



APEC Virtual Meet

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Why in News

Recently, a virtual meeting of the **21-member Asia-Pacific Economic Cooperation (APEC)** forum was held.

The meeting was **hosted by Malaysia**. **New Zealand** will also **host next year's APEC meetings** virtually due to the pandemic.

Key Points

- With **growth in the Asia-Pacific region expected to decline by 2.7%** this year, from a 3.6% growth in 2019, APEC's focus was on accelerating economic recovery and developing an affordable vaccine.
- **Focus Areas:** Trade and investment, Digital Economy and Technology, Structural Reform, Economic and Technical Cooperation and Thematic and institutional matters.
 - APEC leaders adopted the **Putrajaya Vision 2040**, a new 20-year growth vision to **replace the Bogor Goals** named after the Indonesian town where leaders agreed in 1994 to free and open trade and investment.
 - Recognised the **importance of a free, open, fair, non-discriminatory, transparent and predictable trade and investment environment** to drive economic recovery at such a challenging time (Covid-19).
 - Discussed the **Free Trade Area of the Asia-Pacific (FTAAP) agenda** and the **APEC Internet and Digital Economy Roadmap (AIDER)**.
- **China has become the main driving force** behind the grouping after the **United States began withdrawing from multilateral bodies** during Trump's presidency.

But Trump made the surprise decision to take part in this year's event, after **not participating at APEC since 2017**.

- **China's Stand:**

It vowed to keep its "super-sized" economy open for business and warned against protectionism as the world battles the Covid-19 pandemic. It needs to be noted that Trump's "**America First**" policy has alienated trading partners.

- After the signing of the world's largest trade pact '**Regional Comprehensive Economic Partnership (RCEP)**', China is trying to set the agenda for global commerce.
- Although China is promoting openness in trade, its own actions go against it, for example:
 - Australian exports of beef, wine and barley to China, their biggest market, have been restricted.

Asia-Pacific Economic Cooperation

- **Established:** 1989
- **Members:** 21
- **India is not a Member.**
- **Member Nations:** Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Chinese Taipei, Thailand, Vietnam and the United States.
- Its 21 member economies are home to around **2.8 billion** people and represented approximately **59% of world GDP** and **49% of world trade** in 2015.

India and APEC

- India had requested membership in **APEC**, and received initial support from the United States, Japan, Australia and Papua New Guinea. Officials have decided **not to allow India to join as India does not border the Pacific Ocean, which all current members do.**
- India was invited to be an **observer for the first time in November 2011.**
- **Reasons for India to join APEC:**
 - India will be more integrated with the global economy since APEC economies constitute an important trading bloc in the world.
 - It will help India bargain and negotiate a better deal with the countries of the Asia-Pacific region.
- **Expected Benefits to APEC:**
 - In India, APEC will find an **alternate market** for labour, consumers and investments, and an additional counterweight to help check unilateral economic ambitions in the region.
 - It will also help APEC embrace **some notion of 'Indo-Pacific'** and give it a renewed purpose in a renewed 21st century.

Source:TH