



Asia-Pacific
Economic Cooperation

A P E C

OUTCOMES

AND

OUTLOOK

2 0 0 3 / 2 0 0 4

CONTENTS

1	Introduction
2	About APEC
3	APEC's Scope of Work
3	APEC's Guiding Principles and Framework
5	APEC Stakeholder Participation
6	Key APEC Milestones
8	How APEC Works
	i Policy Level
	ii Working Level
	iii APEC Secretariat
10	APEC Structure
11	APEC Thailand Year, 2003
16	APEC Chile Year, 2004
18	Economic Data
19	Further information about APEC
21	Key Contacts

INTRODUCTION

APEC Outcomes and Outlook presents a concise overview of the structure, operational processes and important milestones of the Asia-Pacific Economic Cooperation grouping, now entering its fifteenth year of existence. This edition features an outline of the major themes and focus of activity for the 2004 APEC year being chaired by Chile, along with a summary of the key outcomes of the past 2003 APEC year hosted by Thailand.

For specific information on meetings and events being hosted in Chile during 2004 we invite you to visit the Chile APEC 2004 website at www.apec2004.cl

Regularly updated news and information on APEC developments, issues and work programmes can be found on the APEC Secretariat website at www.apec.org



ABOUT APEC

The Asia-Pacific Economic Cooperation (APEC) forum was established to take advantage of the growing interdependence among Asia-Pacific Economies, by facilitating economic growth for all participants and enhancing a sense of community in the region. It aims to help improve trade and economic performance and regional links for the prosperity of the people in the region.



APEC is the premier economic forum in the Asia-Pacific region. Comprising 21 Member Economies*, APEC spans four continents, represents more than one third of the world's population (2.6 billion people), over 50% of world GDP (US\$19,254 billion) and in excess of 41 % of world trade.

APEC Member Economies

Australia
Brunei Darussalam
Canada
Chile
People's Republic of China
Hong Kong, China
Indonesia
Japan
Republic of Korea
Malaysia
Mexico
New Zealand
Papua New Guinea
Peru
The Republic of the Philippines
The Russian Federation
Singapore
Chinese Taipei
Thailand
United States of America
Viet Nam

Observers

Association of South-East Asian Nations (ASEAN)
Pacific Economic Cooperation Council (PECC)
Pacific Islands Forum (PIF)

Since its inception in 1989, APEC has helped to reduce tariffs and other barriers to trade across the Asia-Pacific region. APEC has worked to create an environment to ensure the safe and efficient movement of goods, services and people across borders in the region through policy decisions and economic and technical cooperation. During this period, APEC Member Economies have grown and developing economies, in particular, have experienced increases in GDP and standards of living. The economies of APEC generated 70% of global economic growth in the first 10 years of APEC's existence, making the region the most economically dynamic in the world.

APEC is a unique forum operating on the basis of open dialogue and equal respect for the views of all participants. Decision making within APEC is reached by consensus. There are no binding commitments; compliance is promoted through peer pressure and supported by economic and technical cooperation. Through APEC, developing economies have as much say in setting APEC's agenda as some of the largest economies in the world.

APEC's priorities and goals are set at annual meetings of APEC Economic Leaders and Ministers. Officials and experts in APEC Member Economies carry out projects and other work to meet these goals. This work is supported by a secretariat based in Singapore.

** The word 'economies' is used to describe APEC members because the APEC cooperative process is predominantly concerned with trade and economic issues, with members engaging with one another as economic entities.*

APEC'S SCOPE OF WORK

APEC works in three broad areas to meet its goals of free and open trade and investment in the Asia-Pacific by 2010 for industrialized economies and 2020 for developing economies (These goals are often referred to as the 'Bogor Goals'). The three areas in which APEC works are:

- **Trade and Investment Liberalization** – reducing and eliminating tariff and non-tariff barriers to trade and investment, and opening markets.
- **Business Facilitation** – reducing the costs of business transactions, improving access to trade information and bringing into line policy and business strategies to facilitate growth, and free and open trade.
- **Economic and Technical Cooperation (ECOTECH)** – assisting APEC Member Economies to build the necessary capacities to take advantage of global trade and the New Economy.

Together, the outcomes of these three areas of work assist APEC Member Economies to continue to grow and prosper. Tangible benefits are also delivered to the people of the region, through increased choices in the marketplace, cheaper goods and services and improved access to international markets.

APEC'S GUIDING PRINCIPLES AND FRAMEWORK

A set of general principles is applied to APEC's liberalization and facilitation process to assist APEC Member Economies to meet the free and open trade goals. These principles include:

- **Comprehensiveness** – addressing all impediments to achieving the long-term goal of free and open trade.
- **WTO-consistency** – measures undertaken in the context of the APEC Action Agenda are consistent with the principles of the World Trade Organization (WTO).
- **Comparability** – APEC economies endeavor to have comparable trade and investment liberalization and facilitation, taking into account the general levels achieved by each APEC economy.
- **Non-discrimination** – reductions in barriers to trade achieved through APEC are available to all APEC economies and non-APEC economies.



- **Transparency** – the laws, regulations and administrative procedures in all APEC economies which affect the flow of goods, services and capital among APEC economies are transparent.
- **Standstill** – APEC economies do not take measures which have the effect of increasing levels of protection.
- **Simultaneous start, continuous process and differentiated timetables** – APEC economies began simultaneously the process of liberalization, facilitation and cooperation and continuously contribute to the long-term goal of free and open trade and investment.
- **Flexibility** – APEC economies deal with the liberalization and facilitation process in a flexible manner, taking into account differing levels of economic development.
- **Cooperation** – Economic and technical cooperation contributing to liberalization and facilitation is actively pursued.

APEC Member Economies also work within a framework to meet the free and open trade goals. This framework comprises:

- Actions by individual APEC economies;
- Actions by APEC fora; and
- APEC actions related to multilateral fora.



