Asia-Pacific
Economic Cooperation

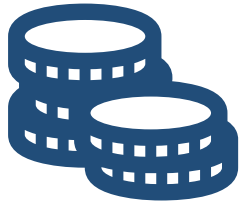
APEC Regional Trends Analysis

November 2026 • Policy Support Unit

APEC Regional Trends Analysis



GDP Growth and Outlook



Inflation and Monetary Policy



Trade Performance



Market Valuation Risks



Government Debt



Suggested Policy Options

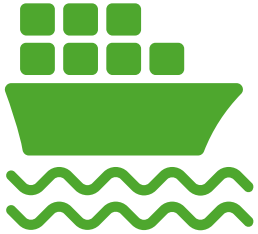
KEY POINTS



Growth faces offsetting shocks, as investments in new and emerging technologies are expected to boost productivity while surging energy prices weigh on economic activity.



Higher energy and food prices are expected to fuel inflation in 2026, prompting monetary policy tightening in some economies.



Tech-driven merchandise trade and air freight have strengthened, but weaker maritime shipping and the rise of trade-restrictive measures signal fragility.



Rising sovereign yields and interest burdens keep fiscal conditions tight, while strong tech valuations leave markets vulnerable to a correction.

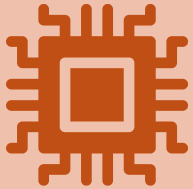
DOWNSIDE RISKS



Prolonged Geopolitical and Trade Tensions



Escalating Fiscal Pressures



Risks From Massive Investments in New and Emerging Technologies

UPSIDE OPPORTUNITIES



Productivity Gains from Technology-Driven Investments

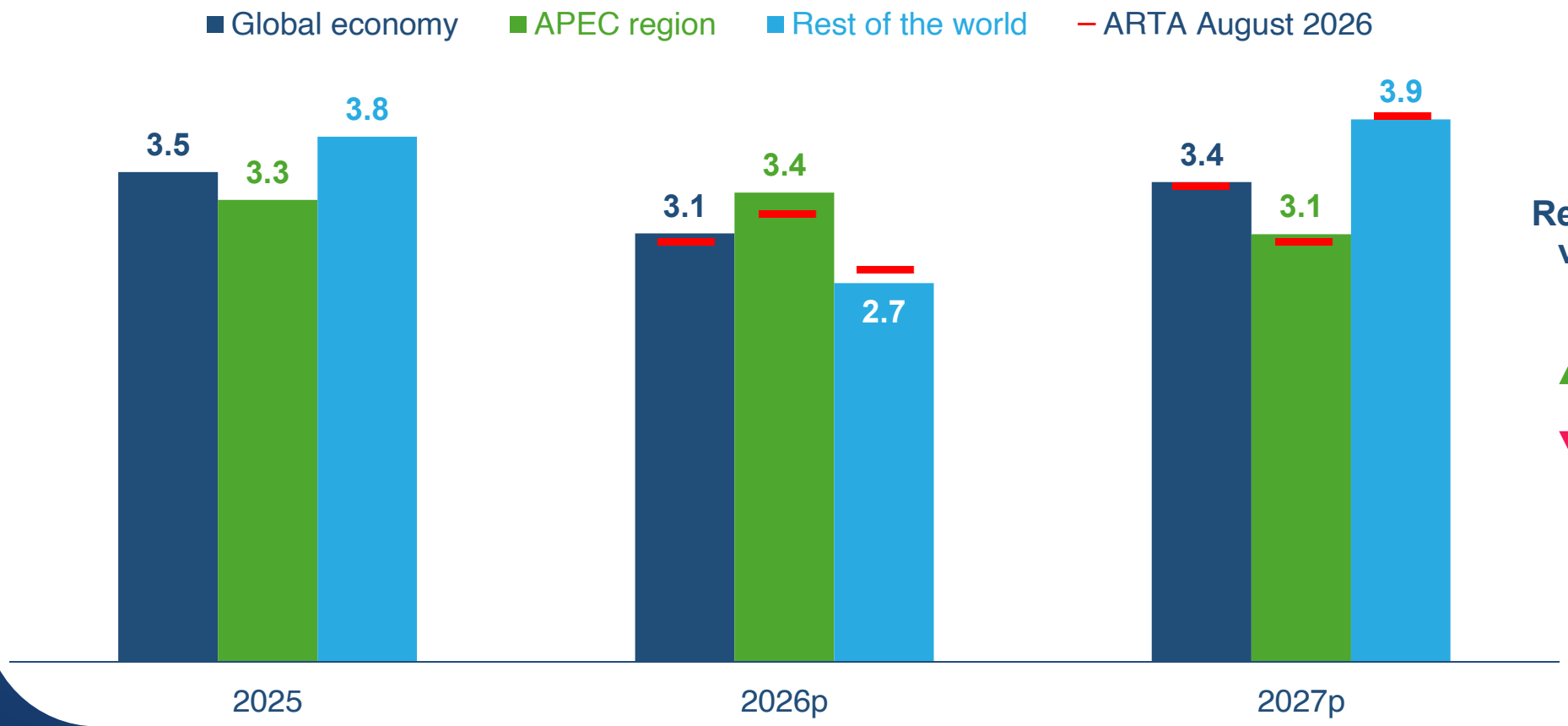


Stronger Domestic Demand



Timely Policy Actions

GDP Growth Outlook: Global, APEC, and ROW (%, y-o-y)



Revised 2026 projections vs. ARTA August 2026

Higher: 14 economies

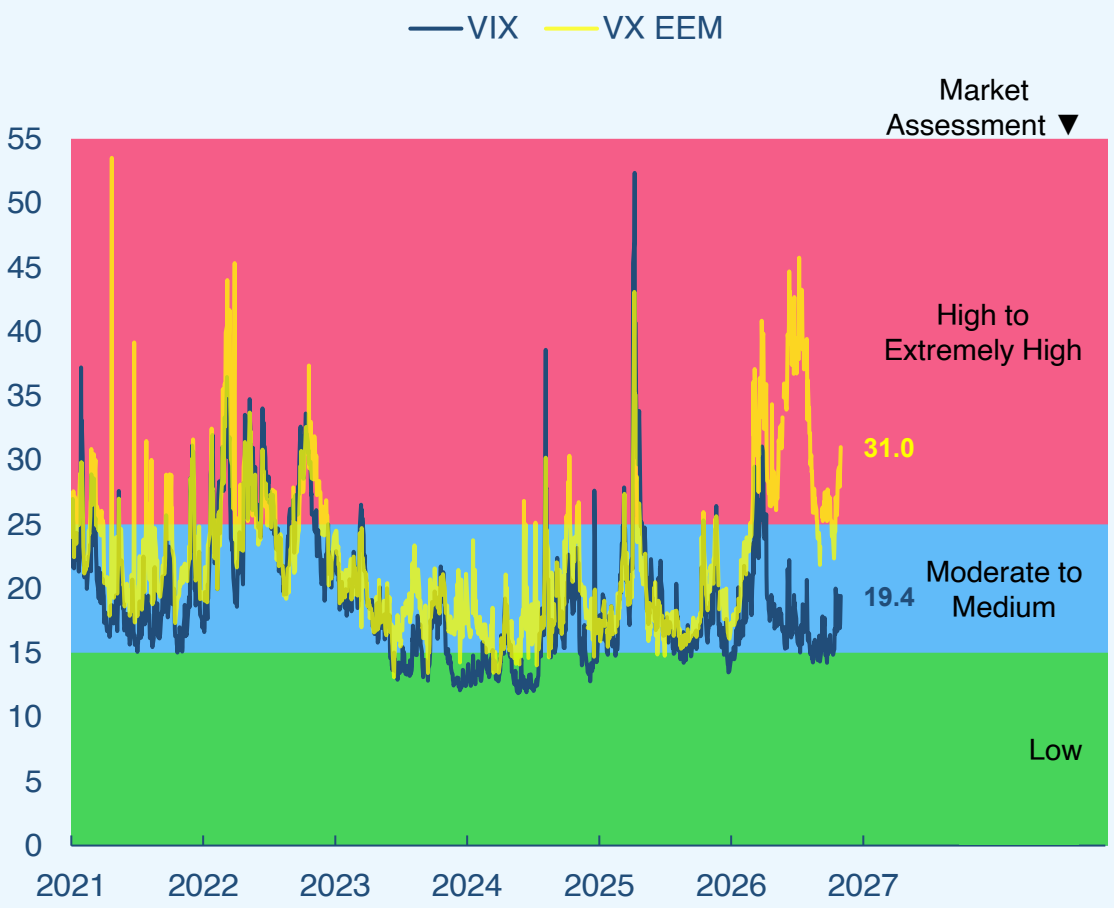
Lower: 7 economies

APEC growth in 2026 is being powered by digital investments, but clouded near-term economic prospects threaten to dampen momentum.

