

# Greater China: Powerhouse of East Asian Regional Cooperation

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## Prologue

At the beginning of modernization, China has developed the policy of opening up towards foreign investment via Special Economic Zones (SEZs) and the opening of coastal cities and delta areas to get geo-economic and social-cultural advantages in Asia. China has appealed to Greater China, namely Hong Kong, Taiwan and Macao as well as overseas Chinese, for investment in China's market. The vertical division of labor among Hong Kong, Taiwan, Macao and China has been gradually formed; this in turn shaped Greater China as a sub-regional economic zone in East Asia.

After the end of the Cold War, the new wave of regional cooperation in East Asia, which is based on open regionalism and led by the nations from within, is shaping a new division of power in this region. As a regional internal power, China *per se* pushes a strategy of regional cooperation in East Asia, i.e., China drives Greater China via the Closer Economic Partnership Arrangement (CEPA) and the Pan Pearl River Delta Regional Cooperation and Development Forum (PPRD, 9+2)<sup>1</sup> as core of the strategy, and then via Association of Southeast Asian Nations (ASEAN) -China (ASEAN+1), ASEAN-China, Japan and Republic of Korea (ASEAN+3) and Boao Forum for Asia (BFA) to lead the regional cooperation in East Asia. Last but not least, China aims to *zouxiang shijie* (go globally).<sup>2</sup>

The existing research on regionalism and economic integration in East Asia are based on different approaches. Some analysis from theoretical and conceptual perspectives explored the difference between the *de facto* integration, namely market driven nature of the evolution of "regionalisation", and the *de jure* integration, which means the state driven nature of "regionalism".<sup>3</sup> Various other studies set out the international trade and developmental perspectives of economic integration and regionalism in East Asia, even sector by sector.<sup>4</sup> In addition, a lot of academic works focus on the comparison of economic integration and the possibility of cooperation in different regions; es-

pecially under discussion is whether the European Union (EU) model can be applied in other regions.<sup>5</sup>

Some research are thus based on industrial structure and industrial zones perspective to explore whether the adjustment of structure is good at the economic integration.<sup>6</sup> In terms of the perspectives of politics, government, and governance, some studies indicate that whether states choose to enter regional arrangements depend on the preferences of national policymakers and interest groups, as well as the nature and strength of domestic institutions.<sup>7</sup> Other studies from the comparative perspective set out the sub-regional cooperation in terms of North-South concept in international relations, in which the shaping of new order in East Asia is explored.<sup>8</sup> Some academic works thus question the possibility of economic integration in East Asia from the perspective of regional security.<sup>9</sup>

As aforementioned the new wave of regional cooperation in East Asia is shaping the new interstate power relations. Each of these theoretical and empirical studies alone cannot completely explain China's aforesaid developmental strategy on East Asian regional cooperation. In this article the way, in which China puts this strategy into play and makes Greater China the powerhouse of East Asian regional cooperation, will be analyzed with the perspectives of the division of labor and division of power in a multilateral framework.

## **Division of Labor within Greater China**

### *Historical Background*

Since 1979 China has pursued modernization, which was based on development strategy at the initiative of Deng Xiaoping.<sup>10</sup> Therefore China developed an open-door policy toward foreign investment through the establishment of SEZs and the opening of coastal cities and delta areas.<sup>11</sup> Taiwan's economy was in the meantime threatened, because other low-wage countries attracted capital and promised higher profits, which put a stop to the successful continuation of export-led growth, and foreign capital was gradually transferred from Taiwan into China's market. After 1981 Taiwan entered successfully into the era of high-technology industries, including information, biotechnology, electronics, and precision instruments.<sup>12</sup>

From the perspective of comparative economic advantages, Taiwanese companies regard China's cheap and abundant labor, vast land, huge domestic market, and strong engineering and technological capacity in selected industries as complementary to Taiwan's abundant capital, manufacturing experience, management skills, and some research and development capacity. These economic interactions, based largely on vertical division of labor, can encourage industries in China to concentrate on low value-added manufacturing while allowing Taiwan to accelerate industrial upgrade. China's traditional orientation toward heavy industries and large state-owned enterprises can therefore be balanced by Taiwan's small and medium-sized firms investing in China, in which these firms can use their well-established production and marketing networks to help similar firms in China enter into the international market.<sup>13</sup>

At the end of the Cold War, Taiwan decided in November 1987 that Taiwanese citizens could be allowed to *tanqin* (visit relatives) in mainland China. The legalization of travel in turn sharply accelerated the growth in trade between Taiwan and China. In 1988 *guo wu yuan* (the Chinese State Council) promulgated a set of 22 measures to encourage investment from Taiwan, which guaranteed that Taiwan's and Hong Kong's establishments would not be nationalized, that their exported goods would be exempt from export tariffs, and that their management could have complete autonomy in running their firms in mainland China. The delta area (the Hong Kong–Shenzhen–Guangzhou triangle) has been fashioned by the Chinese government as *kaifang tequ* (open district) to pioneer many innovations, for example out processing and stock trading. After establishing sourcing networks, the Hong Kong and Taiwanese firms then engage in cross-border production management.

The opening of China's market, the continued high valuation of the New Taiwan Dollar, and the termination of Taiwan's Generalized System of Preference Status by the US in January 1989, as well as China's definition in 1994 on the characteristic of Cross-Strait economic interactions as *zhongguo zhuti tong qi dandu guanshuiqu zhi jian de jingmao jiaoliu naru duiwai jingmao guanli tixi jinxing guanli* (the trade between China and its separate tariff zone is handled under the foreign trade management system), made the Chinese market increasingly attractive to Taiwanese businesses. The resulting trend was thus toward growing material interdependence among Hong Kong, Taiwan and China. This interdependence was reflected in the crystallization of a sub-regional division of knowledge and labor among Hong Kong, Taiwan and Guangdong as well as Fujian province in China.<sup>14</sup>

Hong Kong and Taiwan were therefore capable to move up the industrial technology ladder by shifting their labor-intensive industries to low-wage regions in Southern China. This change has involved economic cooperation across the Taiwan Strait as well as in the Pearl River Delta. Without any direct links between Taiwan and China, most of the flow of people and money targeted on Fujian province has passed through Hong Kong and Macao. (See Table 1) The Cross-Taiwan-Strait area was subordinated to the developments in the Pearl River Delta within the Greater China bloc.<sup>15</sup> The model of economic cooperation between Hong Kong and the Pearl River Delta has thus developed as *qiandian houchang* (front shops, back factories).<sup>16</sup>

With this new development, Taiwanese investment in mainland China has shifted from labor-intensive, low value-added and short-term operations to more capital- and technology-intensive industries with longer investment horizons such as automobiles, computers, machinery, and petrochemicals. Taiwan's largest and the world's seventh largest PC maker—Acer Computer Inc.—has invested in Suzhou, Jiangsu province to manufacture monitors, and half of the capital is valued as technology transfer. In addition, some Taiwanese computer and information processing companies have planned to create a 2 km<sup>2</sup> science-based *gongye yuanqu* (industrial park) in Shanghai in order to promote computer and telecommunication industries.<sup>17</sup>

Taiwan's government was and remains afraid that the massive one-way outflow of capital and the relocation of high-tech industries to mainland China

**Table 1**  
**Cross-Strait Indirect Trade Volume via Hong Kong**  
**Unit: US\$ Million**

Year	Taiwan to Mainland	Compared with the same period of last year (%)	Mainland to Taiwan	Compared with the same period of last year (%)	Total
1984	425.5	170.7	127.8	42.9	553.2
1985	986.8	131.4	115.9	-9.5	1102.7
1986	811.3	-17.8	144.2	24.4	955.6
1987	1226.5	51.2	288.9	100.4	1515.5
1988	2242.2	82.8	478.8	65.7	2720.9
1989	2896.5	29.2	586.9	22.6	3483.4
1990	3278.3	13.2	765.4	30.4	4043.6
1991	4667.2	42.4	1126.0	47.1	5793.1
1992	6287.9	34.7	1119.0	-0.6	7406.9
1993	7585.4	20.6	1103.6	-1.4	8689.0
1994	8517.2	12.3	1292.3	17.1	9809.5
1995	9882.8	16.0	1574.2	21.8	11457.0
1996	9717.6	-1.7	1582.4	0.5	11300.0
1997	9715.1	0.0	1743.8	10.2	11458.9
1998	8364.1	-13.9	1654.9	-5.1	10019.0
1999	8174.9	-2.3	1628.2	-1.6	9803.1
2000	9593.1	17.3	1980.5	21.6	11573.6
2001	8811.5	-8.1	1693.9	-14.5	10504.8
2002	10322.7	17.2	1710.6	1.0	12033.4
2003	11,789.4	14.3	2,161.1	26.5	13,950.4
1. 2004	866.5	-2.5	183.0	3.2	1,049.5
2. 2004	972.4	32.0	190.4	52.5	1,162.8
3. 2004	1,156.9	15.8	219.2	26.1	1,376.1
4. 2004	1241.6	32.0	200.4	20.7	1,442.0
5. 2004	1,202.3	24.7	205.5	24.0	1,407.8

*Source:* [<http://www.mac.gov.tw/english/index1-e.htm>] (assessed on 28 July 2004).

will accelerate unemployment and eventually lead to deindustrialization in Taiwan. So early in January 2001, Taiwan authorized *xiao san tong* (Mini-Three Links), namely direct trade, communications, and travel between the two small islands Kinmen/Matsu and the Chinese mainland.<sup>18</sup> Taiwan furthermore released in November 2001 the mainland policy *jiji kaifang youxiao guanli* (active opening, effective management). This policy was based on the upgrade of Taiwanese industries, but the upgrade of industries was and remains zigzag, and still has no breakthrough. In addition, Taiwan's ruling party *minjindang* (Democratic Progressive Party, DPP) was torn between economic interactions with China and political independence from China. These two major reasons gradually depressed Taiwan's economy, which in turn enhanced the investment of Taiwanese industries to China.

