CTPECC
Chinese Taipei Pacific Economic Cooperation Committee

December 2025 Vol.4

Issue Paper

Issue Paper

CTPECC holds a number of forums and seminars annually based on current issues in the global political economy. Inspired by these events, the *CTPECC Issue Paper* seeks to address opportunities and challenges in future regional development. *Issue Paper* also provides valuable information and perspectives, delivering the insightful views of experts.

Chief Editor

Alex Hsu

Editor

Sheng-Ming Wang

Ssu-Min Wu

Published online in December 2025
Cover Photo created by AI

5th Floor, Number 16-8, Dehuei Street,
Zhongshan District, Taipei City 10461,
Taiwan (R.O.C.)

For more information,
visit http://www.ctpecc.org.tw or email the editor:
d35110@tier.org.tw

Website

Facebook

1. Introduction

The 2025 edition of the CTPECC Issue Paper brings together three critical perspectives on the transformative forces shaping the Asia-Pacific: disaster resilience, the healthcare economy, and digital trade governance. As the region continues to serve as a primary engine of global growth, it simultaneously faces complex challenges ranging from intensifying natural disasters to the structural pressures of aging populations and the rapid evolution of AI-driven commerce.

The first article examines disaster risk and resilience in the Asia-Pacific, with a particular focus on the Philippines. As one of the world's most disaster-prone economies, the Philippines offers valuable lessons on how proactive governance, private sector engagement, and regional coordination can mitigate vulnerability and strengthen long-term resilience. By analysing national reforms, public–private collaboration, and ASEAN-led mechanisms, the paper demonstrates how resilience is built not only through infrastructure and technology, but through coordination, trust, and preparedness across society.

The second article turns to the healthcare economy, exploring the growing role of artificial intelligence in addressing rising costs, workforce constraints, and productivity challenges. Rather than framing AI as a purely technological solution, the analysis highlights governance as the decisive factor shaping its economic impact. Payment systems, workforce integration, data infrastructure, and regulatory oversight determine whether AI delivers genuine efficiency gains or merely adds complexity and cost. This perspective is particularly relevant for Asia-Pacific economies confronting demographic ageing and fiscal pressure.

Finally, the third article traces the evolution of digital trade, from early e-commerce to the current era of platform-based and AI-driven transactions. It details the development of high-standard rules within the WTO and CPTPP, and highlights Taiwan's strategic alignment through initiatives like the Taiwan-UK Enhanced Trade Partnership (ETP). Together, these papers underscore that for the Asia-Pacific to secure a sustainable and prosperous future, it must bridge the gap between rapid technological advancement and the institutional structures required to govern them.

2-1. Building Disaster Resilience in the Philippines: Insights for the Asia-Pacific

Don Jaime H. Gaisano
Staffer, APEC Business Advisory Council (ABAC) Philippines

Introduction

The Asia-Pacific presents challenges and opportunities for sustainable disaster resilience. The region faces increasing and intensifying natural disasters, such as typhoons, earthquakes, tsunamis, and wildfires. As a prominent center of growth and livelihoods, mitigating the impact of natural disasters becomes an imperative in protecting global prosperity and human development.

Amid these pressing challenges, Asia-Pacific Economic Cooperation (APEC) member economies are pursuing promising initiatives to build resilience to natural disaster. This is demonstrated by employing emerging technologies, such as hazard mapping, forecasting, and early warning systems; public-private collaboration; and regional coordination, which ensures critical information and capacity building are fostered across borders.

These dynamics are exemplified in the case of the Philippines. The Philippines was consistently ranked as the most high-risk economy in the world. This is due to the Philippines experiencing high exposure to natural disasters, which is worsened by obstacles to immediate and long-term disaster risk reduction. These challenges have motivated public and private players to innovate strategies, technologies, and cross-sector collaboration to make communities resilient.

The issue paper will delve into three themes. First, the paper will provide an overview of disaster risk and its reduction in the Asia-Pacific. Second, the case of the Philippines will be discussed to provide insights on the challenges and opportunities for better disaster risk reduction and management (DRRM) at the economy-level. This section includes an exposition of the Philippines' frameworks related to private sector engagement and regional collaboration, which shows how both can contribute to resilience building. Last, synthesis and recommendations will be highlighted to strengthen resilience in the Asia-Pacific.

Disaster Risk in the Asia-Pacific

The Asia-Pacific faces increasing and intensifying natural disasters. With the region being a driver of economic growth and human development, building resilience within and among economies becomes a pressing concern. Fortunately, the Asia-Pacific is also primed for the challenge with several APEC member economies as repositories of historical knowledge and leaders in the technological frontier.

Bündnis Entwicklung Hilft's annual World Risk Report (WRR) substantiates the urgency for disaster resilience in the Asia-Pacific[1]. The Report measures risk in 193 economies. It measures and ranks each economy based on 100 indicators. These indicators are categorized into two primary themes: exposure and vulnerability. Exposure measures the frequency and intensity of natural disasters that a population experiences, namely earthquakes, typhoons, floods, droughts, tsunamis, and sea-level rise. Vulnerability, which assesses the societal impact of disasters, has three subcomponents: susceptibility, coping, and adaptation. Susceptibility evaluates the socio-economic conditions that can mitigate or exacerbate disaster impact, such as economic well-being, access to basic services, social inequality, and the size of vulnerable groups. Coping determines the ability of a population to prepare resources and manage capacity to minimize damage, which is seen through the progress and effectiveness of disaster response and resilience policy, healthcare capacity, and adverse effects from the aftermath of past disasters. Adaptation monitors the long-term strategies and processes, undertaken by a population, to adjust and overcome volatile natural disaster patterns, which is seen through levels of research and innovation, education and skilling, investment, and improvements to basic services. All these categories and indicators are empirically weighed and aggregated to produce a World Risk Index (WRI) for policymakers, researchers, and stakeholders to assess their situation and inform policies to improve it.

The World Risk Report 2025 provides a substantial picture of disaster risk in the Asia-Pacific. As demonstrated by *Table 1*, the majority of APEC member economies are considered very high risk. While high exposure to natural disasters is a significant contributor to the very high WRI scores, there are varying degrees of vulnerability among member economies, leading to disparities in WRI scores.

---

1. Bündnis Entwicklung Hilft. (2025). World risk report 2025. https://weltrisikobericht.de/worldriskreport/

For example, higher risk economies, such as the Philippines, Indonesia, and Mexico, scored high in the WRI because they scored high in susceptibility, due to large populations concentrated in urban and coastal areas, and lack of coping capacities, due to difficulties in building or re-building infrastructure, healthcare systems, and related policy priorities. This shows the compounding challenges in cultivating resilience in high-risk economies. High-risk economies must simultaneously track and prepare for numerous disasters, ensure longer term resilience policy continuity amid present disasters, and address other non-disaster priorities, which is further burdened by limited public resource mobilization.

On the other hand, lower risk economies, such as Singapore, Brunei Darussalam, and the Republic of Korea, scored low in the WRI because they scored low in susceptibility as they are geographically smaller and have smaller populations. This greatly reduces their vulnerabilities to disasters, allowing their governments more bandwidth to cope, adapt, and ensure the safety of their citizens.

