



Embassy of the United States of America

Asia-Pacific Economic Cooperation (APEC)



During the annual meeting of APEC trade ministers in May 2011, Leonard Bends, a spiritual leader of the Crow tribe, offers a blessing at a reception in Big Sky, Montana. The 2.2 million-acre Crow Reservation is the largest of seven Indian reservations in Montana, which U.S. trade officials chose as the meeting place to offer attendees a “fresh perspective” on the diversity of trade in the U.S. *AP Images*

Established in 1989 and comprising 21 members, the Asia-Pacific Economic Cooperation (APEC) forum fosters growth and prosperity by facilitating economic cooperation and expanding trade and investment throughout the region. The economies that are members of APEC account for:

- 55 percent of world economic output.
- 43 percent of world trade.
- 58 percent of U.S. exports of goods.

APEC's 21 members are Australia, Brunei Darussalam, Canada, Chile,

China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, South Korea, Taiwan, Thailand, United States and Vietnam.

Sustainable Growth

The United States is working through the forum to balance growth within APEC economies. This includes increasing domestic demand in economies with trade surpluses, while increasing exports and private savings in economies that have trade deficits.

The United States also works through APEC to protect the

environment and ensure that long-term growth is more sustainable, even while promoting economic systems and rules that foster innovation and provide widespread benefits to society. APEC's agenda includes energy efficiency and low-carbon emissions, trade and investment in green technologies and development of emerging economic sectors.

APEC also seeks to empower citizens with the skills and opportunities to prosper in the global economy by fostering investment in education and worker retraining, small business development,

economic opportunities for women and improvement in social safety nets.

APEC 2011

For the first time since 1993, the United States is hosting APEC's annual meetings, culminating with the APEC Leaders meeting in Honolulu in November 2011. The United States is aiming to achieve tangible progress in three broad areas that are key to building a seamless regional economy.

Strengthen Regional Trade

- Define and address the next generation of trade and investment issues to establish a foundation for 21st century agreements in the region, including a Free Trade Area of the Asia-Pacific (FTAAP).
- Eliminate barriers to trade and prevent new barriers from emerging.
- Adopt effective, nondiscriminatory, market-driven innovation policies that promote trade and economic growth.
- Advance structural reform objectives in APEC economies.
- Make it cheaper, easier and faster for businesses — particularly small and medium-sized businesses — to trade in the region, including by taking steps to reduce the time, cost and uncertainty of moving goods and services through the supply chain.

President Obama speaks with Russian President Dmitry Medvedev at an APEC meeting in Singapore. *AP Images*



U.S. FDA Commissioner Margaret Hamburg visits China to promote product safety. *AP Images*

Promote Green Growth

- Accelerate efforts to reduce barriers to trade in environmental goods.
- Remove tariffs and nontariff barriers related to advanced technology demonstration vehicles and remanufactured goods.
- Fight trade in illegal forestry products.
- Encourage the development, investment and trade of renewable energy and clean technologies.

Expand Regulatory Cooperation

- Increase transparency in the rule-making process.
- Improve the quality of regulations.
- Align technical regulations, especially those related to new green technologies, by advancing convergence and cooperation on regulatory issues.

Food Security

APEC officials and private-sector leaders are discussing how economies can cooperate to ensure food security in the region in the face of growing populations, insufficient gains in agricultural productivity and limited natural resources, particularly water. APEC seeks to avoid policies and practices that encourage speculation and contribute to price volatility by

preventing markets from performing their price-finding role. Such policies and practices include restricting exports, hoarding or stockpiling food and unduly subsidizing production. Because food security depends, in part, on farmers receiving reliable market-based price signals to drive production and investment decisions, the sharing of information on market conditions is crucial.

U.S.-Korea Free Trade

President Obama has asked Congress to pass legislation implementing the U.S.-Korea Free Trade Agreement, viewing it as not only a major achievement for the two nations but also as a model for the Asia-Pacific region. Among its provisions are:

- Elimination of tariffs on 95 percent of U.S. consumer and industrial exports within five years and significant reduction of tariffs on agricultural products.



U.S. Commerce Secretary Gary Locke sits inside an electric MyCar in Hong Kong. APEC's agenda promotes green technologies. *AP Images*

- Market access in major service sectors, such as telecommunications, accounting and express delivery.
- Improvement of intellectual-property protection.
- Clarification of behind-the-border issues, including competition policy, labor practices, environmental protection and regulatory due process.

“We hope in time that that number will grow to include all the APEC economies and that the TPP will provide a foundation for an eventual free trade area of the Asia-Pacific,” Secretary of State Hillary Rodham Clinton says. “The TPP represents a new kind of trade agreement, one that promotes not just more growth but better growth. For the first time in any trade negotiation, TPP is focused on small and medium-sized enterprises, which ... are major job creators, but which are less engaged in international trade. We are taking on the barriers that hit these small and medium-sized businesses the hardest, such as complex legal frameworks and a lack of transparency.”

A weaver in Thailand applies her skills to silk. *AP Images*



Trans-Pacific Partnership

Nine APEC members are working toward an agreement, the Trans-Pacific Partnership (TPP), which aims to eliminate all trade tariffs by 2015 while improving supply chains, saving energy and enhancing business practices both through information technology and green technologies. The current participants are Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam and the United States.