China's Approach to Regional Free Trade Frameworks in the Asia Pacific: RCEP as a Prime Example of Economic Diplomacy?

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Abstract: This article examines China's perception of two major free trade agreements (FTAs) in the Asia Pacific, the U.S.-led Transpacific Partnership Agreement (TPP) and the Regional Comprehensive Economic Partnership Agreement (RCEP) driven by the Association of Southeast Asian Nations (ASEAN) and The People's Republic of China. By means of scrutinizing nearly 800 publications by two leading Chinese Foreign Policy Think Tanks (FPTT) between 2010 and 2015, it is found that TPP is regarded by many experts as not merely an economic but also a strategic and political challenge. Accordingly, RCEP is commonly framed as an economic but also political and strategic response to TPP. In sum, it is revealed that FTAs are frequently perceived by Chinese FPTTs as vital tools of foreign *economic diplomacy* suitable to accomplish economic just as (geo-) political and strategic objectives.

Keywords: Free Trade Agreements, Chinese foreign (economic) policy, economic diplomacy, Asia Pacific
Stichwörter: Freihandelsabkommen, Chinesische Außen(wirtschafts)politik, Wirtschafts- diplomatie, Asien-Pazifik

1. Introduction

Since the early 2000s, Asia-Pacific is witnessing a vast and steady increase in bilateral and multilateral free trade agreements (FTAs). By 2017, 225 of such agreements have been on on the table, out of which 147 are already in effect, the others being in the phase of negotiation, signed but awaiting final ratification or still under consideration.[1] As a result, the present state of bilateral and multilateral FTA projects in the region is complex and subject to significant overlap, a phenomenon commonly referred to as the *Asian noodle bowl*. Therefore, in recent years, multilateral trade agreements have gained prominence, accompanied by controversial discussions about the very rules and regulations to apply as well as membership and accession requirements.

The People's Republic of China, one key player in that region, is experiencing massive economic growth since its reform and opening-up policies which were introduced by Deng Xiaoping in the late 1970s. Consequently, in 2010, China surpassed Japan as the second largest economy in the world, because the former is no longer witnessing double-digit annual growth rates and is said to have entered a period of "new normal", its economy is still growing at a profound scale. China's official accession to the *First Agreement on Trade Negotiations among Developing Member Countries of the Economic and Social Commission for Asia and the Pacific* in 2001, known as Bangkok Agreement, marked the starting point of China's ambitions in regional economic integration and Free Trade Agreements in general. To date, China has signed 14 different FTAs, nine further FTAs are currently under negotiation (e.g. the Regional Comprehensive Economic Partnership Agreement (RCEP)) and another six still under consideration.[2]

The author holds that China's keen interest in FTAs and economic regional integration since the early 2000s, the Asian Infrastructure Investment Bank (AIIB) and the One Belt One Road Initiative (OBOR) as two recent examples thereof, cannot solely be explained with reference to economic rationales and objectives alone. Instead, China's approach to FTAs needs to be viewed in the context of its overall diplomatic and political relations with its neighbouring environment, but also in light of the United States of America. In order to test this assumption, this article examines the following research question: *To what extent do Chinese Foreign Policy Think Tanks regard FTAs as a strategic and political instrument in line with the concept of economic diplomacy?* That said, *economic diplomacy*, referring to the "pursuit of diplomacy with economic weapons" (Smith, 2014, p. 36) and *economic statecraft*[3] represent two very similar concepts focussing on political considerations behind economic measures.[4]

There is a number of cases, yet unrelated to FTAs, in which the Chinese government presumably had pursued such measures in the past. For instance, in response to plans by former French President Sarkozy to meet with the Dalai Lama in 2009, China postponed the 11th European Union (EU) – China summit, froze a large trade deal with Airbus, and former Chinese Premier Wen Jiabao declared that his delegation would no longer visit France: "I looked at a map of Europe on the plane. My trip goes around France" (2009). This example suggests that Chinese political elites are familiar with the logic of economic diplomacy, involving elements of both carrots and sticks. Moreover, it can be assumed that the strategic adoption of such economic measures is facilitated by China's state-centred economic model providing the Chinese state with a larger influence over far-reaching economic decisions (Norris, 2016; Reilly, 2013; Tanner, 2007). The question however remains as to whether similar dynamics are at stake with respect to China's FTA strategy as well.[5] Generally speaking, FTAs carry significant economic implications for both participating and non-participating parties, yet at times appear to involve a