World Risk Index 2025 – APEC

Risk Rating	Rank 2025 (/193 countries)	WRI 2025 Score	Exposure	Vulnerability	Susceptibility	Lack of Coping Capacities	Lack of Adaptive Capacities
very low		0.00 - 1.84	0.00 - 0.17	0.00 - 9.90	0.00 - 7.17	0.00 - 3.47	0.00 - 25.28
low		1.85 - 3.20	0.18 - 0.56	9.91 - 15.87	7.18 - 11.85	3.48 - 10.01	25.29 - 37.47
medium		3.21 - 5.87	0.57 - 1.76	15.88 - 24.43	11.86 - 19.31	10.02 - 12.64	37.48 - 48.04
high		5.88 - 12.88	1.77 - 7.78	24.44 - 33.01	19.32 - 34.16	12.65 - 39.05	48.05 - 59.00
very high		12.89 - 100.00	7.79 - 100.00	33.02 - 100.00	34.17 - 100.00	39.06 - 100.00	59.01 100.00
Philippines	**1**	**46.56**	**39.99**	**54.20**	**50.10**	**58.54**	**54.30**
Indonesia	**3**	**40.73**	**35.99**	**46.10**	**34.56**	**54.08**	**52.53**
Mexico	**5**	**38.96**	**50.08**	**30.31**	**44.39**	**12.53**	**50.07**
Russian Federation	**8**	**31.22**	**28.35**	**34.38**	**26.49**	**39.99**	**38.36**
China	**9**	**30.62**	**64.59**	**14.52**	**8.96**	**11.44**	**29.85**
Papua New Guinea	**12**	**26.51**	**18.84**	**37.29**	**57.52**	**13.36**	**67.46**
Viet Nam	**13**	**25.92**	**26.73**	**25.14**	**24.42**	**13.00**	**50.05**
Peru	**14**	**25.81**	**16.65**	**40.02**	**28.12**	**48.69**	**46.83**
Japan	**17**	**24.81**	**43.67**	**14.09**	**13.44**	**6.99**	**29.80**
United States	**21**	**23.09**	**39.59**	**13.47**	**9.89**	**7.57**	**32.64**
Australia	**23**	**21.90**	**31.21**	**15.37**	**8.31**	**14.67**	**29.78**
Thailand	**24**	**20.03**	**14.32**	**28.03**	**12.35**	**49.29**	**36.18**
Canada	**25**	**19.88**	**25.89**	**15.26**	**12.66**	**8.03**	**34.97**
New Zealand	**33**	**15.20**	**17.99**	**12.85**	**8.79**	**6.69**	**36.06**
Malaysia	**37**	**14.28**	**8.64**	**23.61**	**16.46**	**20.53**	**38.95**
Chile	**38**	**14.27**	**12.86**	**15.84**	**10.43**	**9.74**	**39.12**
Republic of Korea	**49**	**11.01**	**9.96**	**12.17**	**8.72**	**8.00**	**25.84**
Brunei Darussalam	**168**	**1.31**	**0.33**	**5.20**	**9.62**	**2.17**	**6.73**
Singapore	**186**	**0.67**	**0.15**	**2.99**	**3.92**	**0.86**	**7.94**

Table 1: Bündnis Entwicklung Hilft's World Risk Index 2025 – APEC[2]

2. (Bündnis Entwicklung Hilft, 2025).

The findings of the WRR do not, however, advocate for smaller economies. The size of an economy only clarifies an economy's situation, informing how much they must work to achieve resilient communities. The economy's size does not predetermine the result of a natural disaster, which is illustrated in the case of Japan. Japan is a large economy with their population concentrated in urban and coastal areas. They are also battered by natural disasters, especially typhoons and earthquakes. However, they built sufficient coping and adaptive capacities by enhancing their mapping, forecasting, and early warning systems; infrastructure, such as the Metropolitan Area Outer Underground Discharge Channel (G-Cans), a stadium-sized underground cistern designed to collect and divert rain and flood waters; and community preparedness in education, culture, and society[3]. Thus, regardless of an economy's size, disaster resilience can be effectively fostered with a clear understanding of an economy's unique geo-social situation as well as firm and informed resilience policy implementation.

This overview of natural disaster risk in the Asia-Pacific shows the disparity of impacts on APEC member economies. While the smaller economies are relatively lower risk, the more meaningful contributor to disaster resilience should not rest only on the size of the economy. Emphasis must be put on the effectiveness of the economy to overcome their geo-social predispositions, invest in research and innovation, and educate communities on preparedness.

Nonetheless, the disparity between low-risk and high-risk sectors within and across economies should not be overlooked. Conducive information sharing, knowledge building, and technology transfer are vital in the relationship between public and private players and APEC member economies to ensure continuous economic prosperity and regional sustainability. An example of the dynamics involved in cross-sector and cross-economy collaboration for disaster resilience can be seen in the Philippines.

Building Resilience in the Philippines

The case of the Philippines presents valuable insights in building disaster resilience. According to

---

3. Tochibayashi, N. (2025). Innovation meets tradition to transform how Japan prepares for disasters. World Economic Forum. https://www.weforum.org/stories/2025/07/technology-japan-disaster-preparedness/ ;

Poon, L. and Oda, S. (2023). Climate change will test Tokyo's world class flood defenses. Bloomberg. https://www.bloomberg.com/news/features/2023-11-13/ambitious-tokyo-flood-tunnels-tested-by-worsening-natural-disasters ;

World Bank. (2017). Modernization of Japan's hydromet services. https://www.gfdrr.org/sites/default/files/publication/DRMHubTokyo_Japan_%20Hydromet_Summary.pdf

WRR, the Philippines has been consistently ranked as the highest-risk economy. The high WRI score is a combination of high exposure to natural disasters, particularly typhoons and earthquakes; high susceptibility, given large concentrations of people in urban and coastal areas; and high lack of coping capacities, such as the obstacles to bouncing back from disasters. To overcome these challenges and improve its scores, the Philippines has undertaken advancements in shifting national and local policies towards proactive, over reactive, risk reduction efforts, leveraging the ingenuity of the private sector, and strengthening regional collaboration, in order to cultivate a resilient future for the Philippines.

Adapting Disaster Resilience Governance

The Philippines has revamped its National Disaster Risk Reduction and Management Plan (NDRRMP). This NDRRMP focuses on preparedness and long-term resilience (*Figure 1*). The plan consists of four key phases in DRRM. First, the Prevention and Mitigation phase implements risk-centered development plans, green urban planning solutions, resilient infrastructure codes, emerging

