A STUDY ON THE PREDICTIONS OF CHINA-ASEAN TRADE BEFORE AND AFTER THE SINO-US TRADE WAR

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With the continuous promotion of global economic integration, the development of regional economic integration has become an inevitable trend. As the main economies in Asia, China, Japan and South Korea promote and restrict each other in the process of development. How to establish a good cooperative relationship and improve the economic development quality of China, Japan and South Korea has become an important measure to prosper regional economy and promote regional economic development. Based on this practical need, the establishment of ASEAN Free Trade Area has been put on the agenda. China has different interest demands for the establishment of ASEAN Free Trade Area.

Therefore, it is of great significance to correctly analyze the impact of the establishment of ASEAN Free Trade Area on China's economy and formulate specific coping strategies to promote the development of China's foreign trade economy.

The background of CAFTA is the trend of regional integration of world economy. James Mead, an American economist, has the following interpretation of regional economic integration: "integration is a process of alliance state, not only to eliminate discrimination among economic units of Member States, but also to form and implement coordinated common policies, whose scope should be sufficient to ensure the realization of major economic and welfare goals.".

With the development of productivity, the demand for trade and investment liberalization in various countries is increasing, which promotes the development of economic integration. WTO is the main force to promote economic globalization, but it is difficult for it to promote investment liberalization in the global scope, so the regional economic integration with alliance as the unit has been derived in various countries and regions. The ten ASEAN countries are located in Southeast Asia to the southwest of China. They are closely related to China from trade to diplomacy. Chinese in this region are widely distributed and have similar cultural background with China. Vietnam, Laos and Myanmar are the three countries directly bordering on China. The so-called distant relatives are not as good as their close neighbors. The establishment of a free trade area in cooperation with the ten ASEAN countries is the first choice in terms of natural environment factors and social and economic factors.

The agreement stipulates that China ASEAN Free Trade Area will be established by 2010 (six old members of China and ASEAN, and four new members of China and ASEAN will be in 2015), and the agreement will take effect from July 1, 2003. The framework agreement stipulates the objectives, scope, measures, starting and ending time of the free trade area, the early harvest plan for realizing the free trade in advance, the economic and technological cooperation arrangement, the commitment to treat Vietnam, Laos and Cambodia with multilateral MFN treatment, and the final negotiation arrangement in the fields of goods, services and investment The basic structure of China ASEAN free trade area is determined. From the overall design point of view, this framework basically follows the principles of "agreement first, then negotiation" in the ASEAN Free Trade Area (AFTA), and promotes tax reduction from easy to difficult, and embodies new characteristics in many aspects.

According to the framework agreement, all products included in the tax reduction are divided into three categories: early harvest products, general products and sensitive products, and the gradual tax reduction mode similar to the common effective inclusive tariff (CEPT) of the ASEAN free trade area is implemented. At present, China has negotiated with seven ASEAN Member States on the list of early harvest products, of which Brunei, Myanmar, Indonesia, Singapore and Thailand have no exception products, while Cambodia and Vietnam have already determined the list of exceptions. According to the current tariff level of these products, the early harvest products are further divided into three categories. The schedule for the tariff reduction of China and the six old ASEAN members to zero is as follows: the first, second and third categories of products shall be no later than January 1, 2006, January 1, 2005 and January 1, 2004, respectively. For the four new members, a more flexible schedule was adopted.

As for investment, the cooperation modes stipulated in the agreement are: to promote the liberalization of investment system through negotiation; to strengthen cooperation in investment and investment facilitation; to increase the transparency of investment laws and regulations; and to provide protection for investment.

According to the framework agreement, negotiations will focus on eliminating and preventing all discriminatory measures in service trade, expanding and deepening the liberalization of service trade between China and ASEAN members under the framework of the general agreement on trade in services, strengthening service cooperation, improving efficiency and competitiveness. Although the relevant provisions on trade in services are still relatively general, and further negotiations are needed to determine more detailed promotion measures, paragraph 6 of the framework agreement has decided to study the feasibility of early harvest in service trade from the beginning of 2003. This will enable the service trade cooperation to enter the implementation stage earlier.

The framework agreement gives priority to the cooperation department, identified the five departments: agriculture, information and communication technology, human resources development, investment promotion, and tears of River Basin. This is what the ASEAN free trade area does not have. The establishment of priority cooperation departments makes the cooperation scope of China ASEAN free trade area far beyond the traditional free trade area construction which mainly focuses on tax reduction. It shows that China and ASEAN will take the construction of free trade area as an opportunity to promote comprehensive cooperation.

