

China Touts Its Own Trade Pact as U.S.- Backed One Withers

*Nations begin to coalesce around China-led trade group after Trump reiterates
plan to withdraw from TPP*

China said it hoped to conclude an Asia-wide trade pact as soon as possible, a sign of Beijing's intent to broaden its regional influence amid the apparent collapse of the U.S.-backed Trans-Pacific Partnership.

A Chinese Foreign Ministry spokesman said on Tuesday that Asian leaders are pressing ahead with talks for the **10-nation Regional Comprehensive Economic Partnership** that China has backed as an alternative to the U.S.-led deal, and “hope that such negotiations can

Beijing's statement came a day after U.S. President-elect Donald Trump vowed to withdraw from the Trans-Pacific deal that President Barack Obama had envisioned as the cornerstone of American engagement in Asia. **Mr. Trump, a critic of free trade deals**, said the pact would be a “disaster” and hurt U.S. jobs. He said he'd consider negotiating bilateral deals.

Singapore's Prime Minister Lee Hsien Loong, a TPP booster, is now calling on Asian Pacific nations to boost trade by backing the China-led pact and other initiatives. “There are still other pathways to free trade in the Asia-Pacific,” Mr. Lee said this past weekend.

Both Vietnam and Malaysia, TPP members, said they were shifting their focus to the China-backed group, according to their respective trade ministers, with Malaysia's, Datuk Seri Mustapa Mohamed, citing an “uncertain international economic situation.”

Some viewed the apparent shift as a victory for China.

“TPP has been a containment strategy by the Obama administration,” said Zou Zhengfang, an economics professor at Renmin University. “This is a good opportunity for China to be more powerful on the global stage starting with economics, and to gain a larger voice.”

The developments underscore the eagerness with which Asia countries are embracing free trade and pushing back against growing skepticism in the U.S. and in Europe. It also signals the unraveling of Mr. Obama's vision to make the TPP accord an economic anchor for U.S.

strategic engagement in a region being transformed by China's growing economic might and expansionist aims.

Japanese Prime Minister Shinzo Abe said on Tuesday that the Trans-Pacific Partnership deal would be "meaningless" without the U.S., after President-elect Donald Trump promised in a video to withdraw from the trade pact. Photo: EPA

Speaking at an Asia-Pacific conference in Lima, Peru, this past weekend, **China's leader Xi Jinping sought to position himself as a leader in global commerce.** vowing to support trade. The attendees signaled "deepening economic integration and opposing trade protectionism," the Foreign Ministry spokesman said on Tuesday.

The TPP would cut or reduce some 18,000 tariffs for a group of Pacific Rim nations in the Americas, Asia and Oceania—an area accounting for 40% of the global economy. The China-led pact is less ambitious in reducing tariffs.

A spokeswoman for Japan's Foreign Ministry said Japan still held hope the deal will be revived in some form and that Prime Minister Shinzo Abe planned to continue to try to change Mr. Trump's thinking on its merits.

"The TPP would be meaningless without the United States," Mr. Abe said, shortly before Mr. Trump's statement disavowing the trade pact was released.

New Zealand's Trade Minister, Todd McClay, said Tuesday if the Trump administration was willing to look at new bilateral agreements, "we would be keen to be near the front of that queue."

To be sure, the scope of Mr. Trump's plans to remake U.S. trade relationships once he takes office remains unclear. Withdrawing from the TPP may be the opening shot in a broader effort to redo other deals he has criticized as well, such as the North American Free Trade Agreement.

"We still don't know how far the Trump administration is going," said Derek Scissors, a resident scholar at the American Enterprise Institute who focuses on China. **'What matters is if this becomes a pattern of just disrupting trade relationships, without getting to something positive.'**