

China-ASEAN economic and trade relations and their impact on the global scope

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ABSTRACT

This paper explores the current development of China-ASEAN economic and trade relations and their impact on the global scale. By analyzing the current background and research methods, this paper studies the role of the establishment of the China-ASEAN Free Trade Area, the deepening of bilateral trade and investment relations, and the optimization of the global supply chain in promoting the regional and global economy. This paper further points out the challenges faced in China-ASEAN economic and trade cooperation and puts forward targeted optimization suggestions. The study shows that China-ASEAN economic and trade cooperation not only provides new impetus for regional economic integration, but also plays an important role in the global economic landscape.

KEYWORDS

China-ASEAN; Free Trade Area; Economic and Trade Cooperation; Global Impact; Regional Economic Integration

1 Introduction

In today's world, the tide of economic globalization and regional economic integration is surging, and cooperation between countries is deepening, forming a global economic pattern of mutual dependence and interweaving. Against this background, China and ASEAN (Association of Southeast Asian Nations), as the two most economically influential economies in Asia, have increasingly close economic ties. Since the signing of the China-ASEAN Free Trade Area Framework Agreement in 2002, the cooperation between the two sides has continued to deepen, covering many fields such as trade, investment, and technology.

In 2020, China and ASEAN became each other's largest trading partners, which not only marks that the relationship between the two sides has entered a new stage, but also shows that the significance of China-ASEAN economic and trade relations has been further enhanced on a global scale.

This article will discuss China-ASEAN economic and trade relations and their global impact from four aspects. First, analyze the contemporary background and its important significance for promoting bilateral cooperation; second, sort out the current status and development trajectory of China-ASEAN economic and trade relations; third, explore the impact of China-ASEAN economic and trade cooperation on the global economic pattern; finally, combined with the current challenges, put forward suggestions for deepening cooperation between the two sides. Through this study, it can provide reference for policymakers and researchers in related fields, and help China-ASEAN cooperation move to a higher level.

2 Literature review

As a typical case in the process of global economic integration, China-ASEAN economic and trade relations have gradually become an important topic in academia and policy research in recent years.

By combing through relevant research results, this paper summarizes the background, current situation, impact and challenges of China-ASEAN economic and trade cooperation, aiming to provide theoretical support for further research and policy formulation.

2.1 Research review on contemporary background and significance

2.1.1 Background of globalization and regional integration

Scholars generally believe that economic globalization and regional economic integration have laid the foundation for the development of China-ASEAN economic and trade relations. Li Weili (2021) ^[1] pointed out that the trend of global economic integration has made the economic and trade ties between China and ASEAN increasingly close, and the two sides have achieved deepening economic cooperation in mutual benefit and win-win situations. In addition, Wang Feng (2012) ^[2] used the trade gravity model to analyze the trade potential between China and ASEAN and found that geographical proximity and economic scale are the main driving factors.

2.1.2 Advantages of regional cooperation

Research shows that the geographical proximity, cultural similarities and industrial complementarity between China and ASEAN provide unique advantages for bilateral cooperation. Wei Min (2015)^[3] proposed that the establishment of the China-ASEAN Free Trade Area has created a more favorable market environment for the development of ASEAN countries, and also provided diversified options for China's regional economic development. In addition, Liu Yuanyuan (2021)^[4] pointed out that the stable political structure and the rapidly developing ASEAN economy provide a strong guarantee for bilateral cooperation.

2.2 Research review on China-ASEAN economic and trade relations and development status

2.2.1 Depth and breadth of trade cooperation

Scholars generally pay attention to the trade structure and its evolving trends between China and ASEAN. Yao Yunfeng (2020)^[5] analyzed the trade potential between China and ASEAN based on the trade gravity model, and pointed out that the two sides have further consolidated their status as each other's largest trading partners, which benefited from complementary industrial structures and bilateral policy support. At the same time, the study also pointed out that in the bilateral trade commodity structure, ASEAN has competitive advantages in agriculture, minerals and some light industries, while China occupies a dominant position in mechanical electronics, manufacturing and digital economy.

