

## Asia-Pacific Policy Briefing

# A November to remember in Asia

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PAUL EVANS

**T**he bundling of three major summit meetings in Asia in nine days has made November a month to remember. It is the sound of the world turning.

This is not because the APEC meeting in Beijing, the East Asia Summit in Naypyidaw, and the G20 in Brisbane produced any grand outcomes. Even if positive in tone, all three were thin on substantive results. What mattered most was the remarkable set of announcements and agreements that surrounded the summitry.

**Announcements:** a new Asian Infrastructure Investment Bank based in Beijing supported by 20 countries (initial funding of \$50 billion) as a twin to and the BRICS Development Bank based in Shanghai; the creation of a new Silk Road Infrastructure Fund (\$40 billion); and a second mega deal (\$325 billion) between China and Russia for supply of natural gas.

**Agreements:** signing of China-South Korea and China-Australia free trade agreements; a major US-China agreement on setting carbon emission limits; an APEC commitment with Chinese backing to examine the prospects of a Free Trade Agreement for the Asia Pacific, much larger and more inclusive than the Trans-Pacific Partnership now being negotiated.

Add to this the meeting of Chinese President Xi Jinping and Japanese Prime Minister Shinzo Abe which produced an agreed statement on managing their differences in the East China Sea; and several moves on the margins of the East Asian Summit intended to cool tensions in the South China Sea.

China is not just a player in almost all of these developments. Through a set of carefully co-ordinated and timed economic and diplomatic initiatives it has emerged at the centre of regional affairs in a role some describe as the second indispensable power. Already the largest trading partner of almost every country in Asia, it is now giving clear indications of



Chinese Commerce Minister Gao Hucheng, Chinese President Xi Jinping, Australian Prime Minister Tony Abbott and Australian Trade Minister Andrew Robb celebrate the signing of a free trade deal on Nov. 17. Australian Government Photo

its integrated capacities as well as the direction it is likely to pursue under Xi Jinping.

It remains to be seen whether these initiatives will all bear fruit and whether strategic rivalries and competition can be lessened. China is signalling the outline of a new regional order with global implications. Rather than repudiating the existing international architecture, including the Asian Development Bank and the World Bank, it is indicating that failing major revisions to power distribution within them it will create new ones.

### Where is Canada in this new setting?

Canada played a minor role in the APEC meeting in Beijing, with Harper making a cameo appearance before returning briefly to Ottawa for Remembrance Day ceremonies, and then attending the G20 in Brisbane where the most notable moment was his rebuff of Vladimir Putin. Still not a member in the East Asia Summit process, Canada was not present in Naypyidaw.

The Harper visit to China focused on bilateral matters and played very well at home. He was able to announce the creation of a Renminbi trading hub as well as several commercial deals, and show he could raise sensitive consular and human rights issues with his counterparts.

The list of 20 outcomes ranged from dealing with beef and blueberry issues to promoting new policy dialogues to boost the economic relationship including a new environmentally safe maritime energy corridor to enhance energy trade. These may be the catalysts for something important in future.

In the context of Asia's November, the bilateral agenda is what baseball fans will recognize as smallball, bunts and singles rather than power hitting. The Australian and South Korean trade deals with China, several years in gestation, indicate Ottawa is playing at the margins.

Anything more ambitious on bilateral or regional matters is unlikely before next year's election. The Conservative base seems

mainly satisfied with the government's narrow approach to China. The other parties show no appetite for Asian policy matters, in part because of a public negativity about China.

Even minor moves such as the Foreign Investment Protection and Promotion Agreement drew howls of protest that both paralyzed the government and were amplified by the absence of a clearly articulated rationale. An FTA with China is currently unthinkable.

From the perspective of Canadian economic interests, security and values, a major re-think is necessary. Canada needs imaginative leadership, an Asia strategy and a game plan bigger than smallball if it intends to play in the big league of the Asian century.

*Paul Evans is professor of Asian and trans-Pacific international relations at the University of British Columbia. His *Engaging China: Myth, Aspiration and Strategy in Canadian Policy from Trudeau to Harper* was published by the University of Toronto Press in April.*  
editor@embassynews.ca