Since China has been acceded into the World Trade Organization (WTO), its economic growth remains steady, but the economies of Hong Kong and Macao have not fully recovered from the attack of Asian financial crisis in 1997 and Severe Acute Respiratory Syndrome (SARS) epidemic in 2003. Hong Kong, Macao and Taiwan therefore depend materially on the *hongguan*

*tiaokong* (macroeconomic control) of China, even with 70% foreign direct investment (FDI) of mainland China still coming from Hong Kong and Taiwan. Hong Kong and Taiwan are not capable to insist as heads of the vertical division of labor anymore.<sup>19</sup> Therefore the functional division of labor within Greater China is transformed into the institutional way, which is headed by China.

### **The Institutional Framework of Division of Labor within Greater China: CEPA and PPRD**

After 26 years of reform and opening-up, China has radically liberalized its economy, and its ability to intake FDI is growing steadily. China's technology exports continue to grow rapidly, and one of the most important reasons is mainland China's production getting a boost from Taiwanese companies that have moved their operations to China. Taiwanese firms are also important suppliers of components to leading computer companies in China, which they increasingly plan to use as a base for exporting goods to the rest of the world. China's largest exporter in 2002 was Honhai Electronics, a Taiwanese manufacturer of computer parts, which exported \$4.38 billion worth of goods. China has accounted for 30 percent of the region's electronics exports in 2003.<sup>20</sup>

In addition, there are predictions that by 2006, chip manufacturing in Shanghai will be as big as that in Taiwan, which will make China an important competitor of Taiwan. Therefore the division of labor between Taiwan and China is not exclusively vertical but also horizontal. Recognizing the engineering and technological capacity and skilled work force in some of China's large state-owned enterprises, Taiwanese companies have begun to ally with them to co-produce some relatively technology- and skill-intensive products such as major computer or vehicle components and parts. In the automotive industry for example, some Taiwanese auto companies have become a crucial link between US and Japanese multinational automakers and those in China. China's total exports grew eightfold—to over \$380 billion—between 1990 and 2003. In 2002 China accounted for 16 percent of the growth in world economy, ranking second only to the US. Taiwanese industries are fully aware that the only way it can remain competitive in the global market is to relocate production plants to China, as it has been doing for some time. This trend accelerated after China's and Taiwan's WTO accession.<sup>21</sup>

Hong Kong's economic model was and remains based on being open to trade and investment flows from all over the world, and on providing a world-class business platform that those within the region and beyond may use and benefit from.<sup>22</sup> With its strategic location at the doorway to mainland China and on the international time zone that bridges the time gap between America and Europe, Hong Kong has been performing as a global center for trade, finance, business, and communications.<sup>23</sup> Hong Kong's status as a gateway to China would be consolidated after China's participation in the WTO. Hong Kong would become the base of operations for many multinational businesses, particularly the international small- and medium-sized enterprises.<sup>24</sup>

But after Hong Kong's handover to China, the direction of Hong Kong's development is torn between internationalization and mainland orientation.

The recovery of Hong Kong's economy, especially real estate, the stock market, and tourism, which had been affected by the 1997 Asian financial crisis and the SARS epidemic, therefore has much to be gained from economic integration with Pearl River Delta. Hong Kong's economic prospects will depend on successful interactions with China in such areas as finance, logistics, and tourism and on cooperation in developing new business opportunities.<sup>25</sup>

In order to give a hand to Hong Kong and Macao in their recovery from economic depression, and to set example of China's reunification for Taiwan, China released a series of measures, especially the signing of CEPA with Hong Kong on 29 July 2003 and with Macao on 27 October 2003. Both of the CEPAs were put into effect on 1 January 2004.<sup>26</sup> On 17 May 2004 China also offered Taiwan the possibility of joining the CEPA, in which greater market access to China for Taiwan's products, especially agricultural products, is guaranteed.<sup>27</sup>

This offer drove Taiwan's DPP ruling government into dilemma. From the view of the Taiwanese government, this offer can further hollow out Taiwan's capital and industries, but if Taiwan doesn't join in this preferential arrangement, Taiwan may be marginalized not only by the market of Greater China, but altogether by the China-ASEAN Free Trade Area. Taiwanese government remains torn between national security and economic development, and hopes to negotiate officially with China for other alternatives, but due to the different appreciations between China and Taiwan on *yige zhongguo yuanze* (the principle of one China), there is still no response from China.

The CEPA cooperation among China, Hong Kong and Macao let Hong Kong and Macao enjoy a head-start to enter China's market and a wide range of market preferences, namely measures to facilitate investment, a new zero tariff on many Hong Kong and Macao products, and the opening up of China's market to the Hong Kong and Macao services sector. These preferential arrangements are not committed to any other WTO members,<sup>28</sup> and they provide opportunities for Hong Kong to enhance its status as Asia's service hub. China has agreed to allow Hong Kong's banks to conduct personal Renminbi business. Since 4 August 2004 Macao's banks are also allowed to run Renminbi services (deposit, exchange, credit card and remittance). It will enhance Hong Kong's and Macao's competitiveness and thus help further strengthen Hong Kong's position as an international financial center. The *gerenyou* (individual visit) scheme has also brought tremendous opportunities to Hong Kong's and Macao's tourism and other related sectors.<sup>29</sup>

Hong Kong is China's third largest trade partner, second largest export market, and biggest source of foreign investment. At the end of 30 May 2004, a total of 300 million Hong Kong dollars of goods produced in Hong Kong and Macao have entered into China's market at zero-tariff. Within the same period, over 300 Hong Kong and Macao enterprises have applied for sharing the treatment offered by CEPA, with many of them, including banks, telecom companies, logistics companies, having been approved<sup>30</sup> (See Table 2).

In regards to the framework of PPRD, China appreciates the serious developmental gap among the eastern, middle and western parts of China, and the challenge of economic globalization, as well as the operation of China-ASEAN

**Table 2**  
**Statistics on Application for Certificate of Hong Kong Service Supplier**  
**(As of 31 December 2004)**

	Service Sector	No. of Applications Received	No. of Applications Approved
1	Legal service	6	6
2	Construction professional service and construction and related engineering services	34	31
3	Medical and dental services	1	1
4	Real estate services	8	7
5	Advertising services	51	48
6	Management consulting and convention and exhibition services	34	26
7	Value-added telecommunications services	25	20
8	Audiovisual services	7	6
9	Distribution services	211	204
10	All insurance and insurance-related service	3	3
11	Banking and other financial services (excluding insurance and securities)	5	5
12	Tourism and travel related services	1	1
13	Transport and logistics services	328	310
14	Trade mark agency services	1	0
	<b>Total</b>	<b>715</b>	<b>668</b>

Source: [[http://www.tid.gov.hk/print/English/cepa/hkss\\_statistics.html](http://www.tid.gov.hk/print/English/cepa/hkss_statistics.html)] (assessed on 9 January 2005).

Free Trade Area in 2010. Therefore the PPRD was established on 1 June 2004 with full support from China.<sup>31</sup> From China's view the PPRD group is comparable to the 10-nation ASEAN in terms of its population, scale of economy, total volume of external trade, and intake of foreign investment. Working as one it can produce powerful scale-economy effects for promoting this regional synergy, and it will raise the level of opening up to allow regional enterprises to participate more fully in international competition and cooperation. China's accession to the WTO, the implementation of CEPA, and the anticipated establishment of the China-ASEAN Free Trade Area have created the *sine qua non* for the PPRD region to upgrade the industries and to tap international resources and markets.<sup>32</sup>

In addition, in the 26 years since China adopted the opening up policy, thousands of businessmen from Hong Kong and Macao came to invest in the PPRD region. The manufacturing industry in the PPRD provinces and regions need to go to the world through the service industries in Hong Kong and Macao. In dealing with China's consistent economic growth, Hong Kong and Macao face changes in their economic mechanisms and in need to rely on the scientific and technological forces from China to support these changes. The building of the PPRD is China's support policy to Hong Kong and Macao while giving a stage to Hong Kong as the center of service industry and Macao as the region platform of business and trade service.<sup>33</sup> Several major cross-boundary infrastructure projects, be it roads, railways, or bridges, will strengthen Hong Kong's and Macao's links with the PPRD.<sup>34</sup>

From Hong Kong's view, the major driving force behind closer cooperation between Hong Kong and other PPRD provinces comes from the unique and different advantages each of them possesses, which enable Hong Kong to stagger its individual focuses and complement one another. The PPRD provinces are important manufacturing bases and consumer markets, and in terms of resources and market access, stand at the forefront of the country. Hong Kong, on the other hand, boasts advantages in the areas of capital finance, information, services, marketing etc., and may serve as a high value-added services center to help upgrade the regional economy. With its highly open and cosmopolitan outlook, Hong Kong can also act as an intermediary for external economic co-operation, linking the PPRD region and the rest of the world.<sup>35</sup>

