

2023 APEC App Challenge

*For information
Submitted by United States*

Introduction

For the past six years, each APEC host economy and the APEC Secretariat, with support from The Asia Foundation and Google have teamed up to produce the **APEC App Challenge** event and presentation of an award during a Ministerial meeting. This has involved bringing teams of developers from multiple APEC economies together in competition to build an app to solve a problem related to one of the APEC host year priorities. In recent years, the App Challenge focused on providing apps to help rural handicraft entrepreneurs (2018), support women MSME owners (2019), assist tourism operators and economic recovery (2020), promote the recovery of the region's tourism sector (2021), and advance sustainable agriculture solutions (2022).

The challenge is intended as a demonstration project rather than a full-scale rollout. The objective is to showcase the role that digital technology can play in advancing the region's economies and the importance of an enabling policy environment to achieve this. This is also in line with the Putrajaya Vision 2040 and Aotearoa Plan of Action, where innovation and digitalization are core pillars of APEC's work program.

The theme for the 2023 APEC App Challenge will be aligned with the U.S.' APEC host year theme of "Creating a Resilient and Sustainable Future for All."

2023 APEC App Challenge Theme: "How can we help MSMEs and other groups with untapped economic potential participate in global digitally-enabled trade and the international marketplace?"

The internet and digital tools have created new opportunities to build a more inclusive global trade landscape. Digitally-enabled trade significantly reduces the cost of internationalization, allowing MSMEs, women, minorities, and other groups with untapped economic potential, such as Indigenous Peoples as appropriate, people with disabilities, and those from remote and rural communities, to connect with global customers and expand beyond their home markets.

There are more than 150 million micro, small and medium enterprises (MSMEs) in APEC economies, representing around two-thirds of the total job market in the region. They typically contribute between 40 to 60 percent of APEC economies' GDP.¹ Studies have shown that digital tools can reduce the cost of exporting for small businesses in the Asia-Pacific region by up to 82% and reduce the time taken in exporting by up to 29%.² We also know there is strong interest by small businesses in the APEC region to export

¹ APEC Policy Support Unit (2020). "Overview of the SME Sector in the APEC Region: Key Issues on Market Access and Internationalization." Asia-Pacific Economic Cooperation, Small and Medium Enterprises Working Group (SMEWG). https://www.apec.org/docs/default-source/publications/2020/4/overview-of-the-sme-sector-in-the-apec-region---key-issues-on-market-access-and-internationalization/220_psu_sme-market-access-and-internationalization.pdf?sfvrsn=2758bd1_1

² Asia-Pacific MSME Trade Coalition, *New Stakeholders of International Trade*, 2018

internationally.³ Nevertheless, the opportunities remain significantly untapped, both in developing and developed countries⁴. In the United States, fewer than 6% of small businesses that could export are doing so⁵. The UN SDG of doubling least developed countries' exports by 2020, unfortunately, was missed.⁶

How do we enable MSMEs and other groups with untapped economic potential to seize this unprecedented opportunity to participate in global digitally-enabled trade?

The 2023 APEC App Challenge

In line with the U.S.' host year policy priority of *Inclusive* and to allow for more teams to participate in the APEC App Challenge, the 2023 App Challenge will be a hybrid coding event. This will entail a virtual portion for all participants, and an in-person component for selected finalists. Teams will comprise of 2-4 members representing the same economy, with no limits to the total number of teams from any one economy. ✓

Based on previous feedback from both participants and mentors, there will be dedicated time for participants to better understand the user space, facilitated by subject matter experts from the problem space. This is done in the hopes of allowing participants to develop solutions better targeted to real problems faced by real people.

This year's edition will follow a similar structure as previous years. Following a finals event during SOM3 in August, the winners will be announced during the APEC SME Ministerial Meeting. There may also be opportunities to feature the winners of the APEC App Challenge during APEC Leaders Week (including the APEC CEO Summit) in November.

Digital Prosperity Award at the APEC Ministerial Meeting in November 2023

The **APEC Digital Prosperity Award** is a special prize given in alignment with the Host Economy's theme and priorities and the 2010 APEC Leaders' Growth Strategy under the innovation pillar to recognize innovative digital products or applications that have the potential to increase prosperity and inclusive growth. Under the U.S. *Innovative* policy priority, the prize will be awarded to an exceptional team that participated in the APEC App Challenge. Criteria used to evaluate the apps include creativity of solutions; completeness and overall quality; design; impact on target audience; scalability; innovation; and uniqueness. The selection committee comprises the Host Economy and the APEC Secretariat. Members of the jury include the Asia Foundation and Google who partner directly with the Host Economy. The winner of the Digital Prosperity Award may be the same as the App Challenge winner, or a different entrant.

The 2023 APEC Digital Prosperity Award announcement will be a 2-3 minute video that focuses on the concrete outcome of the APEC App Challenge to Ministers at the APEC Ministerial Meeting. The video will offer an opportunity to provide substantive and realistic examples for introducing policy discussions on digital issues. See examples from the [2021](#) and [2022](#) APEC Digital Prosperity Award.

³ Global Innovation Forum, [Making Small Businesses Mighty](#), 2022

⁴ WTO, [SMEs in International Trade](#), 2016

⁵ US Chamber of Commerce, [Growing Small Businesses Exports](#)

⁶ UNCTAD [research](#)