Source: International Monetary Fund World Economic Outlook (IMF WEO) October 2026; Economy sources; APEC PSU staff calculations.

CBOE Volatility Indices

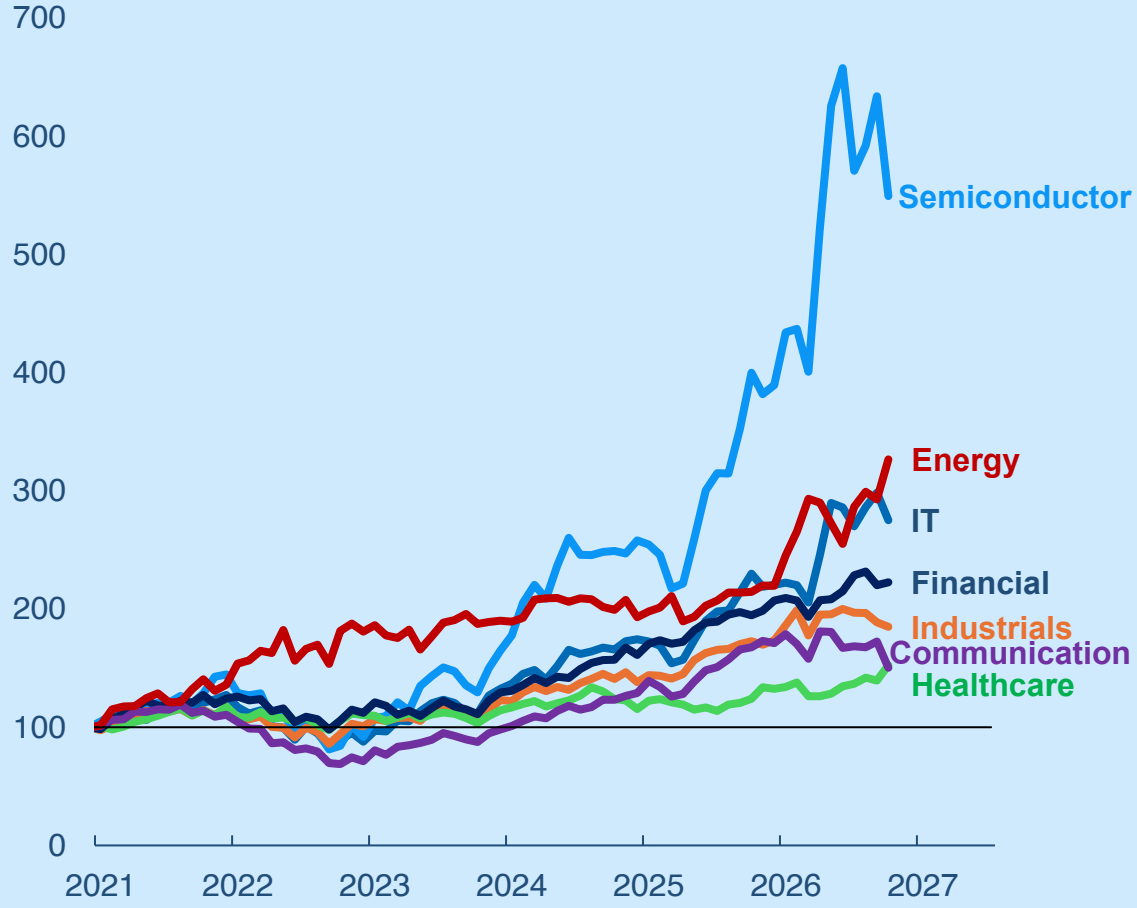
(%, annualized expected volatility)



Note: As of 30 October 2026. VIX refers to the CBOE Volatility Index which represents the S&P500 Index. VX EEM refers to the CBOE Emerging Markets Volatility Index which represents large- and mid-cap equities across 24 emerging markets, including 10 APEC economies.

MSCI ACWI Sectoral Indices

(Index, 1 January 2021 = 100)

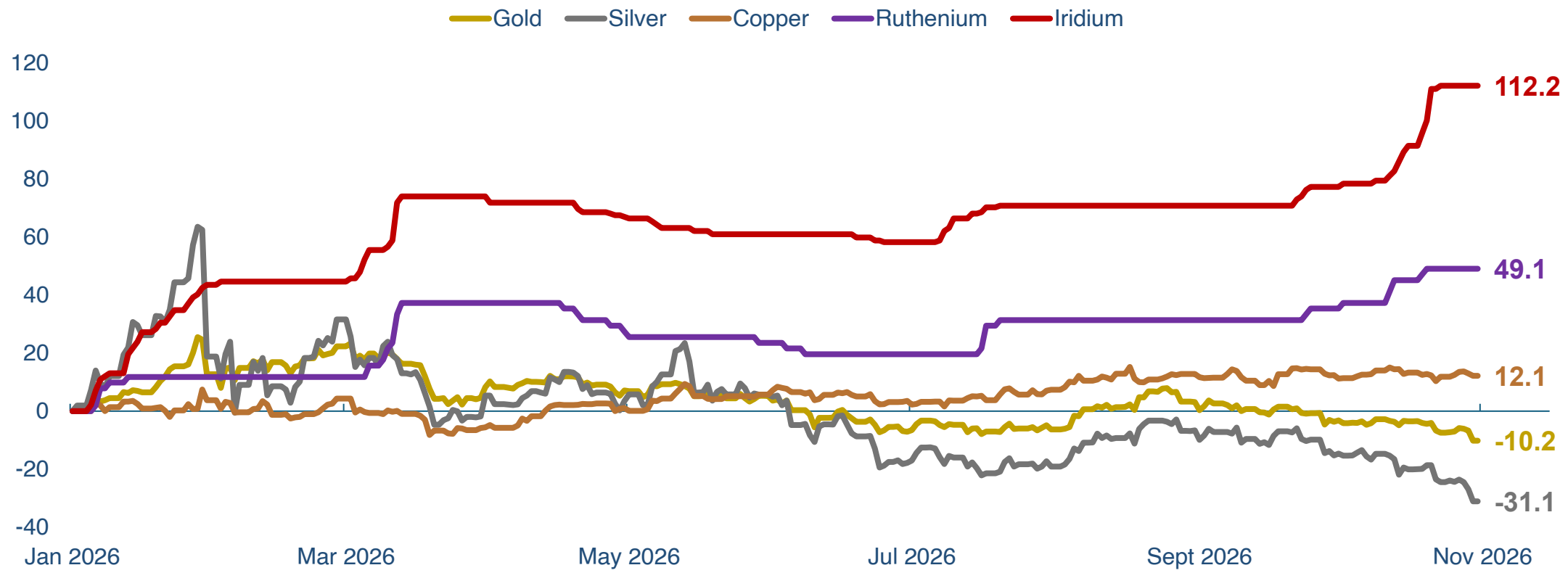


Note: As of 31 October 2026. Index presented are on net return basis.

Technology and semiconductor stocks continue to lead global markets, buoyed by strong demand expectations, although elevated valuations heighten the risk of a market correction.

Source: CBOE Global Markets; MSCI Inc.; APEC PSU staff calculations.

Precious Metals Prices (%, year-to-date change)