From Macao's view, as a small export-oriented economy its dynamics greatly rely on its external cooperation. Direct investment in Guangdong from Macao surged a year-on-year 90.1 percent to US \$274 million in 2002,<sup>36</sup> the CEPA provided institutional security to the closer cooperation between Macao and China. The Pan-Pearl River Delta regional cooperation would further provide Macao with new opportunities and richer resources.<sup>37</sup>

The ruling principle of division of labor in the framework of CEPA and PPRD is as aforementioned, not *longtou longwei* (who is head of dragon, who is body of dragon) but complementary and win-win, (See Table 3) i.e., China's development relies strong on Hong Kong's and Macao's international trade ties, while Hong Kong and Macao's development needs the support of China. Hong Kong shall bring into full play its position as the regional center of finance, logistic and business, and Macao shall develop its tourism and entertainment industry.<sup>38</sup> Besides, Macao could take an important role in regional cooperation through its relationship with the Portuguese-speaking countries and with Chinese entrepreneurs abroad.<sup>39</sup>

Since the implementation of the CEPA and PPRD, Hong Kong's and Macao's economies are better off, notably the service sector via individual visits,<sup>40</sup> but the manufacturing industries did not benefit from CEPA and PPRD as expected. Unemployment, especially for low-level workers, is still unsolved. The wealth gap in Hong Kong and Macao is still big,<sup>41</sup> the provinces of PPRD are short of infrastructure, and the qualities of human resources are relatively low. These in turn are not good at transformation of know-how. That is the reason why cooperation within the PPRD is not proceeding as easily as planned.<sup>42</sup> In order to solve these problems, the CEPA II was signed on 27 October 2004, and became effective on 1 January 2005.<sup>43</sup> According to the CEPA II, Hong Kong's and Macao's investment in China and exchange of human resources among them are made easier, and almost all of Hong Kong's products are allowed to be exported to mainland China with zero tariff.<sup>44</sup>

### **Greater China's Engagement in East Asian Regional Cooperation**

Various studies indicate that there are two waves of regionalism after World War II. The first wave of regionalism took place from the late 1950s through the 1970s. The most recent wave of regionalism has risen in the wake of the



**Table 3**  
**The Signed Contracts Volume of CEPA/PPRD Trade Fair**  
**(As of 17 July 2004, listed by sectors and by provinces/regions)**

Sectors	Number of contracts	Contract value (billion yuan)	Occupying proportion of the total value (%)
Energy resources infrastructure	85	68.8	39.91
Industry and investment	452	55.9	32.43
Trade and Commerce	100	24.8	14.36
Tourism	37	3	1.77
Agriculture	60	4.5	2.59
Sanitation	58	5.2	2.99
Communicational construction	36	8.3	4.8
Environmental protection	5	2	1.16
Labor	7	....	....

Provinces/regions	Number of contracts	Contract value (billion yuan)
Fujian	69	11.8
Jiangxi	77	15
Hunan	111	18
Guangdong	710	163
Guangxi Zhuang Autonomous region	128	18.2
Hainan	60	19
Sichuan	59	4.8
Yunnan	39	13.3
Guizhou	86	23.2
Hong Kong SAR	313	56.3
Macao SAR	28	2.3

Source: [<http://www.newsgd.com/specials/panprdforum/deltanews/200407200026.htm>] (assessed on 13 January 2005).

Cold War's conclusion. Some actors in the international system are actively promoting and participating in this process. Scholars of the new regionalism see regionalism as a means to greater access to global markets. Most of them recognize that in practice, regionalism is rather more multifaceted and multi-dimensional than in the past.<sup>45</sup>

The countries in East Asia are diverse in historical background, political system, economic structure, and religious, social and cultural dimensions. In the first wave of regionalism in East Asia, Japan was the first economic miracle. It was followed by "The Four Little Dragons", namely Hong Kong, Taiwan, Singapore and Republic of Korea (ROK), and in the 1980s by Malaysia and Thailand. China, Indonesia and Vietnam appeared as poor-East Asian economies. Market-driven integration has been occurring in East Asia since the mid-1980s through increased trade and investment linkages. This process has been driven by unilateral reforms in individual economies and by the logic of the "flying geese" pattern of relocating production processes to cheaper areas abroad as domestic costs rise.<sup>46</sup>

The new wave of regional cooperation in East Asia, which is shaping the new division of power through new bilateral and multilateral regional preferential agreements, is motivated by the following factors. The first is the concern to reduce risks of financial contagion and unusual exchange rate instability, the damaging effects to which were made clear by the Asian financial crisis in 1997. A second key reason is the perceived need by other economies of the region for stronger cooperation with China, notably after its accession to the WTO. A third factor is the interest of business communities in getting preferential access to foreign markets. Other factors include the move by many economies, especially the more developed ones in the region, to lower their average tariffs, and the growing recognition of the value of harmonizing standards and regulations, as long as they do not impede trade; as well as the higher concentration of trade among regional partners in East Asia.<sup>47</sup> Besides, trade liberation within the ambit of the WTO and the Asian Pacific Economic Cooperation (APEC), which had no contribution to the countries concerned to recover from the Asian financial crisis, were not making substantial progress, and this would be compounded by the rapid expansion of economic integration in Europe and the Americas.<sup>48</sup>

### *China's View on East Asian Regional Cooperation*

In view of the Asian economic crisis of 1997, the Chinese leaders believed that the keen competition for markets and resources in the context of globalization and the enhancement of regional cooperation let the external factors more opportunities to influence the economic development of one country. Hence, the strengthening of coordination among governments concerned will become all the more essential. Therefore the Chinese leadership hopes to create a multi-polar world, in which the major powers can develop friendly ties with each other and in which non-zero-sum games are the norm. Furthermore, the emergence of regional powers and regional organizations in the developing world will help to bring about a multi-polar order, which is different from the traditional one dominated by a small number of major powers.<sup>49</sup>

In this regard, former Chinese Premier Zu Rongji expressed at the first annual conference of BFA on 12 April 2002, that China *per se* as a regional power in East Asia has the following patterns to establish the multi-polar order in Asia: 1. Economic cooperation as the key focus and develop comprehensive cooperation in a step-by-step way, in which trade and communications, agriculture, information and energy can be made priority sectors of cooperation, and then enlarged to include other sectors, 2. Pan-Asia cooperation, 3. Step up bilateral cooperation to consolidate the basis of regional cooperation, which is an open one.<sup>50</sup>

Chinese State President Hu Jintao further indicated at the conference of BFA on 24 April 2004, that China has been extensively involved in the various mechanisms of Asia-based regional cooperation via multilateral institutional building like free trade areas and security areas, and via bilateral preferential arrangement like free trade agreement, cultural interaction and personnel exchanges as well as military security dialogue mechanism. The

Chinese enterprises are also encouraged to take Asia as their principal destination for the “going global” strategy.<sup>51</sup>

*The Way of Engagement: Joint Development via Track I and Track II*

Greater China developed jointly with its neighbor countries in East Asia under the preferential arrangement of CEPA and PPRD via track I (ASEAN+1, ASEAN+3) and track II (BFA). Before formal ties between ASEAN and China were established in 1991, they were marked by mutual suspicion, mistrust and animosity largely because of China’s support for the communist parties in ASEAN countries. Due to the reorientation of China’s foreign policy, the normalization of relations with China in 1990 by Indonesia and then Singapore and Brunei Darussalam acted as a catalyst to set the path for China’s admission into the ASEAN Regional Forum (ARF) in 1994 and a full dialogue partner of ASEAN in 1996.<sup>52</sup>

Chinese decision makers perceive China and the ASEAN states as developing countries in Asia, and have a considerable sense of common identity, and hold similar views on values, human rights, democracy, as well as many issues in international affairs.<sup>53</sup> In the economic crisis of 1997, Chinese leader promised not to devalue the Renminbi, which in turn avoided another round of competitive devaluations among Asian currencies, as an important contribution to stabilize the financial markets in Asia and a sacrifice on China’s part. This view was also shared within ASEAN.<sup>54</sup>

After the economic crisis of 1997, ASEAN and China agreed to focus their cooperation on five priority areas, namely agriculture, information and communications technology, human resource development, Mekong River Basin development, and two-way investment.<sup>55</sup> There are natural affinities between PPRD and portion of Southeast Asia, such as the headstream of Mekong River is in PPRD, and labor-resource-technologies are complementary. Therefore China integrates the geo-economic and socio-cultural advantages of CEPA and PPRD as a sub-regional economic zone to develop natural resources with ASEAN, and engages actively with its neighbor states in East Asian regional cooperation.

As for investment, 1999 total FDI into ASEAN from China stood at US\$78 million and this has doubled to US\$150 million in 2001. The potential for the inflow of Chinese investments to ASEAN is promising due to the Chinese government’s policy of encouraging its businessmen to go global with priority given to its neighbouring countries.<sup>56</sup> China’s WTO accession means more opportunity for its East Asian neighbors in China’s markets. China will import more from East Asia, which is expected to increase more than 6 percent of global gross domestic product (GDP) by 2005. All countries in East Asia will benefit, and the scope is especially large for Japan and the newly industrializing economies (NIEs), yet still quite significant for the middle-income countries and the lowest-income countries. Besides, China’s WTO accession also offers the rest of the region the opportunity to import cheaper and more efficiently produced intermediate inputs into production processes.<sup>57</sup>

Although a market-oriented and prosperous China offers clearly economic opportunities to the developing economies of Southeast Asia, particularly the

nations of ASEAN, China also represents a source of economic competition for Southeast Asia. It becomes a direct rival in certain markets, such as Japan, and for certain products, especially raw materials and agriculture. Equally important for ASEAN is China's capacity to intake FDI, particularly from Japan, Hong Kong and Taiwan, thereby reducing FDI in the ASEAN region. After China's accession in the WTO, the new pressure from competition in the third market will further sharpen China's competitiveness and its ability to win market shares. Southeast Asia is an integral part of China's security environment, where it is entitled to exercise preeminent influence. The countries of Southeast Asia are acutely aware of China's immensity.<sup>58</sup> Many ordinary Asians even believe China wants to take over Asia.<sup>59</sup>

In order to enhance competitiveness, the ASEAN Free Trade Area (AFTA) became effective on 1 January 2002 for the original six ASEAN members, while longer timetables will apply to the new members: 2004 for Vietnam, 2006 for Laos and Myanmar, and 2008 for Cambodia.<sup>60</sup> In addition, ASEAN engages actively with India, Russia, Japan, USA, Australia, New Zealand and EU to counterbalance China's power in the new power arrangement of East Asia.