APEC STAKEHOLDER PARTICIPATION

APEC recognizes that strong and vibrant economies are not built by governments alone, but by partnerships between governments and key stakeholders, including the business sector, industry, academia, policy and research institutions, and interest groups within the community.

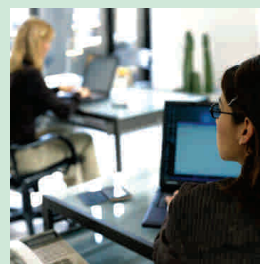
APEC Member Economies recognize that business drives the economies of the region and involves business at all levels of the APEC process. At the highest level, APEC Economic Leaders communicate through annual meetings with the APEC Business Advisory Council (ABAC). ABAC comprises high-level business people from all 21 APEC Member Economies.

At the working level, representatives from the private sector are invited to join APEC working groups and expert groups. This process presents an important opportunity for industry to provide direct input into APEC's ongoing work.

Through the APEC Study Centers (ASC) Consortium, APEC Member Economies actively engage academic and research institutions in the APEC process. Amongst a range of key activities, the ASC Consortium facilitates cultural and intellectual exchanges in the Asia-Pacific region and assists the APEC process by undertaking advanced, collaborative interdisciplinary and policy-relevant research from an independent and long-term perspective. There are ASCs in 19 APEC Member Economies, comprising 100 universities, research centers and centers of academic excellence across the APEC region.

Academics and research institutions also participate in the working level of APEC through meetings, seminars and other activities.

APEC actively seeks the input and participation of women in the APEC process. APEC's Gender Focal Point Network encourages the consideration of gender issues within APEC. All APEC projects and activities are carefully monitored to ensure that gender issues are taken into account.



KEY APEC MILESTONES

- 1989** **Canberra, Australia** APEC begins as an informal Ministerial-level dialogue group with 12 members.
- 1993** **Blake Island, United States** APEC Economic Leaders meet for the first time and outline APEC's vision, "stability, security and prosperity for our peoples."
- 1994** **Bogor, Indonesia** APEC sets the Bogor Goals of, "free and open trade and investment in the Asia-Pacific by 2010 for industrialized economies and 2020 for developing economies."
- 1995** **Osaka, Japan** APEC adopts the Osaka Action Agenda (OAA) which provides a framework for meeting the Bogor Goals through trade and investment liberalization, business facilitation and sectoral activities, underpinned by policy dialogues, economic and technical cooperation.
- 1996** **Manila, The Philippines** The Manila Action Plan for APEC (MAPA) is adopted, outlining the trade and investment liberalization and facilitation measures to reach the Bogor Goals and the first Collective and Individual Action Plans are compiled, outlining how economies will achieve the free trade goals.
- 1997** **Vancouver, Canada** APEC endorses a proposal for early voluntary sectoral liberalization (EVSL) in 15 sectors and decides that Individual Action Plans should be updated annually.
- 1998** **Kuala Lumpur, Malaysia** APEC agrees on the first nine sectors for EVSL and seeks an EVSL agreement with non-APEC members at the World Trade Organization.
- 1999** **Auckland, New Zealand** APEC commits to paperless trading by 2005 in developed economies and 2010 in developing economies. APEC Business Travel Card scheme is approved and a Mutual Recognition Arrangement on Electrical Equipment and a Framework for the Integration of Women in APEC is endorsed.



- 2000** **Bandar Seri Begawan, Brunei Darussalam** APEC establishes an electronic Individual Action Plan (e-IAP) system, providing IAPs online and commits to the Action Plan for the New Economy, which, amongst other objectives, aims to triple Internet access throughout APEC region by 2005.
- 2001** **Shanghai, People's Republic of China** APEC adopts the Shanghai Accord, which focuses on Broadening the APEC Vision, Clarifying the Roadmap to Bogor and Strengthening the Implementation Mechanism. The e-APEC Strategy is adopted, which sets out an agenda to strengthen market structures and institutions, facilitate infrastructure investment and technology for on-line transactions and promote entrepreneurship and human capacity building. APEC's first Counter-Terrorism Statement is issued.
- 2002** **Los Cabos, Mexico** APEC adopts a Trade Facilitation Action Plan, Policies on Trade and the Digital Economy and Transparency Standards. APEC's second Counter-Terrorism Statement is delivered, along with the adoption of the Secure Trade in the APEC Region (STAR) Initiative.
- 2003** **Bangkok, Thailand** APEC agrees to re-energize the WTO Doha Development Agenda negotiations and recognizes that Free Trade Agreements, Regional Trade Agreements, the Bogor Goals and the multilateral trading system under the WTO can be complementary. Counter-terrorism is acknowledged as a complementary mission to APEC's Bogor Goals. The APEC Action Plan on SARS and the Health Security Initiative are agreed to further protect human security. Strengthening efforts to build Knowledge-Based Economies and to promote sound and efficient financial systems, and accelerating regional structural reform are also agreed.

APEC Economic Leaders' Meeting, Bangkok, Thailand, October 2003



HOW APEC WORKS



Every year one of the 21 Member Economies plays host to APEC meetings and serves as the APEC Chair. The APEC host economy is responsible for chairing the annual Economic Leaders' Meeting, Ministerial Meetings, Senior Officials Meetings, the APEC Business Advisory Council and the APEC Study Centers Consortium. The Executive Director post at the APEC Secretariat is also filled by the host economy for that year.

APEC operates at both policy and working levels -

1. Policy Level

Economic Leaders' Meeting

Economic Leaders' Meetings are held once a year in the APEC host economy. Declarations from these meetings set the policy agenda for APEC.

APEC Ministerial Meeting

Annual APEC Ministerial Meetings of foreign and economic/trade ministers are held immediately prior to Economic Leaders' Meetings. Ministers take stock of the year's activities and provide recommendations for Economic Leaders' consideration.

