

**REGIONAL COMPREHENSIVE ECONOMIC
PARTNERSHIP AND ASEAN CENTRALITY:
A CHINESE PERSPECTIVE**

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Executive Summary

1. Regional Comprehensive Economic Partnership (RCEP) is a new initiative of ASEAN. Its adoption by ASEAN leaders at the 19th ASEAN Summit in 2011 drew much attention from within and beyond East Asia.
2. Two documents outlined RCEP: “ASEAN Framework for Regional Comprehensive Partnership” adopted by ASEAN leaders, and the “Guiding Principles and Objectives for Negotiating the Regional Comprehensive Economic Partnership” adopted by ASEAN+6 leaders.
3. According to the latter, RCEP would be a modern, comprehensive, high quality and mutually beneficial regional FTA covering eight trade areas in goods, services, investment, economic and technical cooperation, intellectual property, dispute settlement, and other issues. ASEAN+6 leaders also agreed to end negotiations by 2015.
4. The lack of progress in ASEAN integration, the differences of the five “10+1” FTAs and the lack of bilateral arrangements among some RCEP participants are major sources of the cask effect in the fulfillment of RCEP.
5. RCEP is considered significant for ASEAN to achieve various objectives, including most importantly the strengthening of ASEAN centrality.
6. ASEAN centrality depends on a regional power structure that features a rivalry between China and Japan. More importantly, ASEAN needs a regional framework to play out its central role. It thus intends to establish a new platform to reinforce its central role via RCEP.
7. Although RCEP faces many challenges in its realization of the stated economic benefits, it is still essential for ASEAN to maintain its central role given the strong support it receives.

8. China is a strong supporter of RCEP. Economically, China hopes to deepen its relation with ASEAN and other regional countries through this new platform. Strategically, RCEP is a new Asian framework to meet Asian demands unlike the US-led Trans-Pacific Partnership (TPP).
9. The economic benefits of RCEP may not be substantial and is likely to require a longer time to realize. However, its role in regional cooperation is immense. The mediatory role it plays in China-Japan rivalry and the new dual framework of RCEP and TPP are likely to shape future cooperation in the region.