How does China view Asia-Pacific economic integration?

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The world faces the threat of trade protectionism and unilateralism

- Brexit and impact on European integration
- Populism rises
- Trump’s America First policy and trade war
- Explanation: responses to the negative result of economic globalization: economic globalization brings development, and at the same time widen the disparity between the rich and the poor
China's point of view on economic integration in the Asia-Pacific region

• The Asia-Pacific region has created a mankind miracle of peaceful development over last four decades

• Regional cooperation and openness have maintained peace and prosperity of 40 years

• The United States has opened its market and played a leading role in promoting globalization and regionalization
• A large role of Japan: its economic transformation and upgrading, promoting regional division of labor and economic development

• East Asian and Southeast Asian countries have participated in the global market division of labor and have made great progress in their activities

• China's long time rapid economic growth contributes to regional economic growth and integration
Current challenges to economic integration in Asia Pacific

• Reorientation of US Policy: Opposed to regionalism, multilateralism and retreat toward unilateralism

• The Trump administration believes that the past liberalization and globalization policies have made the United States suffer, and China and all other trading partners have taken advantage of the US

• Withdraw from TPP and abandon regional integration policy that pursues high standards

• Unilateralism, pursuing bilateral negotiations

• The Impact of US-China trade war on Regional Integration
China's current policy on regional integration

• Continue to be committed to regional integration, including promoting early conclusion of the talks on RCEP, etc., and preparing for participation in higher standards like CPTPP

• Promote bilateral FTA and economic partnership program upgrade

• Expand economic development cooperation and pay attention to the development of the least developed economies

• Strengthen regional cooperation mechanisms such as APEC and East Asia Forum
• Promote the construction of regional security mechanisms based on the concept of cooperative security and common security, creating conditions for deeper economic integration

• Continue to open the Chinese market and let other countries take “ride” the express train of China's economic development

• Contribute to international public goods (AIIB, “Belt and Road”, etc.) to facilitate economic integration and deepen international economic development cooperation
The worst case scenario for the prospects for economic integration

• The worst case scenario: the trade war splits the Asia-Pacific region, the US and China economy are "decoupled"

• Different economic circles centered on the United States and China may appear in the Asia-Pacific region

• US-centered trade circle: the United States, Japan, South Korea, Southeast Asia, etc.

• China-centered trade circle: China, Japan, South Korea, Southeast Asia, etc.

• China as a fast-growing market will attract more countries to join the China-centered trade circle
Way Out: Asia-Pacific Economic Integration and Multilateral Trade System Reform

• Adhere to multilateralism, promote WTO reform, and adapt to the new situation
• China and the United States make domestic adjustments: economic rebalancing, industrial rebalancing, domestic reform and opening up
• A closer policy coordination on direction and plan of regional integration among the countries in the region
• Give a larger play to the role of Japan as an coordinator dealing with the China-US trade tension
Thank you!