International Relations · GS - II

Geopolitical tensions and technological competition are increasingly challenging economic interdependence in the Asia-Pacific region. Analyse the role of APEC in preserving regional economic cooperation while addressing concerns relating to supply-chain resilience and national security.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 23/11/2026	GS - II	International Relations

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Economic interdependence, regional trade integration, APEC, supply-chain resilience, maritime security, technology rivalry, economic fragmentation, strategic autonomy, multilateral cooperation

Model Answer

Introduction

The Asia-Pacific region is a major centre of global trade, manufacturing and technological innovation. However, geopolitical tensions, maritime disputes and competition over critical technologies are increasing pressure on economic interdependence. APEC provides a platform for maintaining dialogue and practical economic cooperation among regional economies.

Role of APEC in Regional Cooperation

1. **Trade facilitation:** APEC promotes the reduction of trade barriers, simplification of customs procedures and improvement of the business environment.

2. **Investment cooperation:** Its initiatives encourage cross-border investment, economic integration and participation in regional value chains.

3. **Supply-chain resilience:** Cooperation on logistics, digital trade and infrastructure can reduce disruptions caused by geopolitical tensions and global emergencies.

4. **Digital and technological collaboration:** APEC provides a platform for discussions on digital connectivity, innovation and emerging technologies while addressing differences in regulatory approaches.

5. **Policy dialogue:** Consensus-based engagement allows economies with different political and economic systems to pursue practical areas of common interest.

Emerging Challenges

1. **Geopolitical competition:** Strategic rivalry and maritime tensions can disrupt trade routes and weaken regional trust.

2. **Technology fragmentation:** Export controls, restrictions on critical technologies and competing standards can divide global innovation ecosystems.

3. **Economic securitisation:** Excessive reliance on national-security restrictions may weaken market access and raise costs for businesses.

4. **Unequal development:** Differences in infrastructure, technological capacity and institutional capabilities can limit the benefits of regional integration.

Way Forward

1. Strengthen diversified and transparent supply chains without encouraging unnecessary economic decoupling.
2. Promote common standards for digital trade, emerging technologies and data governance.
3. Preserve open communication channels to manage geopolitical disagreements.
4. Encourage inclusive cooperation that addresses the developmental needs of smaller economies.

Conclusion

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Economic interdependence need not mean strategic dependence. APEC can help regional economies balance legitimate security concerns with open markets, diversified supply chains and practical cooperation, thereby reducing the risks of economic fragmentation.

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