



商务部国际贸易经济合作研究院  
Chinese Academy of International Trade and Economic Cooperation

## 中国的宏观经济与东北亚经济合作战略

# Chinese Macroeconomic and Northeast Asian Economic Cooperation Strategy

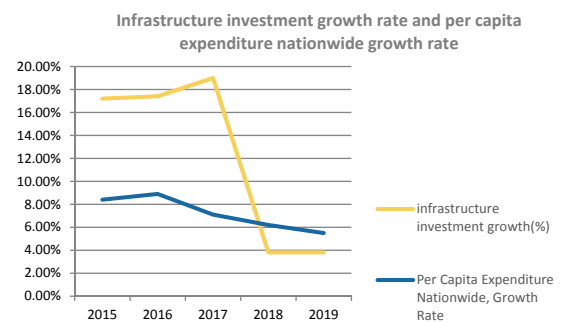
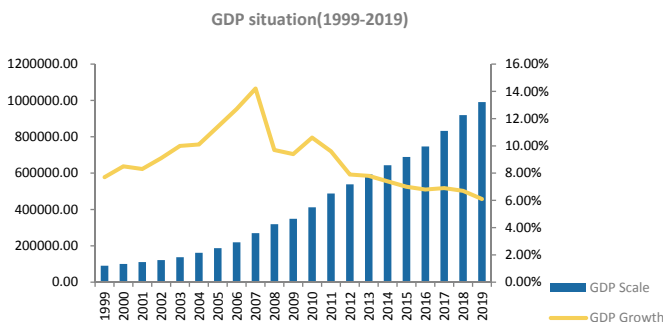
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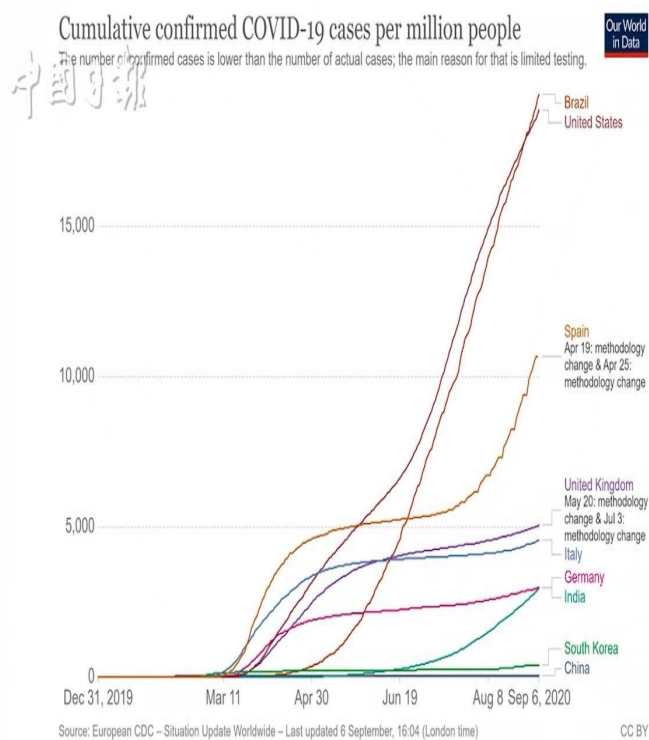
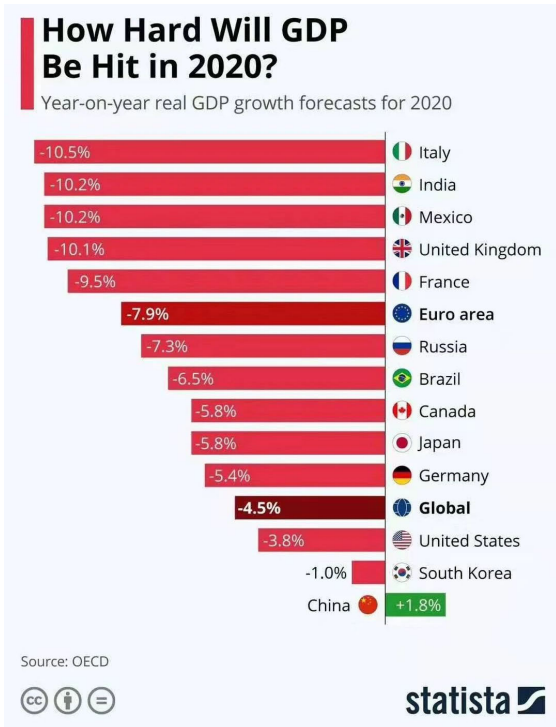
### | China's macroeconomic |



