Strengthen engagement and research collaboration with international and regional organizations; and (3) Communicate policy research and analytical outcomes to key APEC stakeholders.

### RESEARCH AGENDA

The PSU's policy research and analysis agenda is structured into five core areas, namely: (1) trade and investment liberalization and facilitation; (2) structural reform; (3) connectivity including supply chain connectivity and global supply chains; (4) economic and financial analysis; and (5) sustainable economic development. Among the current work are:

- tracking progress towards free and open trade and investment, and a more favorable business environment in the APEC region;
- researching on non-tariff measures and regulatory reform in APEC;
- providing analytical research and inputs to support APEC's connectivity agenda;
- studying global supply chain operations and SMEs' participation in global production chains in the APEC region;
- reviewing recent economic measures undertaken by APEC economies and providing analysis on recent economic performance of APEC economies and the APEC region; and
- maintaining a database of economic indicators to improve understanding of the integration between APEC economies and the world, and of the region's contribution to the global economy.

**PSU BOARD MEMBERS**

Ambassador Yuri O. Thamrin, Indonesia Ambassador Yuri O. Thamrin, Indonesia	PSU Board Chair SOM Chair Host Economy Representative
Represented by: Mr Arto Suryodipuro, Indonesia	Representing: PSU Board Chair
Mr Feng Jun, China	PSU Board Vice-Chair Next Host Economy Representative
Mr Gennady Ovechko (January-February 2013) and Ambassador Valery Sorokin (March-December 2013), and Mr Mikhail Golubkov, Russia	Immediate Past Host Economy Representative
Mr Sam Gerovich and Mr Leslie Williams, Australia	Contributing Economies: SOM and/or their representatives
Mr Shigehiro Tanaka (January-June 2013) and Mr Toshiyuki Sakamoto (July-December 2013), Japan	
Ambassador Si-hyung Lee (January-June 2013) and Ambassador Ahn Chong-ghee (July- December 2013), and Mr Yoo Chang-soo, Korea	
Mr N. Vasudevan, Malaysia	
Ms Clare Fearnley, New Zealand	
Mr Gary Ang (January-March 2013) and Mr Lee Ark-Boon (April-December 2013), and Mr Wong Chow Ming, Singapore	
Ambassador Kelly Wu-Chiao Hsieh and Mr Chang Chun-Fu, Chinese Taipei	
Mr Atul Keshap (January-August 2013) and Mr Robert S. Wang (September-December 2013), and Ms Deanne De Lima, USA	
Dr Alan Bollard	
Dr Alan Bollard	APEC Secretariat Executive Director
Dr Denis Hew	APEC PSU Director
Mr John Larkin, Australia	CTI Chair
Mr Raymond F. Greene, USA	EC Chair
Mr Decy Arifinsjah, Indonesia	SFOM Chair

**PSU STAFF MEMBERS**

Dr Denis Hew Wei Yen	PSU Director
Ms Chang Hui Ling	Administrative Executive
Ms Aveline Low Bee Hui	Policy Advisor
Mr Carlos Kuriyama	Senior Analyst
Dr Akhmad Bayhaqi	Senior Analyst
Dr Gloria O. Pasadilla	Senior Analyst
Ms Tammy Hredzak	Analyst (until 29 November 2013)
Ms Quynh Thai Le	Analyst
Ms Bernadine Zhang Yuhua	Researcher
Mr Collin Jay Gerst	Researcher
Mr Andre Wirjo	Researcher
Ms Azul Ogazon Gomez	Researcher (until 3 July 2013)

Staff biographies are available on the [PSU website](#).



**Asia-Pacific  
Economic Cooperation**

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# **APEC Policy Support Unit (PSU) Five-Year Strategic Plan 2013-2017**

**(Approved by PSU Board on 15 March 2013)**



## I. Introduction

1. At the 2007 APEC Ministerial Meeting in Sydney, the APEC Ministers agreed to “establish a Policy Support Unit attached to the APEC Secretariat. The unit, to be funded by voluntary contributions, will provide analytical capacity, policy support and assist in coordinating related capacity building for APEC’s trade, investment and economic reform agenda and related ECOTECH activities. A governance board will oversee the Policy Support Unit and its work program will be submitted to Senior Officials for endorsement.<sup>1</sup>”
2. The PSU became operational in 2008 with oversight from a PSU Board<sup>2</sup>. In 2010, the operation of the PSU was reviewed and the APEC Ministers agreed to extend its mandate for three years until 2013<sup>3</sup>. Following a second review in 2012, the APEC Ministers agreed with the Senior Officials to extend its mandate for an additional seven years from 2014 to 2020 with a mid-term review to examine its strategic direction<sup>4</sup>.
3. The PSU Five-Year Strategic Plan 2013-2017 aims to provide a broad direction to the PSU’s work for the next five years until the mid-term review in 2017.

