

Analysis of the Development Direction of China's Trade "Alliance": Taking China's economic ally policy against US trade sanctions against China as an example

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ABSTRACT

In recent years, China's economic development has become increasingly powerful. In the process of developing its economy, China is concerned about the world and strives to build a community with a shared future for mankind, without seeking isolation or hegemony. However, China's concept of economic globalization is different from that of the United States, and its increasingly strong economic foundation poses a threat to the United States, leading to conflicts of interest. Therefore, the United States has launched a series of trade sanctions against China. This article provides an overview and analysis of the development direction of China's anti sanction trade alliance, based on several policies issued by the United States to form "economic allies" and impose trade sanctions on China.

KEYWORDS

Trade Alliance; Trade Sanctions; Indo Pacific Economic Framework; China Europe Relations; Asia Pacific Economic and Trade Cooperation.

1. THE "ALLY" STRATEGY INTRODUCED BY THE UNITED STATES AGAINST CHINA'S TRADE SANCTIONS

At present, the United States is trying to focus on high-quality alliance coordination and break China's "economic and trade alliance circle". The United States aims to break and target China's "ally economic circle" by exaggerating the so-called "democratic confrontation with authority" and packaging China as a threat to the international economic system and global supply chain, accelerating the implementation of friendly shore outsourcing, and coordinating allies. Even in some countries that are far away from the United States but very close to China, they attempt to form alliances with China, interfering with the internationalization of China's economic and trade development.

1.1. Joint "sanctions" between the United States and European countries

In recent years, China's rise has caused anxiety in Western countries, with the United States even joining forces with the 27 member EU to impose sanctions on China. In February 2020, after 32 negotiations, China finally reached an agreement with the European Union. The China Europe Comprehensive Investment Agreement, which was supposed to be implemented in 2022, was suddenly overturned by a 27 country alliance a few months later, with the agreement suspended and efforts in vain. This is the first time in thirty years that the European Union has imposed sanctions on China, and the reasons behind it are self-evident. The main reason for the deterioration of China Europe relations is the United States, and since Biden took office, he has been wooing major European

allies to follow the US in imposing sanctions on China. In addition, the G7 Foreign Ministers' Meeting also issued a so-called joint statement, openly interfering in China's internal affairs, pointing fingers at Xinjiang, Hong Kong and Taiwan issues, and slandering China for "using economic influence to bully other countries", and demanding that G7 countries organize China's "coercive economic policies". Moreover, the United States continues to exert pressure on countries such as the Netherlands, forcing them to agree to sacrifice their own economic interests and restrict export trade with China.

1.2. Building the Indo Pacific Economic Framework in the United States

The first 13 member countries of the Indo Pacific Economic Framework account for approximately 40% of the world economy, and their geographical location is not far from China. After the Biden administration announced the launch of the Indo Pacific Economic Framework in May 2022, the United States and other member states held multiple rounds of online or offline ministerial meetings. US officials also mentioned China's role in it, such as providing different approaches to key issues for Indo Pacific countries compared to China; For example, "arrangements independent of China". Therefore, it is not difficult to see that in terms of economic and trade cooperation, the United States hopes to use the "Indo Pacific Economic Framework" to "decouple" from China, and under existing conditions, attract more economic and trade partners, find alternative supply chains, and more importantly, attract other countries to form a "encirclement" of China, excluding China from the regional trade system.

2. THE ALIGNMENT DIRECTION OF CHINA'S ANTI SANCTION TRADING PARTNERS

China has also implemented corresponding anti sanctions measures against various behaviors of the United States. China aims to break through the economic and trade alliance blockade established by the United States, actively build friendly economic and trade cooperation relations with itself, and maintain the stability of the international economic cooperation pattern. China adheres to the correct direction of economic globalization, promotes bilateral, regional, and multilateral cooperation, promotes coordination of international macroeconomic policies, and jointly creates an international environment conducive to development. At present, China maintains stability in China Europe relations, participates in cooperation with the Indo Pacific region, and takes new paths to strengthen cooperation in the Asia Pacific region, forming a new "alliance" direction strategy.