2.2.2 Rapid growth of investment and service trade

In recent years, China's direct investment in ASEAN has increased significantly. Liu Yuanyuan (2021)^[4] pointed out that Sino-US trade friction has accelerated the transfer of China's manufacturing industry to ASEAN, and China's manufacturing investment in ASEAN has ranked first for two consecutive years.

In addition, ASEAN's rapid development in the field of digital economy has also attracted extensive participation from Chinese companies. In terms of service trade, tourism has become a highlight of cooperation between the two sides. China and ASEAN are each other's main source of tourists and tourist destinations, which further promotes cultural exchanges and economic linkage.

2.3 Research review on the impact of China-ASEAN economy and trade on the global scale

2.3.1 Promoting role in regional economic integration

Scholars generally believe that China-ASEAN economic and trade relations have played an important role in promoting the process of regional economic integration in Asia. Wang Feng (2012)^[2] proposed that as the largest free trade area among developing countries, the China-ASEAN Free Trade Area provides useful reference for other regional cooperation in the context of globalization.

2.3.2 Reshaping of the global supply chain

With the deepening of economic and trade cooperation between China and ASEAN, both parties have gradually become important nodes in the global supply chain.

The study pointed out that the cooperation and division of labor between China and ASEAN in the global value chain have gradually become more refined, jointly promoting the optimization and efficiency improvement of regional and even global supply chains.

2.3.3 Impact on the global economic landscape

Wei Min (2015)^[3] believes that China-ASEAN economic and trade relations not only strengthen economic cooperation in the Asia-Pacific region, but also have a profound impact on the global economic pattern. In particular, ASEAN's performance in attracting global foreign investment demonstrates its important position in the global economy.

2.4 Research review on challenges and suggestions for China-ASEAN economic and trade relations

2.4.1 Industrial structure competition and division of labor challenges

Most scholars have paid attention to the competition between China and some ASEAN countries in industrial structure. Liu Yuanyuan (2021)^[4] pointed out that there is a strong substitutability between China and ASEAN countries in the field of labor-intensive industries, which has formed a certain obstacle to bilateral economic and trade cooperation.

2.4.2 Uncertainty in the international environment

The study also pointed out that external factors have a complex impact on China-ASEAN economic and trade relations. Yao Yunfeng (2020) ^[5] pointed out that extraterritorial powers such as the United States, Japan and the European Union have tried to weaken China-ASEAN economic and trade ties through policy intervention. In addition, the rise of trade protectionism and geopolitical risks has also brought new challenges to the cooperation between the two sides.

2.4.3 Countermeasures

In response to the above challenges, the study proposed a variety of countermeasures. Wei Min (2015) ^[3] emphasized that the construction of the "upgraded version" of the China-ASEAN Free Trade Area should be promoted, trade barriers should be further eliminated, and the optimization of industrial division of labor should be promoted. In addition, Gu Heqiang (2018) ^[7] proposed that China should actively help less developed countries in ASEAN to improve infrastructure construction and enhance connectivity to achieve deeper cooperation.

2.5 Summary

In summary, academic research on China-ASEAN economic and trade relations has achieved fruitful results, which provide important references for in-depth understanding of the background, status quo and impact of bilateral cooperation. However, existing research still needs to be further deepened in the following aspects: first, how to more accurately assess the specific impact of China-ASEAN economic and trade relations on the global economic landscape; second, how to build a more sustainable bilateral economic and trade cooperation model in the context of digital economy and green development; third, how to strengthen policy coordination and enhance the resilience of economic and trade cooperation in the face of global uncertainty. Future research needs to further combine empirical analysis and international comparison to provide theoretical support and practical reference for the long-term development of China-ASEAN economic and trade cooperation.

