INCREASING INFLUENCE ON WORLD ECONOMY

As China’s economy continues to experience growth, recently overtaking Japan as the second largest economy in the world, the nation has an increasing role to play in global economic and geopolitical affairs. China views APEC as a forum in which it can espouse its viewpoints. Likewise, APEC serves as a conduit for member nations to express their own viewpoints and opinions to China. The attendance of APEC heads of state not only provides China with an opportunity to increase development and cooperation in the economic realm, but also provides a channel for overall diplomatic and bilateral/multilateral discussions. Recent topics of importance involving China include monetary policy, currency valuation, and trade deficits. With China’s economic influence established, the nation is constantly seeking new ways to strengthen its image and bolster its influence through cooperation and attraction. This so called “soft-power” initiative is one that Chinese leaders have placed emphasis on. APEC is viewed by China as an important opportunity that allows for such goals, especially with nations that have a close physical proximity and economic importance to China.

Integration into the APEC Region

APEC nations account for 70% of foreign direct investments in China and nine out of the top ten trading partners for China are APEC nations. China therefore has a vested interest in maintaining its smooth integration in this economic framework. An area of importance first established in the 2009 APEC meetings in Singapore is to increase the participation and involvement of Chinese companies in APEC countries. A $10 million fund was established specifically for this purpose during the 2009 meetings.

China also has interest in increased cooperation in science and technology projects, both of which have been identified as key areas of growth for the Chinese economy. Lastly, as the largest holder of US treasury bills, China seeks a stable financial system, not only in the United States but among all APEC nations. The increased integration between national economies most recently demonstrated by the cascading effect of the financial crisis of 2008 demonstrates that a stable financial system in essential to positive economic growth. China views APEC as an important platform to establish such financial frameworks and stability.