Sectoral Ministerial Meetings

Sectoral Ministerial Meetings are held regularly covering areas such as education, energy, environment and sustainable development, finance, health, human resource development, regional science and technology cooperation, small and medium enterprises, telecommunications and information industry, tourism, trade, transportation and women's affairs.

APEC Business Advisory Council (ABAC)

ABAC provides APEC Economic Leaders with a business perspective on APEC issues through an annual meeting and report to Leaders. The annual report contains recommendations to improve the business and investment environment in the APEC region. ABAC also meets four times per year and a representative attends Ministerial Meetings.

ii. Working Level

Senior Officials' Meeting (SOM)

Working under direction from Ministers, Senior Officials guide the activities of the committees, working groups and task forces. Senior Officials develop recommendations for Ministers and Economic Leaders. SOM meetings are held three to four times a year with the chair from the host economy.

Committee on Trade and Investment (CTI)

The CTI coordinates APEC's work on the liberalization and facilitation of trade and investment. CTI also works to reduce impediments to business activity through its Sub-Committees and Experts' Groups:

- *Market Access Group*
- *Investment Experts' Group*
- *Sub-committee on Customs Procedures*
- *Competition Policy and Deregulation Group*
- *Informal Experts' Group on Mobility of Business People*
- *Group on Services*
- *Sub-committee on Standards and Conformance*
- *Intellectual Property Rights Experts' Group*
- *Government Procurement Experts' Group*
- *WTO Capacity Building Group*

SOM Committee on Economic and Technical Cooperation (ECOTECH)

The SOM Committee on ECOTECH assists APEC Senior Officials in coordinating and managing APEC's ECOTECH agenda, as well as identifying value-added initiatives for cooperative action.

Economic Committee (EC)

The EC conducts research on economic trends and issues in the APEC region in support of APEC's trade and investment liberalization and facilitation and economic and technical cooperation agendas. It also serves as a forum for members to exchange information and views on economic trends and issues.

Budget and Management Committee (BMC)

The BMC advises the SOM on budgetary, administrative and managerial issues. It also monitors and evaluates project management aspects of the operations of working groups/committees and makes recommendations to SOM for improved efficiency and effectiveness.

Working Groups

Working Groups carry out APEC's work in specific sectors as directed by Leaders, Ministers, Sectoral Ministers and Senior Officials. These groups include:

- *Agricultural Technical Cooperation*
- *Energy*
- *Fisheries*
- *Human Resources Development*
- *Industrial Science and Technology*
- *Marine Resources Conservation*
- *Small and Medium Enterprises*
- *Telecommunications and Information*
- *Tourism*
- *Trade Promotion*
- *Transportation*



SOM Special Task Groups

The SOM has set up three Special Task Groups to identify issues and make recommendations about important areas for APEC's consideration. These groups are:


- *APEC Health Task Force*
- *Counter Terrorism Task Force*
- *Electronic Commerce Steering Group*

Other Groups and Initiatives

Other APEC groups work to support APEC's goals. These groups have a unique relationship to the APEC process and do not fit into the APEC Committee or Working Group structure. Some key APEC initiatives also fall outside this structure. These include:

- *APEC Food System*
- *APEC Study Centers Consortium*
- *Business-Government Dialogues*
- *Finance Ministers' Process*
- *Gender Focal Point Network*
- *Life Sciences Innovation Forum*



 2004 Executive Director,
Ambassador Mario Artaza

 2003 Executive Director,
Ambassador Piamsak Milintachinda

iii. APEC Secretariat

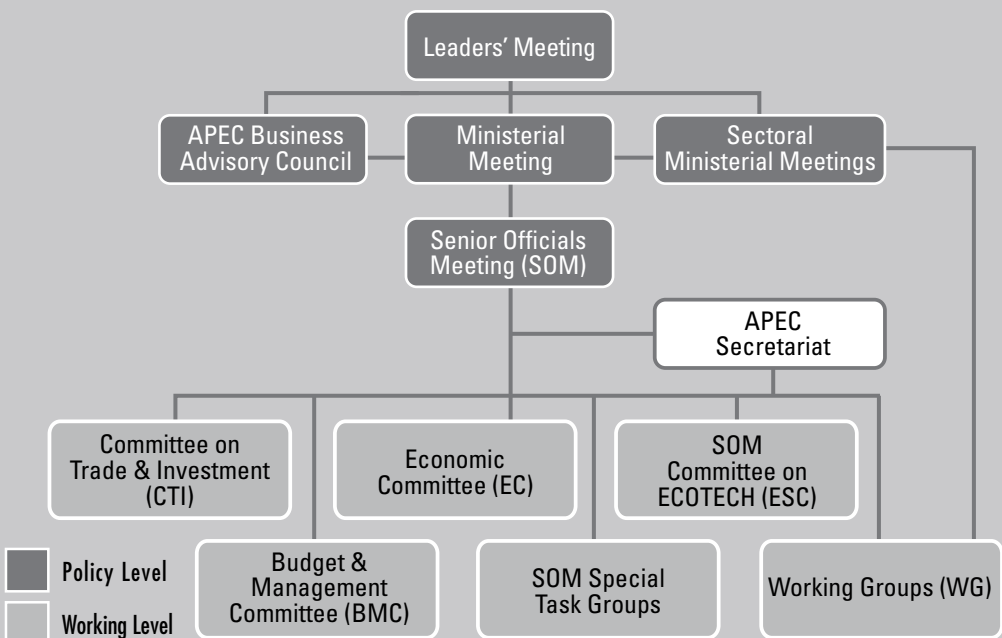
The APEC Secretariat is based in Singapore and serves as the core support mechanism for the APEC process, providing procedural guidance, coordination, information and public outreach services. The APEC Secretariat performs a project management role, assisting fora and economies with oversight of over 250 APEC-funded projects. The APEC Secretariat also administers APEC's annual budget.

