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APEC Summit at Da Nang

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“Harnessing the potential for commerce”

The 25th Asia-Pacific Economic Cooperation (APEC) Economic Leaders’ summit was convened at Da Nang in Vietnam on 10-11 November. APEC comprises 21 members across the Asia-Pacific nations such as: Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Taiwan, Thailand, the US, and Vietnam.

The forum came into being some 28 years ago in 1989 to become a meaningful platform for member economies to strengthen dialogue and understanding on a number of crucial economic matters. Today, APEC proves its dynamism and resilience. It is a powerful forum. APEC members contribute nearly 60pc of global Gross Domestic Product (GDP), 51pc of global trade volume, and 53pc of world’s Foreign Direct Investment (FDI). The ideas of the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) came out of the APEC.

With the presence of US President Donald Trump, Chinese President Xi Jinping, and Russian President Vladimir Putin, *inter alia*, the APEC summit at Da Nang assumed extended weight as the Asia-Pacific has been facing unfavourable political and economic environment. Many countries are facing economic slowdown, currencies' devaluation, trade frictions, and other strategic issues.

A balanced regional development across the Asia-Pacific is essential to maintain growth, equitable trade and to seek political equilibrium. The Da Nang summit could inject impetus to political stability and give boost to economic development at this crucial juncture. Most of the leaders wanted to promote economic integration, trade multilateralism, liberalisation, to address protectionism, promote openness, and to achieve stability as stated by host Vietnamese President Tran Dai Quang at the opening of the summit.

The TPP or the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), as it is called now, gained huge attention at the Da Nang summit. Eleven left-out members of the TPP agreed to continue with trade liberalisation and integration without the United States' participation. Under Trump's decision in January, the United States withdrew from the TPP, fearing invasion of the American market by a number of TPP members especially Japan, South Korea, and ASEAN. Trump's "America First" approach also upsets TPP's goals. They prefer a free ground for all. But Trump wants a country-specific deal rather than a comprehensive integration of many economies and trade liberalisation through the principles of the TPP. The TPP leaders at Da Nang vowed to fight protectionism.

In a statement issued at the APEC summit, ministers from eleven TPP countries said that "the high standards, overall balance and integrity of the TPP while ensuring the commercial and other interests of all participants and preserving our inherent right to regulate, including the flexibility of the parties to set legislative and regulatory priorities." Japan, under Prime Minister Shinzo Abe, leads the pro-TPP campaign convincing all to continue with the principles laid down for the TPP cooperation. Japan wants a comprehensive integration among TPP members to achieve global standards and values of business in the Asia-Pacific region. Trump, however, opposes any such plan.

China is not part of the TPP but it supports trade openness, multilateral trade regime, and free-trade in the Asia-Pacific as explained by President Xi Jinping at the APEC summit. China is the most powerful economy among eleven TPP members but China was excluded from the TPP arrangements from the very onset. Many TPP members want China to take over the TPP leadership vacuum left by the exclusion of the United States. China, however, is reviewing its options on the RCEP and Free Trade Area of the Asia-Pacific (FTAAP) as mentioned by Xi at the summit. A planned meeting of TPP's

eleven leaders could not take place at Da Nang for one reason or another. Ostensibly Canada opposed the meeting while Japan was leading.

Under the given scenario at Da Nang, the US trade isolation on APEC would be inevitable because of Trump's reluctance to trade openness and liberalisation. He follows protectionist policies and contests to free trade in the Asia-Pacific. The APEC leaders want dynamism and foster new global shared-future.

While addressing the APEC business community, Xi emphasised on the Belt and Road Initiative (BRI). He was of the view that the initiative will create a broader and more dynamic platform for Asia-Pacific cooperation. He said that China will speed up the negotiation process of RCEP and also advance the building of the FTAAP for an institutional underpinning for growing an open economy in the Asia-Pacific.

In case of finding snags at CPTPP or RCEP, US-China rivalry, the APEC could provide more concrete basis for regional cooperation and trade integration among its member countries. The APEC summit at Da Nang wrapped up with a greater sense of optimism about the state of the world's economy.

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