



**Asia-Pacific
Economic Cooperation**

2013/SOM1/EC/023

Agenda Item: 10

State of the Regional Economy (Presentation)

Purpose: Information

Submitted by: Policy Support Unit, APEC Secretariat



**First Economic Committee Meeting
Jakarta, Indonesia
1-2 February 2013**



Asia-Pacific
Economic Cooperation


State of the Regional Economy

1-2 February 2013
APEC EC 1 Meeting, Jakarta

Presented by
Dr. Denis Hew
Director, APEC Policy Support Unit

Advancing Free Trade for Asia-Pacific Prosperity

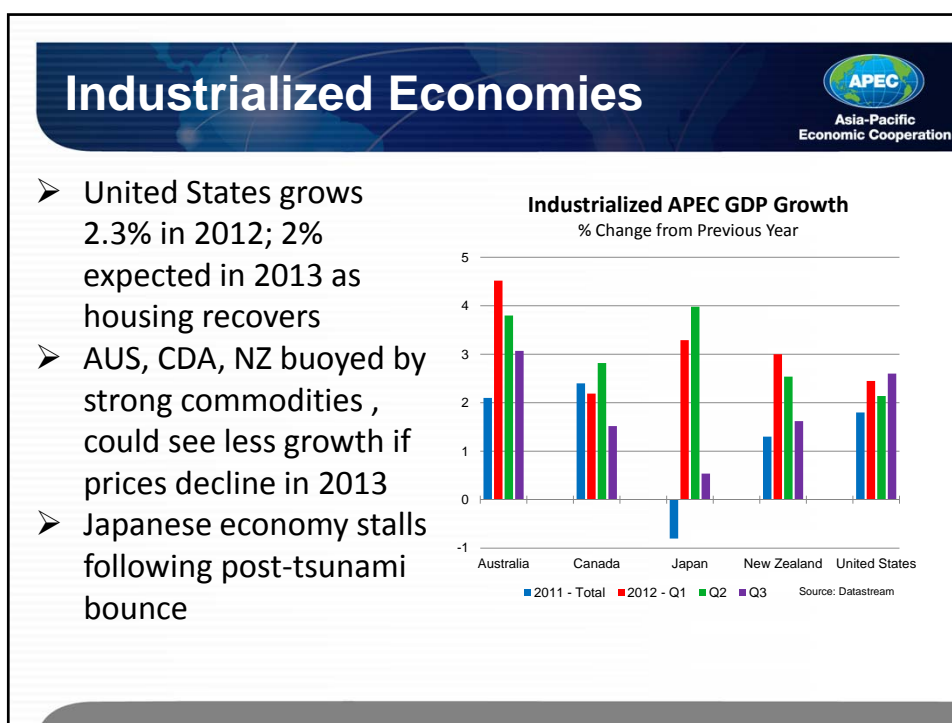
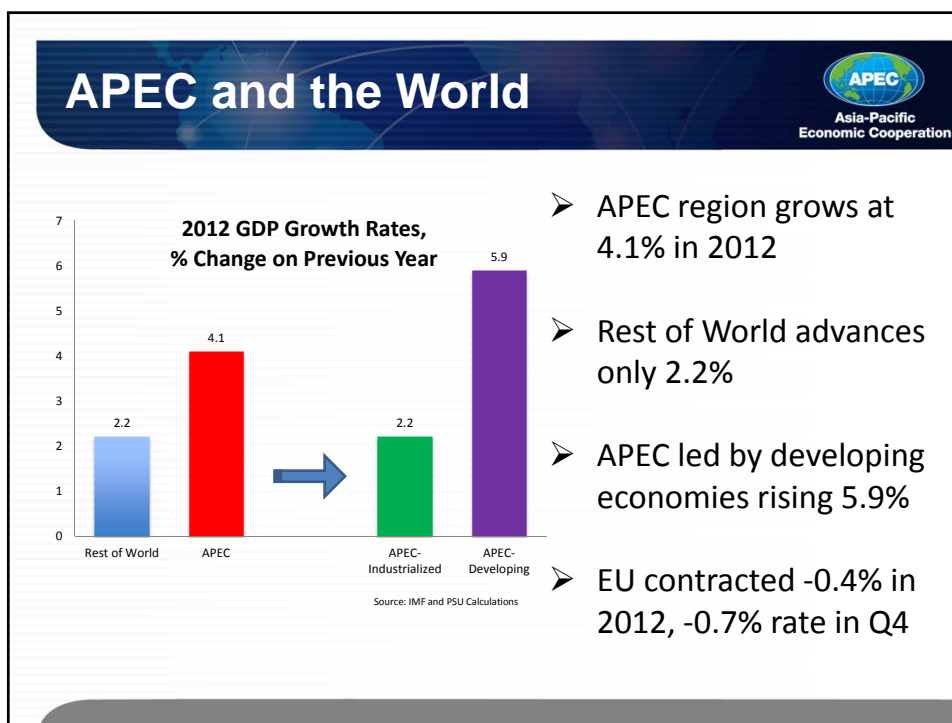
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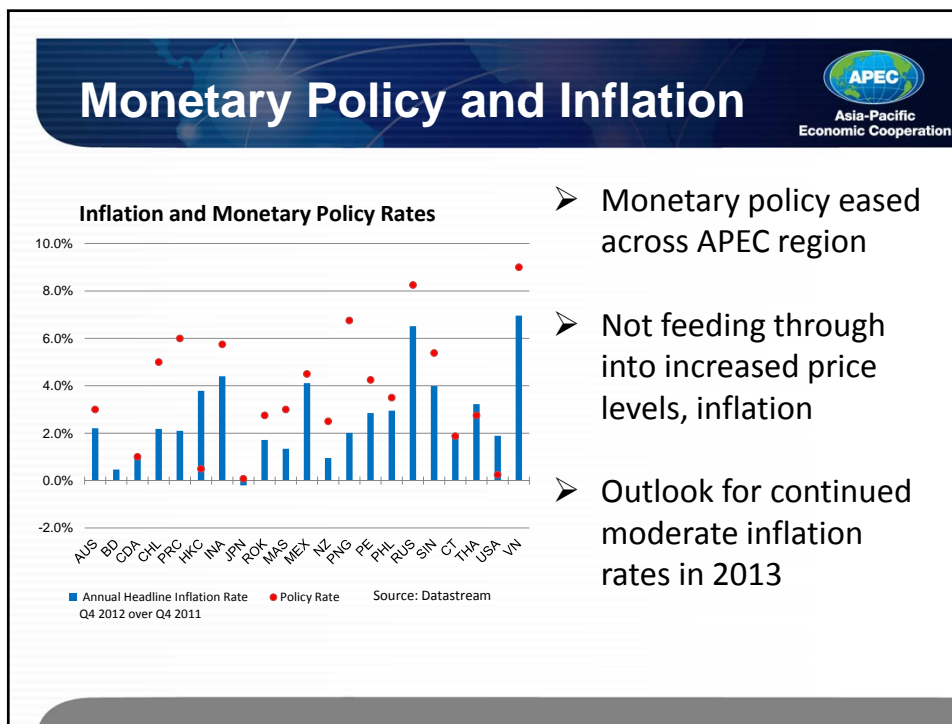