1 Asia Regional Integration Center, 2017.
2 Ministry of Commerce of the People's Republic of China (MOFCOM), 2017.
3 "The use of economic resources by political leaders to exert influence in pursuit of foreign policy objectives" (Reilly 2013: 2).
4 Both concepts, thus, are applied interchangeably in this article.
5 Several definitions of economic statecraft at least include (preferential) trade agreements as one possible strategy thereof (cf. Hirschman 1980; Reilly 2013; Mastanduno 1999).

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certain geopolitical dimension as well. In order to address the aforementioned research question, this study will focus on scholarly debates on two of the most comprehensive FTAs in the Asia-Pacific currently under negotiation, the Transpacific Partnership Agreement (TPPA) and the Regional Economic Partnership Agreement (RCEP).[6] Accordingly, two hypotheses are discussed subsequently:

- Hypothesis 1: Chinese Foreign Policy Think Tanks (FPTT) perceive TPP not merely as an economic but also as a (geo-) political challenge.
- Hypothesis 2: Chinese FPTTs view RCEP as a (political) response to TPP.

2. Data Set & Research Method

As the two hypotheses already suggest, this article is focussing on English-language academic articles published by the two most prestigious FPTTs in Beijing (China), the China Institute of Contemporary International Relations (CICIR) and the China Institute of International Studies (CIIS) on TPP and RCEP between 2011 and 2015.[7] Chinese FPTTs are frequently affiliated to governmental and/or party bodies, a circumstance which involves dependencies of think tanks on state bodies in terms of funding, patronage, attention of senior level decision makers and license to operate.[8] This link is further facilitated by means of increasingly acquired revolving door mechanisms with regard to staff of both, FPTTs and governmental bodies (Li, 2009). Moreover, according to Morrison and others, Chinese FPTTs obtain their level of influence to foreign policy decision-making by three "sources of access", being "bureaucratic position, personal connections, and issue-specific knowledge or experience" (Morrison, 2012, p. 80). Due to their special status, think tanks in China represent attractive research objects as they provide valuable insights into ongoing Chinese foreign policy debates, thinking sets and perception patterns on numerous issues (Chen, 2014, p. 100; Zhu, 2009). For the sake of operationalization, the two FPTTs' most popular (English-language[9]) journals dealing with foreign policy issues, namely *Contemporary International Relations* (CICIR) and *China International Studies* (CIIS), constitute the data corpus. Furthermore, in terms of research method, qualitative content analysis (Gläser & Laudel, 2009) is used to extract information from the aforementioned data set, comprising nearly 800 documents in total.[10]

3. Transpacific Partnership Agreement (TPP)

The origins of TPP can be traced back to the Trans-Pacific Strategic Economic Partnership Agreement (TPSEP), which entered into effect in 2006. In September 2008, the U.S. government launched an initiative to convert TSEP into a more comprehensive free trade agreement with expanded membership. Subsequently, on November 13th 2009, former President Obama announced the intention of the U.S. to conduct TPP negotiations. TPP has been negotiated, throughout most of the negotiation rounds, by twelve countries (Australia, Brunei, Chile, Singapore, New Zealand, Canada, Japan, Malaysia, Mexico, Peru, the U.S., Vietnam) in the Asia-Pacific.[11] The objectives of TPP include the reduction of both non-tariff and tariff barriers to trade (trade chapters) as well as non-trade chapters (e.g. environment, intellectual property) and administrative chapters (e.g. dispute settlement). On February 5th 2016, all negotiation parties, which in total account for roughly 40 per cent of global trade, signed the treaty, triggering the phase of ratification. In order for TPP to enter into force, at least six countries representing 85 per cent of total gross domestic product (GDP) of the original twelve parties need to complete ratification within two years. The ratification process received a severe setback with current U.S. President Trump's executive order of January 23rd 2017 to withdraw from TPP.

