

China's Xi Pledges Open Trade Despite Trump Protectionism

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China pledges to boost global trade and cooperation by opening up further and giving greater access to foreign investors, President Xi Jinping said on Saturday.

China wants to create a level playing field for foreign and local companies so that they can share in the Asian country's growth, Xi said in a speech at the Asia-Pacific Economic Cooperation meeting in Lima.

Xi called on APEC members to reject attempts to slow down cooperation between nations in a pointed reference to U.S. President-elect Donald Trump, who won an election this month by saying he will protect his country from free trade agreements that he says are destroying American jobs. A protectionist mood in the U.S. spurred by Trump's victory means the Trans-Pacific Partnership, which doesn't include China, is increasingly unlikely to be ratified by Congress.

"We should deepen and expand cooperation in our region," Xi said. "Any attempt to undercut or exclude each other must be rejected."

Xi said China is working on an early conclusion in negotiations for the **Regional Comprehensive Economic Partnership, an Asia-wide trade pact** that it has championed in recent years. That deal has returned to focus given the fading fortunes of the TPP that would have taken in about 40 percent of the global economy.

Moving ahead on the RCEP would give the world's second biggest economy greater sway and a bigger say in creating trade rules. It would boost China's geopolitical clout in a region where it has territorial disputes with neighbors including Japan, Vietnam, Malaysia and the Philippines and is looking to displace decades of U.S. strategic dominance.

"It's a very good opportunity for China to push RCEP. The uncertain future of the TPP gives momentum to the RCEP, which is an easier-to-do alternative," said He Weiwen, deputy director of the Beijing-based Center For China and Globalization and a former business attache in the Chinese consulates of New York and San Francisco. "China has played a big

role in pressing ahead on regional economic integration and globalization. It serves China's strategic interests"

Growth challenges

Xi said that China will import \$8 trillion of goods over the next five years while it expects to receive \$600 billion in foreign investment and invest \$750 billion overseas. China is overcoming challenges to growth through a series of reforms and economic production for 2016 is within range, Xi said. The economy grew 6.7 percent in the first nine months of the year, he said.

"Reforms will make China's investment climate more favorable and transparent," Xi said. "This will allow foreign companies to share in China's growth opportunities. We will also encourage more Chinese companies to go global."

Since it became an APEC member in 1991, China has sought to increase its clout within the group, with a focus on trade. It has been the world's largest exporter since 2010, even though last year its domestic economy grew at the slowest pace in 25 years amid a decline in global demand and domestic restructuring.

Xi's week-long trip to Latin America, with stops in Ecuador, Peru and Chile, is his third to the region since he became president. Trade volume between China and Latin America has risen more than twenty-fold in the past decade, reaching \$236.5 billion in 2015, according to Xinhua. China is the second largest trading partner and third largest source of investment for Latin America, while the region is China's seventh-largest trading partner.

The RCEP, which would be the first pan-Asian trade deal ever, was launched by the Association of Southeast Asian Nations in 2012 and has gone through 15 rounds of talks. Negotiators are looking to accommodate India's fears of a widening trade deficit with China, as well Japan's reluctance to open its agricultural sector.

The 16 countries involved in RCEP include the 10 members of Asean plus China, Japan, India, South Korea, Australia and New Zealand. They represent about 30 percent of global gross domestic product and almost half the world's population. Some had already signed up for the TPP. As for the five TPP signatories in the Americas, they would be left out.