Global Value Chains (GVCs) nowadays play a dominant role in global trade and business. The production process is spread across a number of economies rather than concentrating in a single economy. Since its inception Asia-Pacific Economic Cooperation (APEC) has worked to promote connectivity in the region. It is, however, only in 2013 that APEC leaders came to share their vision to each a seamlessly and comprehensively connected and integrated Asia-Pacific.

The enhancement of connectivity will certainly encourage FDI, and develop production networks and supply chains in the region. Experience over the past 20 years shows that, as countries join GVCs to a greater extent, they tend to grow faster. With increased fragmentation and complexity in global production and trade, however, firm’s exposure to risks has also increased substantially. This paper addresses both opportunities and challenges facing the Asia-Pacific region in linking connectivity and sustainable development, and provides policy implications.