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<sup>1</sup> 2007 APEC Ministerial Meeting, Sydney, Australia, 5-6 September 2007

<sup>2</sup> PSU Governance Arrangements

<sup>3</sup> 2010 APEC Ministerial Meeting, Yokohama, Japan, 10-11 November 2010

<sup>4</sup> 2012 APEC Ministerial Meeting, Vladivostok, Russia, 5-6 September 2012

## II. Vision, Mission and Objectives

### Vision

Recognized as an integral part of the APEC architecture and highly respected source of policy research and analysis, contributing to APEC's goal of supporting sustainable economic growth and prosperity in the Asia-Pacific region.



### Mission

PSU is the policy research and analysis arm of APEC comprising openly recruited professionals working together with APEC SOM, committees and fora, in improving the quality of their deliberations and decisions and promoting policies that support the achievement of APEC's goals, by providing objective and high quality research, analytical capacity and policy support capability.



### Objectives

- 1) Provide robust research and analysis to support APEC fora and members so that policy development is evidence-based, internal capacities are enhanced, and implementation of policy measures can be evaluated.
- 2) Strengthen engagement and research collaboration with international and regional organizations.
- 3) Communicate policy research and analytical outcomes to key APEC stakeholders.

4. To achieve the stated objectives, the proposed actions are:

**Objective 1:** Provide robust research and analysis to support APEC fora and members so that policy development is evidence-based, internal capacities are enhanced, and implementation of policy measures can be evaluated.

Actions:

- a) Undertake in-house analytical work or commission research for consideration by APEC SOM, committees or fora;
- b) Prepare documents for discussion such as policy dialogue papers for APEC committees or fora;
- c) Design and implement capacity building programs;
- d) Evaluate progress in implementation of policy measures; and
- e) Identify and propose high level policy principles and best practices.

**Objective 2:** Strengthen engagement and research collaboration with international and regional organizations.

Actions:

- a) Identify and engage international and regional organizations whose work complement or add value to that of APEC;
- b) Establish a regular channel of communications and information exchange with these organizations; and
- c) Establish formal collaboration and working arrangements with these organizations.

**Objective 3:** Communicate policy research and analytical outcomes to key APEC stakeholders comprising APEC members and fora, international and regional organizations, APEC Study Centers, think-tanks, academia and private sector.

Actions:

- a) Build an extensive mailing list of APEC stakeholders for communication of the PSU's work;
- b) Publish policy research and analytical outcomes wherein permissible;
- c) Work closely with APEC Communications and Public Affairs Unit to publicize and disseminate outcomes through communications and outreach activities targeted at key stakeholders; and
- d) Participate in relevant events and meetings to increase the awareness and profile of APEC and the PSU's work.

5. In achieving its objectives, the PSU will be guided by the PSU Governance Arrangements.

### **III. Policy Research and Analysis Agenda**

6. In order to provide a greater focus to the PSU's work, a policy research and analysis agenda is developed as part of the PSU Five-Year Strategic Plan 2013-2017. The agenda is structured into five core areas, namely:

- a) Trade and investment liberalization and facilitation
- b) Structural reform
- c) Connectivity including supply chain connectivity and global supply chains
- d) Economic and financial analysis
- e) Sustainable economic development

7. These five core areas are pertinent areas that the PSU will be focusing on over the Strategic Plan period taking into account APEC's long-term strategic goals. Notwithstanding, the list is non-exhaustive since new areas may emerge in response to APEC's priorities.