The APEC Secretariat holds ISO 9001:2000 Quality Management Certification. This recognizes the continuous efforts made by the APEC Secretariat to provide high quality administrative and support activities. The APEC Secretariat is the first international trade-related secretariat to attain ISO certification.



The APEC Secretariat is staffed by a small team of 22 program directors seconded from APEC Member Economies with a similar number of permanent specialist and administrative staff. The Executive Director and Deputy Executive Director positions rotate annually and filled by officers of Ambassador rank from the current and incoming host economy, respectively.

APEC STRUCTURE



Theme

The theme for APEC 2003 was “A World of Differences: Partnership for the Future” with the following priorities:

- *Knowledge-Based Economy (KBE) for All*
- *Promoting Human Security*
- *Financial Architecture for a World of Differences*
- *New Growth Enterprises: SMEs and Micro-Businesses*
- *Act on Development Pledge*

Achievements

Policies for Sustained Growth and the New Economy

Transparency Standards

Transparency is an essential principle in the APEC process for both promoting economic stability and in meeting APEC’s free trade and investment goals. At the 2003 APEC Annual Economic Leaders’ Meeting in Bangkok, Leaders endorsed a package of “area-specific” transparency standards for inclusion in their original “2002 Statement to Implement APEC Transparency Standards.”

The transparency standards relate specifically to eight areas:

- *Services*
- *Investment*
- *Competition Law and Policy and Regulatory Reform*
- *Standards and Conformance*
- *Intellectual Property*
- *Custom procedures*
- *Market Access*
- *Business Mobility*

APEC Transparency Standards are intended to provide the business community and investors with comprehensive information on the rules and regulations that exist in each APEC Member Economy, providing them with certainty and confidence to trade and invest.

Policies on Trade and the Digital Economy

APEC is working towards its goal tripling Internet access in the APEC region by 2005 and ensuring all people in the APEC region have at least community based access to the Internet by 2010. This target was set as part of the “Digital Divide Blueprint for Action” that aims to provide universal Internet access, regardless of age, disability, culture, language, literacy, and computer skills. The dramatic growth of government services provided online has made expanding Internet access a greater priority for APEC.

Building awareness and developing standards to protect the rights of all sectors of the community to access online resources is a priority in the APEC process. In 2003 APEC also released an online version of the “E-Commerce Strategies for Rural SMEs in APEC.” A core objective of this project is identifying success criteria for Information Communications Technology projects and decreasing the digital divide in the rural areas of the APEC region.

Trade Facilitation Action Plan

APEC has set the target of reducing business transaction costs, or red tape, by 5 per cent by the year 2006 through the "APEC Trade Facilitation Action Plan". This efficiency improvement is anticipated to stimulate an additional increase in trade of around US\$280 billion.

These efficiency increases include measures such as streamlining customs procedures and making rules and regulations more transparent and easy to access.

Implementation of the "APEC Trade Facilitation Action Plan" and its measures to reduce business transaction costs continued in 2003 with economies selecting the actions and measures they will use to reduce costs.

A mid-term review to assess the preparedness of APEC Member Economies to reach the reduction in transaction costs target will take place in 2004. The review will involve external and independent representatives from the public, private and academic sectors.

Amongst other benefits to travelers, the Advance Passenger Information System will enable information about passengers to be sent in advance to destinations to facilitate faster entry into economies on arrival. The revised Kyoto Convention Pathfinder initiative will also assist in making trade in the APEC region more efficient.

Pathfinder Initiatives

APEC uses an approach known as Pathfinder Initiatives to enable Member Economies to pilot the implementation of cooperative initiatives prior to their adoption by all APEC Member Economies. This approach allows APEC Member Economies who are ready and willing to commit to move faster in specific areas to do so and is seen as a way to invigorate progress towards the free trade and investment goals.

Pathfinder Initiatives progressed during 2003 include the Advance Passenger Information (API) System Pathfinder Initiative, the Effective Practices for Regulation of Optical Disc Production Pathfinder Initiative, the APEC Sectoral Food MRA and Digital Economy Statement.



Health ministers set the priorities of rebuilding business and consumer confidence and implementing measures to prevent the spread of potential future epidemics across borders in the APEC region. These priorities were set in the "APEC Health Ministers' Statement" and the "Guiding Principles for Health Screening and Management for International Travelers."

SARS

In response to the outbreak of the Severe Acute Respiratory Syndrome (SARS) the first ever meeting of APEC Health Ministers was convened.

Soon after the outbreak of SARS it became apparent that the virus was not only a threat to the health of people in the region. If it was not properly contained, SARS and other similar outbreaks pose a serious threat to the health of the regional economy.

Life Sciences Innovation Forum

APEC endorsed a program to prepare a “Life Sciences Innovation Strategic Plan” for the Asia-Pacific region by November 2004. Based on the framework that was developed at the first meeting of the APEC Life Sciences Innovation Forum in 2003, key elements of the strategic plan will relate directly to the four segments of life-sciences product development cycle, including:

- *Research*
- *Development*
- *Manufacturing and marketing*
- *Health Care Services*

It is widely considered that the successful economies of the future will be knowledge based economies (KBEs). The life sciences sector is one of the most progressive of the knowledge-based industries and APEC considers it essential to promote innovation in this fast growing area to support the development of successful KBEs.

New and more affordable medicines and the creation of cutting-edge industrial sectors are some of the obvious benefits of a strong life sciences sector in the APEC Region. The primary goal of the Life Sciences Innovation Forum is to bring together representatives of the government, industry, and academia to promote life-sciences innovation in support of human health in the region. The Life Sciences Innovation Strategic Plan will be presented to APEC Leaders when they meet in Santiago, Chile, in 2004.