2.1. China Continues to Maintain Stability in Bilateral Relations between China and Europe

China actively maintains the overall stability of China Europe bilateral relations and promotes economic and trade cooperation between China and Europe to a new level. In recent years, China has been committed to friendly and close exchanges with European countries and EU countries. The meeting between Chinese and EU leaders on December 7, 2023 was the 24th meeting. During this meeting, representatives from multiple countries extended a friendly hand to China in economic and trade exchanges, and agreed to continue mutually beneficial cooperation between China and Europe, promoting economic and trade exchanges, as well as the free flow of personnel and capital. This marks a strong consensus between China and Europe on eliminating various interferences and strengthening dialogue and cooperation.

2.2. China's Participation in Indo Pacific Cooperation

A report released by the Peterson Institute for International Economics, a US think tank, shows that in the past decade, member countries of the Indo Pacific Economic Framework, including South

Korea, have shown a significant increase in their economic dependence on China. As of 2021, China accounted for an average of over 30% of the import sources of member countries of the Indo Pacific Economic Framework. In addition, China also plays an important role in the export markets of these countries. The proportion of exports to China in the overall exports of these countries is about 20%. Compared with 2010, the scale of trade between these countries and China has increased by 40% and 45%, respectively.

This not only means that China is one of the largest export destinations for these countries, but also indicates that China has become a key trading partner of these countries, having a significant impact on their economic growth and trade activities, which directly involves political and national development strategies. Therefore, it can be seen that China has quietly participated in the Indo Pacific economic framework and has had a certain impact. At the same time, it also signifies that the hope of the United States in building an Indo Pacific economic framework to sanction China may be dashed.

2.3. China strengthens cooperation in the Asia Pacific region

In the past few decades, economic cooperation in the Asia Pacific region has flourished, creating a world-renowned "Asia Pacific miracle" and demonstrating the strong vitality of economic cooperation in the Asia Pacific region. From the launch of the Asia Pacific Free Trade Area process at the 2014 APEC Beijing Summit, to actively promoting accession to the Comprehensive and Progressive Trans Pacific Partnership (CPTPP) and the Digital Economy Partnership Agreement (DEPA), and then to actively promoting the construction of the China ASEAN Free Trade Area 3.0 with ASEAN, China has taken one step at a time and continuously deepened trade and investment cooperation with regional economies, continuously contribute to the construction of an open Asia Pacific economy. China plays a crucial role in promoting regional economic integration. China is the world's second-largest economy and a major trading partner for the vast majority of Asia Pacific economies, including Chile. China, together with relevant countries, comprehensively and with high quality, implements the Regional Comprehensive Economic Partnership Agreement, actively promotes accession to the Comprehensive and Progressive Trans Pacific Partnership Agreement and the Digital Economy Partnership Agreement, promotes the construction of an open Asia Pacific economy, and calls for joint opposition to unilateralism and protectionism. China adheres to true multilateralism, firmly upholds the multilateral trading system, helps promote the process of the Asia Pacific Free Trade Area, and enhances the level of economic and trade cooperation among countries in mainland China, including its allies in the United States. In today's world, more cooperation is needed, and all parties should work together to maintain the multilateral trading system, place greater emphasis on enhancing inclusivity, strengthen cooperation in the Asia Pacific region, and achieve mutual benefit and win-win results in the regional and even global economy. Currently, it is bound to be China's trade "alliance" development direction.

3. CONCLUSION

China has taken targeted measures against the US alliance trade sanctions and has initially formed a favorable ally situation with Chinese characteristics. China upholds China Europe relations and strives for mutual benefit; Participate in Indo Pacific cooperation, gradually break the Indo Pacific economic framework, break the "encirclement and suppression" structure formed against China, and gradually occupy an advantageous position within this framework. In addition, China is still strengthening cooperation with the Asia Pacific region, helping to advance the process of free trade zones, strengthening assistance and cooperation with neighboring countries, and creating a harmonious, stable, and mutually beneficial long-term cooperative relationship.

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