8. The ensuing paragraphs list some examples of work in each of these five core areas that the PSU can be envisaged to undertake in the five-year period between 2013 and 2017. It will be useful to bear a few points in mind when looking at these examples:

- These examples are tentative, conceived mainly by drawing on PSU's existing body of work, and based on realistic assumptions of PSU's resources.
- The examples are non-exhaustive considering the dynamics of issues relating to international trade and investment.
- The examples can be demand-driven (i.e., proposed by the APEC fora and members) or in-house (i.e., proposed by the PSU to help APEC implement its priorities) work.
- In accordance to the PSU Governance Arrangements, approval from the PSU Board is required before the PSU could embark on any work. The approved projects are then captured in the PSU work program which is updated every month and made publicly available on the PSU webpage<sup>5</sup>.
- For the reasons mentioned above, the agenda will be a living document and updated as necessary.

(a) Trade and Investment Liberalization and Facilitation

Trade and investment liberalization and facilitation are the cornerstones of APEC's activities. The PSU works with the Committee on Trade and Investment (CTI) which is the coordinating body for APEC's work in these areas.

Potential PSU's support in this area:

<b>Topics</b>	<b>Examples</b>
Bogor Goals	<ul style="list-style-type: none"> <li>• Review Individual Action Plan (IAP) submissions every two years starting 2012</li> <li>• Conduct 2nd term review and final assessment in 2016 and 2020, respectively</li> <li>• Contribute to the discussion of priorities after 2020</li> </ul>
Investment	<ul style="list-style-type: none"> <li>• Review implementation of Investment Facilitation Action Plan (IFAP)</li> <li>• Propose new areas for investment facilitation</li> <li>• Support investment including infrastructure investment that promotes connectivity</li> </ul>
Services	<ul style="list-style-type: none"> <li>• Research on liberalization of services sector and trade in services</li> </ul>
Regional or Free Trade Agreements (RTAs/FTAs)	<ul style="list-style-type: none"> <li>• Support efforts on Regional Economic Integration (REI)</li> <li>• Analyze particular areas of interest for RTA/FTAs</li> </ul>
Next generation trade and investment issues	<ul style="list-style-type: none"> <li>• Explore possible next generation trade and investment issues to further integrate APEC economies and expand trade and investment links throughout the region</li> </ul>
Non-tariff measures/barriers	<ul style="list-style-type: none"> <li>• Research on non-tariff measures/barriers in the APEC region</li> </ul>

<sup>5</sup> PSU webpage at [www.apec.org/About-Us/Policy-Support-Unit/PSU-Research-Focus.aspx](http://www.apec.org/About-Us/Policy-Support-Unit/PSU-Research-Focus.aspx)

(b) Structural Reform

The PSU works with the Economic Committee (EC) which focus is to remove behind-the border barriers to trade by promoting structural reform within APEC. Structural reform consists of improvements made to institutional frameworks, regulations and government policies so that the efficient functioning of markets is supported and behind-the-border barriers are reduced.

Potential PSU's support in this area:

<b>Topics</b>	<b>Examples</b>
APEC New Strategy on Structural Reform (ANSSR)	<ul style="list-style-type: none"><li>• Provide capacity building support to APEC economies through regional residential training workshops</li><li>• Assist economies in identifying possible priorities for work relating to ANSSR</li><li>• Review progress of ANSSR implementation</li></ul>
Ease of Doing Business (EoDB)	<ul style="list-style-type: none"><li>• Conduct yearly assessments of progress towards the 2015 goals</li><li>• Conduct final assessment in 2015</li></ul>
Regulatory reform	<ul style="list-style-type: none"><li>• Develop case studies to identify good regulatory practices that improve economic performance and cost-effectiveness of regulations in relevant areas</li><li>• Propose methodologies to measure regulatory performance</li></ul>

(c) Connectivity including Supply Chain Connectivity and Global Supply Chains

Achieving an APEC-wide ten percent improvement in supply chain performance by 2015, and ensuring reliable supply chains in the region are significant priorities for APEC.<sup>6</sup> The PSU works with the CTI in its efforts to improve supply chain performance and reliability in the region. The PSU also works with the CTI on issues concerning global supply chains and enhancing the SME's participation in global production chains which has been identified as one of the next generation trade and investment issues<sup>7</sup>.

