APEC and regional economic cooperation

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From an academic network to an intergovernmental forum

Regional economic cooperation in the Asia-Pacific began with economists and businessmen. The Pacific Economic Cooperation Council, a network of member committees that brings together researchers and decision-makers from government and business, was founded in 1980 on the initiative of the Japanese and Australian Prime Ministers, Masayoshi Ohira and Malcolm Fraser. Its first general meeting took place in Australia that year. The council prepared much of the ground for governmental cooperation.[1] Its international secretariat now works from an address in Kent Ridge, in the west of Singapore.[2] PECC holds observer status in the official forum that emerged from these discussions.[3]

That forum was Asia-Pacific Economic Cooperation. Its first meeting took place in Canberra in November 1989 at the level of ministers. Twelve economies attended. The membership has since grown to 21 economies on both sides of the Pacific, among them the United States, China, Japan, Russia, Australia and the larger

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members of ASEAN.[4] APEC has no treaty basis and takes its decisions by consensus. Its members speak of themselves as economies, a formula that allows Hong Kong, China, and Chinese Taipei to sit at the same table as sovereign states.

Singapore as an early host

Singapore was among APEC's founding economies and hosted the second ministerial meeting in July 1990, at a time when Lee Kuan Yew was still Prime Minister.[5] The economic logic was plain. A city whose trade exceeded its output several times over had every interest in a forum that promoted open markets across the Pacific. The political logic was equally clear. APEC tied the United States into the economic order of East Asia at the end of the Cold War, which matched the strategy of balance that Chapter F.IV describes.

After the ministers had decided in 1992 to create a permanent secretariat, the APEC Secretariat began its work in Singapore in 1993.[6] The choice gave Singapore a lasting role in a body whose leaders' meetings rotate among the members. In November 2009 the city hosted the leaders' meeting itself, under Prime Minister Lee Hsien Loong.[7]

The Secretariat and its staff

The APEC Secretariat is a small body. Its official description speaks of a small team of programme directors seconded from the member economies, assisted by professional staff in specialist and support functions. Its tasks are coordination and support: preparing meetings, managing APEC-funded projects, maintaining records and administering the annual budget, which in recent years has covered more than 250 projects. In 2002 it obtained ISO 9001 certification for quality management, an unusual step for an intergovernmental secretariat at that time.[8]

The leadership of the Secretariat changed character in 2010. Until 2009 the host economy of the year filled the post of executive director, which meant that the head changed annually with the chair. Since 2010 the executive director has been

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appointed for a fixed term of three years.[9] The reform gave the Secretariat continuity and a professional face. It also strengthened the position of Singapore as the place where the institutional memory of APEC is kept.

The Policy Support Unit

APEC ministers created a Policy Support Unit in September 2007, which began operating in 2008 as the forum's research and analysis arm.[10] The unit is housed with the Secretariat in Singapore. Besides producing studies on trade facilitation, services, structural reform and the digital economy, it monitors the progress of the members against their collective commitments. For a city that depends on the openness of its neighbours, a permanent research unit on regional economic policy is a useful neighbour itself, because its analysts, data and workshops feed into the debates of Singapore's ministries, universities and think tanks.

What APEC means for finance

APEC is primarily a trade forum. Its founding ambition found expression in the Bogor Goals of 1994, which aimed at free and open trade and investment in the region by 2010 for industrialised and by 2020 for developing economies.[11] The forum's own figures describe a region of about 2.95 billion people that accounted for approximately 62 per cent of world GDP and 48 per cent of world trade in 2021. Average tariffs among the members fell from 17 per cent in 1989 to 5.3 per cent in 2021, while real GDP of the region rose from US$19 trillion to US$52.8 trillion over the same period.[12]

Finance entered APEC through a separate track of finance ministers, which has met regularly since the mid-1990s and has addressed capital market development, infrastructure finance and financial inclusion.[13] The results in finance are modest compared with those in trade. APEC creates no binding rules, has no supervisory powers and no fund of its own. Its value for Singapore's financial centre lies elsewhere: in the habit of regular contact between officials, in the soft standards that its working groups produce and in the presence of a secretariat that makes the city a natural meeting place for the region's economic administrators.