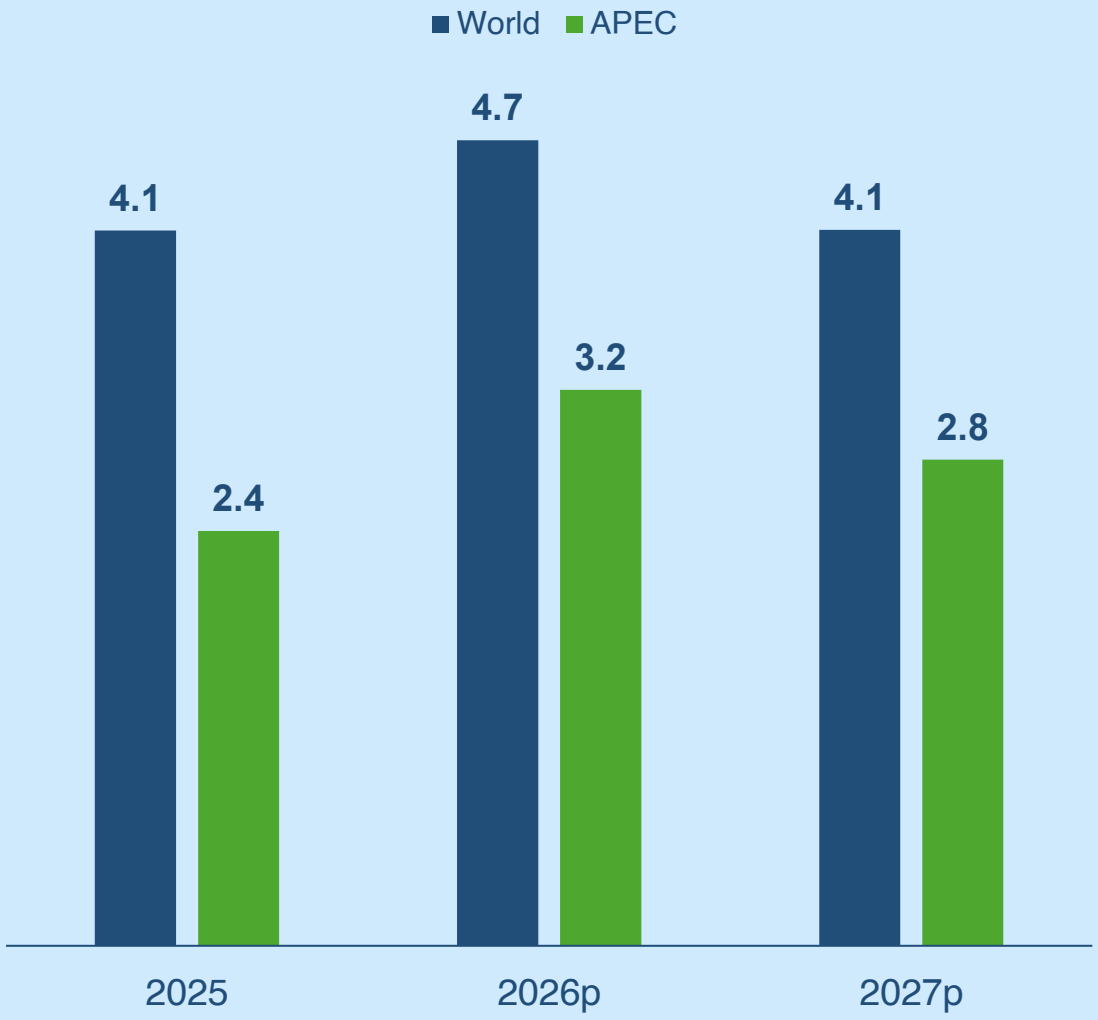


Note: As of 31 October 2026.

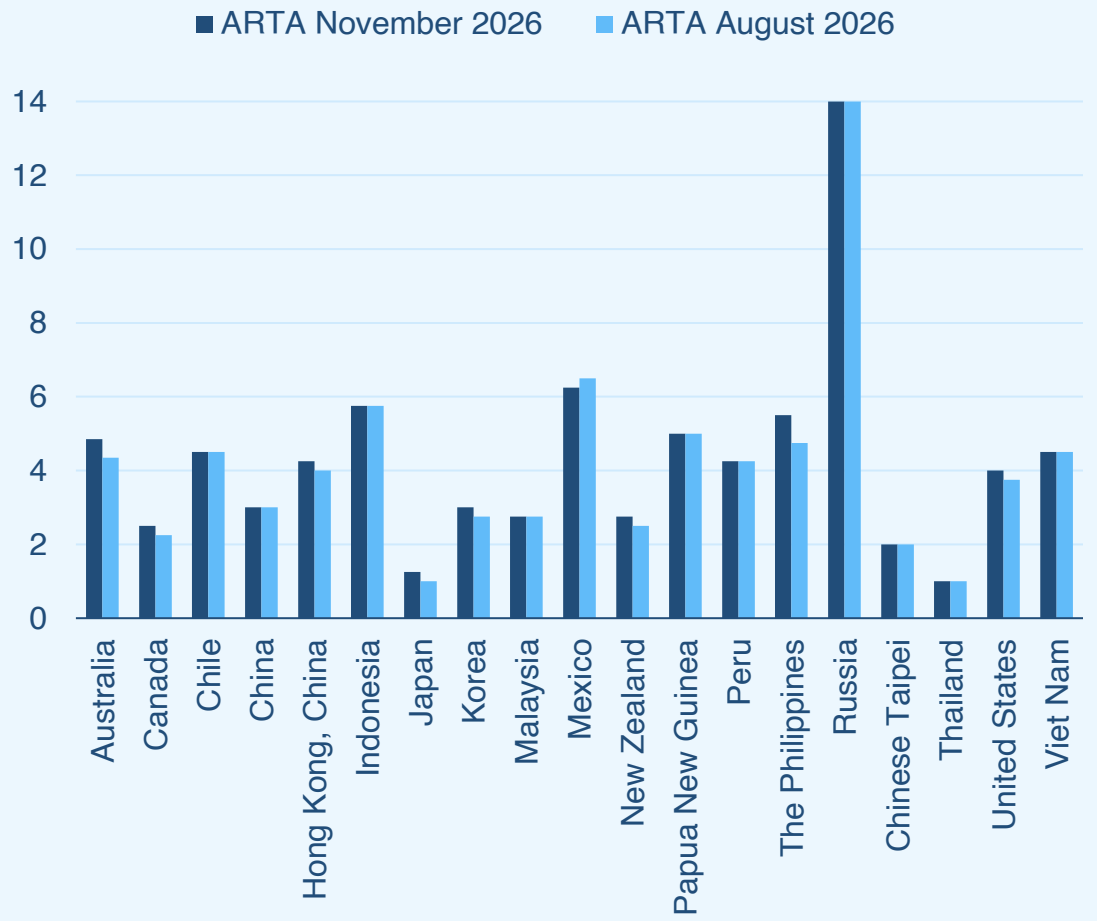
Precious metal prices have diverged, with sharp gains in industrial and electronic metals driven by IT sector demand.

Source: Business Insider – Markets Insider; Investing.com; APEC PSU staff calculations.

Average Inflation (%, y-o-y)



Monetary Policy Rate (%)

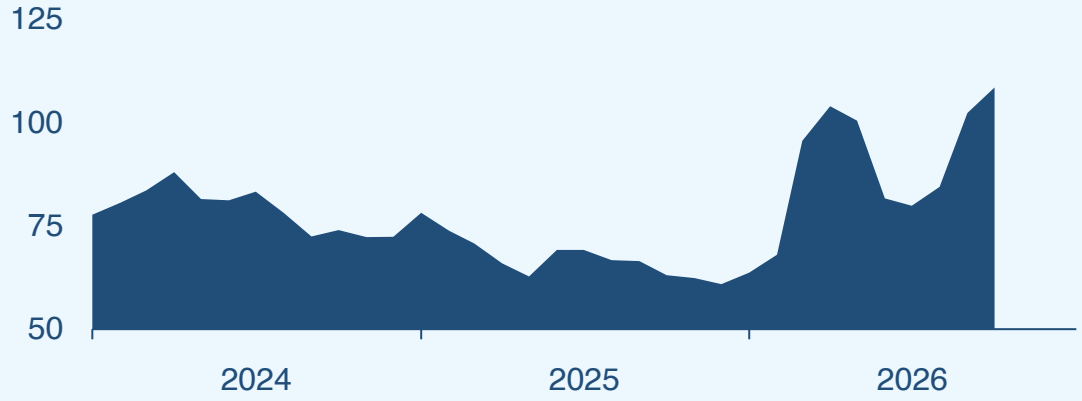


Note: As of 7 November 2026. The monetary policy framework in Brunei Darussalam is based on a currency board system, with the Brunei dollar anchored to the Singapore dollar at par. For Singapore, monetary policy is conducted through the trade-weighted exchange rate, which is allowed to fluctuate within a policy band.

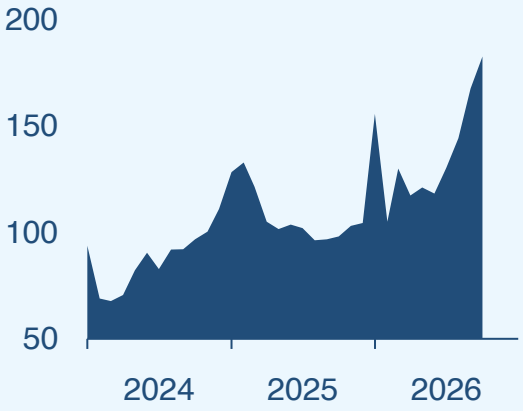
Inflation in APEC is expected to increase in 2026 before moderating in 2027, with some economies raising policy rates to address price pressures.

Source: IMF WEO October 2026; Economy sources; APEC PSU staff calculations.