Potential PSU's support in this area:

<b>Topics</b>	<b>Examples</b>
Supply-Chain Connectivity Framework Action Plan (SCFAP)	<ul style="list-style-type: none"><li>• Conduct the SCFAP final assessment in 2016</li><li>• Support the addressing and updating of the SCFAP chokepoints</li><li>• Support CTI in organizing supply chain connectivity symposiums</li></ul>
Global supply chains	<ul style="list-style-type: none"><li>• Conduct sectoral case studies on global supply chain operations</li></ul>

<sup>6</sup> 2012 APEC Leaders' Declaration, Vladivostok, Russia, 8-9 September 2012

<sup>7</sup> 2012 APEC Ministerial Meeting, Vladivostok, Russia, 5-6 September 2012

<b>Topics</b>	<b>Examples</b>
SMEs' participation in global production chains	<ul style="list-style-type: none"> <li>• Conduct case studies on enhancing SMEs' participation in global production chains</li> </ul>
Supply chain resilience	<ul style="list-style-type: none"> <li>• Research in assessing supply chain resilience in APEC economies</li> </ul>
Connectivity in the region	<ul style="list-style-type: none"> <li>• Conduct study on the connectivity in the region including physical (infrastructure development and investment), institutional and people-to-people connectivity</li> </ul>

(d) Economic and Financial Analysis

The PSU supports the work of the CTI, EC and the Finance Ministers Process (FMP) through monitoring, analyzing and reporting macro- and micro-economic, trade and investment trends and developments in the APEC region. Twice a year, the PSU produces a report that examines the key trends and developments relating to trade and investment measures in the APEC region as well as the APEC Economic Trends Analysis report which analyzes recent economic performance of APEC economies and the region. The PSU also updates StatsAPEC, APEC's online statistics portal, two times a year.

Potential PSU's support in this area:

<b>Topics</b>	<b>Examples</b>
Macro- and micro-economic trends	<ul style="list-style-type: none"> <li>• Prepare policy briefs on a needs basis regarding recent events that may have an impact on the APEC region</li> </ul>

(e) Sustainable Economic Development

The APEC's agenda addresses a number of key issues that support sustainable economic development and an enabling environment necessary for economic activity in the APEC region. These issues tend to be cross-cutting in nature which involves various APEC committees and fora. Food security and urbanization are such examples. In addition, cognizant of the importance of capacity building for sustainable economic development, the PSU supports the work of the SOM Steering Committee on Economic and Technical Cooperation (SCE) through improving the design and implementation of economic and technical cooperation (ECOTECH) programs in the APEC region.

Potential PSU's support in this area:

<b>Topic</b>	<b>Examples</b>
SCE	<ul style="list-style-type: none"> <li>• Scoping study of SCE in support of Bogor Goals and REI</li> </ul>
Food security	<ul style="list-style-type: none"> <li>• Support the APEC Policy Partnership on Food Security (PPFS)'s long-term goal to set up a food system structure by 2020</li> </ul>

<b>Topics</b>	<b>Examples</b>
SMEs	<ul style="list-style-type: none"> <li>• Conduct studies on improving the business environment for SMEs and facilitating SMEs' access to international market</li> </ul>
Urbanization	<ul style="list-style-type: none"> <li>• Conduct studies on urbanization for promoting sustainable economic development</li> </ul>

9. Annex A presents an overall view of the PSU policy research and analysis agenda. It is structured into the five core areas, and lists the completed, ongoing and long-term work of the PSU in each of these areas for the period from 2008 to 2020. It is intended to show the body of work that has been built up in the five core areas, and does not contain the examples that are mentioned in the preceding paragraphs (except for these long-term projects – Bogor Goals, EoDB and SCFAP).

#### **IV. Institutional Building**

10. While APEC Ministers in September 2012 have agreed to extend the PSU's mandate until the end of 2020, it is imperative to adopt a forward-looking approach by continuing to build up the institutional capacity of the PSU. Among the proposed initiatives are:
- (a) Increase the PSU's capacity to undertake policy research and analytical work and build up an established core body of work in the focus areas through access to good quality databases, statistical software and other research facilities (where budget permits);
  - (b) Ensure an appropriate mix of knowledge, skills and experiences among the PSU staff by employing the best person for the vacancies available regardless of nationality (Clause 48 in the PSU Governance Arrangements), and provide a learning culture where staff are encouraged to enhance their knowledge and skills through platforms such as training workshops and conferences;
  - (c) Ensure appropriate staffing levels taking into account the demands on and finances of the PSU;
  - (d) Establish links between the PSU's outputs and outcomes; and
  - (e) Study into financial sustainability models that are similar to the PSU.

