With the Trans-Pacific Partnership on the brink of collapse, many now view the Regional Comprehensive Economic Partnership (RCEP) as a potential replacement. However, RCEP offers a radically different model for trade multilateralism. It promises a lower level of reform ambition, and offers a membership model in which China is the leader and lynchpin of Asian regionalism. As RCEP moves to completion in 2017, it may usher in an historic shift from an Asia-Pacific to Indo-Pacific regional economic order.

Jeffrey D. Wilson, Research Fellow, Perth USAsia Centre, Volume 2, January 2017
EXECUTIVE SUMMARY

• With President-Elect Trump promising to withdraw the U.S. from the Trans-Pacific Partnership (TPP), many have begun to view the China-led Regional Comprehensive Economic Partnership (RCEP) agreement as a potential replacement.

• These mega-regional Free Trade Agreements are an attempt to induce systemic change in the Asia-Pacific trade system, by moving from a bilateral to multilateral architecture.

• However, the TPP and RCEP offer competing models for trade multilateralism. They are differentiated by their level of reform ambition, approach to membership, and leadership dynamics.

• RCEP promises a lower level of trade liberalisation than the TPP, which is more appealing to developing-country members. It also embodies an approach where China, rather than the U.S., is the lynchpin of regional economic integration.

• If RCEP emerges as the new template for trade liberalisation, it will contribute to a transition from an Asia-Pacific to Indo-Pacific model for the regional economic order.
INTRODUCTION

The 2016 U.S. Presidential election cast a major shadow over the trade architecture of the Asia-Pacific. Trade policy emerged as a critical issue during a campaign characterised by an unprecedented level of populist attacks upon the merits of free trade. The recently completed Trans-Pacific Partnership (TPP) agreement was singled out for critique, with both presidential candidates labelling the deal as harmful to U.S. economic interests. President-Elect Trump has since promised to initiate a U.S. withdrawal from the TPP on his first day in office, terminally compromising the agreement in its current form. As the TPP was the most significant trade agreement to be negotiated in the Asia-Pacific for many decades, its coming collapse poses hard questions for ongoing efforts to reform the regional trading system.

However, the TPP is not the only game in town for regional trade policy. It had developed alongside another ‘mega-regional’ trade agreement: the ASEAN-led Regional Comprehensive Economic Partnership (RCEP). The TPP and RCEP proposals share several common policy goals, including a desire to kick-start liberalisation efforts in the region, and do so on a multilateral rather than bilateral basis.

Table 1: Key features of the TPP and RCEP agreements, December 2016

<table>
<thead>
<tr>
<th>Trans-Pacific Partnership</th>
<th>Regional Comprehensive Economic Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope and coverage</strong></td>
<td>WTO-consistent approach: Focus on trade liberalisation and investment facilitation</td>
</tr>
<tr>
<td>Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam</td>
<td>ASEAN bloc, Australia, China, India, Japan, Korea, New Zealand</td>
</tr>
<tr>
<td><strong>Member states</strong></td>
<td>Only open to current ASEAN FTA partners during negotiation phase</td>
</tr>
<tr>
<td><strong>Membership model</strong></td>
<td>Open to all APEC parties; includes accession mechanism</td>
</tr>
<tr>
<td><strong>Total GDP of members</strong></td>
<td>USD 27.4 trillion (36.6% of global economy)</td>
</tr>
<tr>
<td><strong>Total two-way trade of members</strong></td>
<td>USD 22.7 trillion (30.4% of global economy)</td>
</tr>
<tr>
<td><strong>Intra-regional trade of members</strong></td>
<td>USD 8.7 trillion (26.2% of world trade)</td>
</tr>
<tr>
<td><strong>Intra-regional trade of members</strong></td>
<td>USD 9.5 trillion (28.8% of world trade)</td>
</tr>
<tr>
<td><strong>Intra-regional trade of members</strong></td>
<td>USD 3.7 trillion (43.2% members’ total trade)</td>
</tr>
<tr>
<td><strong>Intra-regional trade of members</strong></td>
<td>USD 4.3 trillion (44.6% members’ total trade)</td>
</tr>
</tbody>
</table>

But they are also characterised by several differences, including their level of reform ambition, their approach to membership, and the question of regional leadership. With the TPP now seemingly dead, some analysts have suggested that RCEP may come to replace the TPP as the vehicle for trade multilateralism in the Asia-Pacific.