- ✓ GDP scale is increasing, growth is slowing down.
- ✓ 2020 GDP growth: expected to be around **6%**.
- ✓ 2020 economics: doubling the aggregate of 2010.

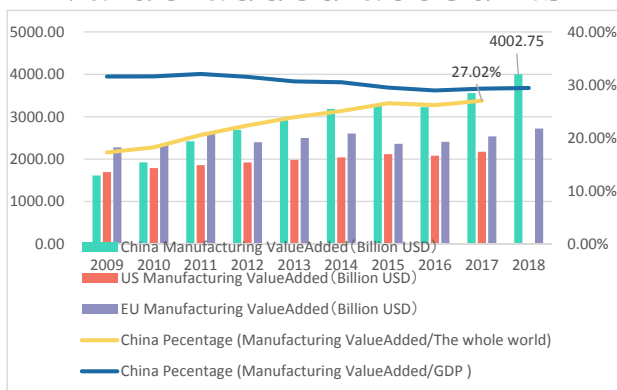
Per capita expenditure nationwide growth follows roughly the same trend as infrastructure investment growth rate.  
The 3% fiscal deficit target is boosting domestic infrastructure investment and driving induced consumption.

The data came from the national bureau of statistics of China.



## China is the world's largest manufacturing hub and has the largest merchandise trade

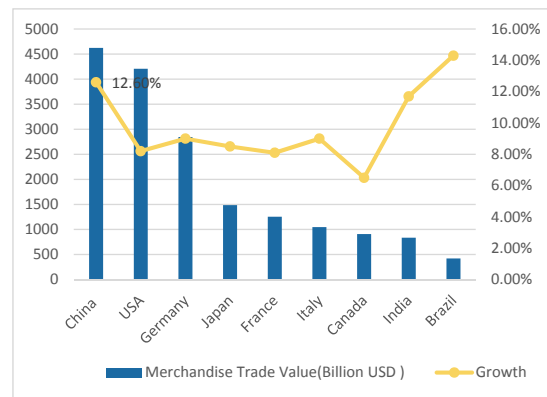
- China's manufacturing value-added accounts



The Changing of Manufacturing Value Added in China,US and EU

Source : World Bank

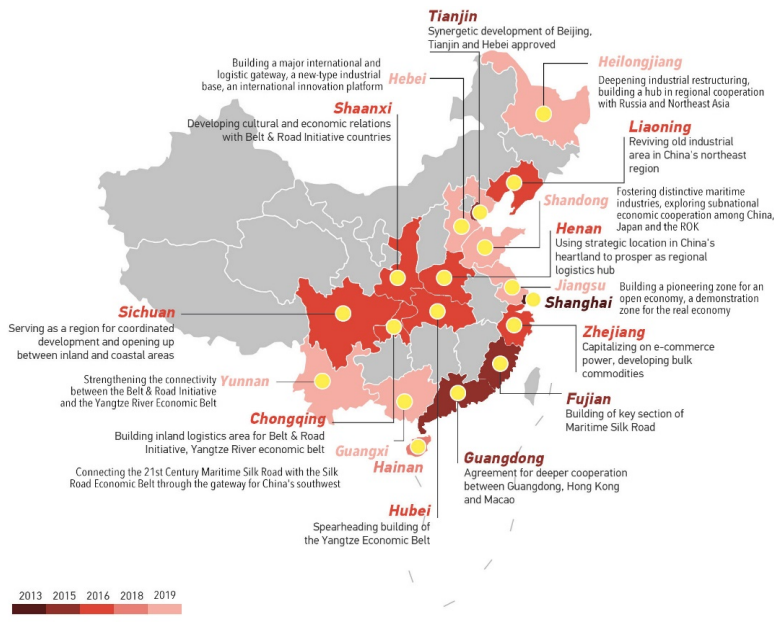
- China continues to maintain its position as the world's largest trader of goods in 2018, the growth rate of goods trade reached 12.6%.



