

# The PECC 2025 Yeouido Declaration

## Key Areas for Action

The **Pacific Economic Cooperation Council (PECC)** released the *2025 Yeouido Declaration* at its 32nd General Meeting in Seoul, marking 20 years since the landmark 2005 Seoul Declaration.

The Declaration emphasises that the *world is facing the most consequential challenges to the rules-based open and liberal trading system in the 21st century* and urgently calls APEC member economies and the PECC community to commit to tangible forward-looking actions that promote open regionalism to address today's most pressing challenges—rising protectionism, demographic transformations, technological disruption, and climate change.

The declaration emphasizes that these challenges are interconnected and require regional responses, with higher stakes for cooperation than when PECC was established over 30 years ago.

The five most critical issues identified in the Declaration are:

### 1. Artificial Intelligence and Digital Transformation

- **Regional AI Strategy Development:** APEC should strategically define the direction of AI discussions to ensure technologies foster regional growth and shared prosperity across all member economies
- **Digital Divide and Literacy:** Address uneven digital readiness that threatens to deepen disparities and fragment global cooperation through enhanced digital literacy programs
- **Sustainable Infrastructure Investment:** Promote sustainable AI digital infrastructure investment and digital transformation efforts across economies in line with a shared ethical approach
- **Digital Bridges Initiative:** Champion shared standards, privacy frameworks, and inclusive access to ensure digital prosperity becomes the foundation of a truly connected Asia-Pacific.

### 2. Multilateral Trading System in Crisis

- **Rules-Based Trade Protection:** For the region to face the future with confidence, rebuild trust in the rules-based trade system as a priority through deeper collaboration and open dialogue rooted in market-oriented policies, inclusive approaches and innovation
- **New Trade Paradigms:** Lead in exploring new trade paradigms that foster balanced, inclusive and sustainable growth amidst weakening multilateralism
- **Drive Services Sector Structural Reform:** Recognise the critical importance of the services sector as an enabler of economic growth and stability; and a driver of innovation
- **APEC as Ideas Incubator:** Enhance APEC's role as an 'incubator of ideas' to shape a collaborative, resilient, sustainable and inclusive regional trade environment.

### 3. Demographic Transformation Challenges

- **Comprehensive Structural Response:** Address profound demographic changes including low birth rates and aging populations in some economies while managing youngest populations in others
- **Healthy Aging Strategies:** Develop and implement collaborative strategies for healthy aging that go beyond individual economies and require collective regional effort
- **Social Safety Net Strengthening:** Implement stronger social safety nets and human capital development programs to address demographic pressures
- **Labor Market Resilience:** Create inclusive and robust labor markets through growth-focused structural reform, innovation, and new technology and skills development.

### 4. Climate Change and Environmental Sustainability

- **Accelerated Collective Action:** APEC must make good on commitments to tackle climate change by intensifying collective efforts and accelerating action across the region
- **Low-Carbon Transition:** Reaffirm the shared goal of advancing the transition to a low-carbon society throughout the Asia-Pacific region
- **Trade-Climate Policy Integration:** Ensure that trade policies effectively:
  - support climate objectives and carbon-neutrality targets; and
  - address market failure by progressively eliminating environmentally harmful subsidies that directly emissions intensive economic activities
- **Inclusive Economic Growth:** Pursue both environmental sustainability and inclusive economic growth as interconnected goals rather than competing priorities.

### 5. Regional Cooperation and Open Regionalism

- **Multi-Stakeholder Dialogue:** Strengthen PECC's unique role as a convenor for multi-stakeholder dialogue linking government, business, and academia
- **Youth Leadership Development:** Expand efforts to empower the next generation of regional leaders through enhanced youth engagement programs
- **State of the Region Enhancement:** Strengthen the relevance of PECC's flagship "State of the Region" report as a guide for APEC and broader regional policymaking
- **Living Compact Approach:** Transform open regionalism from a slogan into "a living, evolving compact" through deeper collaboration rooted in market-oriented policies and innovative solutions.

PECC's proposals serve as forward-looking contributions that reinforce APEC's work and supports the achievement of its objectives.