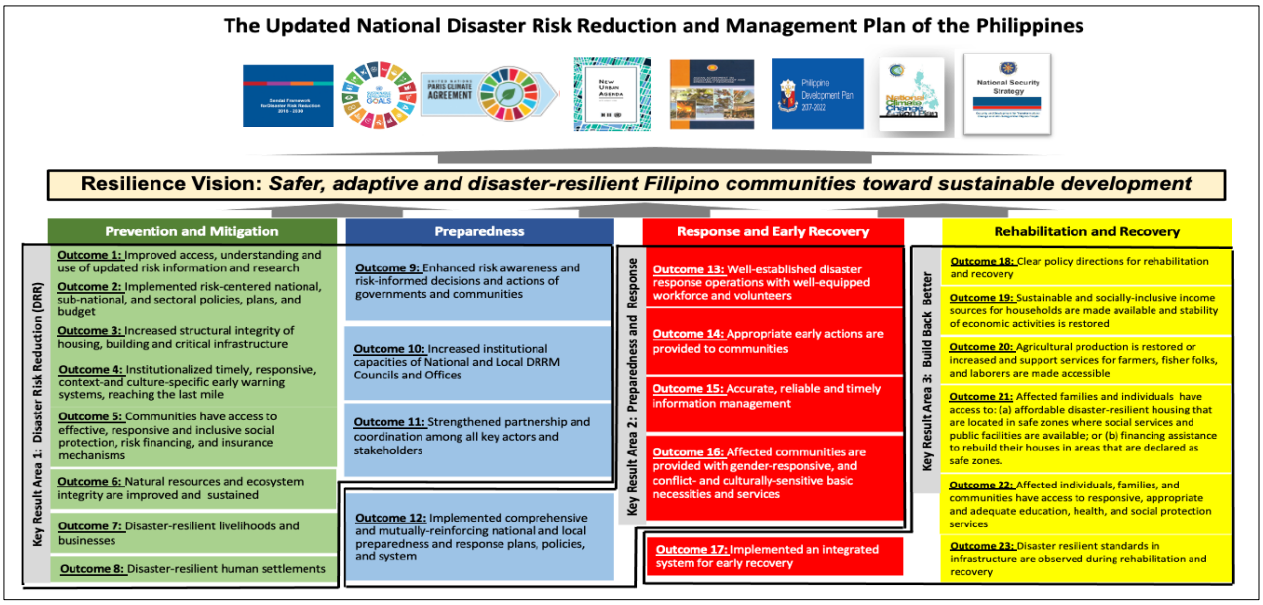

Figure 1: Updated National Risk Reduction and Management Plan of the Philippines[4]

---

4. Barber, J. (2025). Overview of the National Disaster Risk Reduction and Management Council [Keynote Presentation]. From Risk to Readiness: Sharing Best Practices in Disaster Resilience, Manila, Philippines. https://abac.ph/wp-content/uploads/2025/10/ABAC-Forum-Recording.mp4 ;

National Disaster Risk Reduction and Management Council (NDRRMC) of the Philippines. (2025). National disaster risk reduction and management plan for 2020-2030. https://wrd.unwomen.org/sites/default/files/2023-02/PHILIPPINES_NDRRMP_2020-2030.pdf

technologies, and social protection for disaster risk reduction. Second, Preparedness develops collaborative arrangements among public and private stakeholders to ensure community readiness through risk awareness, information sharing, capacity building. Third, Response and Early Recovery pre-positions human and capital resources to high-risk localities to ensure immediate response. Fourth, Rehabilitation and Recovery focuses on programs to restore livelihoods and "Build Back Better" communities by reconstructing infrastructure, relocating households to safer areas, and updating policies and response strategies. The NDRRMP provides a holistic and coordinated strategy for "safer, adaptive, and disaster-resilient Filipino communities toward sustainable development.".

To help inform decision-making, the Philippine government implemented a geo-spatial information system (GIS) named, GeoRisk Philippines[5]. The system maps the entire Philippine archipelago and tracks seismic, fire, flood, and typhoon hazard-prone areas. Coupled with real-time satellite forecasts of extreme weather events, this allows public and private players to make accurate policies, plans, and decisions for the protection of communities and their livelihoods.

With tools that monitor high-risk areas and impending disasters, the recently promulgated State of Imminent Disaster Act of 2025 complements disaster readiness initiatives[6]. By empowering the chief executive to declare an economy-wide state of imminent disaster upon recommendations from scientific data and stakeholder feedback, the Act streamlines processes of national and local governments to deploy human, fiscal, and technological resources to prepare communities for an incoming disaster, such as issuing public advisories, convening relevant agencies and organizations, and pre-positioning response teams, tools, and resources.

To translate the NDRRMP to cities and municipalities, local governments are mandated to craft and align their respective Local DRRM Plans (LDRRMPs) to the NDRRMP[7]. This is supported by the

---

5. Department of Science and Technology (DOST) - Philippine Institute of Volcanology and Seismology (PHIVOLCS). (2025). GeoRisk PH. https://georisk.gov.ph/

6. Republic of the Philippines. (2025). Declaration of State of Imminent Disaster Act of 2025. https://www.officialgazette.gov.ph/2025/09/12/republic-act-no-12287/

7. Republic of the Philippines. (2010). Philippine Disaster Risk Reduction and Management Act of 2010. https://www.officialgazette.gov.ph/2010/05/27/republic-act-no-10121/

Local DRRM Fund (LDRRMF) that mandates local governments to dedicate a minimum of 5% of their annual budget to DRRM, with majority of that percentage to be used for preparedness and risk reduction. This coincides with a growing understanding that cities and municipalities are key drivers of disaster resilience because local governments can directly comprehend, respond, and be made accountable to their constituencies.[8]

Engaging the Private Sector

Supporting national and local public policy, the private sector is a pivotal player in building resilience in the Philippines. Not anymore is the Philippines' private sector solely mobilized after disasters occur, but they have evolved into an organized entity, implementing short-term recovery and long-term resilience initiatives all year-round[9]. This is exemplified by the Philippine Disaster Resilience Foundation (PDRF), a leading private-sector-led organization dedicated to DRRM. After the onslaught of Typhoon Ketsana in 2009 and Typhoon Haiyan in 2013, business groups and civil society organizations understood the need for more comprehensive support for DRRM. Hence, PDRF was formed to pool and coordinate private resources to mitigate the effects of natural disasters, protect socio-economic growth, and save lives and communities.

To coordinate private sector engagement, PDRF employs a Cluster Approach to disaster management. Private sector member-partners are grouped into clusters based on their core business competencies (Figure 2). A cluster handles a key infrastructure, resource, and/or service that is essential for community resilience. For example, telecommunications businesses are assigned to the telecommunications cluster, which entails repairing and strengthening cellular networks and Internet. The effectiveness of this approach was seen during the 7.2-magnitude earthquake in the Province of Abra in 2022, where clusters of businesses specializing in infrastructure, water, food, fuel, and logistics

---

8. (Bündnis Entwicklung Hilft, 2025) ; United Nations. (2024). Synergy solutions for climate and SDG action: Bridging the ambition gap for the future we want (2nd ed.). https://sdgs.un.org/sites/default/files/2024-07/UN%20Synergy%20Solutions%20for%20Climate%20and%20SDG%20Action-4_0.pdf

9. United Nations Office for the Coordination of Humanitarian Affairs (OCHA)-United Nations Development Programme (UNDP) Connecting Business initiative. (2025). Private sector partnerships in disaster management in the Philippines: A story of resilience through relationships. https://www.undp.org/sites/g/files/zskgke326/files/2025-06/2025.06_cbi_casestudy_philippines_pse.pdf

assisted in recovery and rehabilitation by clearing roads, reconstructing infrastructure, restoring power, providing food and clean water, and delivering basic necessities to affected villages, respectively. The Cluster Approach allows PDRF and its business network to efficiently delegate tasks and mobilize manpower and resources more precisely and quickly.