Importantly, RCEP offers a radically different vision for how the regional trade should evolve. Where the TPP offered an Asia-Pacific model based on the principle of ‘open regionalism’, RCEP instead adopts a closed approach to membership arrangements that are more Indo-Pacific in form. Its approach to liberalisation is significantly lower, prioritising tariff reductions rather than the development of new trade law in areas such as investment, environment and services. RCEP is also a decidedly China-led process, and potentially heralds an era in which China emerges as a meaningful counterweight to U.S. economic leadership in the region. Policymakers need to carefully weigh the benefits and costs of the RCEP model as negotiations move towards completion in 2017.

THE FRAGMENTED TRADE ARCHITECTURE OF THE ASIA-PACIFIC

In recent years, the structure of the Asia-Pacific trade system has been rapidly transformed. Regional economies have for many years been very open to trade, with the East Asian economic miracle of the post-war period driven by the export powerhouses of Japan, Korea, the Asian tigers and more recently China. For most of this period, governments had been committed to multilateralism when it came to trade policy. Liberalisation was primarily advanced as part of global-level trade reforms, negotiated and enforced through the General Agreement on Tariffs and Trade (GATT)/World Trade Organisation. Regional trade initiatives were also multilateral in style, such as APEC’s ‘open regionalism’ approach to liberalisation, and the landmark Association of Southeast Asian Nations (ASEAN) FTA of 1992.

However, during the 2000s Asia-Pacific governments began to gradually change their trade policy strategies. Bilateral Free Trade Agreements (FTAs) – which preferentially lower trade barriers between only two countries – increasingly came into favour. In the year 2000, the Asia-Pacific1 was home to only four bilateral FTAs. But as exploratory moves turned into a rush, the number of bilateral FTAs grew rapidly. By the end of 2015, fifty-two bilateral FTAs had been negotiated between Asia-Pacific governments, and a further fifty-four were signed with parties outside the region (Table 1). These agreements dramatically overhauled the architecture of the regional trade system, from one based on multilateralism to one characterised by the dominance of bilateral agreement-making.

The proliferation of bilateral FTAs has led to what trade economists call the ‘noodle bowl problem’2. Rather than having a single integrated system, the Asia-Pacific is now fragmented and criss-crossed by many bilateral deals. Compounding matters, these FTAs vary widely in their content. Each includes (and excludes) different sectors, and imposes different commitments in terms of tariff reduction. They also vary in terms of regulatory provisions, with each implementing investment protection, intellectual property, and e-commerce rules differently. The result is a patchwork of overlapping and incommensurate FTAs, which metaphorically resembles a tangled bowl of noodles. Rather than having a single set of rules applied equally to all, the Asia-Pacific now has over 100 different sets of trade rules, with major asymmetries in their obligations and standards.

The noodle bowl is widely considered to be bad for trade liberalisation. Markets become distorted by trade diversion effects, where economies can gain (and lose) export markets due to the marginal effects of FTAs rather than the underlying patterns of comparative advantage. Small economies particularly suffer, as they lack the clout to press for meaningful outcomes when negotiating with large economies on their own. Businesses face

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1 Here, the Asia-Pacific is defined as the 21 member economies of the APEC group.
increased transaction costs, as they must ensure compliance with literally dozens of different rules for each of their key export and import markets. These costs are especially prohibitive for small and medium-sized enterprises (SMEs), which often lack the capacity to secure complex commercial advice. It also inhibits the development of regional production networks, where each link in the value chain becomes subject to different and cost-imposing rules and procedures. The inconsistencies between different bilateral FTAs thus become a new trade barrier themselves.

Cognisant of these problems, Asia-Pacific governments began efforts ‘multilateralise’ the regional trade system in the early 2000s. To achieve this goal, two new mega-regional trade agreements were proposed. The first was the TPP, which was promoted by the U.S. government and commenced negotiations in March 2010. The TPP’s principal aim was to advance new trade law in a diverse range of areas – such as investment, services, telecommunications, finance, e-commerce and intellectual property. TPP membership was open to all APEC parties, and within a few years twelve states had joined the negotiations. The second mega-regional was RCEP, which was launched by ASEAN in May 2013. RCEP was limited to the ASEAN bloc and the six partners with which it had FTAs: Australia, China, India, Japan, Korea and New Zealand. Its reform objectives were more modest, focussed primarily on tariff reductions.

