



APEC warns on slow growth

BY **SHAMIM ADAM**

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BALI, Indonesia – Global growth will probably be slower and less balanced than desired, ministers from the Asia-Pacific Economic Cooperation member economies said Saturday as they agreed to refrain from raising new barriers to trade and investment.

The world economy is too weak and “risks remain tilted to the downside,” ministers from the 21-member grouping said in a statement in Bali. The Asia-Pacific region will have a harder time preserving growth, given volatility in financial markets and a slow recovery in advanced nations, Moody’s Investors Service said.

“What we are sensing is that there is a change in the economic cycle and sustaining the levels of economic growth that we have seen in the region over the last five years is going to become more challenging,” Michael Taylor, Moody’s chief credit officer for Asia, told reporters in Bali. The region still has a “long way to go” to shift from export-led growth to that driven by domestic demand, he said.

A slowdown in China and India is reverberating across the region with

the Asian Development Bank forecasting expansion at a four-year low in 2013, putting pressure on policy-makers to bolster their economies.

The Group of 20 countries repeated their concern last month that stimulus pullback in developed nations may prove damaging to global markets.

Trade ministers are seeking momentum during the Bali meetings on a 12-nation trade pact as concessions sought by countries threaten to delay completion further from the end of 2013. The Trans-Pacific Partnership, which involves countries such as the United States, Australia, Japan, Malaysia and Vietnam, would link an area with about \$28 trillion in annual economic output.

APEC ministers said they will recommend their leaders extend through the end of 2016 a commitment to combat protectionist measures and roll back such policies that exist. Sixty-eight percent of chief executive officers in the Asia-Pacific region plan to increase investments next year, with China, the U.S. and Australia among top destinations over the next three to five years, the PricewaterhouseCoopers report showed.