#### **V. Mid-Term Review**

11. A mid-term review of the strategic direction of the PSU will be conducted in 2017. Besides assessing its body of work, the mid-term review could also review the PSU's financial position and funding arrangements. The question of seeking a permanent mandate for the PSU (and the approach to achieve this goal) may also be discussed at the mid-term review.

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Annex A: Structure of PSU Policy Research & Analysis Agenda (2008-2020)									
No.	Projects/Activities by Focus Areas	Status	2008-12	2013	2014	2015	2016	2017	2018-20
<b>1</b>	<b>Trade &amp; Investment Liberalization &amp; Facilitation</b>			(Strategic Plan Period)					
1.1	Bogor Goals:								
	• Progressing towards the APEC Bogor Goals - Perspectives of the APEC Policy Support Unit (Nov 2010)	C	X						
	• Trade Policy Dialogue on Measuring Progress - Development of a Dashboard for the IAP 2012 (Feb 2012)	C	X						
	• Bogor Goals Progress Reports – Individual Action Plan (IAP) Peer Review Process (every 2 years)	LT	X		X		X		X
	• Bogor Goals: Second-Term Review 2016	LT					X		
	• Bogor Goals: Final Review 2020	LT							X
1.2	Trade:								
	• Trade Creation in the APEC Region: Measurement of the Magnitude of and Changes in Intra-regional Trade since APEC's Inception (Oct 2010)	C	X						
	• Study on Good Regulatory Practices for Goods and Services Necessary or Desirable for Climate Change Mitigation and Adaptation (Oct 2010)	C	X						
	• Trade in Services in the APEC Region: Patterns, Determinants, and Policy Implications (Oct 2010)	C	X						
	• Second Trade Facilitation Action Plan (TFAPII): Interim Assessment*	C	X						
	• APEC's Achievements in Trade Facilitation 2007-2010: Final Assessment of TFAPII (Jan 2012)	C	X						
	(1) Aggregate Measurement of Trade Transaction Costs Reduction in APEC 2007-2010 (Aug 2011)	C	X						
	(2) Trade Facilitation through Customs Procedures: Assessment of APEC's Progress (Oct 2011)	C	X						
	(3) Reducing Trade Transaction Costs: Harmonization of Standards and Conformity Assessments in APEC (Oct 2011)	C	X						
	(4) Enabling Electronic Commerce: The Contribution of APEC's Data Privacy Framework (Oct 2011)	C	X						
	(5) Reducing Business Travel Costs: The Success of APEC's Business Mobility Initiatives (Oct 2011)	C	X						
	(6) Facilitating Electronic Commerce in APEC: A Case Study of Electronic Certificate of Origin (Oct 2011)	C	X						
	• The Mutual Usefulness between APEC and TPP (Oct 2011)	C	X						
	• Policy Brief: A Snapshot of Current Trade Trends in Environmental Goods and Services (No. 3, 30 Apr 2012)	C	X						
	• Policy Brief: The APEC List of Environmental Goods (No. 4, 28 Nov 2012)	C	X						
1.3	Investment:								
	• Cross-border Investment Linkages among APEC Economies: The Case of Foreign Direct Investment (Oct 2009)	C	X						
	• Cross-border Investment Linkages among APEC Economies: The Case of Portfolio Investment and Bank Lending (Oct 2009)	C	X						
	• Measuring Progress in Implementing APEC's IFAP: Establishing a Methodology and Selecting Key Performance Indicators (Oct 2009)	C	X						
	• Investment Facilitation Action Plan (IFAP) Implementation: Facilitating Investment for APEC	O		X					