Individual Action Plans

Individual Action Plans (IAPs) are intended to document each economy’s progress towards achieving APEC’s trade and investment liberalization and facilitation goals.

IAPs contain a chapter for each specified policy area and report the steps that each member is taking to fulfill the objectives set out in the Osaka Action Agenda for each action area. Six economies had their IAPs reviewed during 2003. These were Australia, Canada, Hong Kong China, Korea, New Zealand and Thailand.

After presentation of each report, other APEC Member Economies are given the opportunities to question various elements in the IAP of the economy under review. In 2004 six APEC Member Economies IAPs will be reviewed. These are Chile, China, Peru, Singapore, Chinese Taipei and United States.



APEC and the Multilateral Trading System

APEC has always played a strong role in support of the World Trade Organization (WTO) rules-based, multilateral trading system through WTO capacity building and confidence building efforts. Following the 5th WTO Ministerial Conference in Cancun, Mexico, expectations are high for APEC to assert its role as a champion of the multilateral trading system.

In 2003 APEC Leaders stated that flexibility and political will are essential to successfully conclude the WTO Doha Development Agenda negotiations. APEC Member Economies have emphasized that the results of Cancun should not discourage economies, but rather strengthen their resolve to successfully complete the Doha Development Agenda negotiations in a timely manner.

Counter Terrorism and Economic Growth

Terrorism threatens the regional economy not only through the loss of life and the destruction of property, but by undermining business activity and growth. APEC has been proactive in developing measures that undermine terrorist activity while at the same time ensuring the smooth and efficient flow of legitimate goods, finances and passengers across the borders of APEC economies.

The Counter Terrorism Task Force (CTTF) was launched in 2003 alongside a number of initiatives that are intended to counter the terrorist threat to the regional and global economy. The CTTF produced the "APEC Counter Terrorism Action Plan" which details specific requirements for APEC Member Economies to ensure security and business confidence. The Action Plan also addresses the capacity building needs of individual APEC economies.

The first meeting of the Secure Trade in the APEC Region (STAR) initiative took place in Bangkok in February and brought together representatives from the government, private sector and international organizations to discuss strategies to secure trade in the region. The STAR Conference was successful in identifying issues for closer regional cooperation to both counter the terrorist threat and promote economic growth.

Building Capacities to Reap the Benefits of Globalization

Economic and Technical Cooperation and Capacity Building

In 2003, APEC developed four Economic and Technical Cooperation (ECOTECH) priorities to guide work in this essential area. These include:

- *Integration into the Global Economy*
- *Promoting the Development of Knowledge-Based Economies*
- *Addressing the Social Dimension of Globalization*
- *Counter-Terrorism Capacity Building*

These ECOTECH priorities guide APEC's contribution to the economic and social development of the region and provide an overall strategic roadmap for the development of ECOTECH activities. The ECOTECH agenda is advanced through the guidance and work of the SOM Committee on ECOTECH, who provide management tools for strengthening and streamlining these activities.

Dialogues with International Financial Institutions (IFIs)

In 2003 a roundtable discussion was held between APEC Senior Officials and International Financial Institutions represented by the World Bank and the Asian Development Bank amongst others.

Ongoing cooperation with International Financial Institutions will help APEC to deliver a more effective program of economic and technical cooperation (ECOTECH) initiatives.

APEC is developing this process by identifying further areas of collaboration with International Financial Institutions to make better use of the expertise and resources available in both APEC and other organizations. This cooperation is expected to contribute to areas that include joint projects, the sharing of expertise, involvement in projects such as distance learning, capacity building and cross-attendance at meetings. Other possible areas of collaboration include outreach activities on issues such as the positive impact of globalization, structural reform, trade security, youth, women and digital economy.

The second roundtable with International Financial Institutions takes in 2004 in Pucon, Chile

Micro, Small and Medium- Size Enterprises

APEC Member Economies are working to strengthen networks between business owners, trade promotion agencies and financial institutions focused on SME activities to better identify problems and opportunities facing the SME sector. This plan calls on governments to play the role of facilitator to build strategic links between small and larger businesses and also urges governments to continue to create the right policy environment for SME to access the Internet and benefit from the global economy. The plan recognizes that entrepreneurs in the regional economy are more than just business owners, but are risk takers who are the driving force behind a great deal of economic activity.

Finance Ministers also endorsed a “Memorandum of Understanding on Cooperation Among the APEC Financial Institutions Dealing with SMEs.” Signed by 12 financial institutions from 9 APEC Member Economies, the Memorandum of Understanding covers financial and technical cooperation among the signatory institutions to assist SMEs to access the much-needed funds required to finance the growth and expansion of their businesses.



APEC also adopted the “Micro-enterprise Action Plan” which is designed to help the smallest businesses in the APEC region through expanding access to new technologies, improving access to finance and undertaking greater research into the challenges facing Micro-enterprises. Micro-enterprises account for around 74% of all registered businesses, and as much as 90% of informal trade in some APEC Economies.

Youth

Young people make a very important contribution to sustainable economic growth and development. In recognition of this, APEC conducted a Young Leaders and Entrepreneurs Forum this year. Outcomes from the meeting included networking and sharing information and best practices, which enhanced the skills and knowledge of the young people involved. The forum also made a series of proposals on business incubation, financing young businesses and education, development and business culture.

Women

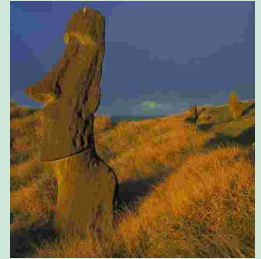
APEC is working to eliminate gender inequalities in social and economic life. Recognizing the crucial contribution women make to economies, this year APEC continued its proactive agenda for the integration of women into APEC by completing a study on gender specific economic data and established the Gender Focal Point Network (GFPN). The GFPN will act as a mechanism for the integration and participation of women within the APEC process and in all aspects of economic and social life in the Asia-Pacific region.