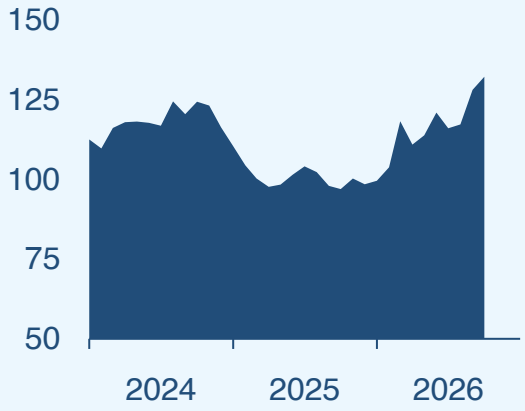
Crude Oil Price (USD/barrel)



LNG Price (Index, 2010 = 100)

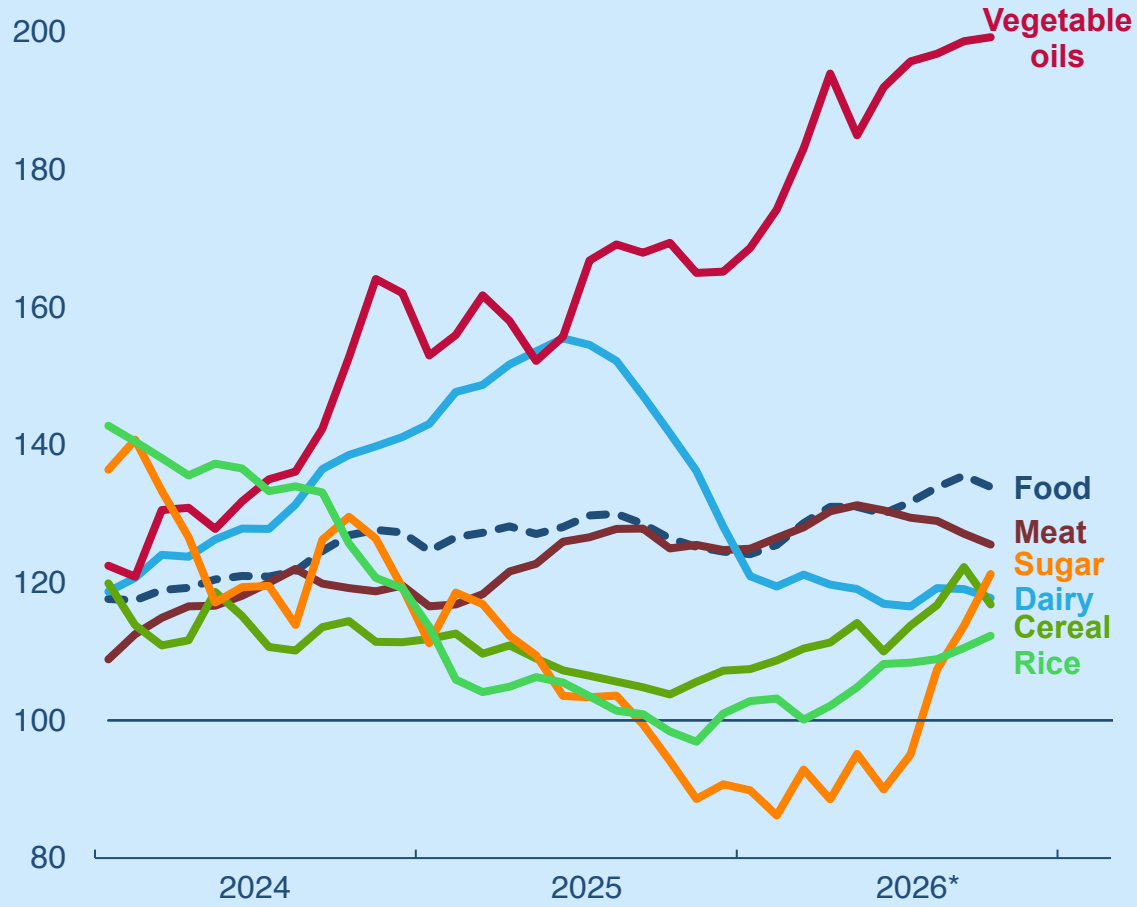


Coal Price (USD/metric tonne)



Note: As of 31 October 2026.

Food Prices (Index, 2014-2016=100)

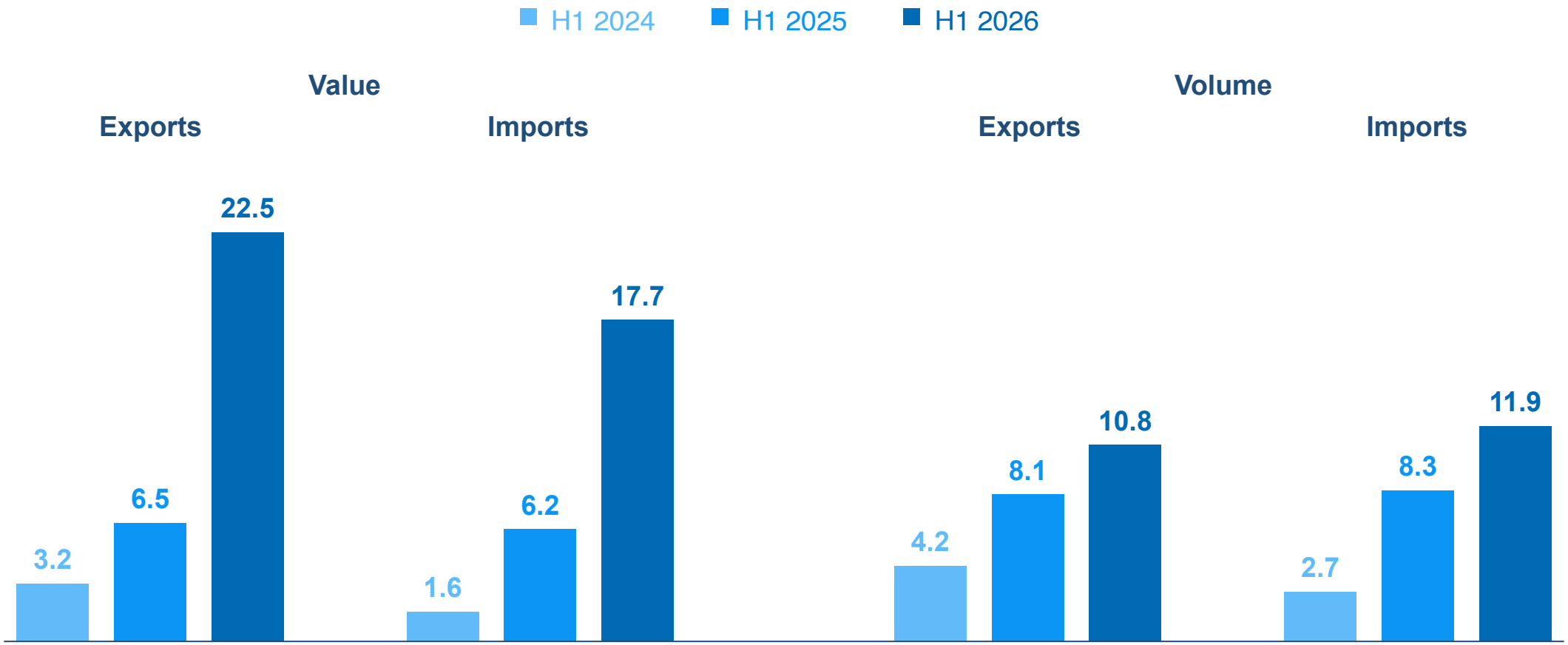


Note: *As of 31 October 2026.

Key energy prices climb anew, while food prices, particularly vegetable oils, cereals, and sugar remain on an upward trend.

Source: World Bank Commodity Markets Outlook; Investing.com; Food and Agriculture Organization (FAO) of the United Nations; APEC PSU staff calculations.