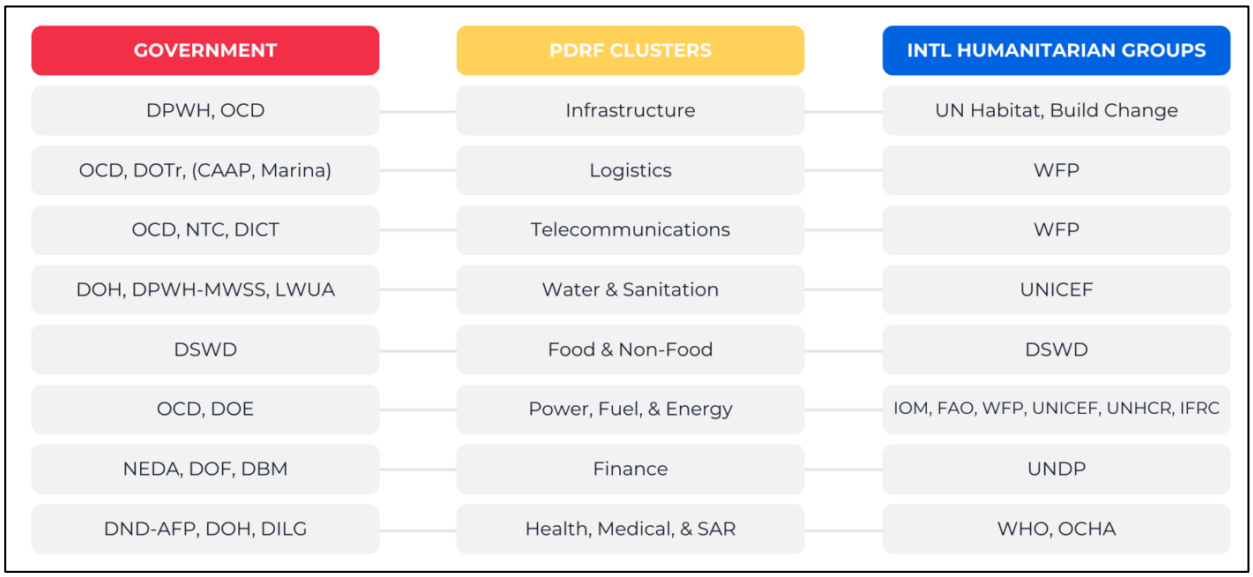

Figure 2: PDRF's Cluster Approach[10]

These clusters are made interoperable with their public sector and international humanitarian agency counterparts, which allow for robust information sharing and efficient coordination of activities. This interoperability was demonstrated during Typhoons Molave, Goni, and Vamco in 2020, where ASEAN, the Philippines' Department of Social Welfare and Development (DSWD), and private logistics firms collaborated to promptly deliver humanitarian aid and personnel to support disaster-stricken areas.

PDRF's DRRM plan aligns with the NDRRMP, showcasing the synergy between public and private players in the Philippines (Figure 3). On Mitigation (equivalent to NDRRMP's Prevention and Mitigation phase), PDRF supports ongoing development of nature-based solutions and climate adaptation in localities and businesses. On Preparedness (equivalent to NDRRMP's Preparedness), PDRF helps capacitate localities by leveraging risk monitoring, information sharing, and early warning

10. Philippine Disaster Resilience Foundation (PDRF). (2025). Cluster system. https://www.pdrf.org/emergency-operations-center/cluster-system/

systems to inform community plans and decisions. Through PDRF's Emergency Operations Center (EOC), PDRF's operations and technologies can be made interoperable with national and local public agencies, improving information exchange and response coordination. On Response (equivalent to NDRRMP's Response and Early Recovery), especially during high-impact natural disasters, PDRF offers disaster mapping and assessment reports and coordinates private sector relief efforts through its HANDA disaster information platform. On Recovery (equivalent to NDRRMP's Rehabilitation and Recovery), PDRF is involved in rehabilitating communities and their livelihoods by immediately providing access to water, energy, healthcare, and Internet, and rebuilding infrastructure for both short- and long-term resilience of affected localities.

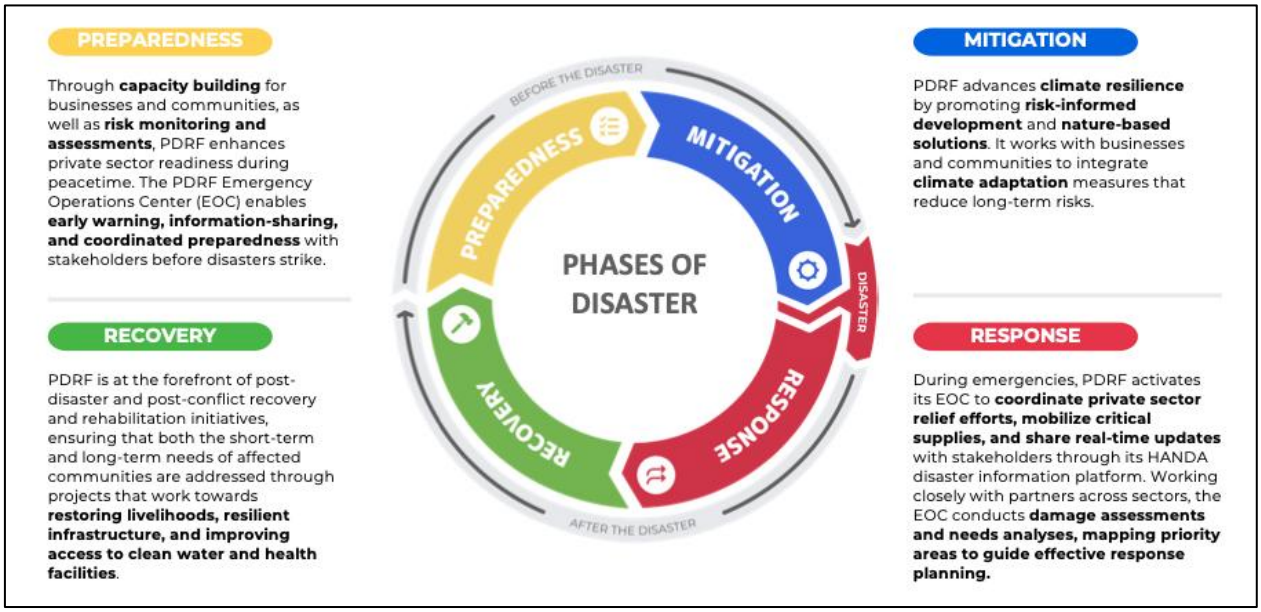

Figure 3: PDRF's Disaster Risk Reduction and Management Matrix[11]

The example of PDRF highlights factors that can enable the private sector to effectively contribute to DRRM. First, support from private sector stakeholders were organized based on their respective fields of expertise, ensuring that their contributions were substantial and prompt. Second, there was a concerted effort to align DRRM plans between public and private institutions, which detailed responsibilities for clearer and faster deployment. Third, trust and partnerships were fostered through

11. Gabaldon, V. (2025). Philippine Disaster Resilience Foundation [Keynote Presentation]. From Risk to Readiness: Sharing Best Practices in Disaster Resilience, Manila, Philippines. https://abac.ph/wp-content/uploads/2025/10/ ABAC-Forum-Recording.mp4

information sharing and interoperability initiatives, especially for disaster response and recovery, which improved hazard monitoring, risk reduction strategies, and response systems. Thus, this whole-of-society approach can significantly enhance disaster resilience.

Fostering Regional Collaboration

Given the plethora of natural disasters in the Philippines, bilateral and multilateral institutions assume key roles in mitigating and recovering from disasters. Forms of cross-border partnerships are seen through financial aid and insurance, resource distribution, and capacity building. Such activities and advantages of cross-border, particularly regional, collaboration are exemplified by the Association of South East Asian Nations (ASEAN) Coordinating Centre for Humanitarian Assistance (AHA Centre), whose exposition here can provide insights for future policies for APEC in disaster and humanitarian assistance.