APEC Chile Year, 2004

Theme

The central theme for the APEC 2004 year is "One Community, Our Future".

The economies of the Asia Pacific Rim represent the driving force of the world's economic and commercial future. Through the establishment of a rich and diverse Asia-Pacific-wide Community, APEC Member Economies are continuing to achieve impressive economic growth while lowering protectionism. APEC is also contributing to the ability of its members to deliver improved access to wealth and social progress.



The central theme will guide APEC's work for the year and is supported by a series of sub-themes which will direct the activities and outputs of APEC's Working Groups and Forums during 2004. The APEC Chile Year 2004 sub-themes are:

A Commitment to Development through Trade and Investment

Economic integration is crucial to the future prosperity of the APEC region. APEC will work towards building a trading system which is open, fair, and transparent. To achieve this, APEC strongly supports the multilateral trading system and is taking an active role in advancing the Doha Development Agenda (DDA) by strengthening capacity and confidence building efforts within APEC.

APEC continues to address other issues closely linked to trade and investment liberalization and facilitation including new and important trends in trade, such as the increasing bilateral and regional preferential trade agreement processes.

Sharing benefits through better practices

Protecting the regional community from the threat of terrorism is crucial for safeguarding sustained economic growth and stability. APEC aims to protect its Member Economies without jeopardizing the efficiency of trade flows. APEC members must continue to share information and develop capacities which enable the region to balance economic prosperity with security. The threat of terrorism demands a collective and coordinated regional response.



Skills for the coming challenges

Education is a strategic tool for overcoming poverty and creating new opportunities for the people of the Asia-Pacific region. APEC Member Economies are committed to sharing the benefits that can be brought about by globalization, as well as facing together the challenges that a more interdependent economic and commercial environment present to both developed and developing economies.

APEC will explore ways to strengthen the English language skills of the people of the region. International trade, business and investment transactions are predominantly conducted in English. English is also the primary language of the Internet, which is becoming one of the most important tools for conducting research, delivering training and finding employment, trade and business opportunities. Strategies to assist people to improve their English skills will help to expand economic opportunities for the APEC community and at the same time, support the trade flows that have already transformed the Asia Pacific Region into one of the key drivers of the global economy.

Opportunities for Entrepreneurial Growth

Empowering and broadening opportunities for Small and Medium Enterprises and Micro Enterprises are direct ways to contribute to achieving one community with a common future. SMEs and Micro Businesses are the largest employers in the Asia Pacific Region, accounting for more than 80% of the total number of enterprises.

APEC will identify best practices in the area of SME and Micro Enterprise entrepreneurship in order to successfully promote these vital sectors. APEC will also examine ways to connect SMEs and Micro Enterprises through the Internet, to facilitate information exchange.

Growth and Stability: Keys for APEC Integration

The recovery of the world economy is strengthening the prospects for higher growth in our region. APEC will continue to work hard on sound fiscal and monetary policies that are conducive to sustainable growth and financial stability and that implement the sub-themes, “*Fiscal Policies for Growth and Stability in an Open APEC Region*” and “*Institution Building in a World of Free and Volatile Capital Flows: Looking Forward to APEC 2020*”.

Chile, as chair of APEC for 2004, will encourage Member Economies to take actions that can reinforce the regulation of their financial systems in order to keep track of currency-mismatches between liabilities and assets of financial and non-financial agents, develop early warning signs for stress in the domestic financial system, and accumulate large stocks of international reserves.

APEC will also strive to seriously address the creation of mechanisms or instruments that can provide member economies with liquidity in times of distress, as a contribution to the discussion on reforming the international financial architecture.

Commitment to Sustainable Growth

Access to knowledge and its proper management assists economies to achieve economic development, prosperity and integration. APEC economies will continue to work cooperatively to create and strengthen human capacities, but a balance must be maintained between development and the sustainability of any enterprise, in particular those linked with commercialisation and use of natural resources.

Many APEC Member Economies, in particular developing economies, have taken important steps in order to guarantee the livelihood of their communities on the basis of improved methods and knowledge of best practices in specific fields. This will be further encouraged in 2004.

Experiencing our diversity

Bridging differences and developing collective strength through mutual recognition and deeper understanding of the diverse cultures and peoples of the Asia-Pacific region is an important goal for APEC. APEC embodies diversity itself, bringing together cultures and people from all around the Pacific Rim with the shared aim of a better collective future. Developing strength from diversity will be a key point of focus in 2004.

APEC aims to raise awareness of training for sustainable development in the tourism industries of APEC Member Economies, as well as facilitating the exchange of tourism information. Access to information plays a significant role in the future development of the tourism service industry which is a main catalyst for growth in the APEC Region



ECONOMIC DATA

Member Economy	Area ('000 sq km)	Population (million)	Current Price GDP (US\$bn)	Current GDP per capita (US\$)	Exports (US\$million)	Imports (US\$million)
Australia	7,682	19.3	399	20,143	65,064	69,551
Brunei Darussalam	6	.36	4	12,911	3,380	1,612
Canada	9,971	31	736	23,428	252,381	244,179
Chile	757	15.4	66	4,414	18,285	17,288
People's Republic of China	9,561	1,285	1,287	1,002	325,642	295,303
Hong Kong, China	1	7	162	23,720	201,149	207,167
Indonesia	1,904	214.8	173	807	65,292	40,035
Japan	378	127.3	3,986	31,408	417,165	337,957
Republic of Korea	99	47.1	476	9,965	162,471	152,126
Malaysia	333	22.6	95	3,869	95,111	82,149
Mexico	1,973	100.4	637	6,256	149,196	157,856
New Zealand	271	3.8	58	14,916	14,159	15,097
Papua New Guinea	463	4.6	3	558	2,702	1,195
Peru	1,285	26.1	57	2,126	6,933	7,167
Republic of the Philippines	300	77.1	78	939	37,365	40,300
Russia	17,075	144.7	347	2,385	101,807	46,465
Singapore	1	4.1	87	20,895	125,087	116,482
Chinese Taipei	36	22.3	282	12,467	130,554	112,814
Thailand	513	63.6	126	1,991	68,594	64,614
United States of America	9,373	285.9	10,446	36,407	693,103	1,161,366
Viet Nam	331	79.2	34	423	15,236	18,295