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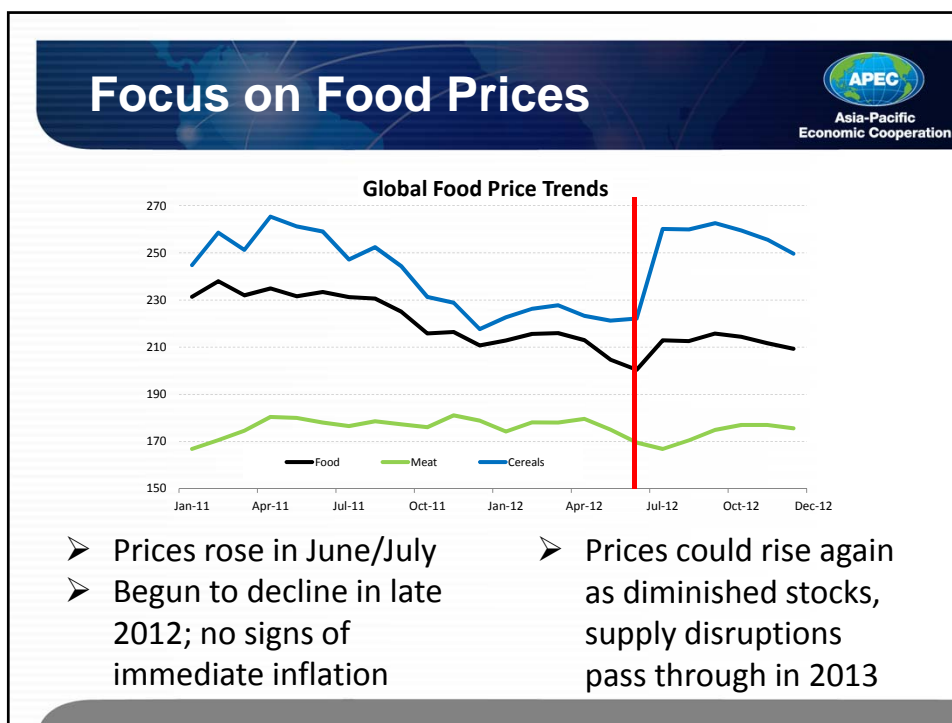
Outline

- Reversal of Roles: Developing Economies drive growth as Industrialized Economies offer mixed outlook
- What The Data Tells Us: Most recent updates on regional statistics
- Some Policy Implications: How the economic outlook impacts policy considerations in APEC