With the legally binding ASEAN Agreement on Disaster Management and Emergency Response and ASEAN Agreement on the Establishment of the AHA Centre, ASEAN member economies understood the pressing need for cooperation and innovation in disaster resilience processes – thereby, supporting ASEAN's credo of "One ASEAN, One Response." [12] The AHA Centre allows member economies as well as ASEAN Dialogue Partners and participating organizations to combine and coordinate resources and expertise. This network helps align ASEAN policies and strategies; upskill disaster resilience leaders, officials, and first responders; conduct cross-economy emergency assessments, exercises, and drills; pre-position relief aid in key hubs, such as Malaysia, the Philippines, and Thailand; and operate an ASEAN Emergency Operations Center (EOC) to monitor disaster events and prepare national disaster management offices (NDMOs) and disaster response teams.[13]

These capabilities came together during Typhoon Yagi in 2024. [14] The AHA Centre led the mobilization of relief and recovery aid of ASEAN. Coordinating with NDMOs and private logistics

---

12. Association of South East Asian Nations (ASEAN). (2009). ASEAN Agreement on Disaster Management and Emergency Response. https://agreement.asean.org/media/download/20220330063139.pdf ; ASEAN. (2017). ASEAN Agreement on the Establishment of the AHA Centre. https://ahacentre.org/wp-content/uploads/2017/02/Agreement-of-AHAC-Establishment-A5-20140703.pdf

13. Tanaja, K. (2025). Regional Collaboration for Disaster Resilience [Keynote Presentation]. From Risk to Readiness: Sharing Best Practices in Disaster Resilience, Manila, Philippines. https://abac.ph/wp-content/uploads/2025/10/ABAC-Forum-Recording.mp4

14. (Tanaja, 2025).

firms, the AHA Centre dispatched relief aid to the Philippines, Myanmar, and Lao PDR to lessen the impact on families, business, and communities. This cross-economy deployment of aid was accomplished in two weeks, showing the positive results of active regional collaboration in sharing the burden of disasters and jointly protecting the prosperity of its region.

The AHA Centre shows the viability and effectiveness of regional collaboration for disaster resilience. Such an example can be a model for APEC. Having a coordinating center for the region could help delegate roles among member economies; efficiently pool, coordinate, and allocate shared resources and contributions; forward data-driven policymaking and strategies; and ultimately safeguard sustainable development in the Asia-Pacific.

Conclusion

This issue paper delves into the challenges and opportunities for resilience building in the Asia-Pacific and the Philippines. Given concerning climate change, intensifying natural disasters, and finite resources, the region is galvanized to adapt its strategies, harness emerging technologies, and build cross-sector and cross-border collaboration. Thus, the case of the Philippines was explained to uncover insights relevant to this matter.

According to the World Risk Report, the Philippines received the highest rank in disaster risk.[15] This has prompted the economy to revamp its National Disaster Risk Reduction and Management Plan, focusing on mitigation and preparedness before disasters strike; invest in hazard mapping, disaster monitoring and forecasting, and early warning systems; enable the private sector, notably through the Philippine Disaster Resilience Foundation, to actively engage in DRRM; and foster regional cooperation for shared protection and continuous trade and growth, as seen in the AHA Centre.

In conclusion, given the experience of the Philippines and ASEAN, APEC can consider the following recommendations:

1. **Enhance resilience governance** – APEC can organize regional arrangements, joint capacity building projects, and public-private information sharing and interoperability initiatives, in order to more effectively activate pooled resources, finances, and expertise for disaster risk reduction.

15. (Bündnis Entwicklung Hilft, 2025).

2. **Invest in disaster-risk-mitigating technologies** – APEC can support innovative technologies, such as IOT- and AI-enabled disaster mapping, monitoring, forecasting, and early warning systems, to help craft data-driven mitigation programs and rapid response protocols.

3. **Prioritize adaptation, mitigation, and preparedness** – Natural disasters are regular occurrences in the region. Thus, member economies must prepare even if a disaster does not strike. Fortifying urban plans, infrastructure codes, nature-based solutions, and risk reduction strategies; strengthening cross-sector and cross-border networks; and disseminating risk awareness and education are pivotal in de-risking businesses, households, and communities.

As seen in the case of the Philippines, these recommendations can enable APEC and its member economies to be more proactive, scientific, and collaborative in their approach – thereby, redounding to more effective, efficient, and participative disaster resilience.

2-2. Artificial Intelligence and Health Economy in the Asia-Pacific: Why Governance Matters More Than Technology

John Tayu Lee
Associate Professor, Institute of Health Policy and Management,
College of Public Health, National Taiwan University, Taiwan

Why the Healthcare Economy Now Matters for Asia-Pacific Growth

The central economic challenge facing healthcare systems across the Asia-Pacific is a persistent divergence between expenditure growth, rising demand for healthcare, and productivity performance [1]. Over the past two decades, healthcare spending has expanded steadily, yet productivity gains have lagged behind those observed in manufacturing and other high-productivity service sectors [2]. As a result, healthcare has become an increasingly large and costly component of the economy without generating commensurate efficiency improvements, placing sustained pressure on already stretched public finances.

This imbalance is rooted in the structural features of healthcare as an economic sector and its fundamentally need-driven orientation toward individuals requiring care. Unlike other industries where production responds primarily to consumer preferences or market demand, healthcare production is anchored in the clinical needs of patients, many of whom require timely, labour-intensive, and highly specialized services. The sector relies heavily on a skilled health workforce, with limited opportunities for automation or scale economies, and wages that tend to rise in line with economy-wide income growth. At the same time, healthcare delivery remains highly fragmented across providers and settings, with substantial resources absorbed by non-clinical activities related to administration, coordination, and compliance.

Where AI Enters the Healthcare Economy

Artificial intelligence is beginning to influence the healthcare economy, but its impact remains

---

1. OECD. Health at a Glance: Asia/Pacific 2024. Health at a Glance: Asia/Pacific. 2024.
2. Sheiner LM, Hutchins A. 2016 Measuring productivity in healthcare: an analysis of the literature

partial and highly concentrated. To date, AI has not transformed healthcare production at scale. Instead, adoption has been largely confined to clinical decision support, diagnostic tasks, and a limited range of administrative functions.

In clinical care, AI applications are most prominent in areas such as medical imaging, risk stratification, and triage. These systems do not substitute for clinicians. Rather, they augment professional judgment by supporting pattern recognition and prioritisation. The primary economic effect is therefore a reallocation of scarce clinical time, enabling clinicians to manage larger caseloads or focus attention on complex or high-risk patients. In practice, this tends to increase service throughput rather than reduce labour inputs or overall expenditure.

Administrative applications have followed a different trajectory. Healthcare delivery generates substantial documentation requirements for billing, reporting, and regulatory compliance, many of which remain labour-intensive. AI tools applied to coding, clinical documentation, and claims processing have shown more predictable efficiency gains by reducing clerical effort per episode of care. However, these gains operate at the margin of existing workflows and do not fundamentally alter the underlying organisation of care delivery.

What the Evidence Shows: Economic Effects of AI in Healthcare

Evidence from a growing body of empirical studies suggests that the most consistent impacts of AI in healthcare are economic rather than purely clinical. Across different health systems and applications, AI has demonstrated its strongest value in reducing costs, improving productivity, and increasing system efficiency [3,4].

Studies examining AI-assisted diagnostics, clinical decision support, and administrative support repeatedly report lower per-case costs and slower expenditure growth. These savings arise from reducing higher diagnostic accuracy, avoiding preventable complications, and streamlining high-volume administrative processes. In several clinical domains, AI-supported pathways have been associated with substantial reductions in treatment costs while maintaining comparable health outcomes, suggesting genuine and non-trivial efficiency gains[5] .

---

3. El Arab RA, Al Moosa OA. Systematic review of cost effectiveness and budget impact of artificial intelligence in healthcare. NPJ Digit Med. Aug 26 2025;8(1):548. doi:10.1038/s41746-025-01722-y

4. Lee JT, Ning Liu VT, Ali S, et al. 2025;The impact of artificial intelligence on the health economy, workforce productivity, and administrative efficiency: a systematic review doi:10.1101/2025.10.05.25337345

5. Sahni N., Stein G., et al (2023) The Economics of Aritifical Intelligence: Health Care Challeges (University of Chicago Press, 2023), chap. 2.