The Merchandise Value in Main Countries 2018

Source: Official data released by the countries

## Free Trade Experimental Zones



China announced it will be expanding pilot free trade zones (FTZ) to six new provinces across the country in 2019. The new FTZs are all located along the coastal or border regions and will serve as major gateways for trade and investment flows with Russia, Japan, South Korea, and Vietnam.

Year	New Free Trade Zones	Total
2013	Shanghai	1
2015	Guangdong, Tianjin, Fujian	4
2016	Liaoning, Zhejiang, Henan, Hubei, Chongqing, Sichuan, Shanxi	11
2018	Hainan	12
2019	Shandong, Jiangsu, Guangxi, Hebei, Yunnan, Heilongjiang	18

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## | Belt and Road |



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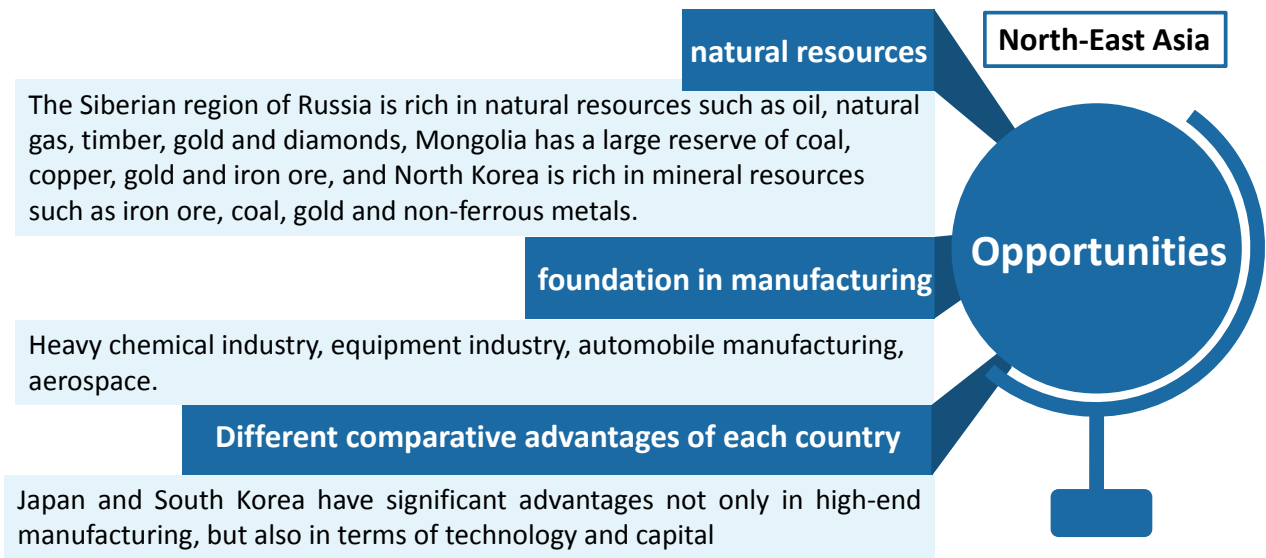
| Belt and Road |



**The Belt and Road initiative**

will combine the regional cooperation with sub-regional cooperation (such as the Great Tumen River Initiative) in Northeast Asia, in order to form a comprehensive and multi-domain system of cooperation, tapping the huge market potential inside and outside the region furthermore work together to achieve the 2030 Global Sustainable Development Goals.

| Belt and Road |



| Regional cooperation |

**Regional Comprehensive Economic Partnership (RCEP)**

**RCEP** potentially includes more than **3 billion** people or **45%** of the world's population, and a combined GDP of about **\$21.3 trillion**, accounting for about **40 percent** of world trade. India's decision to not join RCEP reduced the impact of RCEP significantly.