In order to counter the "China threat theory" and eventually "soft" containment from neighboring countries and regions, China released the policy of *heping jueqi* (peaceful rise), which implied that China must seek a peaceful global environment to develop its economy. In this regard, China's Asia Policy is *mulin fulin anlin* (good neighborhood, prosper the neighbor and safeguard the neighbor) on the basis of United Nations Charter and *heping gongcun wuyuanze* (the Five Principles of Peaceful Coexistence).<sup>61</sup> China and ASEAN, based on the principles of *qitong cunyi* (agree to disagree) and win-win, therefore signed four agreements in November 2002 on Free Trade Area, on cooperation in areas such as drug trafficking, and on agricultural cooperation as well as on Declaration on the Conduct of Parties in the South China Sea. Furthermore in the Bali Summit 2003 both parties signed the Joint Declaration on the Strategic Partnership for Peace and Prosperity and China's accession to the Treaty of Amity and Cooperation in Southeast Asia.<sup>62</sup> In addition, China has expressed its willingness to work with ASEAN for its early accession to the protocol to the Treaty on Southeast Asia Nuclear Weapon-Free Zone,<sup>63</sup> and is ready to set up a military security dialogue mechanism with other Asian countries, as well as actively promote confidence-building cooperation in the military field.<sup>64</sup> China furthermore supports ASEAN as the major driving force in ARF.<sup>65</sup>

As for the free trade area, the agreement of ASEAN-China Free Trade Area, which is regarded by China as an example of South-South cooperation,<sup>66</sup> will eliminate tariffs and non-tariff barriers to goods and services, but give special and differential treatment and flexibility to the newer ASEAN member states Cambodia, Laos, Myanmar and Vietnam. China also decided to help Cambodia by writing off its debt, said be about \$200 million.<sup>67</sup> In terms of goods, ASEAN members will thus have access to the more open and growing Chinese market, where import tariffs on ASEAN manufactured products will continue to come down from 15 to 10 percent in the following years. Quotas and

quantitative restrictions will be removed and replaced by tariff quotas. This will be important for ASEAN agricultural products such as palm oil, rice, and sugar. In terms of the services sector, China will open up its services sector under its WTO accession commitment over the next years, which is especially important for ASEAN economies in professional services, tourism, finance, telecommunications and the possibility of some professional labor migration. Other non-tariff barriers and investment-related measures, such as local content and trade-balancing requirements, will also be removed immediately or gradually.<sup>68</sup>

A study by the ASEAN secretariat estimates that the ASEAN-China Free Trade Area would raise ASEAN's exports to China by 48% and China's exports to ASEAN by 55%.<sup>69</sup> At the same time, the combined GDP of ASEAN, under the assumption of 6% annual growth rate in ASEAN and 7% in China, would expand by at least US\$1 billion while that of China by some US\$ 2.3 billions.<sup>70</sup> In order to receive the benefit of ASEAN-China Free Trade Agreement earlier, the "early harvest program" was released.<sup>71</sup> Thailand and China thus had initiated a zero tariff for vegetables and fruits in October 2003, through the China-Thailand Early Harvest Programme Acceleration Agreement resulting in a 143 percent increase for Thai exports to China.<sup>72</sup> The "early harvest program" comprised over 500 commodities commenced in January 2004. The negotiations for services and investment have begun, and the dispute settlement mechanism (DSM) had been established on 29 November 2004. ASEAN and China are targeting to hit the \$ 78.2 billion mark in two-way trade by 2005.<sup>73</sup>

In terms of the development of human resources, China shared US \$5 billion with the ASEAN-China Cooperation Fund for development of human resources activities,<sup>74</sup> increased its investment in the development of the Mekong River Basin by assisting in the implementation of the Quadripartite Agreement on the Commercial Navigation of the Lancang (in PPRD region)-Mekong River, participated via PPRD in networking of Kunming(in PPRD region)-Bangkok Highway and a Pan-Asia Railway,<sup>75</sup> as well as contributed a sum of US\$ 5 million to help regulate some sections of the navigation channel within the territories of Laos and Myanmar.<sup>76</sup>

With the growing middle class population in PPRD, ASEAN exports of food and agricultural products could increase. ASEAN would become an important market of China for raw materials and industrial components as China develops rapidly.<sup>77</sup> The foreign trade value between ASEAN and PPRD area hits US\$ 18.52 billion in the first half of 2004, accounting for 38.7% of the total trade between China and ASEAN. As a big production base, the PPRD imports raw and processed materials from ASEAN. ASEAN becomes an important market for the PPRD in exportation. Besides, with CEPA's implementation, Hong Kong and Macao turned out to be active foreign trade bridges for the PPRD. In the first half of 2004, the import and export value between PPRD and ASEAN via Hong Kong and Macao hits 106.4 billion, accounting for 60% of the total trade value between the two regions.<sup>78</sup> (See Table 4) In order to promote more two-way trade, China hosted the regular ASEAN-China exposition in Nanning, PPRD, and promoted fairs on investment policies in China

and ASEAN member countries, as well as encouraged Chinese enterprises to make ASEAN a priority investment destination.<sup>79</sup>

ASEAN is furthermore expected to grow by 5-6 percent annually up to 2008, and China is expected to grow by 8-9 percent between 2004 and 2008. China has already become ASEAN's strategic partner, and ASEAN gradually views China as more an opportunity than a competitor.<sup>80</sup> ASEAN and China further agreed to strengthen cooperation in five priority areas: politics, economy, social affairs and security, as well as regional and international issues. China supports the initiative for ASEAN integration (IAI), which drives ASEAN to deepen as ASEAN Economic Community,<sup>81</sup> and Brunei Darussalam- Indonesia- Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) to bridge the development gap within ASEAN. ASEAN thus hopes that China would sustain its constructive role in the search for a possible comprehensive political resolution of the crisis on the Korean Peninsula,<sup>82</sup> and recognized China as a full market economy on 29 November 2004.<sup>83</sup> Chinese Premier Wen Jiabao expressed at the 8th ASEAN+3 Summit on 29 November 2004 in Vientiane, Laos that China will continue to support ASEAN's leading role in regional cooperation, and will cooperate with the five countries in the Mekong Basin on construction of the Information Highway in the Greater Mekong Sub-region. Furthermore, China is willing to become an observer of BIMP-EAGA to increase its cooperation with countries in East ASEAN.<sup>84</sup>

Japan, as another major regional internal power, has ambivalent attitudes toward the Southeast Asian region. On the one hand, Japan was primarily interested in economic ties with individual countries, notably those which could supply it with sources of energy and raw materials, and it was suspicious of any attempt by the Southeast Asian nations to form a bloc which might improve their collective economic bargaining power. On the other hand, Japan sought to establish a forum in which it would have a major voice. From the ASEAN's view, Japan was long on rhetoric and short on action in the context of regional cooperation.<sup>85</sup>

**Table 4**  
**The Import and Export Index between 9 Provinces of PPRD and ASEAN via Hong Kong and Macao in the First Half of 2004**

9 Provinces/regions import and export index	Value (billion USD)	Increasing rate (%)
Export to HK and Macao	32.31	28.2
Import from HK and Macao	2.97	5.3
Export via HK and Macao	23.85 (23.1% of the region's total export value)	12
Import via HK and Macao	60.52 (65.9% of the region's total import value)	28.4
Export to ASEAN via HK and Macao	2.02	21
Import from ASEAN via HK and Macao	8.62	23.5

Source: [<http://www.newsgd.com/specials/panprdforum/deltanews/200407210052.htm>] (assessed on 30 July 2004).