According to the framework agreement, the China ASEAN Free Trade Area will include trade in goods, trade in services, investment and economic cooperation. Since ASEAN reached an agreement on the first batch of 71 commodities in August 1977, most of the cooperation scope of ASEAN countries is limited to trade in goods due to the differences in economic development levels, while other areas such as investment and economic cooperation involve very little Compared with ASEAN, the scope of CAFTA is obviously expanded.

The progress and timetable of China ASEAN Free Trade Area according to the current progress of China ASEAN Free Trade Area, China and the original six ASEAN countries will realize trade liberalization by 2010, and China and the new ASEAN Member States will realize trade liberalization in 2015.

The non-tariff barriers should be gradually removed and trade facilitation measures implemented, including simplifying and coordinating tariff procedures, transportation facilitation and mutual certification, but the relevant trade protection policies for non-member states shall be retained.

In conclusion, the framework agreement provides guidance documents for the establishment of China ASEAN Free Trade Area, which indicates the main content characteristics of China ASEAN Free Trade Area and the framework for the construction of the end. This provides a basis for us to analyze the influence of China ASEAN Free Trade Area on China's economic and trade.

Sino-US trade disputes, also known as Sino-US trade war and Sino-US trade friction, are important issues in Sino-US economic relations. Trade disputes mainly take place in two aspects: one is the export area where China has comparative advantages; the other is the import and technical knowledge field where China has no advantage. The former is basically competitive, while the latter is not fully affected by the market. Their impact on the economic welfare and long-term development of the two countries is different.

In essence, the adjustment of U.S. policy toward China and its internal strategic direction provides ideological and social support for trade disputes. Since trump took office in 2016, the overall attitude of the United States towards China has turned to be tough. The influence of the "contact group" of the mainstream political circles to China is increasingly weakened, and the strength of the "confrontational faction" is increasing. In the new version of the national security strategy released in early 2018, China was defined as a "strategic competitor" for the first time, marking a new stage of us China policy. Therefore, this round of trade war is only a prelude. With the fundamental change of the US positioning of China and even the qualitative change of the pattern of Sino US relations, the protracted, arduous and complex nature of Sino US conflicts and frictions, as well as the normalization of talks while fighting, will be unavoidable historical inevitability and challenges.

Competition between China and ASEAN. Since both sides are developing countries, China is ASEAN's most direct competitor in attracting foreign investment. Both sides are making great efforts to improve the investment environment, but the total amount of international liquidity is limited. After China's accession to WTO, its overall investment environment is better than that of ASEAN countries. In this way, it will not only attract the western capital that should have flowed into the ASEAN region, but also attract the local capital of ASEAN countries themselves. In the face of a large number of Chinese goods, with the advantage of high quality and low price, ASEAN members and neighboring countries feel competitive pressure. Except for Singapore, the phenomenon of overlapping industrial structure within ASEAN is very serious, which is similar to that of China, and most of them are labor-intensive industries. Therefore, China's market will also be impacted to a certain extent, especially some small and medium-sized enterprises will face more fierce competition.

There are great differences in the level and stage of economic development among the ten ASEAN countries. In 2014, Singapore's per capita GDP reached US $55910, one of the richest countries in the world, while Laos' per capita GDP was only US $1756. The imbalance of economic development within ASEAN limits the scope of coordination of economic policies among ASEAN members to a certain extent, which makes the foundation of expanding economic cooperation unreliable, and it is too difficult to balance bilateral interests in the process of opening markets to each other, thus affecting the implementation of the integration plan.

The Sino-US trade war is a test for the RCEP negotiations being promoted by China and ASEAN, and the negotiation process and efficiency may encounter obstacles. The trade war between China and the United States may have an impact on regional trade agreements such as RCEP. India, out of concern about the impact of the trade war, opposes the completion of RCEP negotiations. It is also pointed out that one of the reasons for the delay of RCEP negotiation is the boycott of some ASEAN countries. A more pessimistic view is that the attitude of ASEAN countries towards RCEP is changing from hot to cold.

The South China Sea has become a battlefield of strategic game between China and the United States, and the South China Sea issue is still a potential trigger for regional tensions and even conflicts. After Trump came to power, the US South China Sea policy was more radical. The U.S. factor will be the biggest variable of the future South China Sea regional security. If the United States stirs up the situation, the South China Sea issue will become the battlefield of Sino US strategic game, and the South China Sea issue may still become the main "tipping point" for hedging or even confrontation between China and ASEAN countries.