4. Regional Comprehensive Partnership Agreement (RCEP)

RCEP is not a Chinese project by definition, the same way TPP was not initiated by the U.S. either. However, China's strong endeavors in 2011 to accelerate negotiations of two previous proposals dating back to 2006, the Comprehensive Economic Partnership for East Asia (CEPEA) and the East Asia Free Trade Area (EAFTA), have presumably triggered RCEP's initiation, essentially a combination of the former two, to a significant extent. That said, RCEP negotiations were officially decided upon by the ten Member States of the Association of Southeast Asian Nations (ASEAN) and six ASEAN FTA partner states (China, Australia, Japan, India, Republic of Korea, New Zealand) during the November 2012 ASEAN Summit in Cambodia. In course of this summit, the "Guiding Principles and Objectives for Negotiating the RCEP" were endorsed by participating governments in May 2013, official negotiations were commenced and scheduled to be concluded by the end of 2015, yet they are still ongoing. According to its guiding principles emphasizing the centrality of ASEAN, RCEP seeks to "achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement", to facilitate "trade and investment and to enhance transparency in trade and investment relations between the participating countries" (RCEP Guiding Principles, 2013). Hence, RCEP is envisaged to become the world's largest regional FTA. By 2016, the 16 negotiating countries[12], representing almost half of the global population, accounted for roughly 30 per cent of global GDP.

6 As TPP and RCEP are among the largest regional multilateral FTAs in the world, results are anticipated to be somewhat applicable to Chinese FTA in general.

7 This is not to say that every author who published an article in a FPTT journal actually is a member of CICIR or CIIS.

8 The CIIS, founded in 1956, is affiliated to the Ministry of Foreign Affairs and CICIR, established in 1980, is associated with the Ministry of State Security (as overseen by CPC Central Committee).

9 A possible bias due to the language barrier (selection of topics for translation by Chinese Think Tanks etc.) cannot be ruled out.

10 The process of qualitative content analysis was conducted with the help of Max QDA software. That said, by means of the latter's (lexical) text search entire the data set was scoured for text segments referring to any of the various regional free trade agreements in the Asia Pacific or to the concept of free trade in general (code definition). The results were coded (1 code per paragraph only) to the two main categories Transpacific Partnership (TPP) and Regional Comprehensive Partnership Agreement (RCEP). Subsequently, all codes were scrutinized on a manual basis and sorted by the corresponding (original) document's year of publication respectively.

11 In terms of membership, at least in theory any country in the Asia-Pacific may send a formal request for membership which is decided upon by the members based on the principle of consent.

12 In terms of membership, RCEP is going to have an open accession clause providing for the possibility of other external economic partners to join, yet only after negotiations are completed if the interested state is not an ASEAN FTA partner.

5. Chinese FPTTs' Perception of TPP (2011-2015)

Data analysis of FPTT publications on TPP between 2011 and 2015 reveals a somewhat wide range of assessments among Chinese scholars with a number of common denominator perception patterns. Three main categories of perception can be identified: a negative, a neutral and a positive one respectively.

5.1 Positive Perception

First, the least frequent category is the positive one. A few scholars judge TPP as a project, indeed driven by the U.S., but capable of benefitting China, for instance in economic terms, in particular if it were to become a member of TPP:

"(…) China should also consider joining TPP talks so as to make a strategic breakthrough in economic integration. (…) China is likely to benefit most from regional economic integration" (Fan et. al., 2013, p. 72).