For a comparative summary of the features of the TPP and RCEP, see Jeffrey D. Wilson (2016), ‘Mega-Regional Trade Deals in the Asia-Pacific: Choosing Between the TPP and RCEP?’, Journal of Contemporary Asia, 45 (2): 345-353.
The Regional Comprehensive Economic Partnership: An Indo-Pacific approach to the regional trade architecture?

As the two mega-regional proposals offered differing models for trade multilateralism, there was an inherent degree of competition between them. TPP negotiations were the first to complete in October 2015, at which time many concluded that the TPP had ‘won the race’ and would become the new regional template. However, these expectations were dashed in November 2016, when Donald Trump won the U.S. presidential election. Having labelled it the “worst deal ever” during the campaign, Trump has promised to withdraw the U.S. from the TPP on his first day in office. As the TPP requires that at least six members – accounting for 85 percent of the GDP of the bloc – must ratify the agreement, a future U.S. withdrawal means it cannot take force in its present form. With the TPP likely to collapse, RCEP is now the only viable mechanism for multilateralising the regional trade system in the short- to medium-term.

As a result, governments around the region have begun reappraising their involvement in ongoing RCEP negotiations. These moves took centre stage during the Lima APEC Summit of November 2016, where discussion was dominated by the issue of trade policy and RCEP’s potential role therein. The Chinese government – which has been the primary driver behind RCEP – used the Summit to pledge its commitment to economic openness, and push for a speedy completion of RCEP negotiations.

In a frank assessment, Japanese Prime Minister Shinzo Abe recently remarked “It’s safe to say that we will shift focus to RCEP if TPP is disband”.

The possibility that the U.S.-backed TPP may now be ‘replaced’ by the China-backed RCEP agreement poses important questions regarding how the two mega-regional agreements compare. How are they similar, where do they differ, and in what ways does RCEP offer a different model for trade multilateralism than that promised by the TPP? Three features – their reform ambitions, membership models and leadership dynamics – differentiate their approaches.

### THE RCEP REFORM AGENDA: LOWER AMBITIONS, FEWER CONTROVERSIES?

Levels of ‘reform ambition’ – the extent to which an agreement seeks to enhance trade flows through liberalisation and policy harmonisation – is arguably the most salient difference. The TPP was described as a “21st century” trade agreement by its members, which promised to develop an ambitious set of new trade laws. Central to this goal were its so-called “WTO-Plus” reforms – harmonising national policies in trade-related areas that act as barriers to trade, but are yet to be addressed at the WTO. The TPP text establishes new trade law in a range of these areas (see Table 2), including investment, services trade, intellectual property and several other regulatory domains.

RCEP’s reform objectives are quite different. The negotiating parties only intend the agreement to be ‘WTO consistent’, rather than aiming for WTO-Plus reforms. Thus far, negotiating rounds have principally focussed on reducing conventional barriers to trade in goods, such as tariffs, quotas and customs procedures. Far less is promised in terms of creating new trade law. Investment policy efforts only aim to promote cross-border capital flows (not harmonise national rules); and services trade provisions will only ‘build on’ the existing ASEAN+1 FTAs. Indeed, many of the regulatory issues addressed in the TPP are entirely absent from RCEP, including intellectual property, transparency provisions, and environmental and labour standards. RCEP members are also yet to agree on the extent of tariff reductions.

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1. ABC News (2016), ‘APEC Summit: Xi Jinping pledges economic openness as leaders seek free trade options’, 20 November; Reuters (2016), APEC leaders vow to fight protectionism, look to China on trade, 21 November.
### Table 2: Key differences between the TPP and RCEP agreements