Area; Population

Source: *The Economist, Pocket World in Figures, 2004 Edition*

Current Price GDP, Current GDP Per Capita, Exports and Imports

Source: *The APEC Region Trade and Investment 2003*

On the Web

The APEC Secretariat – www.apec.org contains information about APEC developments, issues and work programs and an APEC event calendar and links to key APEC websites.

Chile 2004 Website – www.apec2004.cl provides information about the themes and objectives of Chile year as well as a schedule of meetings in 2004.

Thailand 2003 Website – www.apec2003.org provides information about the meetings and outcomes of Thailand year as well as the schedule of meetings for 2003.

Electronic Individual Action Plans - www.apec-iaa.org contains the Individual Action Plans of all 21 Member Economies, which detail the individual actions taken to meet APEC's free trade and investment goals.

Publications

APEC publications can be downloaded free of charge from the APEC Secretariat website, www.apec.org.

Key APEC Documents 2003 outlines the key policy decisions and initiatives endorsed by Leaders and Ministers, which provide the direction for on-going APEC work. Also available in this publication are the 2003 APEC Leaders' Declaration and Statements from Ministerial Meetings.

Update of APEC Activities provides a concise summary of activities across the full spectrum of APEC's work program. This publication is updated twice a year.

2003 APEC Economic Outlook updates and summarizes recent economic developments and short-term prospects for all APEC Member Economies. Also provided are the results of a study, "Role and Development of Specialized Financial Institutions".

2003 Annual Report to Ministers – APEC Committee on Trade and Investment outlines the accomplishments of the CTI over the last 12 months and recommendations in the key priority areas of APEC’s trade and investment liberalization and facilitation agenda.

2003 APEC SOM Report on Economic and Technical Cooperation (ECOTECH) contains information on ECOTECH activities carried out by APEC fora and reports the implementation of key ECOTECH initiatives. ECOTECH priorities include - Integration into the Global Economy, Counterterrorism Capacity Building, Development of Knowledge-Based Economies, and Addressing the Social Dimensions of Globalization.

2003 Drivers of the New Economy in APEC: Innovation and Organizational Practices brings together research from Singapore and Canada into the nature and causes of the creation of knowledge-based economies (KBes) and how public policy can support KBes.

Ordering Publications

Hard copy publications can be purchased from APEC. Order by any of the following:

Phone: (65) 6775 6012

Fax: (65) 6775 6013

Email: jt@mail.apecsec.org.sg

Mail: APEC Secretariat,
35 Heng Mui Keng Terrace
Singapore 119616



KEY CONTACTS

Inquiries about APEC may be directed to the Secretariat or to the following officials in the member economies:

