

On January 23 2017, the US formally withdrew from the much anticipated Trans-Pacific Partnership (TPP). The now defunct trade agreement between 12 countries including, among others, Japan and Australia, intended at thwarting Beijing's increasing, yet still limited, geopolitical and geoeconomic influence in the Western hemisphere.

Two years later, the tables have now turned. Amid an "unpredictable" and ongoing trade war between Washington and Beijing, China is now promoting a new, and potentially the world's largest (at least before November 2019), trade agreement: the Regional Comprehensive Economic Partnership (RCEP). Nonetheless, vis-à-vis China's iconic Belt and Road Initiative (BRI), this symbolic pan-Asian trade deal, which is expected to be signed in 2020, currently makes little sense for China nor does it pose any real threat to the "West".

Firstly, India has already backed out of the RCEP, dealing the trade agreement its first major blow, thereby rendering aspirations of building a trading bloc covering roughly a third of the global GDP a pipe dream. The RCEP's planned bloc, the ten ASEAN members with six other Asia-Pacific countries: China, South Korea, Japan, Australia, New Zealand, and India, was supposed to provide new market access for goods and services, as well as improve and simplify cross-border investment for private industry and states alike. After a long pause, mainly due to its substantial trade deficit with Beijing, which in 2018 surged to USD 57.86 billion from USD 51.72 billion the year prior, India has decided not to sign onto this agreement. Outside of its trade deficit with Beijing, India is also looking to capitalize on the trade war by establishing itself as an independent player – which would be in line with its approach to international relations, historically speaking. Of course, India also shares the same fears as the West – that is, China's ongoing geoeconomic and geopolitical expansion, and its unhesitant use of state tools for such an expansion.

Secondly, the RCEP, much like most of the recent trade agreements, does not bring anything substantially new to the table for the nations involved. Not only does it simply seem to be a less restrictive version of the TPP, but many have also defined it as "the stapler", since it does little more than combine several existing agreements to create a unified system of rules regarding product origin, cutting tariffs, and protecting intellectual property (and thickening the "spaghetti bowl").

Finally, Beijing is focused on both further opening up to the global community through its BRI in order to allocate its inefficient industrial output, and winning the global digital race. Realistically, China is merely filling the void created at the international level by the White House. As a matter of fact, during the recent Canton Export Fair, President Xi Jinping called on global leaders to cooperate to expand the international market, reduce resistance to globalization, and "tear down walls". However, to China's dismay, the world is – unsurprisingly – resistant to Beijing's attempt at becoming the new organizer of global trade.

On the other hand, despite the lack of sufficient carrots for China in the RCEP, the situation itself does lend China a small diplomatic victory. The failure of the TPP compounded by the impending RCEP is a clear sign of US disengagement in the region; and with a turbulent Trump Administration currently facing a domestic battle of impeachment, it is unclear when and if the US will return to the Asia-Pacific and its surrounding geopolitical battlegrounds. Traditional US allies are left holding the short end of the stick and must scramble together a trade framework in a world growing increasingly hostile to further internationalization – not to mention the fear of drawing the US' ire and being themselves drawn into a trade war. Of course, the RCEP will not remedy all of the historical tensions still very much prevalent in the region – such as the quasi trade war between South Korea and Japan – although the lack of a strong US presence is indeed a new element in the region.

Cercius Groups projects that the RCEP will be nothing more than a symbolic and redundant trade agreement, were the remaining countries to ratify it next year. The RCEP could, at best, be used to foster China's revisited appearance as the free trade promoter, rather than being a genuine attempt to deepen regional integration in east and southeast Asia. As the recent visit of Xi Jinping in Greece mirrored, Beijing is adamant in its commitment to creating strategic infrastructures abroad, in the wider framework of the BRI. Thus, the primary option of proactively shaping global trade, especially at its helm, is certainly the one thing Beijing prefers over being a member of yet another, unappealing, trade agreement.