Similarly, other scholars appreciate TPP since it is said to require China to work harder and implement a number of economic reforms itself (He & Shen, 2013, p. 158). Moreover, according to Zhang, East Asian economic integration, in particular due to the China-ASEAN FTA and the trilateral China-Japan-South Korea FTA which is currently in its negotiation phase, is quite far advanced. Hence, "it will be difficult for the United States to isolate China economically even if it dominates the TPP" (Zhang, 2011), which is why "China is open to any constructive proposals and discussions about Asia-pacific regional cooperation, including the TPP" (Zhang, 2011). Others consider the initiation of coexisting FTAs a "normal phenomenon (Fu, 2011, p. 41) or even rule out the likelihood of conflict entirely and regard TPP as a 100 per cent economic free trade project (Gao, 2011, p. 41-42).

5.2 Neutral Perception

Second, neutral TPP perceptions turn out to be more common than the positive one, in particular after 2012. Proponents of this category are aware that TPP does not necessarily amount to "smooth sailing" (Zhang, 2011). Yet they frequently stress the strong possibility that TPP and other FTAs may easily co-exist without causing too many negative implications for any party involved. In addition, scholars advise the Chinese government to not reject TPP but to carefully study and observe its development process from a cost-benefit analysis in detail and proactively apply some promising elements to its own FTA projects (He & Shen, 2013, p. 157).

5.3 Negative Perception

Third, a more broadly argued negative perception dominates the FPTT debate on TPP in China, in particular since early 2013. Discussions about TPP almost exclusively revolve around the U.S. as it is perceived as an U.S. project, not as a project by more than ten negotiating parties. Japan is the only other country that is repeatedly referred to, yet always within the framework of U.S-Japanese relations. Moreover, TPP is preponderantly regarded as an attempt by the U.S. to dictate the terms of trade and to dominate the process of regional economic integration in the Asia-Pacific in order to reduce the risk of being marginalized (Song, 2013; Fan et. al., 2013). Accordingly, many Chinese scholars, while sometimes noting the theoretical possibility of additional countries to accede to TPP, emphasize that China, at least in the short to medium term, is de facto prevented from joining due to the agreement's high thresholds and standards way beyond Chinese levels (Yuan, 2012; Zhang, 2013). Others argue that China in fact is "prohibited" (He & Shen, 2013, p. 144) to join.

In sum, neutral and negative perceptions dominated the academic discourse, in particular between 2013 and early 2014 (cf. table below). As of late 2014, yet, concerns about TPP seem to have decreased, presumably due to growing confidence following China's ongoing economic and political success even during times of global economic crisis[13], a slight overall improvement of Sino-U.S. ties in 2014[14] and an increased perception that U.S. rebalancing to Asia actually lacks credibility and political will (Ren, 2017).

6. Hypothesis I: Chinese FPTT Perceive TPP as Not Merely an Economic but also a (Geo) Political Challenge

Taking into consideration the overall assessment of TPP by Chinese FPTT between 2010 and 2015 and the predominance of the aforementioned third category (negative perception), it is hardly surprising that TPP is often referred to, especially as of late 2012, not just as a free trade agreement with an economic impact on China, but as a political and strategic tool by the U.S. to achieve its national interests.

Among others, the announcement by Japanese Prime Minister Abe in March 2013, declaring that Japan is going to join TPP negotiations has certainly facilitated both, this strategic assessment and a significant increase in studies dealing with TPP in general. As some scholars noted a few weeks prior to Abe's announcement, "there will be big changes (…), especially if Japan joins TPP" (Fan et. al., 2013, p. 72). Again others draw a link between Japan, TPP and non-economic issues such as territorial conflicts: "The China-Japan Diaoyu Islands dispute has pushed Japan towards a strategic U.S.-Japanese alliance. This could attract more countries to join the TPP" (Li, 2013, p. 62). Moreover, Tokyo is criticized to strategically exploit its close ties with the U.S. in TPP negotiations to create rules

13 Liu summarizes this viewpoint as follows: "(…) it takes no effort to understand why the United States has tried so hard to tout the TPP. The reason is that during economic globalization, the United States was mired in economic crisis while China emerged as the fastest growing economy" (Liu, 2015, p. 19).