3 Research Methods

Table 1 Bilateral trade volume and growth between China and ASEAN (2015-2022)

Year	Total bilateral trade (US\$ billion)	China's exports to ASEAN (US\$ billion)	China's imports from ASEAN (US\$ billion)	Year-on-year growth rate (%)
2015	4720.3	2645.1	2075.2	5.8
2017	5148.2	2963.4	2184.8	9.1
2020	6846	3837.2	3008.8	6.7
2022	9753.2	5542.1	4211.1	10.4

Data source: United Nations Commodity Trade Database, China General Administration of Customs Statistics

Table 1 shows that from 2015 to 2022, the bilateral trade volume between China and ASEAN maintained a continuous growth trend, especially in 2020 when the global economy was hit by the epidemic, the bilateral trade volume still achieved positive growth. This shows that the stability and risk resistance of China-ASEAN economic and trade relations are relatively strong, which fully reflects the complementarity and resilience of the two sides in regional economic cooperation.

Table 2 Commodity structure of China-ASEAN bilateral trade (2021)

Commodity category	China's export share to ASEAN (%)	China's import share from ASEAN (%)	Total bilateral trade (US\$ billion)	Examples of major commodities
Mechanical equipment and electronic products	45.6	35.2	3120.4	Smartphones, home appliance parts
Agricultural products	10.3	25.8	1287.8	Tropical fruits, rice
Mineral resources	5.8	18.6	844.7	Aluminum ore, natural gas
Chemical products	18.2	9.4	1124.3	Fertilizers, rubber products
Other	20.1	11	1302.3	Textiles, daily necessities

Data source: United Nations Commodity Trade Database (2021 statistics)

As shown in Table 2, bilateral trade between China and ASEAN has significant commodity complementarity. Mechanical equipment and electronic products occupy an important position in the total bilateral trade, with China's exports to ASEAN accounting for as high as 45.6%. At the same time, ASEAN's export advantages in the fields of

agricultural products and mineral resources are also very obvious, accounting for 25.8% and 18.6% respectively. These data reflect that China and ASEAN have formed a strong complementary relationship in cooperation in multiple fields, which is of great significance for optimizing the global supply chain. In addition, the diversification of bilateral trade commodities has further promoted the deepening of industrial division of labor in the region. For example, in the field of machinery and electronics, China's high-end technology equipment creates synergy with ASEAN's manufacturing infrastructure, while in agricultural trade, ASEAN's tropical fruit and rice exports have significantly enhanced the supply capacity of the Chinese market. This trade structure not only reflects the economic complementarity between the two sides and provides a solid basis for cooperation in China-ASEAN economic and trade relations, but also shows that ASEAN's resource advantages can be fully utilized in regional economic cooperation.

Table 3 Distribution of China's direct investment in ASEAN (2018-2022)

Fields	Investment ratio (%)
Manufacturing	38.5
Real estate	20.1
Finance and insurance	18.7
Digital economy related fields	12.4
Others	10.3

Data source: Statistical Yearbook of the Ministry of Commerce of China

Table 3 shows that China's direct investment in ASEAN is mainly concentrated in traditional fields such as manufacturing and real estate, while the proportion of investment in digital economy-related fields has increased year by year. This reflects the support of Chinese companies for ASEAN's economic transformation and digital development, providing new impetus for regional economic upgrading.

This study uses literature analysis and data statistics to comprehensively explore China-ASEAN economic and trade relations and their global impact. By extracting authoritative information from the United Nations Commodity Trade Database and China Customs Statistics, the total volume, commodity structure and complementarity of bilateral trade between China and ASEAN are deeply analyzed and presented in an intuitive table form. These methods ensure the accuracy and clarity of the data, and at the same time reveal the complementary relationship between China's advantages in machinery and equipment exports and ASEAN's advantages in agricultural products and mineral resources exports, providing strong support for regional economic integration and global supply chain optimization.