When AI Fails to Improve the Healthcare Economy

Despite its potential, AI does not automatically improve the healthcare economy. In many cases, expected efficiency gains fail to materialise because AI is introduced without addressing the underlying economic and institutional structures of healthcare systems. When this occurs, AI risks becoming an additional cost rather than a source of productivity growth.

One common failure mode is misalignment with payment and financing systems. If providers are reimbursed based on service volume rather than outcomes or efficiency, AI-enabled productivity gains may simply lead to higher utilisation and spending. In such settings, faster diagnostics or streamlined workflows increase throughput without reducing total costs, undermining the economic rationale for adoption.

Fragmented implementation is another limiting factor. Many AI initiatives remain confined to pilot projects, lacking integration with broader system workflows. Without scale and interoperability, fixed investments in data infrastructure, software, and training yield only marginal returns. Economic benefits that depend on system-level coordination—such as reduced duplication, better capacity management, or improved prevention—are unlikely to emerge under these conditions.

Workforce dynamics also matter. AI systems that increase documentation demands, disrupt clinical routines, or are perceived as threatening professional autonomy could reduce productivity rather than enhance it. If adoption leads to resistance, workarounds, or parallel manual processes, expected efficiency gains are quickly eroded. In labour-constrained systems, poorly designed AI can exacerbate burnout and turnover, increasing rather than reducing costs.

Finally, weak governance and unclear accountability can generate hidden economic risks. Errors, bias, or system failures impose downstream costs through litigation, retraining, and loss of trust.

Political, Social, and Contextual Forces Shaping AI Adoption and Its Economic Impact

Health systems are deeply embedded within national governance structures, labour markets, and social expectations, all of which influence how AI is adopted and whether its economic benefits are realised.

Political priorities play a central role. Governments that view healthcare as strategic economic infrastructure are more likely to invest in system-level AI, integrate it into public financing mechanisms,

and align incentives across providers. Social context is equally important. Public trust in health institutions, data governance, and digital systems affects both data availability and uptake. Where trust is low, resistance to data sharing and AI-assisted decision-making can constrain system-level deployment, reducing economies of scale and weakening economic returns. Workforce attitudes also matter: AI that is perceived as undermining professional autonomy or increasing workload is less likely to deliver productivity gains, regardless of technical performance.

Broader institutional conditions—such as health financing models, labour regulations, and digital infrastructure—shape how AI innovation translates into economic outcomes. Systems with unified payers and strong public coordination are better positioned to capture efficiency gains at scale, while fragmented systems often diffuse benefits across actors without reducing total costs.

These dynamics help explain why similar AI technologies generate different economic outcomes across countries. AI's impact on the healthcare economy is therefore not predetermined by innovation alone, but by the institutional choices that govern how innovation is deployed, financed, and trusted.

Why Governance Determines the Economic Value of AI in Healthcare

While technology shapes what AI can do, governance determines how, where, and at what cost it is deployed within health systems. Governance provides the institutional rules that translate technical capability into economic performance, shaping risk exposure, accountability, and the distribution of costs and benefits across stakeholders. Without effective governance, AI adoption remains fragmented and economically unstable, regardless of technical maturity.

Governance frameworks must balance innovation with risk management. In healthcare, failures of AI systems generate downstream costs through clinical harm, liability exposure, organisational disruption, and loss of trust. Clear standards for evaluation, monitoring, and accountability reduce uncertainty for providers and developers while containing these system-level risks.

Across advanced health systems, governance frameworks increasingly converge around a shared set of structural components: risk-proportionate pre-deployment evaluation; minimum requirements for transparency, documentation, and data governance; mechanisms for ongoing performance monitoring; and explicit allocation of responsibility across developers, deploying organisations, and clinicians. These elements clarify clinical accountability, reduce legal ambiguity, and protect frontline professionals and patients, while providing a predictable operating environment for technology

development and deployment. Rather than relying on one-time approval, known governance approaches in both the USA and Europe emphasise lifecycle oversight. Continuous monitoring, post-deployment evaluation, and traceability are used to manage performance drift and context-specific risks after implementation. At the same time, ex ante risk classification and harmonised standards constrain high-risk uses and reduce fragmentation across institutions and jurisdictions. By safeguarding clinicians, patients, and technology developers, a well-functioning governance framework supports sustained, long-term investment rather than episodic, short-term experimentation.

What Policymakers Should Focus on Next

For AI to deliver sustained economic value in healthcare, policymakers must move beyond experimentation and focus on structural integration. First, policymakers should align AI adoption with health financing and payment systems. Productivity gains only translate into economic savings when incentives reward efficiency rather than volume. Integrating AI into reimbursement models, budget planning, and performance metrics is essential to ensure that efficiency improvements reduce system-wide costs rather than drive additional utilization.

Second, investment in data infrastructure should be treated as economic infrastructure rather than a technical add-on. Interoperable health records, population registries, and claims databases are prerequisites for scalable AI deployment. Without reliable, high-quality data systems, AI investments generate limited returns and reinforce fragmentation.

Third, workforce integration must be prioritised. AI should be designed to complement clinical and public health roles, reduce administrative burden, and support task reallocation. Training, workflow redesign, and clear accountability structures are necessary to convert technical capability into real productivity gains.

Fourth, governance capacity should be strengthened as a core component of AI integration. Clear rules for evaluation, accountability, and lifecycle oversight are essential to manage economic risk, protect clinicians and patients, and support investment at scale. Without robust governance, AI adoption is likely to remain episodic, generating local pilots rather than system-level efficiency gains.

Finally, regional cooperation across the Asia-Pacific can amplify economic benefits. Shared standards, joint evaluations, and collaborative learning reduce duplication and lower the cost of innovation. By coordinating approaches to AI in healthcare, countries can accelerate adoption while strengthening the economic resilience of health systems across the region.

Conclusion

Healthcare systems across the Asia-Pacific face sustained economic pressure from population ageing, rising chronic disease, and workforce constraints. The key challenge is no longer whether healthcare spending will continue to grow, but whether health systems can generate greater value from the resources they already deploy.

Artificial intelligence offers a credible pathway to address this challenge by improving healthcare efficiency, productivity, reducing administrative burden. For the Asia-Pacific, the opportunity lies in integrating AI into health systems in ways that align with financing, workforce organisation, and governance structures. When embedded effectively, AI can help slow cost growth while preserving access and quality. Ultimately, the economic impact of AI in healthcare depends less on technological capability than on how health systems govern and integrate it.

2-3. Digital Trade Governance: Global Rule-Making and Taiwan's Strategy in the Platform and AI Era

Sheng-Ming Wang
Associate Research Fellow, Department of International Affairs,
Taiwan Institute of Economic Research

Introduction

In just a few decades, e-commerce has moved from the fringes of experimental technology to the very core of everyday life. What once seemed like a futuristic idea—ordering goods over the internet and having them delivered to your doorstep—is now so normal that we hardly notice it. Daily routines are woven together by digital transactions: picking up an online order at a convenience store, using food delivery platforms for dinner, or streaming entertainment while eating. All of these are part of a broad e-commerce ecosystem that combines goods, services, and data flows. Yet, measured against the full history of human trade, the lifespan of e-commerce is remarkably short. Its rapid evolution—from the early days of static web pages and basic payment systems to today's AI-driven platforms and complex digital trade rules—has fundamentally reshaped global commerce. Understanding this transformation requires tracing not only technological progress and business innovation, but also the parallel development of rules and institutions that govern digital trade at the multilateral, regional, and bilateral levels.