<table>
<thead>
<tr>
<th>TPP Official Text</th>
<th>RCEP ‘Guiding Principles’ and subsequent negotiations, as of Dec 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment: Most-favoured-nation and national treatment protections, enforced via Investor-State Dispute Settlement (ISDS) process</td>
<td>Intent to pursue ‘promotion, protection, facilitation and liberalisation’ of investment.</td>
</tr>
<tr>
<td>Transparency/Anti-Corruption: Requirement for members to criminalise (and sanction) corruption, and to adopt appropriate accounting, auditing and financial disclosure standards</td>
<td>None</td>
</tr>
<tr>
<td>Environment: Requirements for effective enforcement of national environmental law; promotion of collaborative activities in range of areas (fisheries, CITES, biodiversity, renewable energy)</td>
<td>None</td>
</tr>
<tr>
<td>E-commerce: Privacy protections; equal treatment of digital content; protections for source code</td>
<td>Initially none, though added to agenda during seventh negotiating round</td>
</tr>
<tr>
<td>Intellectual Property: Protection of trademarks and geographical indicators; harmonisation of patent rules; life-plus-70-years standards for copyright; requirement for enforcement regimes</td>
<td>Reduce IP-related barriers to trade and investment</td>
</tr>
<tr>
<td>State-owned enterprises: Requirement for SOEs to act in accordance with ‘commercial considerations’; transparency rules for SOEs and government monopolies</td>
<td>None</td>
</tr>
<tr>
<td>Telecomms: Requirement for major suppliers to provide services to foreign firms on a non-discriminatory basis; transparency regulations</td>
<td>None</td>
</tr>
<tr>
<td>Financial services: National treatment, most-favoured-nation and cross-border-supply provisions</td>
<td>None</td>
</tr>
<tr>
<td>Services: National treatment, most-favoured-nation and market access provisions</td>
<td>Will build on existing provisions in the ASEAN+1 FTAs</td>
</tr>
<tr>
<td>Labour: Requirement to enforce labour standards; initiatives to discourage trade in goods made using forced or child labour</td>
<td>None</td>
</tr>
<tr>
<td>Economic and technical cooperation</td>
<td>Extend existing initiatives in ASEAN+1 FTAs, with aim of narrowing development gaps in region</td>
</tr>
<tr>
<td>Special and differential treatment</td>
<td>Special and differential treatment in agreed commitments, consistent with differing developmental levels of members</td>
</tr>
</tbody>
</table>


This lower level of reform ambition reflects RCEP’s orientation toward developing-country trade interests. WTO-Plus issues that are sensitive for developing economies – such as labour, intellectual property and environmental provisions – are not part of the negotiating agenda. RCEP also includes a series of provisions targeted at developing economies which are not traditionally a matter for FTAs. These include mechanisms for promoting economic and technical cooperation, alongside special and differential treatment for the least developed members. Where the TPP offered an ambitious but controversial reform package favoured by the developed economies such as Japan, Australia and the U.S., RCEP offers more modest initiatives better suited to the interests of China, India and developing Asia.
RCEP’s lower reform ambitions offer both benefits and costs. The absence of WTO-Plus reforms means it will contain fewer sensitive provisions, and is less likely to suffer from domestic-level vetoes. By imposing fewer adjustment costs on developing-country members, it is also more welcoming to a wider range of regional governments. However, the trade-creating effects of RCEP will be far lower than that offered by the TPP, and it circumvents controversy simply by excluding important and needed reforms in many trade related areas. In short, a switch to RCEP will make regional trade multilateralism politically easier to achieve, at the cost of offering far less economically in terms of liberalisation and the creation of new trade law.

THE RCEP MEMBERSHIP MODEL: FROM THE ASIA-PACIFIC TO INDO-PACIFIC?

Membership models – the question of precisely who qualifies as being part of the Asian region – are also a marked difference. The TPP was squarely in the long tradition of Asia-Pacific economic integration advanced by APEC for almost three decades. All twenty-one APEC member economies were invited to join the TPP negotiations, whose final text endorsed the principle of ‘open regionalism’ through the inclusion of an accession mechanism. Four countries – Canada, Malaysia, Mexico and Japan – took advantage of this open approach to join during the negotiation process. Expectations were that the treaty would continue to grow following ratification, and since 2013 Korea has been actively exploring accession pathways with other TPP members.10

RCEP’s membership model breaks with these traditions. The agreement is centred on the ASEAN bloc rather than APEC, and formally endorses the principle of ‘ASEAN Centrality’ in Asian regionalism. Negotiations only involve the six governments which currently have ‘Plus One’ FTA with the ASEAN bloc. This means that RCEP has better membership coverage of Asia, by including China, India, Korea, Indonesia and the less-developed members of ASEAN. But by corollary, it excludes the Pacific economies who are major trade and investment partners of the region, particularly Canada, the United States and Mexico. In this way, RCEP instead offers an Indo-Pacific conception of who constitutes the region.