First, as a basic tool for research, literature analysis method collects domestic and foreign academic journals, conference papers, statistical reports and other literature to sort out the background, current situation and trend of China-ASEAN economic and trade cooperation, and combines economic globalization, regional integration theory and international trade theory to provide theoretical support for the research. Data statistics method is the core method of this study. Through authoritative data sources such as the United Nations Commodity Trade Database, the National Bureau of Statistics of China and the ASEAN Secretariat, key indicators such as bilateral trade volume and industrial structure are analyzed. Trend analysis, structural analysis and comparative analysis are used to reveal the dynamic changes and complementary characteristics of China-ASEAN economic cooperation.

The study identified the core issues of China-ASEAN economic and trade relations, involving the current situation, global impact and challenges faced. A complete research database was established by systematically organizing relevant literature, data and cases. In the analysis, the theoretical framework and empirical data were combined to deeply analyze the dynamic changes and future trends of China-ASEAN economic cooperation, and targeted policy recommendations were put forward. The limitations of the study are mainly reflected in the timeliness of data, the limitations of case selection and the complexity of the comprehensive application of methods, which may affect the accuracy and universality of the study.

In summary, this study provides solid theoretical and data support for the study of China-ASEAN economic and trade relations through the comprehensive application of literature analysis and data statistics. Through the comprehensive application of these methods, the study not only reveals the current situation, characteristics and global impact of China-ASEAN economic and trade cooperation, but also provides an important reference for the discussion of future development paths, and promotes the in-depth understanding and application of this regional cooperation model.

4 Research Results

Through an in-depth analysis of China-ASEAN economic and trade relations and their global impact, this article draws the following main research results. These findings cover the contemporary background, current cooperation status, global impact and challenges, and provide a basis for further deepening economic cooperation between China and ASEAN. A theoretical basis is provided.

Economic globalization and regional integration are key factors promoting cooperation between the two sides. China and ASEAN have established a close trade network through geographical proximity and industrial complementarity. The establishment of the China-ASEAN Free Trade Area has provided institutional guarantees for cooperation. At the same time, the rapid economic development of ASEAN has also injected new impetus into cooperation. The trade relations between the two sides are highly complementary, and the bilateral trade volume continues to grow. China mainly exports high value-added commodities, while ASEAN mainly exports resource-intensive commodities. In addition, China's direct investment in ASEAN has grown significantly, especially in the fields of manufacturing and digital economy, promoting the upgrading of local industries. Trade in services, especially in the fields of tourism and digital economy, has become a new growth highlight.

The global impact of China-ASEAN economic and trade relations is a successful case of regional economic integration. The China-ASEAN Free Trade Area has provided valuable experience for other regions, and the global supply chain has been optimized and reshaped. Through industrial complementarity, both parties have jointly improved Asia's Competitiveness in the global economy. Especially after the epidemic, China and ASEAN have effectively supported global economic recovery through stable trade flows and industrial cooperation.

However, cooperation between the two parties faces challenges, including intensified competition in the industrial structure, competition in some labor-intensive industries and primary product fields; international political and geoeconomic uncertainties pose threats to cooperation, especially external interference and regional opposition to the "Belt and Road Initiative" Doubts about the initiative; as well as uneven development and infrastructure differences within ASEAN have limited the process of regional integration.

In order to deepen cooperation, it is recommended to optimize the industrial division of labor, promote the upgrading of cooperation in the manufacturing and digital economy fields, and avoid vicious competition; strengthen regional coordination, especially to provide more support in infrastructure and digital construction; and establish a stable cooperation mechanism to cope with Challenges posed by international uncertainty.

5 Discussion

China-ASEAN economic and trade relations are an important part of global economic cooperation, with obvious advantages and some challenges. First, the two economies are highly complementary. China has strong manufacturing and technological innovation capabilities, while ASEAN has abundant natural resources and a young workforce. This complementarity has led to increasing trade in machinery and equipment, agricultural products, energy and other fields, providing impetus for economic growth on both sides. As the global supply chain shifts to Asia, ASEAN and China's industrial cooperation has become closer, promoting the stable development of the regional economy.