At the early stage of this new wave of regional cooperation in East Asia, the Japanese government is again torn between its East Asian neighbors and the US, which is Japan's closest military ally, and questioned whether regionalism could impede potential breakthroughs such as free trade area, and hesitated therefore about the regional cooperation.<sup>86</sup> But the financial crisis of 1997 reinforced the reality among Japan, China, ROK and ASEAN that the region will have to work more closely to ensure the macro-economic and financial stability of the region to prevent a recurrence of another crisis.<sup>87</sup>

Having weathered through the financial crisis, Asian countries have now resumed the path of growth which is coming from trade within Asia. Trade within Asia has increased about 50% out of the total trade in the region. Riding on this rapid development, Asia is now working towards greater regional economic cooperation in an institutional way. China has been a key player in promoting trade and investments within this region and establishing regional trade agreements like the Agreement of ASEAN-China Free Trade by 2010, followed by ROK with ASEAN by 2011 and Japan with ASEAN by 2012.<sup>88</sup>

Japan, China, ROK and ASEAN have also built on the relationships developed at ASEAN+3 meetings by negotiating bilateral agreements on a range of subjects, such as regional security issues, and humanitarian assistance in the event of natural disasters. From the Chinese view, East Asian Cooperation should focus on the economic area, especially on financial cooperation.<sup>89</sup> In this regard, the way to monitor and regulate short-term capital flow and reform of the international financial system were discussed in the framework of ASEAN+3 Dialogue of Finance and Central Bank Deputies, which was proposed by the Chinese side in March 1998 and was launched under the auspices of ASEAN.<sup>90</sup>

Furthermore, ASEAN+3 states implemented in spring 2001 a series of arrangements to exchange currency among their central banks, a move designed to inoculate the region against future financial crises.<sup>91</sup> The ASEAN+3 bilateral Swap Arrangement of Chiang Mai Initiative may be seen as a precursor to expand trade arrangements and greater financial and macroeconomic cooperation and coordination.<sup>92</sup> In addition, China will increase coordination with all Asian countries in trying to set up regional investment entities, the bonds market, and a financial cooperation system.<sup>93</sup>

Except for financial cooperation, energy sharing has been one of the most notable examples of regional cooperation. In January 2001 the leaders of Indonesia and Singapore opened a vital underwater gas pipeline between their nations. China's expanding economy will also require vast infusions of foreign energy, which prompted Beijing to tap into Southeast Asia's resources. Besides, China is already capable to drive outward investment and the *zouchuqu* (go-abroad) policy, which is designed to expose Chinese firms to international business practices and for resource security, and encourages Chinese companies to invest in major engineering and construction projects, fuel, minerals, and other resources.<sup>94</sup>

Therefore with the implementation of CEPA and the establishment of PPRD, Greater China engaged actively in joint development with neighboring states in East Asia on natural resources and in the networking of transportation.

China's rising exports and increasing demand for oil have also led its navy and its diplomats to pay more attention to the region's shipping lanes and the accessibility of the region's ports. Since 1998 China has stepped up its diplomacy toward Cambodia and Vietnam, both of whom possess key ports. China hopes to gain access to Vietnam's Cam Ranh Bay port and Cambodia's Sihanoukville port.<sup>95</sup>

In order to push forward the process of East Asia cooperation, the idea of establishing an East Asian Community, which is based on East Asian Economic Community, is highly recommended.<sup>96</sup> In this regard, Chinese Premier Wen Jiabao on 29 November 2004 at the 8th ASEAN+3 Summit in Vientiane expressed that China supports ASEAN as the leading role in the process of East Asia cooperation and the tripartite cooperation among China, Japan and ROK. Wen further proposed to push the establishment of the East Asia Free Trade Area, and to deepen financial and investment cooperation, and to enhance further cooperation in the field of non-traditional security within the framework of ASEAN +3.<sup>97</sup>

Parallel with these positive developments, there are from China's view still some issues of joint development in the framework of track I which cannot be put into practice, since Greater China's development is closely related to Asia's prosperity. Therefore China engages actively in track II, namely the BFA. BFA, which was founded in 2001, is the first large non-governmental international organization headquartered in China. The forum provides a platform for high-level interactions between representatives of governments, business leaders and academic scholars from Greater China and Asia to discuss joint strategies for Asian development, especially the possibility of monetary union and eventually the release of the Asia Dollar. Also in discussion is Asian competitiveness in the world, such as the negotiation on the issues of WTO's Doha round, which can be previously formed in BFA, and furthermore can be jointly addressed in other governmental international organizations.<sup>98</sup> It will be a plus for the interest of Greater China and Asian countries for these to be put into practice within and beyond Asia.

Scholars of new regionalism in East Asia have indicated the important variable in regional building is regional identity.<sup>99</sup> In terms of geography, culture and development, Asia is a continent of diversity, which makes the shaping of regional identity complicated. Therefore the fundamental function of BFA for Greater China is to shape Asian identity with comprehensive exchanges, and hope that this could make the process of East Asian cooperation easier.

From the view of ASEAN, the result of China's engagement in East Asia enhanced mutual diplomatic, economic, and military exchanges; increased Chinese participation in regional and multilateral mechanisms, and tactical flexibility on bilateral disputes.<sup>100</sup> In the context of open regionalism, ASEAN is reaching out to its Dialogue Partners, particularly China, ROK, Japan, India, Australia and New Zealand to establish Free Trade Area or closer partnership. The result is most advanced with China.<sup>101</sup>

After years of economic and political stagnation, Japan has become the largest beneficiary of China's economic growth, and its leading economic indicators, including consumer spending, have improved as a result. The lat-



est official figures indicate that Japan's real GDP rose at an annual rate of 6.4 percent in the last quarter of 2003, the highest growth of any quarter since 1990.<sup>102</sup> Prime Minister of Japan Junichiro Koizumi highly "praises" the active role of China in East Asian regional cooperation,<sup>103</sup> and adopted an action strategy on trilateral cooperation with China and ROK.

Scholars of new regionalism in East Asia have noted that in the process of East Asian cooperation there are not only progresses, but also some disputes among the members concerned. Following are some reported cases, such as the dispute between China and ROK on Goguryeo. China protested against the visit of Singapore's Prime Minister Lee Hsien Loong to Taiwan before his inauguration, and against Koizumi's visit to the Yasukuni Shrine. East Asian countries protested against Japan's revision of historical textbook about Japan's invasion in East Asia during World War II, and remain seriously skeptical on Japan's revision of the constitution, which allows Japanese government to send Self Defense Forces abroad for "peace-keeping".

The incursion by Chinese submarine into waters off Okinawa during the first week of November in 2004, China's search for natural gas in an area of the East China Sea which is viewed by Japan as lying within its exclusive economic zone,<sup>104</sup> and a nuclear-armed North Korea all still let Japan feel insecure. Japan thus signed on to develop a missile defense system with US aid, and is considering easing constitutional limits on the development of its military forces. Such moves are unsettling to Japan's neighbors, who would become even more uncomfortable, if Japan lost faith in its US security guarantee and opted to build its own nuclear deterrent instead. In addition, Japan's economy has long been in recession, and Japan's resurgent right-wing nationalism and her consistent refusals to open its agricultural markets to Asian countries, remains extremely wary of any trade deal with ROK, as well as implementing higher duties against exports from China. Japanese producers even plan to exploit a weaker Yen to regain some of the shares of world manufacturing that they have lost to ROK, Taiwan, and China.<sup>105</sup> In the eyes of new power arrangement in East Asia, even though Japan is a regional key player who struggles for a place in the world, it has nevertheless missed the chance to be the head of ASEAN+3.

### Concluding Remarks

After 26 years of reformation and opening-up, China has radically liberalized its economy. The functional division of labor within Greater China has been transformed into institutional ways of the CEPA and PPRD, which are led by China. The institutional frameworks of CEPA and PPRD cannot solve all the problems within Greater China, *inter alia*, Taiwan officially still does not join in. The political interactions across the Taiwan Strait, owing to the different appreciations between China and Taiwan on the principle of one China, remain deadlock. Even so the economic interactions within Greater China remain steadily deepened.

The new wave of regional cooperation in East Asia is shaping the new division of power in multilateral framework. China, like aforementioned, drives

on the basis of deepened economic cooperation within the Greater China via CEPA and PPRD, and then engages with neighbor countries via ASEAN+1, ASEAN+3 and BFA with its wide open market and go abroad investment policy to lead the East Asian regional cooperation as its basis to go globally.

In the past 26 years China has presided over a steadily expanding and maturing market with import growing at an average annual rate of over 15 percent, which has made China the third largest importer globally and the largest importer in Asia. In 2003 China imported from the rest of Asia a total of 272.9 billion US dollars worth of merchandise, up by 42.4 percent, with imports from ASEAN, Japan, ROK and India increasing by over 35 percent. Direct investment in the rest of Asia by China has risen at an average annual rate of 20 percent in recent years.<sup>106</sup> This in turn helps the economic growth of East Asia. East Asian countries pragmatically face this reality, and engage actively with China. So even if there are aforementioned disputes, Greater China will still get the upper hand to lead the direction of the East Asian regional cooperation.

