

APEC 2025: From Political Economy to Economic Politics

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1. APEC - A Political Economy.

1.1 Economic Development Leading to Formation of APEC

-Regionalism vs. Multilateralism in 1980s

- Evolution of EU in 1993 from EC in 1960s
- NAFTA from 1993/1994
- Uruguay Round from 1986 to 1994
- Liberalization Movement by:

1. APEC - A Political Economy

1.1 Economic Development Leading to Formation of APEC

- Liberalization Movement by:



US
- Ronald Reagan,
1981-1988



UK
- Margaret Thatcher,
1979-1990



China
- Deng Xiaoping,
1978-1992



USSR/Russia
- Mikhail Gorbachev,
1985-1991

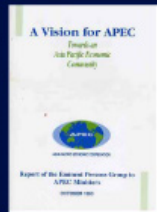
1. APEC - A Political Economy

1.2 Formation of APEC

- APEC First Ministerial Meeting, Canberra, Australia, 1989
- APEC Ministerial Meeting, Bangkok, Thailand, 1992, Setting up EPG

1. APEC - A Political Economy

1.2 Formation of APEC



- APEC 1st Leaders Meeting, Blake Island, USA, 1993
-Adopting EPG Recommendation of Open Regionalism

- APEC 2nd Leaders Meeting, Bogor, Indonesia, 1994, Announcing Bogor Goals of Free Trade

1. APEC - A Political Economy

1.2 Formation of APEC

- Series of Leaders Meetings Highlighting Open Regionalism
- 2001 9/11/2001 Terrorist Incident in NYC Led to Security Issues
- 2003 Thailand Hosted APEC Leaders Meeting, with Members Raising Security Issues



1. APEC - A Political Economy

1.2 Formation of APEC



- 2005 Korea Hosted APEC Leaders Meeting

- PECC Korea 2005 Started Questioning APEC: Vision or Illusion?

2. APEC – An Economic Politics

- **Rapid Development of APEC Economies**

Led to :



Growing Trade Deficit of the US, with Large Trade Surplus of the Rest especially China.



Tech Rivalry particularly on AI between US and China

2. APEC – An Economic Politics

The Rise of Donald Trump as US President in 2018, Announcing the Policy of America First – **Make America Great Again – MAGA**



Since then, APEC Meetings and Leaders Meetings have had Difficulties in Reaching Consensus in Meeting Statements

From 2019, the US Started to Impose Barriers or Conditions on Trade

APEC Leaders Meetings from 2020 - Malaysia, 2021 - New Zealand, 2022 - Thailand, 2023 - US, 2024 - Peru, **Focused on Issues Relating to Sustainability and Connectivity**

2. APEC – An Economic Politics

2025 Donald Trump Returned as US President, Announcing and Implementing Economic Measures, particularly 'Tariffs' Against Trade with the US, Aiming to Achieve – MAGA – Politics and Economics.



How to Manage APEC in Time of Economic Politics Affecting Global Order
Characterized by:



Liberal Mission



Open Economic Order



Rule-based Multilateralism?

2. APEC – An Economic Politics

- **At Present, APEC Member Economies are:**
 - Digitally Connected;
 - Competitively Innovating; and
 - Prospering

2. APEC – An Economic Politics

- **With the New Global (Dis) Order and Demographic Challenges, APEC should :**



Optimize Existing Trade Agreements, i.e., CPTPP, RCEP, USMCA, and other FTAs - while Managing WTO Compliance



Highlighting Cross-Border Workers/Professionals Issues



Emphasizing Application of Digital /AI Technology to Progress to Society 5.0
Characterized by the Integration of Cyberspace and Physical Space
for Better Societal Well-Being