

CHINA'S OVERSEAS ECONOMIC AND TRADE COOPERATION ZONES IN ASEAN: THRIVING AMID ANTI-GLOBALISATION WAVES

LI Yao

EAI Background Brief No. 1820

China's Overseas Economic and Trade Cooperation Zones (OETCZs) have become a key tool for expanding overseas investments, strengthening economic partnerships and exporting China's development model to emerging economies, particularly in ASEAN. Launched in the 1990s, these zones expanded rapidly after the 2008 global financial crisis as Chinese enterprises sought new markets, with a second wave of growth beginning in 2016 due to trade conflicts, geopolitical tensions and China's slowing economy. OETCZs enhance industrial capacity, promote high-tech growth and support economic resilience in host countries. However, they also face challenges such as environmental concerns, labour disputes and security risks, leading to mixed responses—stronger support in Indonesia and Thailand, but cautious reception in Vietnam. External pressures like US tariffs further complicate their expansion, prompting China and host nations to explore new cooperation frameworks, though their long-term effectiveness remains uncertain, leaving the future of OETCZs shaped by both opportunities and risks.

(Click on the link to read the above in [Chinese](#), [French](#) and [Spanish](#))

Chinese:

中国在东盟的海外经济贸易合作区：反全球化浪潮中蓬勃发展

中国的海外经济贸易合作区（OETCZs）已成为扩展海外投资、加强经济伙伴关系以及向新兴经济体（尤其是东盟国家）输出中国发展模式的关键工具。这些合作区始于上世纪 90 年代，在 2008 年全球金融危机后迅速扩张，因为中国企业寻求新的市场。2016 年，由于贸易冲突、地缘政治紧张局势以及中国经济放缓，合作区迎来了第二波增长。OETCZs 提升了东道国的工业能力，促进高科技增长，并支持经济韧性。然而，它们也面临着环境问题、劳资纠纷和安全风险等挑战，导致不同的反应——在印度尼西亚和泰国获得强有力支持，但在越南则持谨慎态度。美国关税等外部压力进一步复杂化了其扩张，中国和东道国正在探索新的合作框架，尽管其长期有效性仍不确定，使 OETCZs 的未来在机遇与风险中交织。

French:

LES ZONES DE COOPÉRATION ÉCONOMIQUE ET COMMERCIALE D'OUTRE-MER DE LA CHINE AU SEIN DE L'ASEAN: DES POINTS DE PROSPÉRITÉ AU MILIEU DES VAGUES ANTI-MONDIALISATION

Les zones de coopération économique et commerciale d'outre-mer de la Chine (ZCECOM) sont devenues des outils clés pour élargir les investissements à l'étranger, renforcer les partenariats économiques et exporter le modèle de développement chinois vers les économies émergentes, en particulier dans l'ASEAN. Lancées dans les années 1990, ces zones se sont rapidement développées après la crise financière mondiale de 2008 alors que les entreprises chinoises cherchaient de nouveaux marchés. Une seconde vague de croissance a débuté en 2016 en raison des conflits commerciaux, des tensions géopolitiques et du ralentissement de l'économie chinoise. Les ZCECOM améliorent la capacité industrielle, favorisent la croissance technologique et soutiennent la résilience économique dans les pays hôtes. Cependant, elles font face à des défis tels que les préoccupations environnementales, les conflits du travail et les risques de sécurité, entraînant des réponses mitigées : un soutien plus fort en Indonésie et en Thaïlande, mais une réception prudente au Vietnam. Les pressions externes comme les droits de douane américains compliquent davantage leur expansion, poussant la Chine et les pays hôtes à explorer de nouveaux cadres de coopération. Leur efficacité à long terme reste incertaine, laissant l'avenir des ZCECOM façonné tant par les opportunités que par les risques.

Spanish:

LAS ZONAS DE COOPERACIÓN ECONÓMICA Y COMERCIAL EN EL EXTRANJERO DE CHINA EN LA ASEAN: PROSPERANDO EN MEDIO DE OLAS ANTIGLOBALIZACIÓN

Las Zonas de Cooperación Económica y Comercial en el Extranjero de China (OETCZs, por sus siglas en inglés) se han convertido en una herramienta clave para expandir las inversiones en el extranjero, fortalecer las asociaciones económicas y exportar el modelo de desarrollo de China a economías emergentes, particularmente en la ASEAN. Lanzadas en la década de 1990, estas zonas se expandieron rápidamente después de la crisis financiera global de 2008, ya que las empresas chinas buscaron nuevos mercados, con una segunda ola de crecimiento que comenzó en 2016 debido a conflictos comerciales, tensiones geopolíticas y la desaceleración de la economía china. Las OETCZs mejoran la capacidad industrial, promueven el crecimiento de alta tecnología y apoyan la resiliencia económica en los países anfitriones. Sin embargo, también enfrentan desafíos como preocupaciones ambientales, disputas laborales y riesgos de seguridad, lo que lleva a respuestas mixtas: un apoyo más fuerte en Indonesia y Tailandia, pero una recepción cautelosa en Vietnam. Presiones externas como los aranceles de Estados Unidos complican aún más su expansión, lo que lleva a China y a las naciones anfitrionas a explorar nuevos marcos de cooperación, aunque su efectividad a largo plazo sigue siendo incierta, dejando el futuro de las OETCZs moldeado por oportunidades y riesgos.

Executive Summary

1. China has actively developed Overseas Economic and Trade Cooperation Zones (OETCZs) to facilitate overseas investments since the 1990s. OETCZs serve as conduits for boosting international cooperation and sharing China's development experience with developing economies, including most ASEAN countries.
2. China's outward direct investment and rapid establishment of OETCZs were strategic responses to diversify markets and sustain economic growth.
3. A new wave of development in China's OETCZs has emerged since 2016, driven by escalating trade conflicts and geopolitical tensions, leading to a prolonged, more severe-than-expected slowdown in China's economy. This wave has been particularly prominent in ASEAN regions.
4. The OETCZs have strengthened economic resilience for both China and host countries against external shocks. These zones have also contributed to enhancing host countries' productive capacities, accelerating industrialisation, fostering economic development and driving growth in high-tech sectors.
5. However, China's OETCZs face significant operational challenges, including concerns over environmental pollution, labour disputes, public security issues and other conflicts among different stakeholders in OETCZ development. These issues have occasionally resulted in resistance from host countries.
6. ASEAN countries' response to Chinese investment varies, due in part to differences in members' development level and strategies. While some, like Indonesia and Thailand, welcome and encourage such investment, others, such as Vietnam, adopt a more cautious approach.
7. In addition, public attitudes towards OETCZs in some ASEAN countries diverge from governmental positions. These differences highlight underlying tensions

among stakeholders, complicating efforts to align interests and ensure smooth implementation.

8. Third-party factors also present challenges. For instance, US tariffs on solar panel imports from four Southeast Asian nations at the end of 2024 have created new hurdles for the development of China's OETCZs in ASEAN.
9. To address stakeholder concerns and leverage mutual advantages, China and some ASEAN countries have explored new bilateral and multilateral cooperation frameworks to develop trade and economic cooperation zones. However, the effectiveness and long-term impacts of these new efforts remain uncertain and require further study.