No.	Projects/Activities by Focus Areas	Status	2008-12	2013	2014	2015	2016	2017	2018-20
				(Strategic Plan Period)					
<b>2</b>	<b>Structural Reform</b>								
2.1	APEC's Ease of Doing Business (EoDB):								
	• EoDB – Interim Assessment 2009-2010 (Oct 2011)	C	X						
	• EoDB – Interim Assessment 2009-2011 (Oct 2012)	C	X						
	• EoDB – Interim Assessment 2009-2012	O		X					
	• EoDB – Final Assessment 2015	LT				X			
2.2	Structural Reform:								
	• The Links between Trade, Investment and Structural Reform (Aug 2008)	C	X						
	• Handbook for "The APEC Voluntary Reviews of Institutional Frameworks and Processes for Structural Reform" (Oct 2009)	C	X						
	• The Impacts and Benefits of Structural Reforms in Transport, Energy and Telecommunications Sectors (Jan 2011)	C	X						
	• APEC New Strategy on Structural Reform (ANSSR) Symposium at SOM2, Big Sky, Montana (May 2011)	C	X						
	• Residential Workshop on Structural Reform in Singapore (Aug 2011)	C	X						
	• Policy Brief: Mapping Structural Reform (No.1, Aug 2011)	C	X						
	• Policy Brief: Implementation of Structural Reforms – Challenges and Good Practices (No. 4, 16 Jul 2012)	C	X						
	• ANSSR Regional Residential Training Workshops (Bali, Jul 2012 & Lima, Aug 2012)	C	X						
	• Regulatory Reform – Case Studies on Green Investments (Feb 2013)	C		X					
<b>3</b>	<b>Connectivity including Supply Chain Connectivity &amp; Global Supply Chains</b>								
3.1	Supply Chain Connectivity:								
	• Logistics: Connectivity for Goods and Services (Feb 2009)	C	X						
	• A Results-oriented Approach to APEC's Supply Chain Connectivity Initiative (Oct 2009)	C	X						
	• The Economic Impact of Enhanced Multimodal Connectivity in the APEC Region (Jun 2010)	C	X						
	• Symposiums on Supply-Chain Connectivity (Sendai, Sept 2010 and Singapore, Mar-Apr 2012) & Outcome Report of 2012 Symposium (N	C	X						
	• SCFAP: Interim Assessment 2013	O		X					
	• SCFAP: Final Assessment 2016	LT					X		
	• Economic Impact of Submarine Cable Disruptions (Dec 2012)	C	X						
3.2	Global Supply Chains:								
	• Issues Paper: Concepts & Trends in Global Supply, Global Value and Global Production Chains (No. 1, May 2012)	C	X						
	• Trade Policy Dialogue on Facilitating Global Supply Chains (May 2012)	C	X						
	• Global Supply Chain Operation in the APEC Region: Case Studies of the Electrical and Electronics Industry	O		X					
	• Issues Paper: SMEs' Participation in Global Production Chains (No. 3, February 2013)	C		X					
3.3	Connectivity:								
	• Study on APEC Framework on Connectivity	O		X					

No.	Projects/Activities by Focus Areas	Status	2008-12	2013	2014	2015	2016	2017	2018-20
				(Strategic Plan Period)					
<b>4</b>	<b>Economic &amp; Financial Analysis</b>								
	• Key Trends and Developments Relating to Trade and Investment Measures and their Impact on the APEC Region (2 reports a year)	O	X	X	X	X	X	X	X
	• APEC Economic Trends Analysis (2 reports a year)	O	X	X	X	X	X	X	X
	• StatsAPEC – APEC's Online Statistics Portal (2 updates a year)	O	X	X	X	X	X	X	X
	• The Global Economic Crisis: Effective Responses and Policy Strategies to Address the Human Impact (Jul 2009)	C	X						
	• Recent FDI Trends in the APEC Region (2012)	C	X						
	• Policy Brief: Sovereign Debt Challenges in the Euro Area: Implications for APEC (No. 2, Dec 2011)	C	X						
<b>5</b>	<b>Sustainable Economic Development</b>								
5.1	Food Security:								
	• Improving Food Markets in APEC Economies: Can the Cost of Food be Lowered? (Sept 2009)	C	X						
	• Food Security Policies in APEC (Sept 2012)	C	X						
	• Issues Paper: Challenges to Achieving Food Security in APEC (No. 2, Nov 2012)	C	X						
5.2	Others:								
	• Mapping & Assessment of Efforts made by Relevant International Organizations with regard to Growth Strategies*	C	X						
	• Research into the reasons for Balanced Growth, Inclusive Growth, Sustainable Growth, and Knowledge Based Growth in the APEC Region	C	X						
	• SME Market Access and Internationalization: Medium-term KPIs for the SMEWG Strategic Plan (Jun 2010)	C	X						
	[Legend: C = Completed; O = Ongoing; LT = Long-term]								
	(*) Classified reports								
	Note: This agenda contains only the completed, ongoing and long-term projects, as at 1 March 2013.								
	It does not contain the examples listed in the PSU Five-Year Strategic Plan (2013-2017) except for these long-term projects - Bogor Goals, EoDB and SCFAP.								