Australia

Director

Business Facilitation and Secure Trade Section

APEC Branch

Trade Development Division

R G Casey Building

John-McEwen Crescent

Barton ACT 0221

Tel: (61-2) 6261 2727

Fax: (61-2) 6261 3009

E-mail: apec@dfat.gov.au

Brunei Darussalam

Head of International Relations and Trade Development Division

Ministry of Industry & Primary Resources

Jln Menteri Besar BB 3910

Tel: (673-2) 381 601/382-822

Fax: (673-2) 382 846

E-mail: irttd@brunet.bn

Dept of Multilateral Economics

Ministry of Foreign Affairs

Bandar Seri Begawan BD2710

Tel: (673-2) 262 483

Fax: (673-2) 262 480

E-mail: fadilah.ahmad@mfa.gov.bn

Canada

Director

International Economic Relations & Summits Division

Department of Foreign Affairs & International Trade

Lester B. Pearson Building

125 Sussex Drive, Ottawa

Ontario K1A 0G2

Tel: (1-613) 995 8661

Fax: (1-613) 944 2732

E-mail: apec.canada@dfait-maeci.gc.ca

Chile

Head, Bilateral International Economic Directorate

General Directorate of International Economic Affairs

Ministry of Foreign Affairs

Alameda B O'Higgins 20

1315, 2nd Floor, Piso 2, Santiago

Tel: (56-2) 565 9304

Fax: (56-2) 696 0639

E-mail: apecdept@direcon.cl

Head, APEC Department

See address details above

Tel: (56-2) 565 9350

Fax: (56-2) 696 0639

E-mail: apecdept@direcon.cl

People's Republic of China

Director

Asia-Pacific Division

Department of International Organizations

Ministry of Foreign Affairs

No 2 Chao Yang Men Nan Da Jie

Beijing 100701

Tel: (86-10) 6596 3162

Fax: (86-10) 6596 3160

E-mail: apec-china@mfa.gov.cn

Hong Kong, China

APEC Liaison Office

Trade & Industry Department

Hong Kong Special Administrative Region

17/F, Trade & Industry Department Tower

700 Nathan Road, Kowloon

Tel: (852) 2398 5535

Fax: (852) 2787 7799

E-mail: hkcapec@tid.gov.hk

Website: www.gov.hk/tid

Indonesia

Director for Intra-Regional Cooperation in Asia Pacific & Africa

Department of Foreign Affairs

Jalan Taman Pejambon No. 6

Jakarta Pusat Jakarta 10110

Tel: (62-21) 381 1083

Fax: (62-21) 384 4867

E-mail: dirhenb@deplu.go.id

dithenb@deplu.go.id

Japan

Director

Ministry of Foreign Affairs

2-11-1 Shiba-koen, Minato-ku

Tokyo 105-8519

Tel: (81-3) 6402 2229

Fax: (81-3) 6402 2221

E-mail: apec.japan@mofa.go.jp

Director

Trade Policy Bureau

Ministry of Economy, Trade & Industry

1-3-1, Kasumigaseki, Chiyoda-ku

Tokyo 100-8901

Tel: (81-3) 3501 1655

Fax: (81-3) 3501 1592

E-mail: takagi-seiji@meti.go.jp

cc : apec-meti@meti.go.jp

Republic of Korea

Deputy Minister for Trade

Ministry of Foreign Affairs & Trade

Room 811-1, 95-1 Doryum-dong

Jongno-gu, Seoul 110-760

Tel: (82-2) 2100 7649

Fax: (82-2) 2100 7980

E-mail: apeco@mofat.go.kr

Malaysia

Director, Asia Pacific Economic Cooperation

Ministry of International Trade & Industry

5th Floor, Block 10, Government Offices Complex

Jalan Duta, 50622 Kuala Lumpur

Tel: (60-3) 6203 1294

Fax: (60-3) 6203 1305

E-mail: jayasiri@miti.gov.my

Mexico

Director General for Multilateral Trade Affairs

Ministry of the Economy

Alfonso Reyes #30 - 1er. Piso

Col. Hipodromo Condesa

Delg. Cuauhtemoc

C.P. 06140 Mexico D.F.

Tel: (52-55) 5729 9172

Fax: (52-55) 5729 9313

E-mail: apecmx@economia.gob.mx

New Zealand

New Zealand APEC Senior Official

Ministry of Foreign Affairs & Trade

Private Bag 18901, Wellington

Tel: (64 4) 439 8046

Fax: (64 4) 439 8545

E-mail: nzapec@mft.govt.nz

Papua New Guinea

Director-General (PNG APEC Secretariat)

Department of Prime Minister &

National Executive Council

Marauta Haus

P. O. Box 639, Waigani 131 N.C.D

Tel: (675) 327 6684/6574

Fax: (675) 323 3903

E-mail: apecpng@global.net.pg

Peru

Senior Official of Peru to APEC

Director of Asia & Oceania Affairs

Ministry of Foreign Affairs

Jr Lampa No 545, 4th Floor

Lima 1

Tel: (51-1) 311 2573

Fax: (51-1) 311 2564

E-mail: jcapunay@reee.gob.pe

Republic of the Philippines

Acting Senior Official for APEC

Special Assistant - Office of the Undersecretary for

International Economic Relations and APEC National Secretariat

Department of Foreign Affairs

14th Floor, DFA Bldg.

2330 Roxas Blvd, Pasay City 1300

Metro Manila

Tel: (63-2) 834 3047/834 3019

Fax: (63-2) 834 1451

E-mail: ouvier@dfa.gov.ph

amstacatalina@dfa.gov.ph

noelnovicio@dfa.gov.ph

The Russian Federation

Head of APEC Division

Ministry of Foreign Affairs

32/43 Smolenskaya-Sennaya

121200 Moscow

Tel: (7-095) 244 4128

Fax: (7-095) 241 3917

E-mail: apec.russia@mid.ru

Singapore

Director, Trade Division

Ministry of Trade & Industry

100 High Street #09-01

The Treasury

Singapore 179434

Tel: (65) 6332 7207

Fax: (65) 6334 8152

E-mail: MTI_APEC@mti.gov.sg

Chinese Taipei

Director General

Department of International Organizations and

APEC Senior Official

Ministry of Foreign Affairs

2 Kaitakelan Blvd, Taipei

Tel: (886-2) 2348 2550

Fax: (886-2) 2382 1174

E-mail: apecct@mofa.gov.tw

thcheng@mofa.gov.tw

Thailand

Director-General

Department of International Economic Affairs

Ministry of Foreign Affairs

Sri Ayudhya Road, Ratchatewee

Phayathai Bangkok 10400

Tel: (66-2) 643 5123

Fax: (66-2) 643 5247

E-mail: apecdesk@mfa.go.th

United States of America

Director

Office of Economic Policy

Bureau of East Asian & Pacific Affairs

U.S. Department of State

EAP/EP Room 5317

Washington, D.C. 20520-6310

Tel: (1-202) 647 4835

Fax: (1-202) 647 0136

E-mail: TsaiS@state.gov

dosapec@state.gov

Viet Nam

Deputy Director General

Department of Multilateral Economic Cooperation

Ministry of Foreign Affairs

8 Khuc Hao Street

Ha Noi

Tel: (84-4) 199 3817

Fax: (84-4) 199 3618

E-mail: apec@mofa.gov.vn

apec@mot.gov.vn

APEC OFFICIAL OBSERVERS (3)

Association of South East Asian Nation (ASEAN) Secretariat

Director for the Bureau of Economic Cooperation

The ASEAN Secretariat

70A Jalan Sisingamangaraja

P O Box 2072, Kebayoran Baru

Jakarta, Indonesia

Tel: (62-21) 726 2991 ext. 361

Fax: (62-21) 739 8234

E-mail: vinh@aseansec.org

Pacific Economic Cooperation Council (PECC)

Director General

PECC International Secretariat

4 Nassim Road

Singapore 258372

Tel: (65) 6735 1801

Fax: (65) 6737 9824

E-mail: peccsec@pecc.net

Pacific Islands Forum (PIF)

Director, Trade and Investment Division

Pacific Islands Forum Secretariat

Ratu Sukuna Road

GPO Box 856

Suva, Fiji

Tel: (679) 3312 600

Fax: (679) 3305 573

E-mail: jaindrak@forumsec.org.fj