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## Appendix

### The Major Developments of CEPA/PPRD and ASEAN+1/ASEAN+3

Date	Events
8. 8. 1967	Founding of ASEAN
27. 11. 1971	Declaration of ASEAN Concord
27. 11. 1971	ASEAN's Zone of Peace, Freedom and Neutrality Declaration
24. 2. 1976	Treaty of Amity and Cooperation in Southeast Asia: ASEAN began cooperation with other countries within and beyond region.
20.7. 1991	ROK as full dialogue partner of ASEAN
28. 1.1992	Framework Agreement on Enhancing Asian Economic Cooperation: AFTA will be established within 15 years.
22. 7. 1992	ASEAN Declaration on the South China Sea
25. 7. 1994	Establishment of ARF; China, Japan and ROK joined in.
15. 12. 1995	Protocol to Amend the Framework Agreement on Enhancing ASEAN Economic Cooperation, which included the acceleration of the timetable for the establishment of AFTA from the original timeframe 15 years to 10 years.
15. 12. 1995	ASEAN's Treaty on the Southeast Asia Nuclear Weapon-Free Zone
17. 6.1996	Basic Framework of ASEAN-Mekong Basin Development Cooperation
21. 7. 1996	China as full dialogue partner of ASEAN
15. 12. 1997	ASEAN Vision 2020: ASEAN as a concert of Southeast Asian Nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies.
15. 12. 1997	China attended the first ASEAN+3 Summit
16. 12. 1997	China attended the first ASEAN+1 Summit
15. 12. 1998	The Hanoi Plan of Action (HPA) is released to put the goals of the ASEAN Vision 2020 into play.
16. 12. 1998	The East Asia Vision Group is set up: experts from track-2 to discuss the future of cooperation in East Asia.
28. 11. 1999	A Joint Declaration on Cooperation for East Asia was issued at the end of the ASEAN+3 Summit in Manila.
11.12. 2001	China acceded WTO
1.1. 2002	Establishment of AFTA
2. 11. 2002	Memorandum of Understanding on Medium and Long-term Plan of Agricultural Cooperation between China and ASEAN
4. 11. 2002	Joint Declaration of ASEAN and China on Cooperation in the Field of Non-Traditional Security Issue
4. 11. 2002	Declaration of ASEAN and China on the Conduct of Parties in the South China Sea.
4.11. 2002	ASEAN+3 Summit adopted the recommendations of East Asia Free Trade Area.
5. 11. 2002	Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China: ASEAN-China Free Trade Area will be completed by the year 2010, for the new members of ASEAN (Cambodia, Laos, Myanmar and Vietnam) by the year 2015.
5. 11. 2002	Joint Declaration of ASEAN and Japan on Comprehensive Economic Partnership: ASEAN-Japan Free Trade Area will be completed by the year 2012.

## Appendix (cont.)

29.4. 2003	China-ASEAN bilateral cooperation program on SARS control and prevention
29. 7. 2003	CEPA between China and Hong Kong is signed.
27. 8. 2003	ASEAN supports the peace and process (Six-Party Talk) in the Korean Peninsula.
7.10.2003	Joint Declaration on the Promotion of Tripartite Cooperation among China, Japan and ROK
7.10. 2003	Declaration of ASEAN Concord II: to create an ASEAN Community by 2020, which would be supported by the three pillars of political and security cooperation, economic cooperation, and social-cultural cooperation.
8. 10. 2003	Framework for Comprehensive Economic Partnership between ASEAN and Japan
8.10.2003	Joint Declaration between ASEAN and China on Strategic Partnership for Peace and Prosperity
8. 10. 2003	Accession to the Treaty of Amity and Cooperation in Southeast Asia by China: mutual respect for one another's sovereignty; non-interference in internal affairs; the peaceful settlement of intra-regional dispute; effective cooperation are the code of conduct for interstate relation in Southeast Asia.
8. 10. 2003	Memorandum of Understanding on Cooperation in Information and Communications Technology between ASEAN and China
27.10. 2003	CEPA between China and Macao is signed.
12.12. 2003	Tokyo Declaration for the Dynamic and Enduring ASEAN-Japan Partnership in the new Millennium
1.1. 2004	Two CEPAs are put into effect.
11. 1. 2004	ASEAN+3 concept plan to address transnational crimes in eight areas: terrorism, illicit drug trafficking, trafficking in persons, easy piracy, arms smuggling, money laundering, international economic crimes and cyber crime.
1.6. 2004	PPRD is established.
2. 7. 2004	Japan's accession to the Treaty of Amity and Cooperation in Southeast Asia
27. 10. 2004	CEPA II is signed.
3-6 .11.2004	China-ASEAN Expo/Fair in Nanning, PPRD
27.11.2004	ROK acceded to the Treaty of Amity and Cooperation in the Southeast Asia.
27.11. 2004	Memorandum of Understanding between ASEAN and China on Transport Cooperation: maritime transport cooperation; Asian highway network: Kunming-Bangkok Highway by the end of 2007.
27.11. 2004	China, Japan and ROK adopted an action strategy on trilateral cooperation: further cooperation in education, science and technology, environment protection, trade and investment; promote close consultation and cooperation for the peaceful denuclearization of the Korean Peninsula through the Six-Party Talks.
29.11. 2004	Agreement on Trade in Goods of the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and China.
29.11. 2004	Agreement on Dispute Settlement Mechanism of the Framework Agreement on Comprehensive Economic Cooperation between ASEAN and China.
29.11. 2004	ASEAN recognizes China as a full market economy.
30.11.2004	Joint Declaration on Comprehensive Cooperation Partnership between ASEAN and ROK
30.11. 2004	Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity
30. 11. 2004	ASEAN-Japan Plan of Action to Implement the Tokyo Declaration for a Dynamic and Enduring ASEAN-Japan Partnership in the New Millennium
1.1. 2005	CEPA II becomes effective.

**Source:** [<http://www.aseansec.org>] (assessed 6 January 2005)

## Notes

1. The PPRD region, also known as "9+2", involves Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou, Yunnan as well as the Hong Kong and Macao special administrative regions. [<http://www.newsgd.com/specials/panprd/forum/forumnews/200405280034.htm>] (assessed on 30 May 2004).
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10. First step is to double the GNP of 1980 by the year 1990 and to meet the people's basic needs for food and clothing and for the second step, to double the 1996 figure by the end of the 20th century

and ensure the people a more comfortable life. The third step, this is, to rise the per capital GNP up to the level of moderately developed countries, to achieve modernization by and large and to build China into a strong, prosperous, democratic and culturally advanced socialist country by the middle of this century. China's strategic priorities:

First: To conduct strategic economic restructuring China will promote industrial optimization and upgrading by relying on scientific and technological progress and technical innovations.

Second: To continue the construction of infrastructure.

Third: To develop rural industries and small cities and towns.

Fourth: To implement the strategy of vigorously developing the western part of China, or developing the west strategy. Wu Bangguo, "On China's Economic Prospects in 21st century", [<http://www.china.org.cn/English/News/Politics/0131/08.htm>] (assessed on 1 February 2000); [<http://english.people.daily.com.cn/dengxp/vol3/text/c1220.html>] (assessed on 18 October 2004).

11. Shi Guang Sheng, Speech delivered at the Press Conference of the First Session of the 9th National Peoples Congress, 9 March 1998, [<http://www.moftec.gov.cn/moftec/official/html>] (assessed on 10 May 1998).
12. This shift to a high-technology economy was fostered by tax incentives and venture capital at a time when other Asian countries were trying to undercut Taiwan, whose wages have risen. André Mommen, *The Asian Miracle: a critical reassessment*, in *Liberalization in the Developing World Institutional and Economic Changes in Latin America, Africa and Asia*, Alex E. Fernández Jilberto and André Mommen, eds., (London; New York: Routledge, 1996), 37-38.
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14. The coastal development strategy had the following characteristics: First: The coasted-development strategy was targeted at the investors from Taiwan and Hong Kong. Second: Targeted at small investment projects from the small and medium-sized firms in Taiwan and Hong Kong. Third: Allowed investment in labor-intensive industries, which relied solely on raw material imports. Fourth: Instead of encouraging joint venture contracts, the present strategy preferred wholly owned foreign investment because of capital shortages. Lai, On Kwok and So, Alvin Yi, *Hong Kong and Newly Industrializing Economies: From Americanization to Asianization*, in *Hong Kong's Reunion with China*, Gerard A. Postiglione and James T.H. Tang, eds., (New York: M.E. Sharpe, 1997), 110; Ngai-Ling Sum: *The NIEs and competing strategies of East Asian Regionalism*, in *Regionalism and world order*, Andrew Gamble and Anthony Payne, eds., (New York: St. Martin's Press, 1996), 232; Xiangming Chen, *ibid.*, 461-462; [<http://www.southcn.com/news/hktwma/zhuan/cepa/circle/200312231199.htm>] (assessed on 30 October 2004).
15. Ngai-Ling Sum, *ibid.*, 232-233.
16. "Tung to promote HK's Economic Integration with PRD", 10 January 2003, [<http://www.china.org.cn/english/government/53256.htm>] (assessed on 6 May 2004).
17. Chen, "Taiwan Investments in China and Southeast Asia: Go West, but Also Go South", 452.
18. Harvey Sicherman, "Taiwan's Chen Shui-Bian: a President's progress," *E-Notes* 11 May 2001, [<http://www.fpri.org/enote/asia.20010511.sicherman.chenprogress.html>] (assessed on 10 January 2002).
19. [<http://www.southcn.com/news/hktwma/zhuan/cepa/circle/200312231199.htm>] (assessed on 30 October 2004).
20. David Hale and Lyric Hughes Hale, "China takes off" *Foreign Affairs* 82:6 (November/December 2003), [<http://proquest.umi.com/pqdlink?index=3&did=000000437688911&SrchMode=1&sid=1>] (assessed on 20 June 2004).
21. Mari Pangestu and Sudarshan Gooptu, *New Regionalism: Options for China and East Asia*, in *East Asia Integrates: A Trade Policy Agenda for Shared Growth*, Kathie Krumm and Homi Kharas, eds., (Washington, D.C.: The World Bank, 2003), 93; Chen, "Taiwan Investments in China and Southeast Asia: Go West, but Also Go South", 460-461; *ibid.*
22. Tung Chee Hwa addressed at the plenary session of the BFA annual conference 2003 "Asia Searching for Win-Win: Development through Cooperation" on 2 November 2003, [[http://www.info.gov.hk/gia/general/200311/02/110219\\_2.htm](http://www.info.gov.hk/gia/general/200311/02/110219_2.htm)] (assessed on 10 June 2004).
23. Joseph Y. S. Cheng, "China's ASEAN policy in the 1990s: Pushing for regional multipolarity," *Contemporary Southeast Asia* 21:2 (1999), [<http://proquest.umi.com/pqdlink?index=6&sid=21&srchmode=1&vinst=PROD&furt=4&s>] (assessed on 15 May 2004).