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## **2025 Yeouido Declaration**

The Pacific Economic Cooperation Council (PECC) convenes its 32nd General Meeting in Seoul, two decades after the 2005 Seoul Declaration. While PECC has continued its essential work through consistent engagement with APEC, this occasion provides an opportunity to address the evolving challenges facing the world trading system and our Pacific Community and to reaffirm our commitment to open regionalism and multilateral cooperation.

The Asia-Pacific region stands at a crossroads, shaped by rapid technological advancement, profound demographic changes related to both low birth rates and aging populations in some economies and among the youngest populations in others, shifting global trade dynamics, and new imperatives for regional cooperation. These transformations, combined with the most consequential challenges to the rules-based open and liberal trading system in the 21<sup>st</sup> century, marked by rising economic uncertainty and a resurgence of protectionism, more than ever before calls urgently for renewed dedication to the principles that have long guided PECC's work.

Artificial intelligence (AI) offers the promise of new economic prosperity, yet uneven digital readiness threatens to deepen disparities and fragment global cooperation. The weakening of the multilateral trading system and the rise of protectionism further endanger economic growth and regional cooperation. Meanwhile, demographic shifts pose challenges to education, skills and labor markets and social systems that demand growth-focused structural reform through innovation, new technology and skills development beyond individual economies. Climate change remains a massive threat, challenging not only environmental stability but also economic resilience and inclusive growth.

This Declaration reaffirms our shared responsibility to strengthen multilateralism and adapt our economies for sustained, inclusive growth.

### **A Call to Action for a Connected, Innovative, and Sustainable Tomorrow**

We urge APEC member economies and the broader PECC community to commit to tangible, forward-looking actions that promote open regionalism, economic resilience, inclusive and sustainable development, and gender equality. Together, we need to rebuild trust in rules-based trade, harness the power of innovation, address demographic pressures, and shape a prosperous and sustainable future for the entire Asia-Pacific region.

We call on APEC and its member economies to strategically define the direction of APEC's AI discussion to ensure technologies foster regional growth and shared prosperity, including by: facilitating economic integration, while ensuring common benefits, strengthening stakeholders' capabilities for AI utilization, enhancing literacy, and promoting sustainable AI digital infrastructure investment and digital transformation efforts across economies in line with a shared ethical approach. APEC and PECC should champion digital bridges - shared standards, privacy frameworks, and inclusive access - ensuring digital prosperity is not the privilege of the few, but the foundation of a truly connected Asia-Pacific.

We recommend that APEC and its member economies lead in exploring new trade paradigms that foster balanced, inclusive and sustainable growth amidst weakening multilateralism and rising protectionism. APEC can enhance its role as an 'incubator of ideas' to shape a collaborative, resilient, sustainable and inclusive regional trade environment, emphasizing the critical importance of the services sector as an enabler of economic growth and stability.

We urge APEC and its member economies to recognize that demographic shifts necessitate comprehensive societal structural responses and collective effort beyond individual economies and to develop and implement collaborative strategies and structural reforms for healthy aging, stronger social safety nets, human capital development, and inclusive and robust labor markets.

We call on APEC to make good its commitments to tackle climate change by accelerating collective action and intensifying effort. We urge APEC economies to reaffirm their shared goal of advancing the transition to a low-carbon society in the Asia-Pacific. To this end, we emphasize the need to APEC to ensure that trade policies effectively support climate objectives and carbon-neutrality targets, fostering environmental sustainability alongside inclusive economic growth.

### **Renewing Our Commitment to Open and Cooperative Regionalism**

PECC's unique role as a convenor for multi-stakeholder dialogue is more vital than ever. Many of today's challenges stem from the very success of the region's economic integration, which now demands renewed efforts to overcome resistance to necessary reforms.

The stakes for regional cooperation are higher today than when PECC was first established. Meeting today's challenges will require deeper collaboration and open dialogue rooted in market-oriented policies, inclusive approaches and innovative solutions. Asia-Pacific's best hope remains open regionalism - not as a slogan, but as a living, evolving compact. Only then can the region face the future with confidence.

To that end, as a unique tripartite organization, PECC will expand efforts to empower the next generation of regional leaders through youth engagement and strengthen the relevance of its flagship "State of the Region" report as a guide for APEC and broader regional policymaking. Through this 2025 Yeouido Declaration and decisive implementation on its calls to action, the PECC community will support APEC member economies to work together to create a more connected, resilient, sustainable and prosperous Asia-Pacific for all.

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