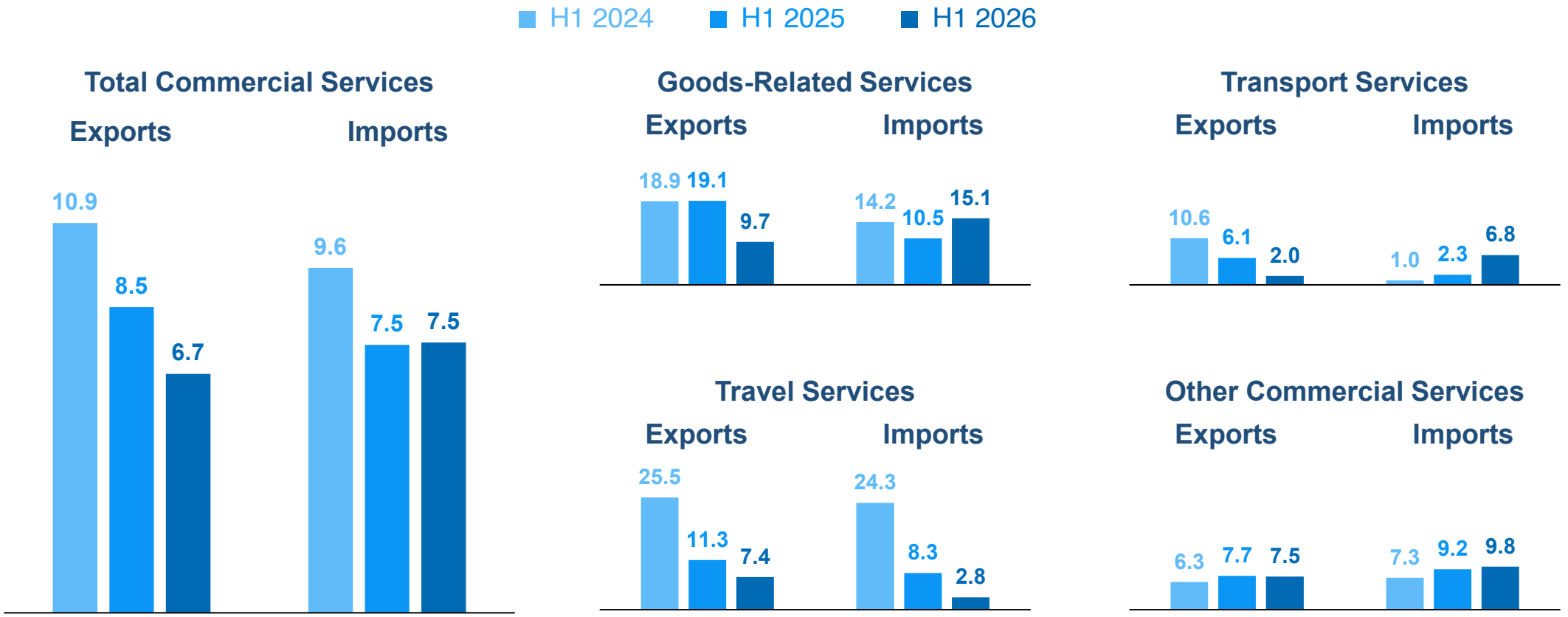
APEC Merchandise Trade Growth (%, y-o-y)



Merchandise trade has expanded sharply in the first half of 2026, boosted by investments in new and emerging technologies.

Source: World Trade Organization (WTO); Department of Economic Planning and Statistics (Brunei Darussalam); APEC PSU staff calculations.

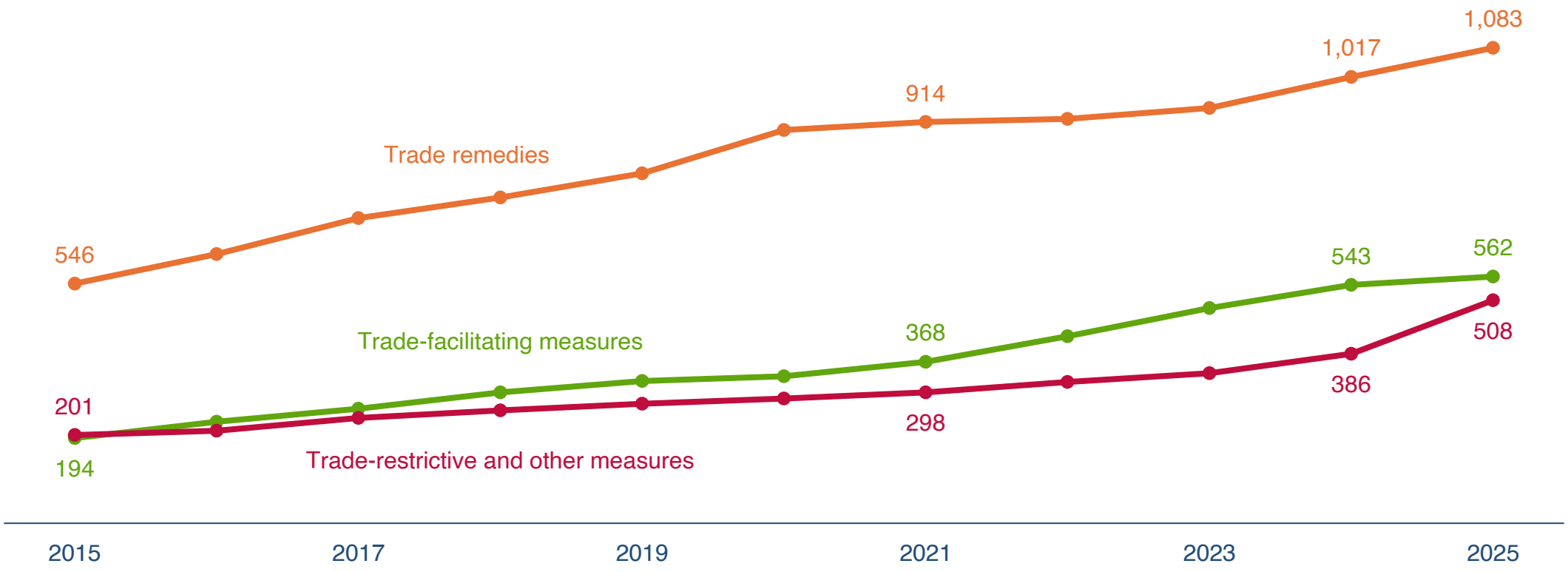
APEC Commercial Services Trade Value Growth (%, y-o-y)



Commercial services trade has moderated amid slower export growth in goods-related, transport and travel services.

Source: WTO; APEC PSU staff calculations.

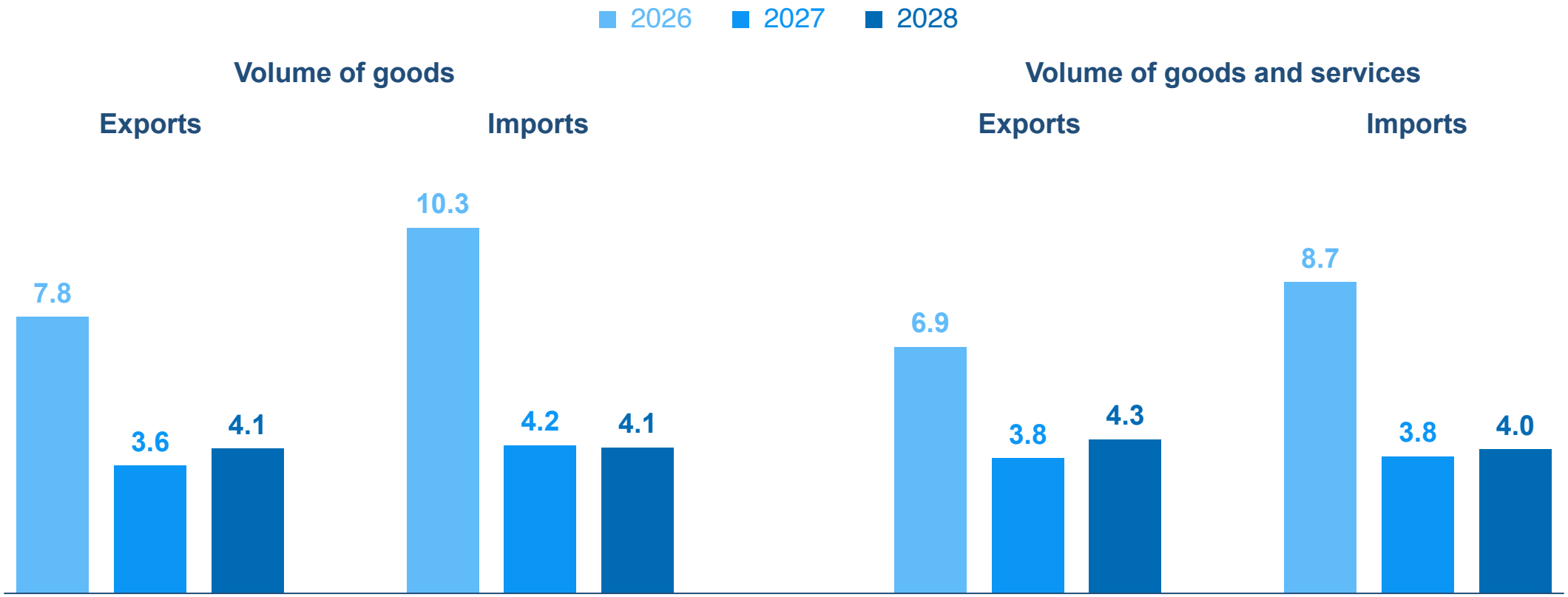
Number of Measures in Force in APEC by Category



Trade remedies and trade restrictions outnumber trade-facilitating measures, highlighting the need to avoid unnecessary restrictions on critical goods and inputs that could hamper trade.

