

**China and ASEAN have forged solid ties since they established a dialogue 15 years ago, and their strategic partnership seems likely to expand in the future (Lu Jianren 2006-10-26)**

This year marks the 15<sup>th</sup> anniversary of the dialogue relationship between China and the Association of Southeast Asian Nations (ASEAN), and is also the Year of China-ASEAN Friendly Cooperation.

Under an agreement reached at the Ninth China-ASEAN Summit held in Kuala Lumpur, Malaysia, in 2005, the two sides endorsed a list of commemorative activities to celebrate the anniversary, one of which is a summit in Nanning, Guangxi Zhuang Autonomous Region, on October 30, which will be attended by Chinese Premier Wen Jiabao and leaders of ASEAN member states. At that time, the Third China-ASEAN Expo and the China-ASEAN Business and Investment Summit will also be held in the city.

Since 1997, the leaders of China and ASEAN member countries have held annual meetings, but in the past such meetings have taken place during the summit between ASEAN members and China, Japan and South Korea (the 10+3 mechanism), and they all have been convened in ASEAN countries. China attended these meetings as a guest of ASEAN.

This time, however, ASEAN leaders choose to come to China and meet with Chinese leaders, an arrangement that represents a milestone in China-ASEAN relations. The officials will review the history of their relationship and set the direction for the future development of their strategic partnership.

### **Major achievements**

In the 15 years since China and ASEAN countries established a dialogue, the two sides have gradually set up a series of mechanisms and frameworks to facilitate communication and cooperation. The highest level of such arrangements is the annual summit of the leaders of both sides. The second level is the ministerial meeting, and the third level is the senior official consultation meeting. There are 28 other cooperative mechanisms. The cooperation between the two sides has shown remarkable achievements in all fields.

In the political sphere, the two sides spent 10-odd years establishing a strategic partnership, laying the foundation for the long-term development of their dialogue. China's entry into the Treaty of Amity and Cooperation in Southeast Asia has strengthened the political mutual trust, a further guarantee of regional peace and security. China is also willing to join the Treaty on the Southeast Asia Nuclear-Weapon-Free Zone (Bangkok Treaty) at an early date.

China is pursuing a foreign policy to foster an amicable, peaceful and prosperous neighborhood, which makes the status of ASEAN countries more important in China's diplomacy. ASEAN looks to China to advance the peace and development of the Asia-Pacific region. Against this background, senior officials of both sides have visited each other frequently and exchanged views on many international and regional issues.

In the security field, the two sides actively implemented the idea of strengthening mutual trust through dialogue, resolving disputes through negotiations and realizing regional peace through cooperation. On the issue of the South China Sea, they signed the Declaration on the Conduct of Parties in the South China Sea (Conduct Declaration) in 2002 and later set up a joint work team in charge of the follow-up moves. In 2004, the two sides endorsed plans to implement the Conduct Declaration, and a joint work team has held a number of meetings so far.

It should be pointed out that in 2005, China, the Philippines and Viet Nam signed the Tripartite Agreement for Joint Marine Seismic Undertaking in the Agreement Area in the South China Sea, a landmark step in implementing the Conduct Declaration.

In 2002, the two sides signed the Joint Declaration of ASEAN and China on Cooperation in the Field of Nontraditional Security Issues. In January 2004, they signed the Memorandum of Understanding on Cooperation in Nontraditional Security Fields and also devised an annual plan for 2004 to implement the agreement. China and ASEAN members have had effective cooperation in cracking down on drug trafficking and other transnational crime, fulfilling the plan of that year.

In the economic field, bilateral trade, investment and economic cooperation have developed very quickly in the past 15 years. Especially after the launch of the China-ASEAN Free Trade Zone process in 2003 with the implementation of the "Early Harvest Plan" and the Agreement on Trade in Goods, bilateral trade increased rapidly, and the trade volume between the two sides reached \$130 billion in 2005, 16.4 times that of 1991.

China and ASEAN are each other's fourth largest trading partners. As of the end of 2005, ASEAN members had invested in nearly 30,000 projects in China, with actual input of \$38.5 billion. Mainland enterprises have invested around \$1.1 billion in ASEAN countries, and the volume of labor contracts concluded by Chinese enterprises in ASEAN countries has reached \$23.2 billion.

Since 2004, the annual China-ASEAN Expo has become a new platform to push forward bilateral economic and trade relations. Apart from this, China and ASEAN have set up a network

of bilateral swap arrangements under the Chiang Mai Initiative, effectively carrying out financial cooperation.