24. [<http://www.china.org.cn/english/government/53256.htm>] (assessed on 6 May 2004); [<http://www.china.org.cn/english/DO-e/8035.htm>] (assessed on 10 March 2002).
25. [<http://www.china.org.cn/english/2003/Jul/68801.htm>] (assessed on 13 July 2003).
26. Chen Zuor, "Enhance coop. between mainland and HK, Macau, boost further reform, opening up," 2 June 2004, [<http://www.newsgd.com/specials/panprdforum/centralgovtsupport/200406020065.htm>] (assessed on 8 June 2004); [<http://www.southern.com/news/hktwma/shizheng/200306290164.htm>] (assessed on 31 October 2004).
27. Taiwan Affairs Office of CPC Central Committee and Taiwan Affairs Office of State Council, Statement on current cross-Straits relations, 17 May 2004, [<http://www.gwytb.gov.cn:8088/detail.asp?table=headlines&title=Headlines&offset=50&mid=154>] (assessed on 19 May 2004).
28. CEPA creates new opportunities for HK's many professionals, accounting, auditing, legal services, engineering, IT, and management consultancy, etc. Tung Chee Hwa, "Building on CEPA to Enhance Our Service Hub Status," 10 December 2003, [<http://www.info.gov.hk/gia/general/200312/10/1210103.htm>] (assessed on 20 December 2003); Zhang Yuncheng, "Hong Kong tackles its Economic Woes," 3 July 2003, [<http://www.china.org.cn/english/2003/Jul/68801.htm>] (assessed on 13 July 2003).
29. Because CEPA initially opens up the mainland market to Hong Kong's distribution, logistics, freight forwarding, storage and warehouse and other services sectors, is benefiting the advancement of HK's modern logistics industry, particularly the management of the supply chain. Hong Kong's logistics service provides, with their sophisticated and efficient modes of operation, will in turn service manufactures on the Mainland, thereby helping to boost Mainland's fast-growing export sector at the same time. CEPA offers Hong Kong the opportunities to further extend the breath and depth of Hong Kong's financial products including expanding the capital markets, bonds markets, and derivatives markets. Tung Chee Hwa, "Building on CEPA to Enhance Our Service Hub Status", *ibid.*; "Agreements allow Banks in Macao to operate RMB Services," 4 August 2004, [[http://www.macao.gov.mo/index\\_en.html](http://www.macao.gov.mo/index_en.html)] (assessed on 6 August 2004).
30. An Min, "Taking CEPA implementation promoting regional coop.," 2 June 2004, [<http://www.newsgd.com/specials/panprdforum/centralgovtsupport/200406020066.htm>] (assessed on 5 June 2004).
31. [<http://www.southcn.com/panprd/news>] (assessed on 13 January 2005).
32. Tung Chee Hwa, keynote speech at the PPRD held in Hong Kong, 1 June 2004, [<http://www.info.gov.hk/gia/general/200406/01/0601252.htm>] (assessed on 7 June 2004).
33. "PPRD marks new breakthrough in China's regional cooperation", [<http://www.newsgd.com/specials/panprdforum/forumnews/200405280034.htm>] (assessed on 30 May 2004).
34. The blueprint of PPRD communications network construction includes 22 lines of highways. The network in the scheme, with Guangzhou and Hong Kong as its core, radiates to both inland and coastline areas. The Guangzhou as the center, the network will link Shenzhen, Hong Kong, Macao, Zhuhai, Zhongshan, Foshan, Dongguan together. The HK-Zhuhai-Macao Bridge under planning will better Hong Kong's economic radiation towards the west bank of Pearl River. This will bring PRD's economic radiating ability into full play, and confirm HK's role as the international air logistic hub. Tung Chee Hwa, "Asia Searching for Win-Win: Development through Cooperation"; Zhang Chunxian, "Construct a perfect road and waterway network in Pan-Pearl River Delta region," 1 April 2004, [<http://www.newsgd.com/specials/panprdforum/centralgovtsupport/200406020058.htm>] (assessed on 8 June 2004).
35. The service industry is the mainstay of the Hong Kong economy, making up 87% of Hong Kong's total economic output. Tung Chee Hwa, keynote speech at the PPRD held in Hong Kong.
36. "Macao Investment in Guangdong Soars," 16 January 2003, [<http://www.china.org.cn/english/government/53754.htm>] (assessed on 10 July 2004).
37. Edmund Ho, "Pan-Pearl River Delta Cooperation in Line with Regional Economic Development," 2 June 2004, [[http://www.macao.gov.mo/index\\_en.html](http://www.macao.gov.mo/index_en.html)] (assessed on 10 July 2004).
38. "PPRD marks new breakthrough in China's regional cooperation", [<http://www.newsgd.com/specials/panprdforum/forumnews/200405280034.htm>]; Liu Jiang, "Enhance economic coop. between mainland and HK, Macao," 2 June 2004. [<http://www.newsgd.com/specials/panprdforum/centralgovtsupport/200406020064.htm>] (assessed on 10 June 2004).
39. "Macao Government Supports Pan Pearl River Delta Cooperation," 8 July 2004, [<http://safpsq1.informac.gov.mo/gcs/new-asp/ejdetail.asp?inidjournal=3096>] (assessed on 10 July 2004).

40. [[http://www.cdnnews.com.tw/20040828/news/cjcy/1C0000002004082720050666\\_fp.htm?](http://www.cdnnews.com.tw/20040828/news/cjcy/1C0000002004082720050666_fp.htm?)] (assessed on 31 October 2004).
41. [<http://www.ftu.org.hk/newitem/general/20040925/20040925a.htm>] (assessed on 30 October 2004).
42. [<http://hk.news.yahoo.com/040719/12/12eid.html>] (assessed on 30 October 2004).
43. The legal text, which gives expression to the package of liberalization measure under CEPA II, contains three annexes: the list of additional products that will be given zero tariff preference, the rules of origin for these products, and further liberalization measures in services. [[http://news.xinhuanet.com/english/2004/-10/27/content\\_2145342.htm](http://news.xinhuanet.com/english/2004/-10/27/content_2145342.htm)] (assessed on 28 October 2004).
44. Mainland China and Hong Kong will continue to pursue further liberalization in goods and services trade through the established liaison mechanisms. With respect to trade in goods, the next cycle of applications for and consultation on additional products to enjoy zero tariff status will begin in January 2005. [[http://news.xinhuanet.com/english/2004/-10/27/content\\_2145342.htm](http://news.xinhuanet.com/english/2004/-10/27/content_2145342.htm)](assessed on 28 October 2004); [<http://hk.news.yahoo.com/040827/74/1457v.html>] (assessed on 30 October 2004).
45. Mansfield and Milner, "The New Wave of Regionalism", 600-601; Breslin and Higgott, "New regionalism(s) in the global political economy. Conceptual understanding in historical perspective", 167 and 172-173.
46. Firms moved their production processes from Japan to the East Asian NIEs in the 1970s and early 1980s to Southeast Asia in the mid-1980s to early 1990s, and to China in the mid-1980s to mid-1990s. To support the vertical specialization and division of production along the value chain, intraregional trade has grown rapidly in components, parts, and inputs. Pangestu and Gooptu, *New Regionalism: Options for China and East Asia*, 82.
47. *Ibid.*, 80.
48. Pengiran Mashor Pengiran Ahmad, "East Asia Economic Community: Prospects and Implications", keynote speech at "ASEAN Plus Three—Perspectives of Regional Integration in East Asia and the Lessons from Europe", Seoul, 30 November-1 December 2003, [<http://www.aseansec.org/15656.htm>] (assessed on 26 January 2005).
49. Cheng, "China's ASEAN policy in the 1990s: Pushing for regional multipolarity", 6-7.
50. Zu Rongji, "Work Hand in Hand to build a better Future for Asia in 21st Century", speech at first annual conference of BFA on 12 April 2002, [[http://english.people.com.cn/200204/12/eng20020412\\_93946.shtml](http://english.people.com.cn/200204/12/eng20020412_93946.shtml)] (assessed on 15 May 2004).
51. Hu Jintao, "China's development is an opportunity for Asia", speech at BFA on 24 April 2004, [[http://english.peopledaily.com.cn/20040424/eng2004044\\_141419.shtml](http://english.peopledaily.com.cn/20040424/eng2004044_141419.shtml)] (assessed on 2 May 2004).
52. Ong Keng Yong, "Securing A Win-Win Partnership For ASEAN And China", keynote address at the ASEAN-China Forum 2004 Developing ASEAN-China Relations: Realities and Prospects, Singapore, 23 June 2004, [<http://www.aseansec.org/16256.htm>] (assessed on 1 February 2005).
53. Cheng, "China's ASEAN policy in the 1990s: Pushing for regional multipolarity".
54. *Ibid.*
55. The five areas were agreed at the ASEAN-China Summit on 6 November 2001 in Brunei Darussalam. [<http://www.aseansec.org/5874.htm>] (assessed 13 January 2005).
56. Ong Keng Yong, "Securing A Win-Win Partnership For ASEAN And China".
57. Kathie Krumm and Homi Khrars: Overview in East Asia Integrates, in *A Trade Policy Agenda for Shared Growth*, 11-12.
58. Robert A. Scalapino, *China's Role in Southeast Asia: Looking toward the twenty-first Century*, in *China and Southeast Asia Into the Twenty-first Century*, Richard L. Grant, ed., (Washington, D. C.: Center for Strategic and International Studies, 1993), 58.
59. Joshua Kurlantzik, "Is East Asia Integrating?," *The Washington Quarterly* 24:4 (Autumn 2001), 25.
60. Pangestu and Gooptu, *New Regionalism: Options for China and East Asia*, 84.
61. [<http://unn.people.com.cn/GB/22220/39857/39892/39906/2965771.html>] (assessed on 6 November 2004).
62. Isagani de Castro, "Big brother China woos ASEAN", *Asia Times*, 6 November 2002, [<http://www.atimes.com/atimes/Southeast-Asia/DK06Ae02.html>] (assessed on 8 November 2002).
63. "ASEAN-China Dialogue Relations", [<http://www.aseansec.org/5874.htm>] (assessed 13 January 2005).



