

APEC focuses on next wave of economic integration: Singapore official

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The Asia Pacific Economic Cooperation (APEC) is focusing on the next wave of economic integration, a senior Singapore official said Friday.

This means dealing with the practical, behind-the-border obstacles faced by businesses so that they can draw fuller benefits from open markets, Singapore's Minister for Trade and Industry Lim Hng Kiang said at the dinner for the Pacific Economic Cooperation Council (PECC) Conference.

PECC is the only non-government official observer of APEC, comprising members from the Asia Pacific region.

Lim said that there are three key thrusts along which APEC can make contributions toward this next wave of trade policy-related reforms. The first is in making free trade agreements (FTA) more business friendly. He warned that if the costs associated with administering rules of origin are too high, then that undermines the benefits derived from the FTAs.

The second thrust is in making regional supply chains smoother and more efficient. He cited a study conducted by the Australian Center of International Economics (CIE), which found that a 10 percent rise in efficiency in supply chain connectivity could lead to an increase of 21 billion U.S. dollars per year in combined APEC GDP.

The last lies in improving the business environment in the region by focusing on regulatory reform to make it easier, faster and cheaper to do business in the region.

Lim also revealed that this year, Singapore is leading an APEC initiative to identify key regulatory areas for reform and five areas of interest to the business community have been identified. The areas are in starting a business, getting credit, trading across borders, enforcing contracts and getting permits.

He warned that this next wave of reforms will not be easy to implement, but as APEC is voluntary and non-binding, its unique pathfinder approach enables smaller groups of like-minded economies ready and willing to undertake reforms to go ahead first, allowing others to join in later when they are ready.