

**THE TRANS-PACIFIC PARTNERSHIP FROM
CHINA'S VIEWPOINT: PERCEPTIONS,
REALITIES, AND UNCERTAINTIES**

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EAI Background Brief No. 736

Date of Publication: 13 July 2012

Executive Summary

1. China remains wary of the development in TPP (Trans-Pacific Partnership) talks, which concluded its 12th round of negotiations in May 2012. While the government is still weighing the economic costs and benefits of joining or staying outside the group, perceived strategic and geopolitical challenges continue to significantly influence the domestic discourse.
2. Although China has recently emerged to be the world's largest trading power and the second largest economy, it still lacks the confidence and the experience to effectively project its influence in global affairs.
3. There is a wide spectrum of views in Chinese academic circle on the issue of TPP. At one extreme, TPP is seen as part of an American plot to contain China or to constrain China's growth and development.
4. At the other extreme, some believe that TPP could bring tremendous benefits to China and taking part as early as possible in the TPP is advisable. Between these two extremes, many take the view that China should not rush into action but instead carefully assess the strategic and political impact.
5. Moreover, China's leadership is facing growing domestic problems, including a possible economic slowdown and rapidly rising income gaps, which could degenerate to social and political instability. As such, uncertainties within the country as well as surrounding TPP leave Chinese leaders baffled and somewhat worried.
6. As of now, China seems to adopt an open attitude toward the TPP on one hand and a "wait-and-see" attitude on the other, citing that it has not received an official invitation to participate. Such a situation however may change as TPP talks proceed and China completes its leadership transition in the later part of 2012.