China trade area plans meet Apec resistance

The US successfully staved off China’s efforts to accelerate the creation of a Free Trade Area of the Asia Pacific on Saturday, as Washington seeks to complete the creation of a Trans-Pacific Partnership trade agreement that currently excludes China.

Beijing, however, successfully lobbied foreign and trade ministers at this month’s Apec summit to agree to the creation of a regional network that will help track and hunt down corrupt officials and their assets. Chinese president Xi Jinping has launched the country’s most aggressive anti-corruption campaign, with the apprehension of officials who flee abroad a key priority.

The two initiatives will be submitted to Apec member nations’ top leaders, including US president Barack Obama, in a two-day meeting that opens in Beijing on Monday.

Chinese foreign minister Wang Yi and trade minister Gao Hucheng hailed the commitment to launch a “collective strategic study” concerning an Asia Pacific free trade area, better known as FTAAP. “The meeting reached consensus on a Beijing road map on FTAAP and agreed to launch and promote this process in a systematic way,” Mr Gao said.

Over recent months, Chinese government officials had unsuccessfully lobbied Apec member nations to sign off on a more formal FTAAP feasibility study which would have included a target date for the deal’s completion.

That was opposed by the US and some other Apec member nations that want to focus on completion of the 12-nation TPP. The US supports the idea of an FTAAP but wants the TPP to be its main building block. As Mr Wang and Mr Gao were briefing reporters on Saturday, trade ministers from countries included in the TPP were gathering at the US embassy in Beijing.

Mr Obama, Japan’s Shinzo Abe and other TPP leaders are due to meet in the Chinese capital on Monday, but USTR ambassador Michael Froman has said a final TPP agreement is weeks if not months away. Among the major sticking points is access to Japan’s agricultural markets.

At a briefing on Friday, a Chinese commerce ministry spokesman cautiously welcomed the TPP talks but emphasised Beijing’s desire that they should be transparent and open. “TPP will have a far-reaching and profound impact on international trade. This must be admitted,” Shen Danyang told reporters.

“We are paying great attention to the progression of TPP talks,” he admitted. “But we also hope TPP can keep an open, inclusive and transparent attitude.”

Separately, Mr Wang declined to comment on whether Japanese prime minister Shinzo Abe had agreed not to visit the Yasukuni shrine, which honours the country’s war dead and has been a flash point in Sino Japanese relations, in order to pave the way for a high-level summit between the two countries’ leaders. Mr Abe announced on Friday that the two sides had reached a “four-point consensus” in order to prepare the groundwork for a possible meeting between him and Mr Xi.

“We hope that the Japanese side takes this [consensus] seriously, implements it faithfully and honours its commitment so as to create a necessary and favourable atmosphere for a meeting between the two leaders,” Mr Wang said.

“We very much welcome a reduction in tensions between Asia’s two largest economies,” John Kerry, US secretary of state, said on Saturday.

“This [Sino-Japanese] agreement is beginning not an end,” he added. “Over time this will be given a little more meat on the bones but
we absolutely appreciate the initial effort.”

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