One belt, one road, is the US's strategy to "pull the" India strategy "into India." ASEAN is in the core position in the "India Pacific strategy". The United States, Japan, India and Australia have been striving to attract ASEAN countries to participate in the "India Pacific strategy". Once ASEAN needs to make a choice between China and the United States, China will not only face the risk of "group resistance" of ASEAN, but also the risk of "check and balance" and "isolation" of the United States, Japan, India and other foreign powers.

Finally, the Mekong River Basin has entered a period of intensified competition, and the future development of Lancang - Mekong cooperation will face more and more obstacles. Under the background of tense Sino US relations, the United States, together with Japan and other countries, has made frequent moves in the Mekong River region, which may lead to an impact on Lancang - Mekong cooperation.

Although the economic exchanges between China and ASEAN are relatively close, there is a great difference in politics. Prevention and estrangement still exist. The differences in political views restrict economic development. For example, the South China Sea dispute has a very significant impact on China ASEAN relations. Although China has signed a series of agreements with the relevant countries, the territorial dispute of Spratly Islands has been bothering both sides. In addition, as ASEAN countries have just emerged from the shadow of the financial crisis, economic growth has been ups and downs, while China is the only one in the Asian economy and continues to maintain a high-speed growth trend. These phenomena make ASEAN countries hesitant about the "China Threat Theory".

The political systems of the ten ASEAN countries are quite different, such as the people's representative system represented by Laos and Vietnam; the parliamentary republican system used by Singapore; the military political system represented by Myanmar; the presidential cabinet system represented by the Philippines and Indonesia; and the monarchy system adopted by the other four member states. The diversity of political system makes countries in economic exchanges with other countries will also be affected.

In the process of development, both China and ASEAN first develop the manufacturing industry, but compared with the service industry and the financial industry, the added value is not high. This shows that the development of science and technology and productivity of both sides is insufficient, resulting in a relatively backward economic situation. If the economic structure is not substantially improved for a long time, the trade development brought by CAFTA to both sides may reach a bottleneck stage, hindering the emergence of mutual benefit.

Years ago, the two sides of the trade successfully launched the free trade zone and signed many relevant agreements. However, with the acceleration of globalization, the existing agreements cannot adapt to the changes of the external economic environment. In the case of imperfect financing policies, there are many problems related to the implementation of preferential policies in the financial zone, such as the highest level of utilization of financial policies; the lack of implementation of preferential policies in many areas of intellectual property rights can only achieve the highest level of utilization.

The 10 ASEAN countries are relatively backward in economy, and the trade complementarity between China and these countries is relatively strong. China can obtain low-end and low-cost labor-intensive products and raw materials from these countries, and these countries also have demand for China's relatively high-level labor-intensive products. This complementarity is obvious without signing the framework agreement, and the reduction of trade barriers will be inevitable after signing the framework agreement However, to strengthen this complementary division of labor will benefit both sides in trade.

In addition, China and ASEAN belong to the Confucian cultural circle. The cultural similarity makes the consumption demand of the region similar. After the signing of the framework agreement, trade barriers will be reduced, which will promote the development of regional trade. In East Asia, overseas Chinese account for a large proportion. For example, the proportion of overseas Chinese in Singapore is more than 70 %, and in Malaysia it is 30 %. Malaysia and Indonesia are two Muslim countries, and there are tens of millions of Muslims in China. Cultural similarity is a special resource, which leads to the cultural homogeneity of consumers only have demand for the products of the region. The products mainly include clothing and food. In addition, the similarity of language, words and regulations, and the family management of enterprises also make manufacturers more inclined to intra-regional trade. Therefore, the framework agreement has become a catalyst for this kind of intra-regional trade.

Thus, overall, the "framework agreement" signed to promote trade in goods, neither China nor the association of south-east Asian nations (asean), whether it is a competitive product. The signing of the framework agreement is conducive to the mutual investment of various countries, the upgrading of industrial structure and the development of division of labor.

The signing of the framework agreement of China ASEAN Free Trade Area has prompted the two sides to implement some specific investment cooperation projects, including: (1) experts from China, Laos, Myanmar and Thailand have completed the environmental assessment of the navigation of the upper Mekong River, and China will contribute US $5 million to support the project; (2) China will undertake the construction of Kunming-Bangkok in the form of assistance The third section of Valley highway in Laos; (3) as long as ASEAN has determined the route selection scheme of Pan Asian Railway, China will start the construction or transformation of relevant lines in Laos as soon as possible; (4) in the next few years, China will increase the information technology training for ASEAN personnel, actively participate in the construction of information infrastructure of ASEAN countries, and support the construction of "e-asean"; and (5) develop AIDS In the field of medical and health cooperation.