It also remains unclear to what extent RCEP will continue the practice of open regionalism. During the negotiation phase, the agreement is only open to ASEAN and its six current FTA partners. No countries have therefore been able to join. According to the RCEP parties’ ‘Guiding Principles’ statement of 2013, the final text will include an open accession clause which will “allow the participation... of any other external economic partners after the completion of the RCEP negotiations”. However, precisely how this accession clause will be designed remains an open question, as does the issue of which external partners will be encouraged (or potentially discouraged) to seek membership. Unlike the TPP – which explicitly targeted all APEC members – there is considerable uncertainty over whether, and indeed how, RCEP’s membership may subsequently expand.

RCEP therefore marks an historic shift in the architecture of Asian economic regionalism: from an open Asia-Pacific model to a more closed Indo-Pacific variant. This is potentially more attractive to some countries in the region who have adopted Indo-Pacific-type foreign policy strategies, particularly India and some ASEAN states. RCEP also includes China, for whom future membership of the TPP was an unlikely proposition in the medium-term. Unfortunately, it does so by excluding the Pacific wing of the region, most notably the U.S.. The RCEP model therefore trades the U.S. for India and China.

Whether this trade-off is beneficial is a matter for debate. It is certainly true that China is the number one trade partner for many economies.

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11 This is the principle that ASEAN should be at the centre of all major regionalism initiatives in Asia. The ASEAN Regional Forum and ASEAN Plus 3 Summits are leading examples. See Peter A. Petri and Michael G. Plummer (2014), ‘ASEAN Centrality and the ASEAN-US Economic Relationship’, East-West Centre Policy Studies (No. 69).
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in the region (see Table 3), and its absence from the TPP detracted from the impact of the agreement. However, the U.S. remains an important trade partner as well, particularly in terms of services exports to its large consumer and corporate markets. Moreover, the U.S. remains the top source of inward foreign direct investment for regional economies; a role that China – despite its increasing investment presence abroad – is nowhere near matching. Swapping the U.S. for China does not make RCEP’s Indo-Pacific membership model an intrinsically better approach than the Asia-Pacific model it would replace.

Figure 2: U.S. and China as economic partners to major Asia-Pacific economies (USD billions)

RCEP AND GEOPOLITICS: LESS BAGGAGE, LESS LEADERSHIP?

One of the largest controversies surrounding the TPP was its links to the geopolitical rivalry between the China and the U.S.. The Obama Administration labelled the TPP the “economic wing” of its so-called Pivot to Asia policy\(^\text{12}\); and several commentators alleged it was a deliberate U.S. attempt to ‘economically encircle’ China in the region\(^\text{13}\). President Obama played to geopolitical considerations when selling the TPP to domestic audiences, arguing “The TPP allows America – and not countries like China – to write the rules of the road in the 21\(^{st}\) century, which is especially important in a region as dynamic as the Asia-Pacific”\(^\text{14}\). For many governments, joining the TPP was as much about signalling allegiances between the two major powers in the region as achieving trade policy goals.

Somewhat fortunately, RCEP no longer suffers from problems of geopolitical baggage. With the TPP now seemingly dead, RCEP will no longer be viewed as the lower-quality ‘Chinese alternative’. Rather, it is now the only practicable vehicle for multilateralising the regional trade architecture. The Chinese government immediately seized on the opportunity of U.S. withdrawal from the TPP to make a renewed push for the RCEP agreement. At the 2016 APEC Summit, Xi Jinping called on member economies to complete RCEP, in order to realise the long-standing goal of creating the “Free Trade Area of the Asia-Pacific” (FTAAP)\(^\text{15}\). While the APEC Leaders’ Lima Declaration officially recognised both the TPP and RCEP as potential pathways for realising FTAAP\(^\text{16}\), most observers recognise RCEP is now the only viable mechanism moving forward. With rivalry between TPP and RCEP out of the way, the geopolitical headwinds for multilateralising the regional trade architecture have been substantially lowered.