Source: WTO Trade Monitoring Database; APEC PSU staff calculations

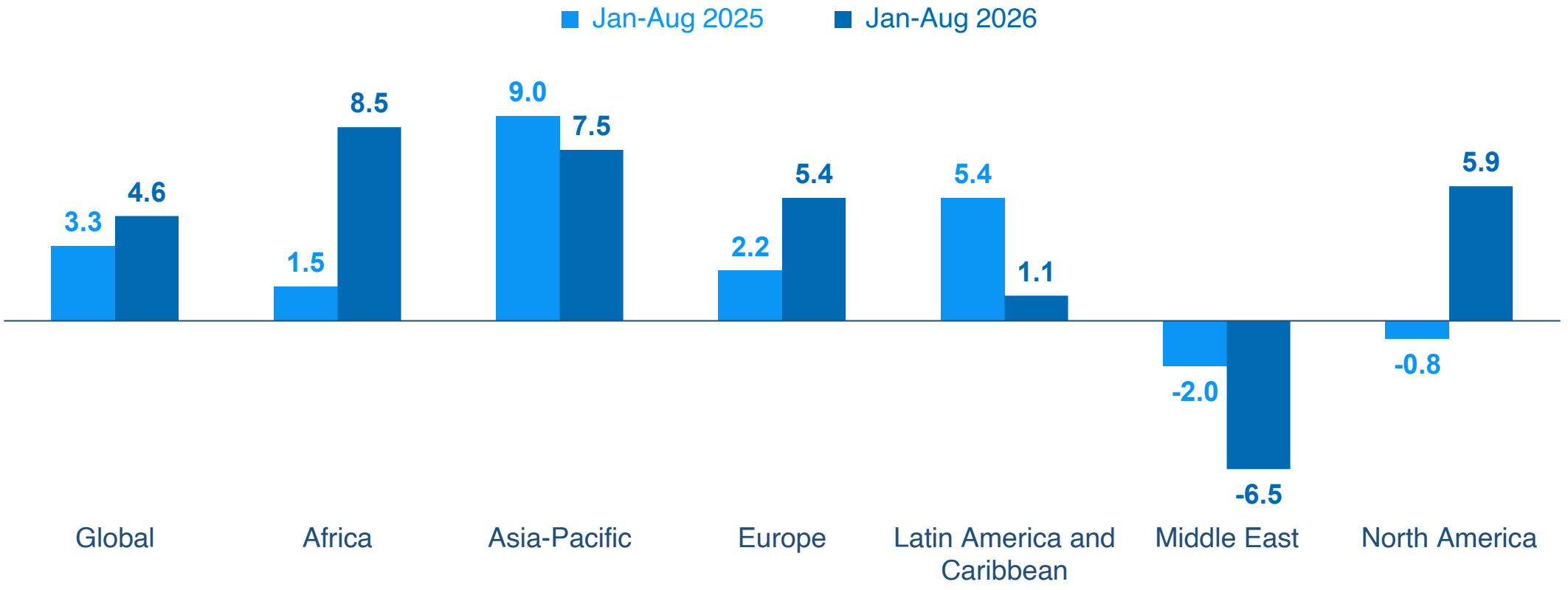
APEC Trade Outlook (%, y-o-y)



APEC trade is expected to continue to grow, but at a moderating pace through 2027 and 2028.

Source: IMF WEO October 2026; Economy sources; APEC PSU staff calculations.

Global Air Freight Volume (%, y-o-y)

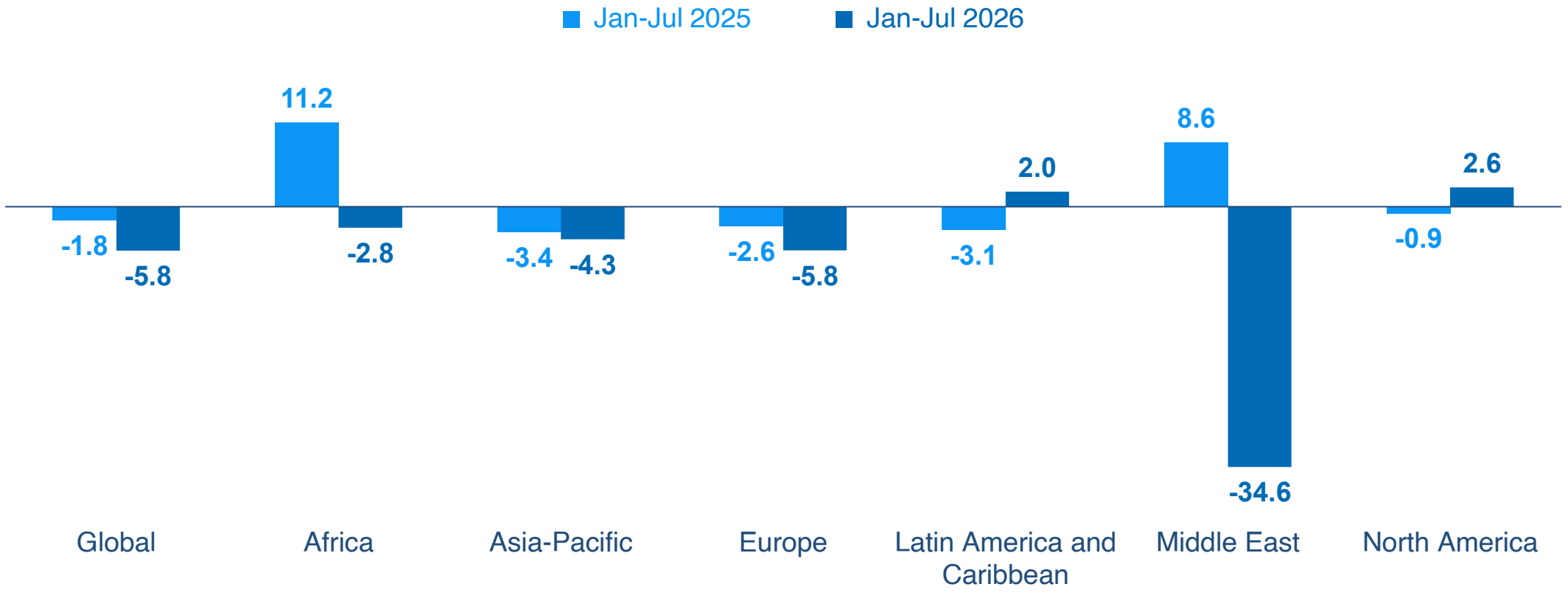


Note: Year-to-date as of August each year. Data combined both domestic and international traffic. Data are reported by economies where the air carriers are registered. Geographical regions follow IATA's definition.

Global air freight has strengthened in 2026, driven by continued expansion in Asia-Pacific, Africa, Europe and North America that offset Middle East contraction.

Source: International Air Transport Association (IATA) Air Cargo Market Analysis; APEC PSU staff calculations.

Global Maritime Freight Volume (%, y-o-y)

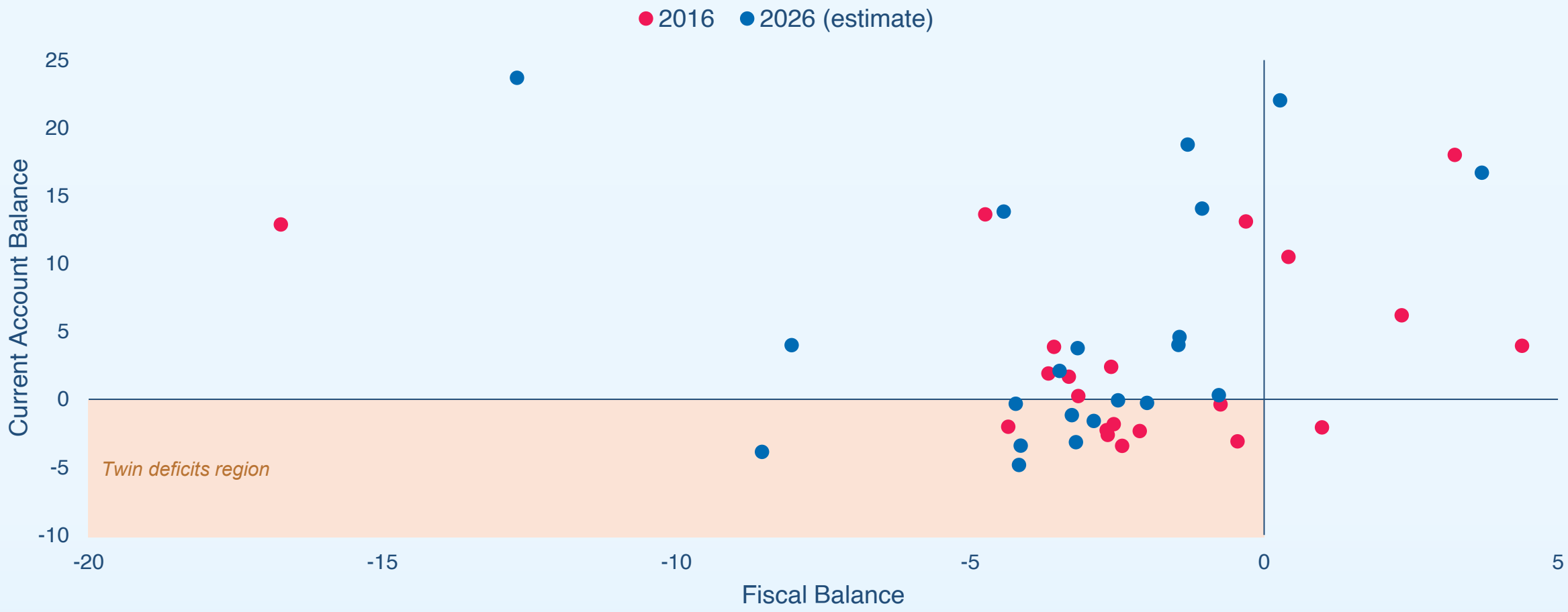


Note: Year-to-date as of July each year. Data are reported by location of ports in economies. Geographical regions follow IATA's definition to ensure consistency with the air freight data.