The Evolution of Cross-Border E-Commerce: Technology, Logistics, and Governance

The first phase of cross-border e-commerce in the 1990s unfolded alongside the commercialization of the internet. At that time, the web was just beginning to move from academic and military uses into the civilian sphere. Innovation focused on graphical browsers, basic encryption technologies such as SSL, and the deployment of credit card–based online payments. Cross-border e-commerce itself was still embryonic. The internet mainly accelerated the flow of information rather than the full transaction cycle. Consumers could compare prices and place orders online across borders, but the core of

international trade still depended on traditional customs procedures and postal or courier services. Limited broadband penetration, immature parcel tracking, and opaque tariff and tax calculations all constrained the growth of online cross-border retail. Most sizable electronic transactions in this period were business-to-business (B2B), conducted through electronic data interchange (EDI) systems that supported order management and supply-chain coordination. This early dominance of B2B e-commerce set the pattern for its long-term prominence within the broader e-commerce landscape.

During the 2000s, e-commerce matured rapidly as broadband spread and web technologies became more sophisticated. Online stores evolved from static catalogues into interactive, searchable, and trackable transaction interfaces. Third-party payment providers emerged and credit-card risk-management systems improved, while security standards such as SSL, 3-D Secure, and PCI DSS were adopted more widely. These advances reduced fraud and chargeback risks, strengthening trust between buyers and sellers. At the same time, global express and postal parcel networks developed better pre-clearance procedures and tracking, allowing cross-border parcels to grow at a remarkable pace. Platform business models took shape, and both B2C and C2C markets integrated crucial features such as rating systems and search ranking algorithms, enabling small and medium-sized sellers to reach foreign customers through online marketplaces. In parallel, trade facilitation became a policy priority: many governments introduced customs automation, increased transparency in import charges, and, in some cases, exempted low-value parcels from duties, thereby reducing compliance costs for cross-border retail. In the aftermath of the 2008 global financial crisis, firms turned more aggressively to overseas markets to diversify demand and inventory risks; cross-border e-commerce, with its relatively low capital requirements and high scalability, became an attractive vehicle for this internationalization.

The 2010s marked a new stage in which cross-border e-commerce became a central pillar of global trade. The fusion of smartphones and mobile broadband extended shopping into every moment and place, while social media, search engines, and digital content allowed platforms to integrate discovery, ordering, and word-of-mouth marketing into a seamless journey. E-commerce firms deployed cloud computing and data analytics across both front and back offices: algorithms optimized product ranking, dynamic pricing, and risk control, shortening decision cycles along the supply chain. Payment and compliance systems also advanced, with the expansion of third-party payment services, more sophisticated risk engines, and clearer dispute-resolution mechanisms. Many economies relaxed thresholds for duty-free low-value parcels and automated customs and VAT procedures, making tax and fee calculations more transparent. Though regulatory frameworks still varied widely across jurisdictions, a new layer of digital trade rules began to appear in regional and bilateral trade agreements. Chapters on e-commerce and data flows started to define principles for cross-border data movement, privacy

protection, and platform responsibilities, providing a governance scaffold for the further internationalization of platform-based business models.

Technologically and institutionally, these transformations reshaped both goods and services trade. On the goods side, cross-border platforms eroded the information advantage of traditional intermediaries by making prices, product specifications, and reputations visible to both sides of the transaction. This reduced search and bargaining costs and encouraged a new normal of small-batch, high-frequency global distribution. On the services side, activities that could be delivered online—software-as-a-service, streaming content, online education, digital marketing, and more—expanded rapidly, raising the weight of services in global trade statistics. E-commerce thus ceased to be a mere adjunct to traditional trade; it became an integral part of a broader regime of trade liberalization and trade facilitation, one that uses technology to reduce transaction frictions, data to improve matching efficiency, and scale effects to create new brands and supply chains.

Digital Trade Rules and the Role of the WTO, CPTPP, and New Regional Frameworks

As cross-border e-commerce platforms emerged as key actors in global trade, governments recognized that clear rules were essential for sustaining growth while protecting data flows, transaction security, and consumer rights. Electronic commerce provisions began to appear in regional and bilateral trade agreements, progressively shaping a new rulebook for the digital economy. Negotiations typically revolved around a cluster of core issues: ensuring the free cross-border flow of data while limiting forced data localization; setting minimum standards for personal data and privacy protection; clarifying rules on cyber security and the resilience of critical digital infrastructure; mutual recognition of electronic signatures and paperless trade procedures; boundaries for reviewing source code and encryption keys; and platform responsibilities relating to consumer redress, fraud prevention, and content moderation. Though these provisions are grounded in technical language, they are closely tied to the cost structures and business models of the digital economy. In practice, they determine whether small and medium-sized enterprises can participate in global markets under predictable and low-friction conditions.

At the multilateral level, the World Trade Organization (WTO) has played a foundational, if cautious, role. Following the United States' 1997 "Framework for Global Electronic Commerce," WTO members began to explore how to address the trade dimensions of digitalization. In 1998, the second WTO Ministerial Conference adopted the Declaration on Global Electronic Commerce, instructing the General Council to establish a comprehensive Work Programme on E-commerce to examine

trade-related issues and to consider the needs of developing and least-developed members. The same declaration also initiated a moratorium under which members agreed not to impose customs duties on electronic transmissions. This "moratorium on customs duties on electronic transmissions" has since been repeatedly extended at successive ministerial conferences, preserving a zero-tariff environment for cross-border digital content. At the thirteenth Ministerial Conference (MC13) in Abu Dhabi in 2024, members once again renewed the moratorium, with the current extension set to last until 2026 or the fourteenth Ministerial Conference, whichever comes first.

Meanwhile, more than 80 WTO members have pursued a plurilateral track through the Joint Statement Initiative (JSI) on e-commerce, launched in 2019. By December 2023, participants announced that they had reached substantial conclusions on parts of a global digital trade rulebook, and in July 2024 they released a "stabilised" draft text of a new e-commerce agreement. The core elements fall into three broad clusters. The first is digital trade facilitation, including electronic authentication and signatures, electronic contracts, paperless trade, interoperability of e-invoices and other documents, and open government data. The second is openness and trust, covering online consumer protection, anti-spam measures, and basic personal data protection rules. The third encompasses cross-cutting topics such as telecommunications, competition policy, and selected market-access issues. More politically sensitive areas—such as binding disciplines on cross-border data flows, data localization, and access to source code or encryption keys—remain under negotiation, reflecting ongoing tensions between digital sovereignty and innovation-friendly openness. In this context, WTO governance of e-commerce combines multilateral work programs and the tariff moratorium with a plurilateral attempt to develop higher-standard rules, aiming in the long run to craft a framework that is both inclusive for developing members and robust enough to support a trusted, low-friction global digital economy.

Regionally, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is often cited as one of the most advanced digital trade frameworks in the Asia-Pacific. Its e-commerce chapter, inherited from the original TPP and in force since 2018, is widely viewed as a high-standard, enforceable template. The chapter contains obligations across three dimensions: open data flows, trust and governance, and trade facilitation. It prohibits customs duties on electronic transmissions, ensuring that digital flows are not subject to border tariffs while leaving room for non-discriminatory internal taxes. It requires parties to grant "digital products" treatment no less favourable than that accorded to domestic or like products of other countries, and it calls for domestic legal frameworks that recognize the validity and interoperability of electronic signatures and identity-authentication systems so that cross-border online contracts are systematically enforceable. On data and infrastructure, the CPTPP establishes the free cross-border transfer of information as a principle, allowing restrictions only when

necessary and proportionate to legitimate public policy objectives, and it forbids requirements that computing facilities be located within a party's territory. To strengthen market trust and reduce transaction costs, the chapter also obliges parties to adopt consumer protection and personal data protection frameworks, promote regulatory interoperability, and encourage paperless trade, mutual recognition of electronic documents, and controls on unsolicited commercial messages.