Unfortunately, this has come at the cost of clear leadership. While the TPP was always acknowledged a U.S.-led initiative, RCEP suffers from having multiple parents. It is ostensibly an ASEAN-led initiative, which formally affirms ASEAN Centrality and makes the bloc the nucleus around which regional trade agreements will be constructed. But in reality, its leading advocate and primary driver has been China. Several major RCEP members – including Japan and Australia – have clearly demonstrated a preference for the TPP, leaving China to push RCEP negotiations forward largely on its own. The enthusiastic participation of Singapore, Malaysia and Vietnam in TPP negotiations is also indicative of an intra-ASEAN split on the relative merits of the two mega-regional deals.

Whether China has the diplomatic heft to push RCEP to completion remains an open question. Negotiations were initially planned to be completed by the end of 2015; yet after sixteen rounds of negotiation the agreement remains far from complete. The Indian government has proven one of the holdouts – insisting on a three-tiered structure for tariff reductions that benefitted itself and ASEAN at the expense of other parties, particularly China\(^\text{17}\). Though this proposal has now been shelved, considerable progress is still required on market access provisions, and most regulatory chapters remain to be drafted. Despite its comparatively modest reform ambitions, China negotiators have struggled to gain traction during negotiations thus far. As RCEP is the first multilateral trade agreement which China has led, this may be indicative of a learning curve facing its trade negotiators.


\(^{13}\) Sanchita Basu Das (2013), The Trans-Pacific Partnership as a tool to contain China: myth or reality?, East Asia Forum, 8 June; The Economist (2015), ‘Don’t treat trade as a weapon’, 25 April.


\(^{17}\) Amitendu Palit (2016), ‘India inches towards liberalisation at RCEP’, East Asia Forum, 30 September.
THE FUTURE OF RCEP: NEGOTIATIONS TO GATHER PACE IN 2017

At the time of writing, RCEP negotiations remain ongoing. The chapters on Economic and Technical Cooperation and Small- and Medium-Enterprises are complete; while all parties have now submitted initial offers for trade in goods, trade in services and investment reservation lists. However, much remains to be settled. Market access negotiations for tariff reductions still need to strike a compromise between developed- and developing-country commitments; and the text of all other chapters remains in the drafting stage.

Moreover, some questions remain regarding the scope of the agreement itself, with ongoing discussions over whether to extend the negotiations to include government procurement and the movement of natural persons. Negotiating parties also have widely divergent views on whether to include a (highly controversial) Investor-State Dispute Settlement mechanism. The design of the accession clause will also be a critical issue, as this will determine the extent to which RCEP will be open to new members joining the agreement.

With the bulk of the text still up for negotiation, it is difficult to predict the exact content of the final agreement. However, we should expect progress to accelerate in 2017 for the following reasons:

1. With the TPP now moribund, RCEP is the only mega-regional FTA that remains a going concern. Aspirations to multilateralise the regional trade architecture have no alternate outlet but RCEP in the short- to medium-term.

2. China flagged its commitment to leadership in regional trade talks only days after Trump’s victory in the U.S. election. It is now actively positioning RCEP as the ‘pathway’ for APEC members to achieve FTAAP. We should expect intensified efforts from Chinese negotiators in future RCEP rounds.

3. Many of the developed-economy governments in the region – especially Japan and Australia – had previously prioritised the TPP, leaving China to push RCEP on its own. Once the TPP formally collapses, it is likely these governments will take a greater interest in RCEP negotiations.

4. India has now shelved its problematic request for a three-tiered tariff schedule; in exchange for commitments that tariff, services and investment commitments would be made as a ‘single undertaking’. This clears the primary obstacle which afflicted RCEP negotiations during 2016.

5. Developing economies in Southeast Asia are far more comfortable with the lower ambition approach of RCEP. As China and others redouble their negotiating efforts, these governments are likely to respond positively.

RCEP is clearly the future of the Asia-Pacific trade system. Like the TPP, it seeks to multilateralise the region’s fractured bilateral architecture. But it offers a dramatically different model for doing so. RCEP is far less ambitious on trade policy reform, but is likely to avoid many of the controversies that plagued the high-standard TPP. It offers a closed Indo-Pacific rather than open Asia-Pacific conception of the region, in which China is the lynchpin for economic integration. The absence of the U.S. means RCEP is less bound up in geopolitical rivalries between the region’s major powers, but it remains unclear who will provide the leadership needed to drive the process forward. As negotiations gather pace in 2017, the final shape of the new regional trade architecture will begin to come into view.

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The Regional Comprehensive Economic Partnership: An Indo-Pacific approach to the regional trade architecture?

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