This table summarizes key **fiscal indicators, political responses, and trade signals** for major APEC economies, illustrating how economic policy and geopolitics are intertwining:

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| **Economy** | **Fiscal Indicator (Deficit & Debt)** | **Political Response** | **Trade Signal** |
| **United States** | **7.5%** of GDP deficit (FY2023); Debt ~123% of GD | Contentious budgeting; Fitch AA+ **downgrade** cites “deteriorating finances”. A bipartisan deal postponed the debt ceiling to 2025. | Tariff relief on consumer goods should be considered to curb inflation. The Indo-Pacific trade framework (IPEF) should be pushed instead of new FTAs. |
| **China** | Official deficit ~3%, but **augmented ~6–8%**; General debt ~70% GDP(w/ local hidden debt ~48% GDP). | The government launched a ¥10 T debt swap for local governments to avoid a big stimulus. Some tax relief for businesses was provided. However, revenue slumps and deflation limited budget room. | Signaled openness to **reciprocal tariff rollback** if the U.S. eases Section 301. Accelerating RCEP trade implementation and courting Global South markets to offset U.S. decoupling. |
| **Japan** | Deficit ~3% GDP (FY2023); **Debt ~250%** of GDP (highest in APEC). | Delayed fiscal tightening; modest tax hikes planned. BOJ tweaking YCC (yield cap) – implies higher **interest costs** ahead. Long-term concern over aging costs. | Championing **trade liberalization** (CPTPP, digital trade rules). Stays out of tariff wars; seeks stable US–China ties as it navigates tech export controls (semiconductors to China). |
| **Canada** | Deficit ~1.4% GDP (2023); Debt ~104% GDP (general govt). | Pledged gradual deficit reduction by 2028. The Central Bank halted QE, pressuring the government to be prudent. Political debate linking government spending to **inflation**. | Strong USMCA partner – stable **North American trade**. Advocating WTO reform and opposing U.S. protectionism (fought to exempt Canada from U.S. metal tariffs). Benefits from higher commodity prices in trade. |
| **Australia** | **Surplus** 0.6% GDP (2023/24); Debt ~49% GDP (low). | Prioritized fiscal restraint to tame inflation. Saving commodity windfalls, planning modest deficits for infrastructure and defense. | **Reset with China** – trade bans lifted, boosting exports and pursuing UK and India trade deals. Supports **tariff peace** – as a middle power, Australia advocates open markets and stability in Asia-Pacific trade. |
| **South Korea** | Deficit ~2.6% GDP (2023); Debt ~50% GDP. | **Fiscal rule** legislation underway (cap deficits ≤3% GDP). 2024 budget growth is minimal (+2.8%) despite social demands—emphasis on private-sector-led growth. | Deeply integrated in global value chains – pushing for **supply chain resilience** and joining the U.S. “Chip 4” alliance. Hopes for reduced U.S.–China tension to stabilize export demand (especially chips, EV batteries). |
| **Mexico** | Deficit ~3.3% GDP (2023), rising to **4.9%** in the 2024 plan; Debt ~60% GDP. | Pre-election **spending surge** on infrastructure & welfare. The next administration will likely seek greater tax revenues to restore fiscal credibility. | **Nearshoring boom** as firms relocate from China, Mexico gains investment and jobs. Strongly backs USMCA enforcement. Lower U.S.–China tariffs could slightly reduce nearshoring urgency, but Mexico’s position in U.S. supply chains is solidified. |