Yet the pace of digital innovation has quickly exposed the limitations of existing rulebooks. Although CPTPP entered into force only in 2018, new business models—such as platform-based cloud services, AI-powered decision systems, and complex data-sharing arrangements—have already pushed up against the edges of the original e-commerce chapter. Scholars and policymakers therefore argue that the chapter should evolve into a broader "digital economy" chapter, aligned with the emerging standards from the WTO JSI and drawing on regional best practices. This would involve incorporating "WTO+" elements, strengthening digital trade facilitation, and adding fresh transparency and consultation mechanisms for regulations, standards, and technical measures that affect digital markets. It would also require explicit AI-governance principles—covering algorithmic transparency, ethical AI, and risk-based regulation—to ensure that next-generation technologies develop within a trusted and accountable framework.

Taiwan's Digital Trade Strategy: CPTPP Alignment and the Taiwan-UK ETP

For Taiwan, which is deeply embedded in global supply chains and increasingly active in digital services, participation in high-standard digital trade frameworks is both an economic necessity and a strategic choice. The CPTPP's e-commerce rules provide one key reference point; another comes from innovative bilateral arrangements that signal regulatory compatibility with major partners. In this regard, the Taiwan–UK Enhanced Trade Partnership (ETP) is particularly significant. Signed in November 2023 as Taiwan's first institutional economic framework with a European counterpart, the ETP set the stage for deeper cooperation in several pillars. After nearly two years of technical work and text-based negotiations, the two sides signed three pillar agreements—on investment, digital trade, and energy and net-zero—on 30 June 2025.

The digital trade pillar of the Taiwan–UK ETP establishes a non-tariff, open, and trusted framework for cross-border digital transactions. It codifies principles on cross-border data flows and restrictions on unjustified data-localization requirements, maintaining zero customs duties on electronic transmissions and strengthening the legal basis for cross-border digital services. It also commits

both sides to robust online consumer protection and personal data protection, mutual recognition of electronic signatures and digital contracts, and the promotion of paperless trade and e-invoice interoperability. Beyond these core elements, the agreement incorporates provisions on SME participation, women's economic empowerment, cybersecurity, and responsible AI governance, while embedding necessity and proportionality tests to balance public-interest regulation with market openness.

For Taiwan, the ETP's digital trade chapter serves multiple purposes. Economically, it reduces compliance frictions for cross-border e-commerce and cloud services between Taiwan and the UK, facilitating the mutual recognition of electronic documentation and customs data and accelerating the expansion of Taiwanese brands and digital service providers into overseas markets. Institutionally, it aligns Taiwan more closely with European-style regulatory standards, raising the compatibility of Taiwan's regime with those of major advanced economies and enhancing its visibility in the international digital governance landscape. Strategically, the ETP embeds forward-looking themes such as "safe, responsible, and human-centric" AI, cybersecurity-supply-chain resilience, and green digital trade. It sets up mechanisms for dialogue and experience-sharing among competent authorities, thereby improving regulatory predictability and creating a platform through which Taiwan can both absorb and contribute to international best practices in digital trade governance .

Looking ahead, Taiwan's digital trade strategy can build on this foundation by scaling similar arrangements to other partners and by using the WTO and CPTPP as benchmarks for domestic legal and regulatory reform. This involves not only updating rules but also strengthening underlying infrastructures: interoperable digital identity systems, resilient cross-border payment networks, trusted data-exchange frameworks, and robust cyber security and privacy protections that can support large volumes of digital transactions across borders.

Conclusion

The global e-commerce story—from the early experiments of the 1990s through the platform boom of the 2000s and 2010s to the COVID-accelerated digitization of the 2020s—illustrates how technology, logistics, and regulation interact to reshape trade. The pandemic underscored this transformation by forcing firms and consumers to shift rapidly from physical to digital channels. Services that can be delivered online—cloud computing, software subscriptions, streaming content, digital education, gaming, and remote collaboration tools—experienced explosive growth, and many of these habits persisted after the immediate health crisis subsided. For manufacturers, bundling products with

cloud-based services and subscription models opened new revenue streams; for creators and software developers, direct access to global audiences reduced dependence on traditional intermediaries. From a statistical standpoint, these developments have increased the share of services in global trade figures; substantively, they have redrawn the boundaries of firms' markets and cost structures.

In this environment, digital trade rules are no longer a niche topic but a core component of economic strategy. For Taiwan, the challenge is to navigate a trade regime that is increasingly "servicified," platform-based, and AI-driven. A forward-looking approach would rest on three principles: high standards, interoperability, and inclusiveness. High standards mean aligning with leading frameworks such as the CPTPP, the WTO JSI draft, and advanced bilateral agreements, especially in areas like cross-border data flows, personal data and cyber security, electronic signatures and transferable electronic records, and paperless customs and invoicing. Interoperability requires active engagement with partners to ensure that Taiwan's digital-trade rules, technical standards, and regulatory practices are compatible with those of major markets, so that compliance efforts translate directly into market access and business opportunities. Inclusiveness calls for policies that empower SMEs, start-ups, and women-led enterprises to adopt digital tools, leverage cross-border platforms, and participate in global value chains, rather than leaving the benefits of digital trade to a small group of large firms.

The Taiwan–UK ETP provides a concrete example of how these principles can be put into practice. By extending similar cooperation frameworks to other key partners, and by embedding digital-economy issues, such as AI governance, open government data, and innovation-friendly regulatory sandboxes—into regional and multilateral initiatives, Taiwan can convert regulatory alignment into real orders and service exports. At the same time, investment in resilient cross-border payment systems, secure and interoperable identity and authentication infrastructure, and robust cyber security will be essential for sustaining trust in the digital marketplace. If Taiwan continues to deepen cooperation with its trading partners on digital trade, align domestic rules with emerging global norms, and ensure that digitalization benefits a broad range of firms and workers, it can strengthen its position in the evolving global digital value chain and play a more influential role in shaping the future of e-commerce and digital trade governance.

3. Conclusion

The insights presented in this volume demonstrate that the future of the Asia-Pacific depends on a proactive shift toward integration, interoperability, and inclusive governance. Whether addressing the immediate threat of natural disasters or the long-term structural shifts in healthcare and trade, the common thread is the necessity of cross-sector and cross-border collaboration.

In the realm of disaster management, the Philippine experience suggests that resilience is best fostered through synergy between public policy and private expertise, supported by regional hubs that pool resources and information.

Similarly, the economic potential of AI in healthcare can only be realized if policymakers move beyond localized experiments to system-level integration. This requires aligning financing models with efficiency gains and establishing clear standards for transparency and accountability to maintain public trust.

In the digital trade landscape, the transition toward a "servicified" and AI-driven economy demands that economies like Taiwan continue to align domestic regulations with international high-standard frameworks. By prioritizing paperless trade, data flow transparency, and SME empowerment, the region can ensure that the benefits of digital innovation are broadly shared.

As we look toward 2026 and beyond, the recommendations across these three papers urge APEC member economies to treat data and digital infrastructure as core economic assets. By fostering a predictable and trusted regulatory environment, the Asia-Pacific can transform its unique "geo-social" challenges into opportunities for enduring regional sustainability and economic resilience.

Reader Survey