14 As a consequence of enhanced efforts by China to achieve a *New Type of Major Power Relations*, several official encounters between Chinese President Xi Jinping and U.S. President Obama in 2013 and 2014, culminating in a decision by both administrations during the 2014 APEC Summit to jointly examine possible benefits of a Free Trade Area of the Asian Pacific (FTAAP).

and "force them down China's throat" (Qi & Zhang, 2014, pp. 21-22). These comments illustrate the profound impact Chinese experts accredit to the Japan factor as well as the high degree of concerns and emotions involved.

In a similar vein, close attention is paid to various blunt statements by high-ranking U.S. officials. For instance, former U.S. president Obama, in his 2015 State of the Union Address uttered with reference to TPP: "China wants to write the rules for the world's fastest-growing region. (…) Why would we let that happen?" (Obama, 2015).

Two conclusions can be drawn from the large amount of FPTT articles directly addressing these statements. First, TPP is evaluated as an integral part of U.S. rebalancing strategy, which itself is clearly not seen as restricted to the economic realm either. Second and related, the objective to utilize TPP as an instrument to contain China is identified as a major reason as to why the U.S. government has pushed for TPP in the first place. Accordingly, as Lin put it, the U.S. is pushing for TPP in order to "carefully organizing the Asia-Pacific diplomatic network to contain and delay China's rise" (2012, pp. 8-9), to "disintegrate the East Asian 10+X cooperation framework established by China and ASEAN" (Gao, 2013, p. 145) and to "disrupt the current China-centered mechanisms and rules for cooperation" (2013, p. 145) in East Asia. As such, TPP is not regarded as a mere economic project limited to economic provisions but as a strategic tool accompanied by significant political implications, perhaps even capable of effecting "China's peaceful development" (Li, 2013). In line with Feng, TPP "has not only economic connotations, but also political connotations, having the aim of preventing the exclusion of the United States in East Asia integration" (2012, p. 89). Similarly, Lin and others argue that it is a dominant goal of the U.S. to "not cutting its military in the Asia-Pacific, and taking an active involvement in the issue of the South China Sea" (2012, p. 21). These references to territorial disputes, military alliances, peaceful development and diplomatic relations provide a further indication of the assumed strategic implications of TPP. Some scholars put it even more bluntly by directly and literally underlining TPP's political and strategic relevance. Wu, for instance, argues that TPP carries a strong "geopolitical significance" (2016, p. 29), while Han and Shi claim that it serves the U.S. as "another vehicle for it to pursue its aggressive expansion into East Asian multilateralism" (2014, pp. 34-35), creating a delicate situation in which China may lose "the advantage in leading East Asia multilateralism" (p. 35).

In summary, proponents of the dominating third category in many cases regard TPP, in line with the concept of economic diplomacy, not just as an economic free trade project but as a tool for the U.S. (and Japan) to reach well beyond the traditional economic realm right into the field of national security and foreign policy. Even though academic discourses in China, due to a wide range of articulated views, are by no means restricted to negative TPP interpretations beyond economic rationales, strategic and geopolitical considerations definitely constitute a crucial element of this debate, even among scholars taking a rather neutral stance on TPP arguing that China is well advised to carefully assess TPP's political and strategic consequences.