The combined GDP of potential RCEP members surpassed the combined GDP of Trans-Pacific Partnership (TPP) members in 2007. Continued economic growth, particularly in China, India and Indonesia could see total GDP in RCEP grow to over **\$100 trillion** by 2050, roughly double the project size of TPP economies.

On January 23, 2017, United States President Donald Trump signed a memorandum that stated withdrawal of the country from the TPP, a move which was seen to improve the chances of success for RCEP.



| Regional cooperation |

**China Japan ROK FTA**

The idea of the China-Japan-Korea Free Trade Area was proposed at the China-Japan-Korea Leaders Summit in 2002. It is envisaged that the ROK FTA is a three-country free trade area composed of a large market with a population of more than 1.5 billion.

**Tariffs and other trade restrictions** in the free trade zone will be lifted, and goods and other materials flow more smoothly.

**Manufacturers** in the zone can often reduce production costs and obtain a larger market and revenue.

**Consumers** can get lower-priced goods.

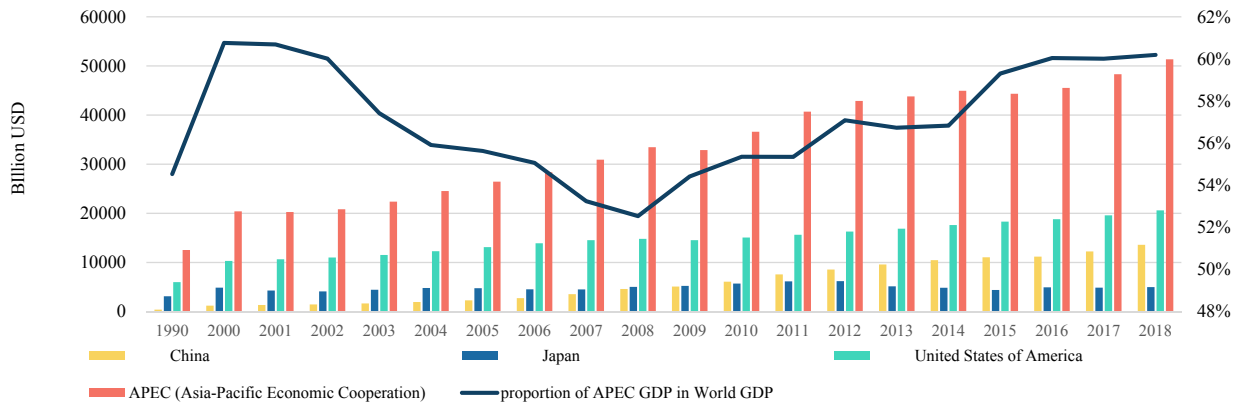
**The overall economic welfare** of the three countries will increase.



## The Asia-Pacific Region: A New Global Trade and Economic Center

The Asia-Pacific region is home to the world's leading three economies: the US, China, Japan.

APEC's share of global GDP has risen since 2008 and reached 60.2% in 2018.



GDP of main countries in Asia-Pacific

Source: Calculated from UNCTAD data

## | China-US Economic And Trade Agreement |

### The impacts on the world

- ✓ The signing of the agreement provides an opportunity for the adjustment and recovery of the world economy and international trade, which are under downward pressure. It is also conducive to the return of all parties to the track of international division of labor and cooperation and globalization.

- ✓ The detente of China-US economic and trade relations is conducive to the advancement of economic cooperation in **northeast Asia**. The conclusion of the phase one agreement between China and the United States shows to the world China's open posture and determination to oppose trade protectionism. China, Japan and ROK are expected to strengthen economic cooperation, speed up negotiations on the China-Japan-ROK free trade agreement on the basis of the outcome of negotiations on the regional comprehensive economic partnership (RCEP), further enhance regional economic integration and create a freer and more convenient trade environment.

## **Stable and prosperous Asia-Pacific trade is conducive to world development**

- To be people-oriented and benefit more people, instead of being affected by geopolitics of great powers.
- Prosperous Asia-Pacific trade can contribute to globalization, promote sharing of resources and increase the welfare of member states.
- In line with the great changes and trend of global development, all economies would work together with the rest of the world to build a community with a shared future.