Maritime freight volume has weakened further in 2026, led by the sharp contraction in the Middle East alongside continued declines in Asia-Pacific and Europe.

Source: IMF Portwatch; APEC PSU staff calculations.

Fiscal Balance and Current Account Balance in APEC (% of GDP)

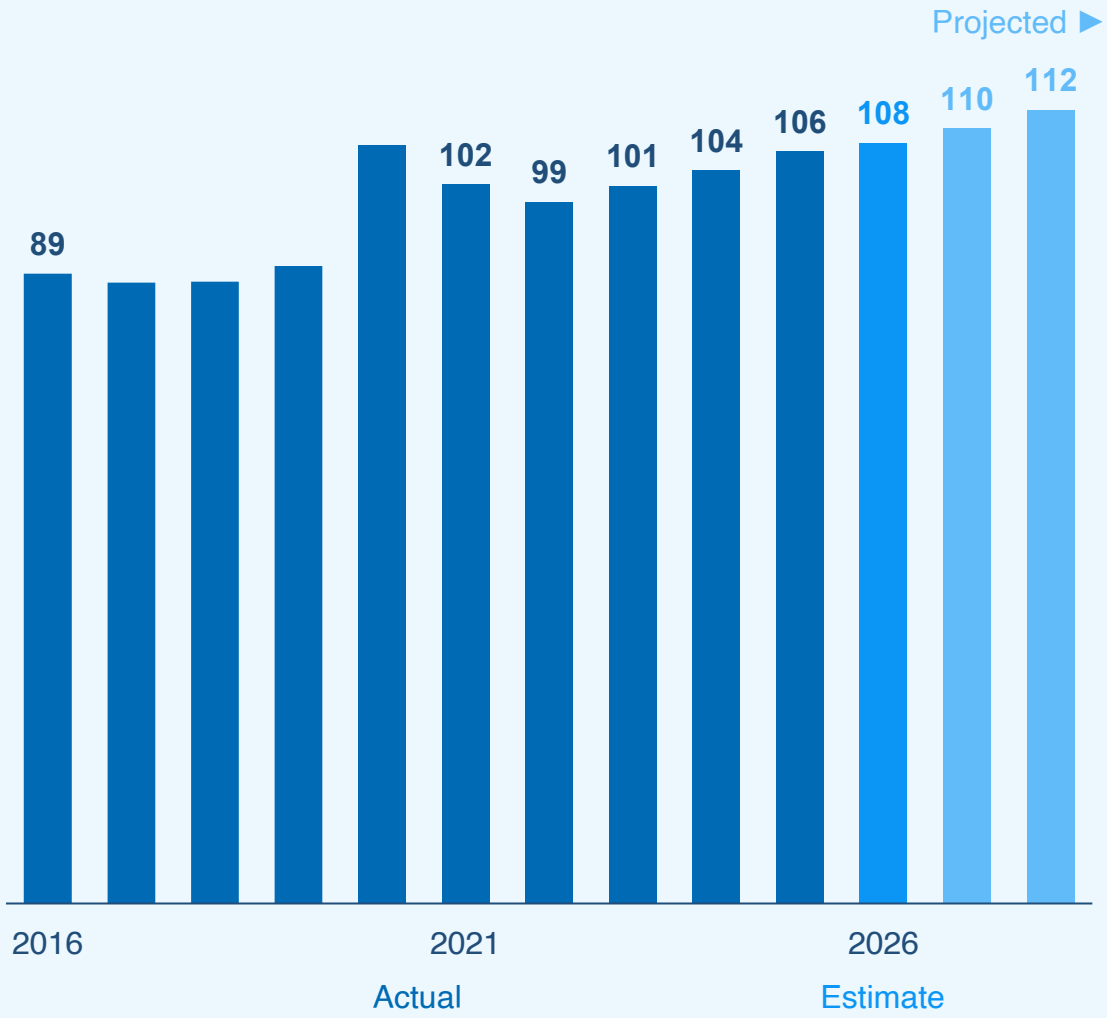


Note: Each datapoint represents an economy in the particular year.

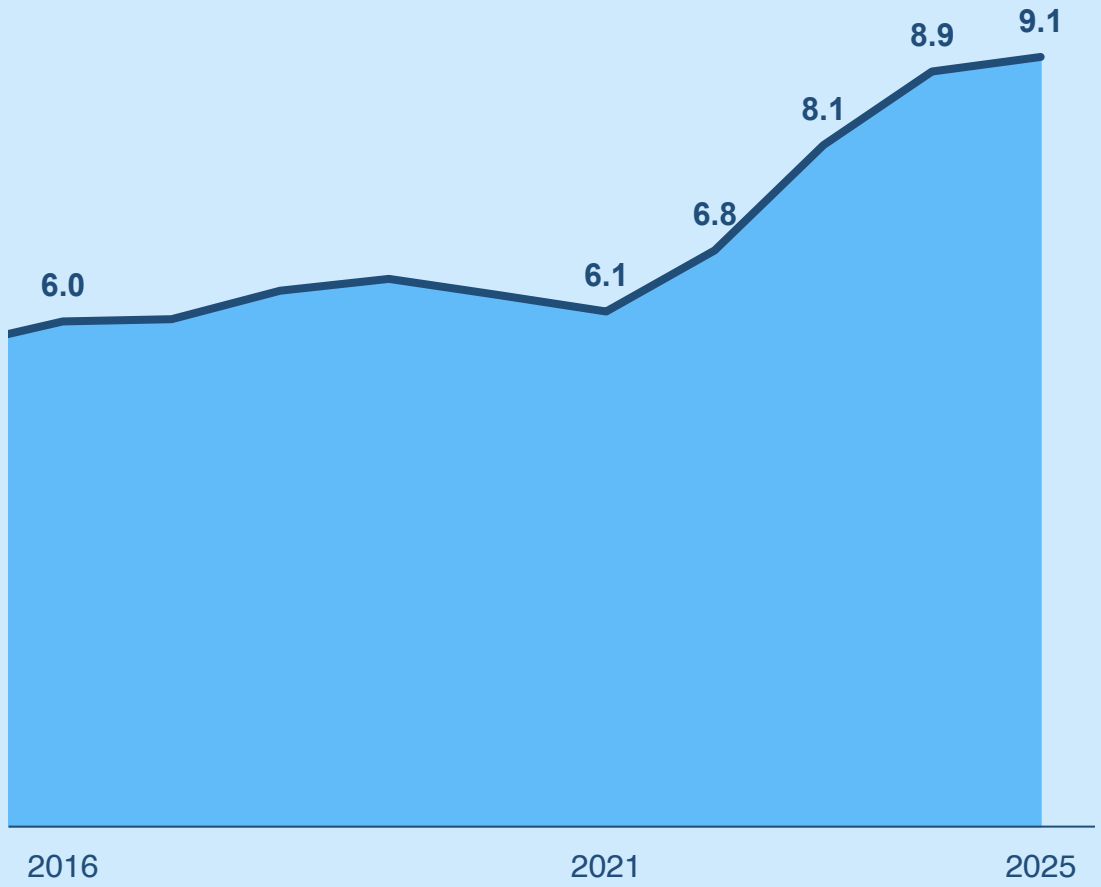
Twin deficits persist in some economies, but not region-wide, underscoring the need for policies that strengthen fiscal positions and support sustainable private saving and investment.

Source: IMF WEO October 2026; APEC PSU staff calculations.