64. Hu, "China's development is an opportunity for Asia".
65. Details see: Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity, 30 November 2004, [<http://www.fmprc.gov.cn/eng/wjwb/zjzg/yzs/dqzzywt/t175815.htm>] (assessed 9 January 2005).
66. ASEAN-China Free Trade Area is economic pillar of ASEAN-China ties. Isagani de Castro, "Big brother China woos ASEAN".
67. Ibid.
68. Pangestu and Gooptu, *New Regionalism: Options for China and East Asia*, 93 and 95.
69. Isagani de Castro, "Big brother China woos ASEAN".
70. Ong Keng Yong, "Prospering ASEAN-China Relations", Keynote Address at the Chinese Business Leaders Summit Global Entrepolis @ Singapore, 11 October 2004, [<http://www.aseansec.org/16463.htm>] (assessed on 28 October 2004).
71. "Early Harvest" program consists of liberalizing tariffs in priority sectors of interest and implementing other trade and investment facilitation measures that are deemed to generate immediate benefits to the ASEAN and Chinese business communities. These measures could include: (1) Development and technical assistance to build capacity among countries, particularly for the new members of ASEAN, so as to improve their competitiveness, (2) Trade and investment facilitation measures, (3) Trade policy dialogue, (4) Business sector dialogue, (5) Facilitation of visa arrangements for business people, (6) Standards and conformity assessment, (7) Measures enhancing market access opportunities for specific products or services of interest to ASEAN and China, such as agricultural and tropical products, textiles and clothing, machinery and electronic products, footwear, oils and fats, foodstuff, forestry and aquaculture products, and energy. The list of products and services will be determined by mutual consultation, (8) Extension of MFN treatment of China's accession commitments to non-WTO members of ASEAN in compliance with WTO rules, (9) Any other measures delivering immediate mutual benefits. Pangestu and Gooptu, *New Regionalism: Options for China and East Asia*, 96.
72. Ong Keng Yong, "Securing A Win-Win Partnership For ASEAN And China".
73. S. Pushpanathan, "Building an ASEAN-China Strategic Partnership", *The Jakarta Post*, 1 July 2004, [<http://www.aseansec.org/16253.htm>] (assessed on 28 October 2004).
74. "ASEAN-China Dialog", [<http://www.aseansec.org/print.asp?file=/dialog/mchi.htm>] (assessed on 10 March 2004).
75. Ibid.
76. "ASEAN-China Dialogue Relations".
77. S. Pushpanathan, "ASEAN and free trade area cover China, Japan, India", *The Jakarta Post*, 14 November 2002.
78. "PPRD takes up 40% country trade with ASEAN", 21 July 2004, [<http://www.newsgd.com/specials/panprdforum/deltanews/200407210052.htm>] (assessed on 23 July 2004).
79. Details see: Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity.
80. S. Pushpanathan, "Building an ASEAN-China Strategic Partnership".
81. The initiative has four themes: 1. Collaboration with the Greater Mekong Subregion program to accelerate ASEAN integration; 2. ASEAN as a single tourist destination; 3. ASEAN solidarity for peace and security, especially in the fight against terrorism; and 4. Bold steps in sustainable natural resources management, including ratification of the Kyoto Protocol by all ASEAN members. [<http://www.aseansec.org/13198.htm>]; *ibid*.
82. Press Statement of the Chairperson of the ASEAN+China Summit, the ASEAN+Japan, the ASEAN+Republic of Korea, and the ASEAN+India Summit, Bali, 8 October 2003, [<http://www.aseansec.org/15287.htm>] (assessed on 28 October 2004).
83. "ASEAN recognizes China as a full market economy", 30 November 2004, [[http://new.xinhuanet.com/English/2004-11/30/content\\_2275961.htm](http://new.xinhuanet.com/English/2004-11/30/content_2275961.htm)] (assessed on 9 January 2005).
84. Wen Jiabao, "Strengthening Cooperation for Mutual Benefit and a Win-Win Result", speech at the 8th ASEAN+3 Summit in Vientiane, 29 November 2004, [<http://www.fmprc.gov.cn/eng/topics/wenjiabaoASEANorg/t172730.htm>] (assessed on 1 February 2005).
85. Wolf Mendl, *Japan's Asia policy Regional security and global interests* (London; New York: Routledge, 1995), 105-106.
86. Kurlantzik, "Is East Asia Integrating?", 26-27.

87. S. Pushpanathan, "ASEAN's strategy towards its dialogue partners and ASEAN plus Three progress", [<http://www.aseansec.org/15398.htm>] (assessed on 29 October 2004).
88. Tung, "Building on CEPA to Enhance Our Service Hub Status".
89. The Chinese side wishes to advance the following proposals:
  1. To institutionalize the Meeting of Finance and Central Bank deputies, and convene meetings of finance ministers and central bank governors on basis of the deputy meeting,
  2. To share information and experience of financial reforms readjustments in their respective countries within this mechanism and to set up an *ad hoc* committee for an in-depth study of supervision and regulation of international capital flow, the improvement of capabilities of guarding against and forecasting financial risks, the restructuring of international financial system and other question,
  3. To coordinate positions and stances of East Asian countries on major international financial and economic issues through this mechanism so that East Asia does its part for the reform of the international financial system. [[http://www.asean.or.id/summit/inf3rd/prg\\_ch3.htm](http://www.asean.or.id/summit/inf3rd/prg_ch3.htm)] (assessed on 20 June 2004).
90. Kurt M. Campbell, "The Challenges Ahead for U.S. Policy in Asia," *E-Notes*, 30 March 2001, [<http://www.fpri.org/enotes/asia.20010330.Campbell.challengesahead.html>] (assessed 10 April 2001).
91. Kurlantizik, "Is East Asia Integrating?", 24.
92. Pangestu and Gooptu, *New Regionalism: Options for China and East Asia*, 85.
93. "When will 'Asian Dollar' come true?" *People's Daily*, 26 April 2004, [[http://www.english.peopledaily.com.cn/200404/26/eng20040426\\_141507.shtml](http://www.english.peopledaily.com.cn/200404/26/eng20040426_141507.shtml)] (assessed on 28 April 2004).
94. Pangestu and Gooptu, *New Regionalism: Options for China and East Asia*, 94.
95. Kurlantizik, "Is East Asia Integrating?", 22.
96. The idea of an East Asian Economic Community was first mooted in the East Asian Vision Group (EAVG) Report of January 2001 entitled "Towards an East Asian Community: Region of Peace, Prosperity and Progress." In this report, the "integration of the East Asian economies, ultimately leading to an East Asia Economic Community" was envisaged and trade, investment and finance will be the catalysts in the community-building process. Specifically, the EAVG called for the establishment of the East Asia Free Trade Area (EAFTA) and the East Asia Investment Area (EAIA), among others. Pengiran Mashor Pengiran Ahmad, "East Asia Economic Community: Prospects and Implications".
97. In the area of financial and investment cooperation, priority should be given in East Asia to using the rich foreign exchange reserve and capital within the region, improving investment and financing environment and building risk prevention and control capital within the financial sector. To encourage investment cooperation of small and medium-size enterprises will facilitate the participation of the private sector in East Asia cooperation. Details see: Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity.
98. Long Yongtu, "BFA to Focus on Impact of Iraq War on Asian Economy," 2 April 2003, [<http://www.bjreview.com.cn/Boao/0407-03.htm>] (assessed on 10 August 2004).
99. Breslin and Higgott, "New regionalism(s) in the global political economy. Conceptual understanding in historical perspective", 171.
100. Ong Keng Yong, "Securing A Win-Win Partnership For ASEAN And China".
101. Romeo A. Reyes, "Forming a Single Market: Theory and Reality", [<http://www.aseansec.org/17097.htm>] (assessed on 1 February 2005)
102. James F. Hoge, Jr., "A Global Power Shift in the Making," *Foreign Affairs*, (July/August 2004), [<http://www.foreignaffairs.org/2004/...a-global-power-shift-in-the-making.html?mode=prin>] (assessed on 28 October 2004).
103. Junichiro Koizumi, "Japan and ASEAN in East Asia—A Sincere and Open Partnership", speech in Singapore on 14 January 2002, [<http://www.aseansec.org/2884.htm>].
104. "Koizumi warned over war shrine", [<http://newsvote.bbc.co.uk/mpappspagetools/print/news.bbc.co.uk/2/hi/asia.../4031567.st>] (assessed on 22 November 2004).
105. Hoge, Jr., "A Global Power Shift in the Making"; Kurlantizik, "Is East Asia Integrating?", 27.
106. Hu, "China's development is an opportunity for Asia".