7. Hypothesis II: Chinese FPTTs View RCEP as a (Political) Response to TPP

This chapter is discussing as to whether RCEP is viewed as a direct (political) response to TPP. First and foremost, Chinese scholars do not exactly agree on how RCEP was established and on who is actually in its driving seat. Whereas most scholars argue that it is a project "initiated and led by ASEAN countries" (Jiang, 2013, p. 119), which China "has decided to join" (He & Shen, 2013, pp. 138-39), a smaller number of authors claim that RCEP is in fact "led by China" (Zhang, 2015, p. 20). Interestingly, several comments demonstrate that ASEAN centrality in RCEP negotiations is a cornerstone of official Chinese strategy to disperse concerns by neighboring countries that China could dominate East Asian economic integration according to its own preferences and interests (Wang, 2012, p. 129). Hence, in addressing such concerns, China, as Song puts it, needs to "share with its neighboring countries the dividends from China's growing economic strength" (2013, pp. 152-153). In this vein, He Ping and Shen Chen suggest that, "[a]t present, China should continue to support ASEAN-led regional cooperation in Asia-Pacific, push RCEP to open in some areas of priority and try to avoid the unfavorable situation in which TPP prospers while RCEP dwindles" (2013, p. 158). One the one hand, this demonstrates a certain degree of zero sum thinking, on the other hand, the term "at present" illustrates that this approach may be subject to change whenever circumstances so require. To date, however, China's promotion of ASEAN centrality in regional cooperation appears to be serving Chinese interests best. As Song stresses, this strategy, akin to the concept of foreign *economic diplomacy*, enables China both, to address anti-Chinese sentiments and shape "the policy orientation of neighboring countries' China policy through its economic clout" (2013, pp. 152-153). Most commentators are articulating Chinese interests in RCEP in no such blunt and direct manner, yet the overall assessments resemble each other. Moreover, multiple, at times diverging views on a possible link between TPP and RCEP are discernible, which in turn can be classified into four main categories.

I. No Link between TPP and RCEP: First, a clear minority of FPTT scholars argues that there is no such link between TPP and RCEP whatsoever. Fu emphasizes that "China has not pushed the RCEP as a reaction to the TPP, but rather it derives from a natural desire to promote regional trade and economic order" (2013: 45). This line of argumentation is further exemplified by claims denying that TPP and RCEP are "necessarily competitive" (Wang 2013, p. 130) and can simply coexist.

II. Link between TPP and ASEAN's Response: A few scholars highlight TPPs direct impact on ASEANs interests. According to Tang, TPP "poses a serious challenge to ASEAN's central position in regional economic cooperation" (2013) and threatens to divide ASEAN Member States. In this vein, scholars emphasize that ASEAN is "taking a series of responses, including launching the Regional Comprehensive Partnership" (2013; Qi & Zhang, 2014, p. 21) as a response to the challenges arising from TPP.

III. Economic Link between TPP and China's commitment to RCEP: A large majority of experts share the opinion that

TPP has direct economic bearing on China and, thus, RCEP is pushed by China as an economic response. Liu and many others pointed to certain economic implications:

"(…) if the TPP is sealed this year, China's exports to the twelve TPP member countries would undergo discriminatory treatment and excessive tariffs (…). Many multinational companies would, as a result, leave China" (Liu, 2015, p. 18).

Interestingly, a number of scholars had already provided clear policy recommendations with regard to FTA strategy in reaction to TPP prior to the first round of RCEP negotiations in May 2013. Su, for example, held that TPP *"is presumed to be part of the U.S. program to contain China. Therefore, it is natural for China to support RCEP in reaction to the potential risks"* (Su, 2012). Likewise, Zhang and others recommended China to "promote more actively any forms of FTA negotiation" (2011). Song, similarly, noted that "China needs to push and conclude FTA negotiations in East Asia" (2013, p. 68) because it "has not invested many resources into setting up FTA's and so now is in a weak position" (p. 68). In fact, China's decision to join RCEP negotiations in 2013 and to play a very active role therein may serve as neat examples of the profound role Chinese political think tanks play as expert advisors to the political elite.

IV. Political Link between TPP and China's commitment to RCEP: A significant amount of scholars takes things yet a step further, indicating that China's strong backing of RCEP (and FTA projects in general) is not just an economic response to TPP but also a strategic and (geo-) political one. These claims are usually based on either TPP's geopolitical impact or the lack of an obvious restriction to economic considerations whenever addressing the strategic significance of RCEP. With reference to the first argument, Wei clarifies the following:

"China has already seized the initiative in regional cooperation. The United States should realize that any attempts to use the TPP as a tool to contain China will ultimately prove to be in vain" (Wei, 2015).