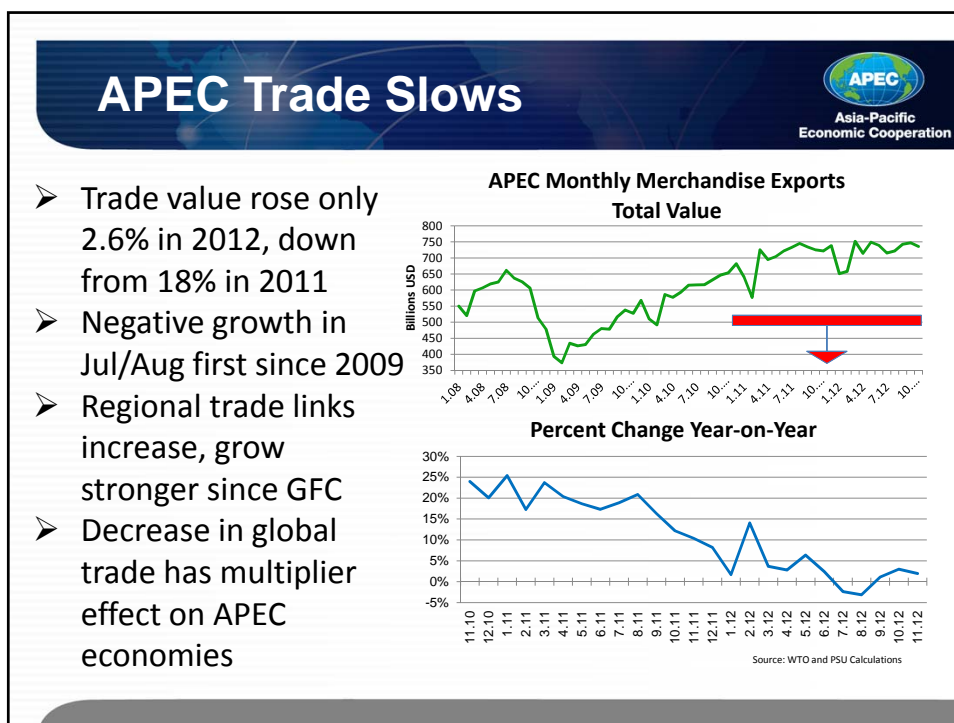
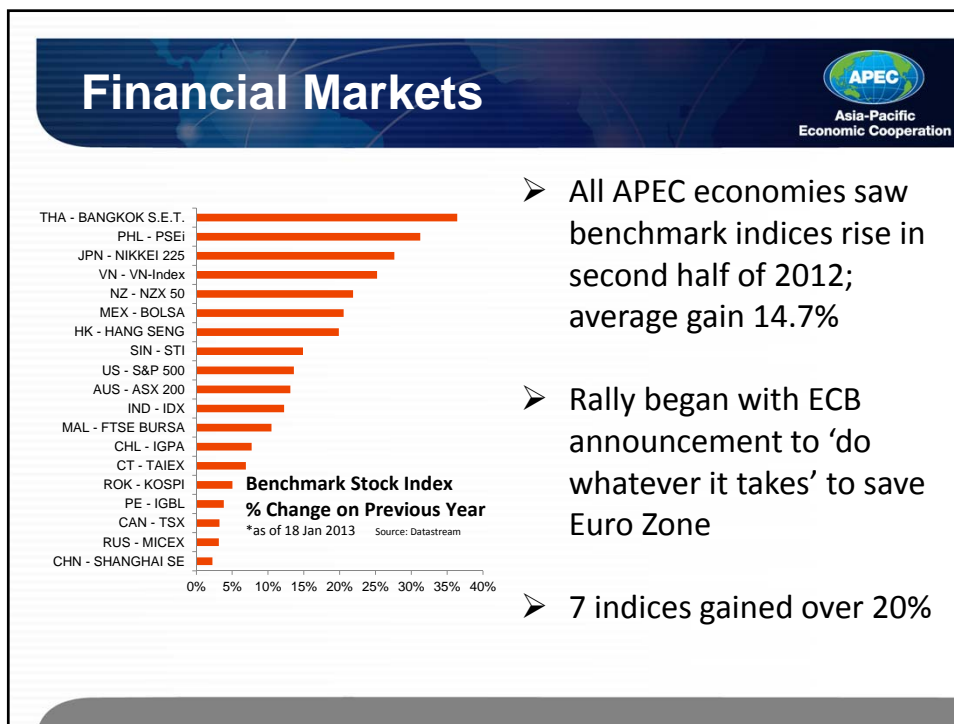




- Monetary policy eased across APEC region
- Not feeding through into increased price levels, inflation
- Outlook for continued moderate inflation rates in 2013



- Prices rose in June/July
- Begun to decline in late 2012; no signs of immediate inflation
- Prices could rise again as diminished stocks, supply disruptions pass through in 2013



Summary



- Global recovery is proceeding slowly, though growth remains fragile
- APEC region driving global growth; economic output rises 4.1% in 2012 behind 5.9% developing economy growth
- Developing APEC economies appear to be moving from export- to consumption-led growth
- Uncertainties remain in industrialized economies

Potential Risks and What This Means For APEC



- Concerns from rising trade protectionism
- Fragile growth prospects could stall impetus for reforms
- Note that consumption-led growth requires improvements in infrastructure
 - Hardware: roads, bridges, urban development, etc.
 - Software: structural reforms, legal and institutional infrastructure, HRD etc.



PSU Economic Trends Analysis Report
will be published in March 2013.



APEC Policy Support Unit



Website:

http://www.apec.org/apec/about_apec/psu.html

Policy Support Unit

APEC Secretariat

35 Heng Mui Keng Terrace

Singapore 119616

Telephone: (65) 6891 9600

Fax: (65) 6891 9419

E-mail: psugroup@apec.org