APEC Gross Public Debt
(% of GDP, general government)



APEC Interest Payments
(% of annual revenue, general government)

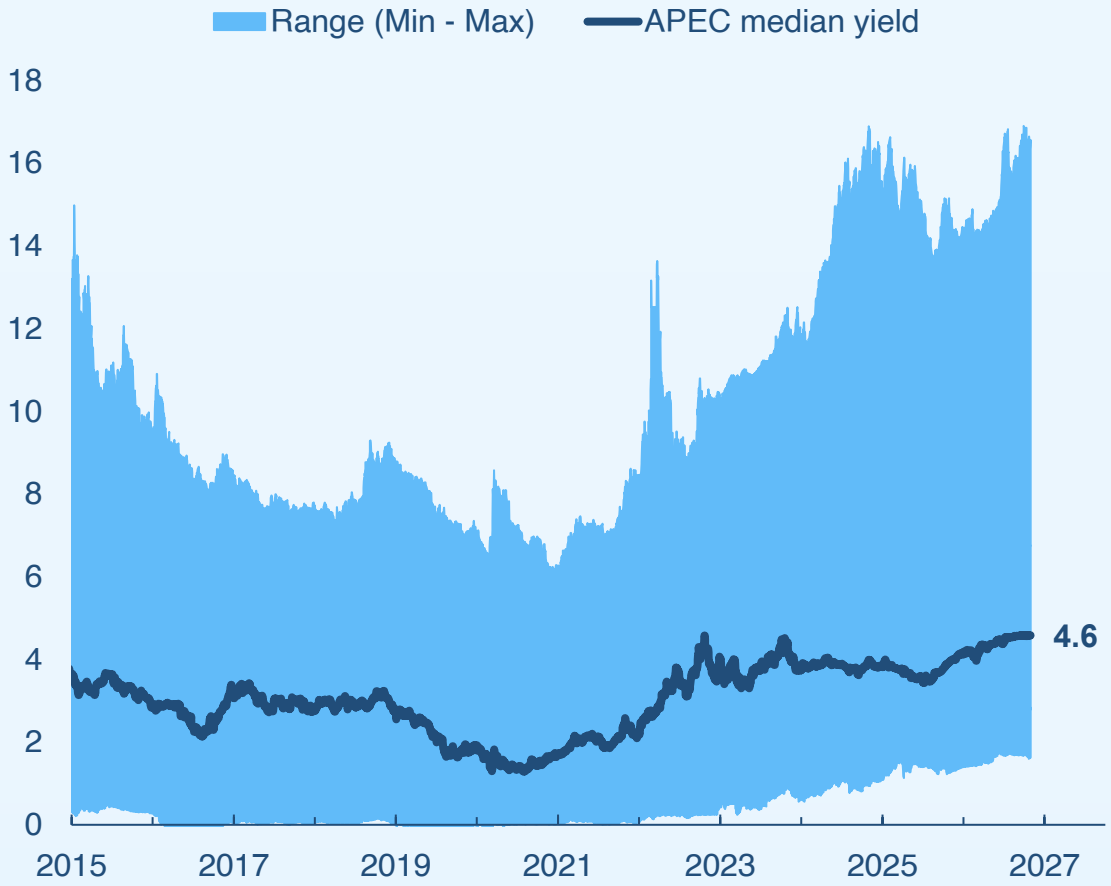


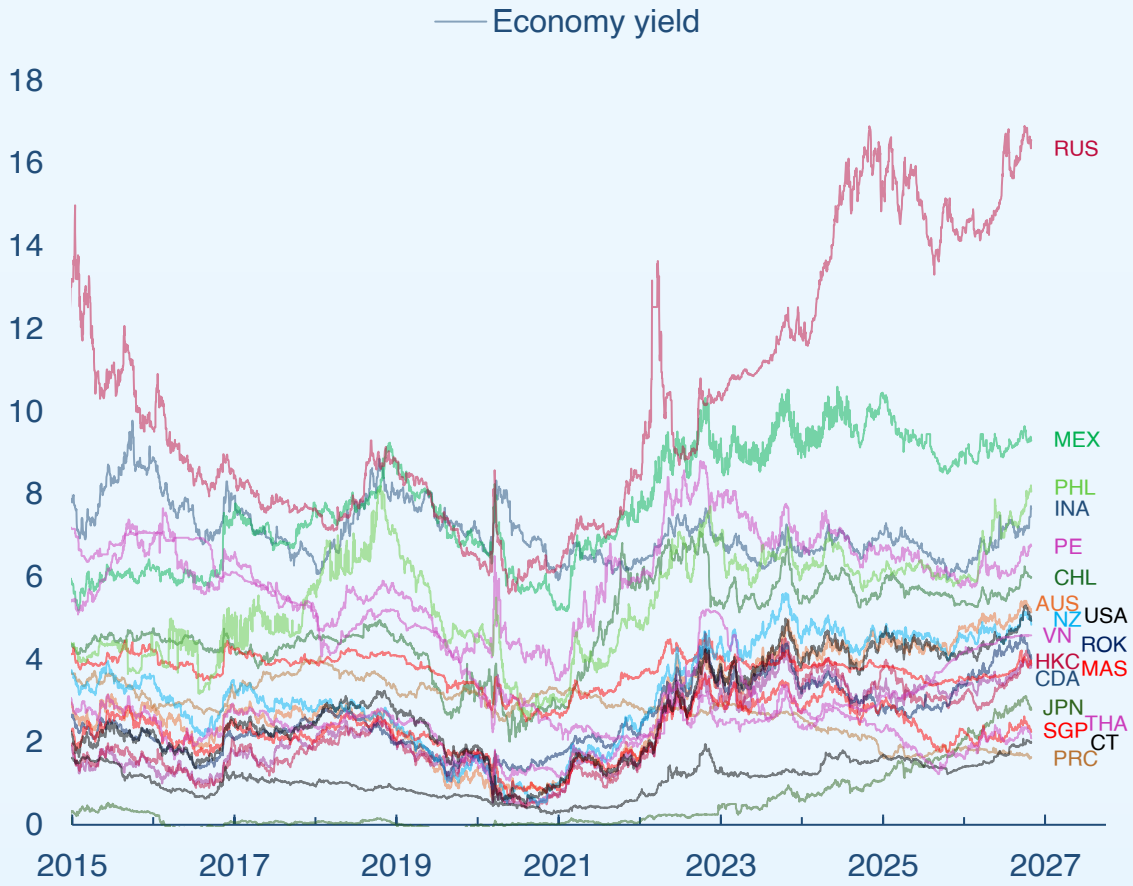
Note: Data for Brunei Darussalam are not available. Data for Malaysia; Papua New Guinea; Chinese Taipei; and Viet Nam reflect only central government general budget positions. For economies with unavailable data in 2025, figures are estimated based on the shares in 2024.

Elevated public debt and interest payments exert fiscal pressures, constraining governments' capacity to support growth and respond to future shocks.

Source: IMF WEO October 2026; IMF Government Finance Statistics; Economy sources; Müller et. al., The Global Macro Database; APEC PSU staff calculations.

APEC 10-Year Sovereign Bond Yields (%)





Note: As of 31 October 2026. Information above does not include Brunei Darussalam and Papua New Guinea due to the absence of comparable 10-year sovereign bond yield series. Brunei Darussalam issues sukuk securities with short-term maturities. While Papua New Guinea issues bonds with a 10-year maturity, publicly available yield data are based on individual auctions and tap facility rather than a continuous daily 10-year benchmark series.

Sovereign bond yields across APEC have climbed further since February 2026, pointing to tightening borrowing conditions.

Source: Investing.com; Economy sources; APEC PSU staff calculations.

Policy Priorities



Implement Agile and Effective Policy Mix

Monetary policy to focus on curbing inflation and anchoring expectations, while fiscal policy to prioritize fiscal consolidation and target temporary support where most needed.



Diversify Investments and Energy Sources

Diversify investments beyond new and emerging technologies to broaden growth drivers, while expanding energy sources to reinforce energy security.



Strengthen Trading Environment

Expand trading partners, export a broader mix of goods and services, secure alternative supply routes, and avoid trade-restrictive measures.



Fortify Multilateral Linkages

APEC plays a vital role to foster dialogue amid fragmentation, secure open markets for critical supplies, and collaborate on pragmatic approaches toward shared prosperity.

Asia-Pacific Economic Cooperation (APEC) was established in 1989. The 21 member economies are Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States; and Viet Nam.

APEC Policy Support Unit (PSU) is the policy research and analysis arm for APEC. It supports APEC members 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.

APEC Regional Trends Analysis (ARTA) is a serial publication of the PSU which provides an overview of the region's economy through an analysis of recent macroeconomic, trade and investment trends. It tracks recent trade and investment measures implemented around the region, and discusses risks and opportunities to the region's economic outlook.

This report was prepared by **Rhea Crisologo Hernando** and **Eldo Malba Simanjuntak**, Analyst and Researcher, respectively, at the PSU. The views expressed in the APEC Regional Trends Analysis are those of the authors and do not necessarily represent those of the APEC Member Economies. This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. To view a copy of this license, visit https://creativecommons.org/licenses/by-nc-sa/4.0/deed.en.



Asia-Pacific
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