This statement establishes a direct link between TPP and China's FTA strategy. Even though RCEP is not mentioned literally, it demonstrates that it is much more at stake than mere economic interests. Others touch upon RCEP more directly:

"It is imperative (for China) to have an overall strategic thinking on how to participate, and accurate grasp of RCEP negotiations in China's foreign trade strategy" since "global and regional economic and trade negotiations increasingly involve the balance between economic and trade interests and non-economic benefits (…), the roles of governments (…) and domestic territorial dispute" (He & Shen, 2013, p. 152).

This comment again illustrates the authors' view that China's embrace of RCEP firstly, constitutes a clear response to TPP and secondly, that FTAs are seen not only as economic but also as political and strategic tools. As many authors stress these non-economic considerations, there is sufficient ground to suspect that scholars single-out specific non-economic objectives behind RCEP as well. However, this is rarely the case. One of the very few Chinese FPTT staff elaborating on the subject of FTAs as efficient (foreign) economic diplomacy tools is Song, who holds the following:

"It is an important strategic issue for China (…) to translate its economic influence in the surrounding areas into political influence, and to better safeguard national interests and improve diplomatic influence" (2013, pp. 152-153).

8. Conclusion

In retrospect, it was revealed that despite a wide range of viewpoints among Chinese FPTT scholars, FTA projects, no matter whether U.S. dominated TPP or RCEP, are at least implicitly regarded by many as tools of *economic diplomacy* involving economic, political and diplomatic implications alike. Accordingly, a considerable number of experts acknowledged either directly or indirectly that China, by means of RCEP, seemingly only a multilateral free trade project, will eventually be able to address the challenges arising from TPP and to wield influence in pursuit of objectives other than economic ones.

It also became evident that certain explicit statements, especially by U.S. and Japanese officials, have facilitated the perception that TPP amounts to a political and strategic tool by the U.S. capable of directly affecting Chinese interests beyond the economic realm in turn. Notwithstanding a discernible growing self-confidence among Chinese FPTTs accompanied by a slightly less negative TPP assessment as of late 2014, the interpretation and utilization of FTAs as instruments of economic statecraft bears a number of risks. In any case, such thinking in strategic zero-sum and political competition categories does certainly not contribute to an easing of on-going political and diplomatic tensions in the Asia Pacific but may facilitate security dilemma dynamics instead. Hence, a mutually increasing awareness of such risks arising from (perceived) FTA competition, which is only ostensibly limited to economic considerations, is required since there is "not much discussion" (Song, 2013, p. 153) on this issue just yet, at least on the Chinese side. In addition, further efforts are required to avoid severe perception gaps and to distinguish more clearly between economic and trade implications on the one hand and geopolitical interests on the other hand.

Following the U.S. withdrawal from TPP in January 2017, a number of commentators from RCEP negotiation parties such as Japan, China, Malaysia have called for increased efforts to finalize RCEP in the near future and to move towards an even more comprehensive Free Trade Area of the Asia-Pacific (FTAAP)[15]. Accordingly, Chinese Foreign Minister Wang Yi stated on February 7th 2017: "We hope (…) to speed up the RCEP negotiation process and strive for an early agreement, so as to contribute to realizing the greater common goal of building the FTAAP" (Wang, 2017). Accordingly, it is conceivable that an FTAPP may reduce competition and enhance regional economic cooperation.

However, it remains to be seen as to how a future Asian-Pacific economic order and with it future major power relations between the U.S. and China will look like. Likewise, it will gradually become evident whether FTA-related zero sum thinking is going

15 Proposals with regard to the establishment of an FTAAP are examined since 2006. In May 2014, APEC Member States including China and the U.S., have decided to set up a working group to discuss FTAAP prospect. During the APEC Summit in 2015, APEC Member States reconfirmed their general commitment to a FTAPP.

to vanish following an Asia-Pacific FTA, to simply prevail or to proliferate in response to a rise in popularity of protectionism and old-fashioned bilateral FTAs as frequently touted by U.S. president Trump. However, both, China's heavily advertised *One Belt One Road Initiative* and a renewed FTAAP commitment by several regional stakeholders, including the People's Republic of China, may be indicative of such former, more progressive and forward-oriented scenario.

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