

## **APEC economies need to focus on next wave of economic integration**

***Wong Siew Ying***

***Channel NewsAsia***, 9 October 2009

Trade and Industry Minister Lim Hng Kiang said Asia Pacific economies cannot adopt the "growth-as-usual" attitude as they seek to re-position themselves for new growth opportunities.

He said they need to focus on the next wave of economic integration instead.

Mr Lim said: "We must first start to gradually unwind the global macro imbalances which are at the root of the crisis. We must spread the benefits of growth more broadly across all segments of society so as to maintain the consensus for globalisation. We must start steering our growth paths onto low-carbon trajectories, to mitigate the risks of climate change."

Speaking at the Pacific Economic Cooperation Council conference, Mr Lim said APEC economies should leverage on each other's strengths to help all members move up.

Mr Lim suggested three areas for APEC to work on.

First, simplifying procedures and making Free Trade Agreements or FTAs more business friendly.

Citing a recent survey by the Asian Development Bank, Mr Lim said only 22 per cent of the 609 firms polled take advantage of FTAs.

Next, make regional supply chains more efficient.

The Australian Centre of International Economics in a recent study found that a 10 per cent rise in efficiency in supply chain connectivity could result in an increase of US\$21 billion a year in combined APEC Gross Domestic Product.

A third area is to improve the business environment through regulatory reform.