Through the above analysis, it can be concluded that the establishment of CAFTA is of great positive significance for the economies of China and ASEAN countries. First of all, in the field of trade, although the trade transfer effect brought by CAFTA will not be very obvious, it has considerable potential in terms of trade creation effect conducive to resource allocation. Second, in the field of investment, due to the expected effect of policy, the effect of barrier gap and the effect of market expansion brought by CAFTA, it is predicted that a large amount of capital inflow from outside the region and the growth of mutual investment among countries in the region will be promoted. Third, the establishment of CAFTA will gradually form a whole relationship of economic interests between China and ASEAN, so as to promote the rationalization of industrial layout in the region and the development of specialization within the industry, resolve the current adverse competition in the field of export and foreign investment, and help to realize the new situation of mutual economic cooperation and common development between China and ASEAN.

With the change of Sino US relations, China and the United States are involved in a long and comprehensive competition for influence in Southeast Asia. In the future, the development of China ASEAN relations should focus on the three levels of "the best, the middle and the worst" -- strive for the best, ensure the middle, and avoid the worst "-- that is, China ASEAN relations will become a breakthrough in the Sino US trade war deadlock, and strive to achieve the best state of" the East is not bright, the west is bright "; strive to stabilize ASEAN, part of the profits can also get corresponding returns, and even get the corresponding returns We should try our best to avoid the worst situation of "hand in hand and push ASEAN into the arms of the United States".

Thus, the service trade between China and ASEAN has great development space. After the signing of the framework agreement of China ASEAN Free Trade Area, the economy of China and ASEAN will inevitably expand economic cooperation. From production to sales, the service industry of each country needs regional integration. In the process of integration, it is not only an opportunity but also a challenge These factors have become inferior industries, but from the dynamic point of view, due to the great gap in the level of service industry in different countries, countries gain benefits from learning from each other in the process of integration (such as the acquisition of advanced management experience).

1. China will expand its market opening to Southeast Asia and explore the construction of a "high-level" China ASEAN Free Trade Area. We should make full use of the advantages of strong trade complementarity between China and ASEAN countries, connect industrial policies, transfer some of China's advantageous industries to Southeast Asia, build an industrial chain with complementary advantages, reduce homogeneous competition, and realize "one industry, two sides benefit". We will explore the construction of a "high-level" China ASEAN Free Trade Area and promote the liberalization and facilitation of trade and investment in the region.

2. In depth docking of China ASEAN Development Strategy and promoting the coordination and integration of regional cooperation mechanisms. Under the framework of one

belt, one road, we should promote the full docking of lancet Mekong cooperation, Mekong sub regional economic cooperation and the general plan of ASEAN interconnection 2025, so as to achieve the overall coordination within and outside the sub region, and make the resources in the sub region enter the planning field of interconnection and interoperability, so as to achieve optimal allocation.

3. China should speed up efforts to reach an agreement on RCEP and explore ways and means to join CPTPP. It is an important diplomatic work in the near future to accelerate the successful conclusion of RCEP agreement: respect and support ASEAN's central position in RCEP. Take advantage of the recent improvement in China Japan ROK relations to strengthen cooperation with Japan and South Korea. One belt, one road, one is to steadily push forward domestic reform and effectively link RCEP with the "one belt and one road" initiative. Singapore, Brunei, Malaysia and Vietnam should take an open attitude, actively explore the possibility of joining, and choose to join when the conditions are ripe.

4. China should strengthen cooperation with the third-party market and explore new growth points of regional cooperation. Based on the wishes of ASEAN countries, we can consider expanding the number of ASEAN countries carrying out third-party market cooperation, expanding the number of cooperation countries outside the region, expanding the fields of third-party market cooperation, building flagship projects and early harvest projects, so as to promote the third-party market cooperation in ASEAN countries in a greater degree and scope.

5. Taking advantage of the "gap period" of the US Asia Pacific strategy and seizing the "strategic opportunity period" to build a high-level strategic partnership between China and ASEAN. At present, Trump's "US priority" policy will not change greatly in the short term. The "gap period" of the US Asia Pacific strategy may be the "strategic opportunity period" that is waiting for no one to wait for. China should make a good balance between local interests and global interests, political and economic interests, long-term interests and short-term interests, and focus on Southeast Asia, so as to make it a "deterministic strategic partnership" in the era of uncertainty.

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