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Notes

1. Wikipedia, "Pacific Economic Cooperation Council" (accessed November 2026): founded in 1980 at the initiative of Prime Ministers Masayoshi Ohira and Malcolm Fraser; first General Meeting (PECC I) in Australia in 1980; network of member committees bringing together thinkers and decision makers from government and business. ↩
2. Pacific Economic Cooperation Council, website (pecc.org, accessed November 2026), footer: "29 Heng Mui Keng Terrace, Block A, 7th Floor, Singapore 119620". ↩
3. Wikipedia, "Asia-Pacific Economic Cooperation" (accessed November 2026): APEC has three official observers, ASEAN, the Pacific Islands Forum and the Pacific Economic Cooperation Council. ↩
4. Wikipedia, "Asia-Pacific Economic Cooperation" (accessed November 2026): "This led to the first meeting of APEC in the Australian capital of Canberra in November"; Wikipedia, "Asia-Pacific Economic Cooperation" (accessed November 2026): the 1989 Canberra meeting was attended by ministers from twelve countries; "Currently, APEC has 21 members.". ↩
5. Wikipedia, "Asia-Pacific Economic Cooperation" (accessed November 2026), table of meetings: second meeting in Singapore, 29–31 July 1990, under Prime Minister Lee Kuan Yew. ↩
6. On the decision of the APEC ministers at Bangkok in September 1992 to establish a secretariat and its opening in Singapore in 1993, see the APEC Secretariat history and the Bangkok Declaration on APEC Institutional Arrangements of 1992 (apec.org). ↩
7. Wikipedia, "Asia-Pacific Economic Cooperation" (accessed November 2026), table of meetings: seventeenth meeting in Singapore, 14–15 November 2009, under Prime Minister Lee Hsien Loong. ↩
8. APEC Secretariat, "APEC Secretariat" (apec.org, accessed November 2026): "The APEC Secretariat is based in Singapore"; it "is staffed by a small team of

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program directors, seconded from APEC member economies"; APEC Secretariat, "APEC Secretariat" (apec.org, accessed November 2026): "APEC's annual budget is also administered by the APEC Secretariat", which oversees more than 250 APEC-funded projects; APEC Secretariat, "APEC Secretariat" (apec.org, accessed November 2026): "In 2002, the APEC Secretariat obtained ISO 9001 Quality Management Certification". ↩

9. APEC Secretariat, "APEC Secretariat" (apec.org, accessed November 2026): "Up until 2009, host economy filled the position of executive director"; "From 2010, the appointment of an executive director is made on a three-year fixed-term basis"; Eduardo Pedrosa is the current executive director. ↩
10. Wikipedia, "Asia-Pacific Economic Cooperation" (accessed November 2026): "The Policy Support Unit (PSU) was established by APEC Ministers in September 2007", beginning operations in 2008. ↩
11. Wikipedia, "Asia-Pacific Economic Cooperation" (accessed November 2026): "APEC leaders adopted the Bogor Goals, which aimed for free and open trade and investment in the Asia-Pacific", with target dates of 2010 for industrialised and 2020 for developing economies. ↩
12. APEC, "Achievements and Benefits" (apec.org, accessed November 2026): about 2.95 billion people, "approximately 62 percent of world GDP" and "48 percent of world trade in 2021"; average tariffs "from 17 percent in 1989 to 5.3 percent in 2021"; real GDP "from USD 19 trillion in 1989 to USD 52.8 trillion in 2021". ↩
13. On the APEC Finance Ministers' Process, established in 1994, and its later initiatives, including the Cebu Action Plan of 2015 and the Asia-Pacific Financial Forum, see the pages of the APEC Finance Ministers' Process (apec.org). ↩

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