Second, the establishment of the China-ASEAN Free Trade Area has promoted regional economic integration, reduced tariffs and non-tariff barriers, and promoted the flow of goods, capital and technology. This has not only strengthened bilateral cooperation, but also provided experience for other developing countries. In emerging areas, the digital economy and green economy have brought new opportunities for bilateral cooperation. ASEAN countries are promoting the construction of digital infrastructure, while China has advantages in technology and capital, and e-commerce, financial technology and intelligent manufacturing have become new highlights of bilateral cooperation. In addition, ASEAN's abundant renewable energy resources and China's technical support complement each other, which will help promote sustainable development.

However, both sides also face challenges. First, there is a competitive relationship in some industries. Especially in labor-intensive industries and primary product exports, some ASEAN countries have formed a substitution effect with China. This competition may affect the competitiveness of both sides in the international market and hinder the further development of regional trade. Secondly, external political intervention has increased uncertainty. The United States and other countries have tried to weaken China's influence in ASEAN through means such as the "Indo-Pacific Strategy" and trade wars, which may affect the stability of China-ASEAN cooperation. Finally, there are large economic differences within ASEAN, and some countries have poor infrastructure and poor policy coordination, which restricts the process of regional integration.

In the future, the two sides can solve these problems by optimizing industrial division of labor and strengthening cooperation mechanisms. China and ASEAN should deepen industrial chain cooperation in the region, promote the transfer of labor-intensive industries to ASEAN, and at the same time strengthen China's competitiveness in high value-added and technology-intensive fields. In addition, the two sides should establish a unified trade dispute settlement mechanism to deal with possible frictions.

In terms of digital economy and green development, the two sides should strengthen cooperation, promote the construction of digital infrastructure, and develop emerging industries such as e-commerce and financial technology. At the same time, cooperation in the field of green development, such as renewable energy development and the

introduction of environmental protection technologies, will also inject new impetus into cooperation.

In order to cope with international political and economic uncertainties, China and ASEAN should strengthen regional economic governance capabilities and promote the construction of multilateral cooperation mechanisms. For example, under the framework of the Belt and Road Initiative, promoting connectivity in areas such as transportation, logistics and energy will help enhance the competitiveness and resilience of the regional economy.

Finally, the development gap within ASEAN also needs to be narrowed. China should help developing countries in ASEAN strengthen infrastructure construction, enhance industrial capabilities and promote regional policy coordination. This will not only help enhance the basis for China-ASEAN cooperation, but also improve the economic competitiveness of the entire ASEAN and promote regional integration.

In short, China-ASEAN economic and trade relations have become a successful example of regional cooperation and have achieved mutually beneficial and win-win results. However, in the face of challenges such as industrial competition, external intervention and internal differences, both sides need to continue to work hard on cooperation models, mechanism building and field expansion. By deepening cooperation, both sides can not only enhance bilateral relations, but also contribute to the sustainable development of the global economy.

6 Conclusion

China-ASEAN economic and trade relations have made great progress. Since the establishment of the free trade area, the scale of trade between the two sides has continued to expand, showing complementarity in areas such as agriculture, manufacturing and services. China's increased investment in ASEAN, especially in the manufacturing and digital economy sectors, has brought new impetus to cooperation. ASEAN's trade in services has also attracted extensive participation from China, promoting the continued development of cooperation. This relationship has promoted economic integration in Asia, strengthened the stability of the global supply chain, and provided support for global economic governance. However, both sides also face problems such as competitive pressure, external intervention, and internal disparities in ASEAN. To this end, it is necessary to optimize industrial division of labor, promote cooperation in the digital economy and green economy, strengthen policy coordination, and help underdeveloped countries within ASEAN. By deepening cooperation, China and ASEAN can further promote regional economic development and make greater contributions to the global economy.

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