### **Expanding cooperation**

In other fields, the two sides set up the China-ASEAN Joint Committee on Economic and Trade Cooperation and the ASEAN-China Joint Company Committee in 1994 and 1997, respectively, as frameworks to coordinate cooperation in different areas. In 2001, the two sides listed agriculture, communications, human resources development, mutual investment and the development of the Mekong River area as the focus of their cooperation.

In 2005, China suggested adding the information industry, communications, energy, culture, tourism and sanitation and health as the focus of cooperation. Up to now, the two sides have signed memorandums of understanding or cooperation plans in the areas of the information industry, communications, culture and cooperation in the Greater Mekong sub-region, and have established mechanisms for cooperation between chief law enforcement officers and ministers in charge of youth affairs of the two sides, apart from ministerial cooperation mechanisms in the fields of diplomacy, the economy, communications and customs.

China and ASEAN members have also cooperated in science and technology, education, the environment, quality supervision and quarantine and people-to-people contacts. They also cooperated in coping with natural disasters and emergencies, such as earthquakes, the tsunami, SARS and bird flu, and have set up crisis mechanisms to cope with emergencies. At present, the China-ASEAN Action Plan approved in 2004 to promote the strategic partnership between the two sides over the next five years is being implemented.

In the area of international and regional affairs, the two sides have jointly boosted the development of regional and trans-regional cooperation mechanisms, such as the "10+3 mechanism," the ASEAN Regional Forum, the Asian Cooperation Dialogue, the Asia-Pacific Economic Cooperation forum, the Asia-Europe Conference and the Forum for East Asia-Latin America Cooperation. In the United Nations, the World Trade Organization and other international organizations, China and ASEAN seek mutual understanding, support and coordination.

The rapid and smooth development of China-ASEAN relations can be attributed to the following elements:

First, the two sides adhere to the principle of equality and mutual respect. They uphold the idea that all countries are equal no matter what their size is. The two sides respect each other's sovereignty and the development paths they have chosen, and will not interfere in each other's

internal affairs. This principle is an important factor to ensure the sound development of bilateral political relations.

Second, the two sides resolve disputes through strengthening mutual trust and seeking consensus, while reserving differences. They try to resolve problems in a peaceful way through frank dialogue and timely consultation. During their consultations, the two sides try their best to clear up misunderstanding and increase mutual trust.

Third, in cooperating in the economic and other fields, the two sides abide by the principle of mutual benefit. Being developing countries, China and ASEAN members share the same demands, which makes it hard to avoid competing with each other. But the two sides have managed to avoid harmful competition and find the best way to satisfy each other's interests.

Fourth, another important factor ensuring the healthy development of bilateral ties is that the two sides have set up mechanisms and plans to make sure that they can accomplish their goals step by step. The different levels of dialogue and regular meetings of leaders provide an important policy-decision guarantee for cooperation in all fields. The two sides have deepened cooperation gradually, which has proven to be very successful.

### **Prospects for the future**

After 15 years, China and ASEAN have forged solid, comprehensive and mutually beneficial ties. China-ASEAN relations are the most vigorous and substantial bilateral ties that ASEAN has established with its dialogue partners. This will undoubtedly lay a solid foundation for the development of their relations over the next 15 years or more. As China's development targets for the next 10 to 15 years are similar to those of ASEAN--the former is seeking to develop a well-off society while the latter is engaged in building the ASEAN Community--their interests seem in accord. In this sense, the future of their strategic partnership is rosy.

On the other hand, to further consolidate their strategic partnership, China and ASEAN need to make efforts to better solve some issues between them.

The first is how to further increase mutual trust in the political sphere. The two sides still have different understanding of their strategic development direction. For example, some people in ASEAN countries are still skeptical of China's peaceful development strategy, and it will take time to eliminate the effect of the "China threat" theory. In addition, the disputes over the South China Sea are still a sensitive issue between the two sides.

Second, there is still a distance between the current level of cooperation and the orientation of the strategic partnership. The two sides need to move to a higher level and give priority to those projects that are aimed at strengthening the strategic partnership. They also need to foster a sense of coordination and joint participation, strengthen their interaction and speed up the implementation of cooperation plans in key fields.

Third, on international and regional issues the two sides need to make efforts toward greater cooperation to push forward their common interests.

All these issues need determination and wisdom on both sides.

The coming 15 years are crucial for both sides to achieve their objectives. Only a closer strategic partnership can ensure and advance the fulfillment of the development goals of both sides. To this end, China and ASEAN should do better in their future cooperation in all fields.

As a rapidly rising country, China intends to adhere to the diplomatic policy of creating an amicable, secure and prosperous neighborhood. ASEAN members need to show more sincerity in the political area and shoulder more aid and cooperation projects in the economic field, so as to gain more opportunities and benefits from China's development.

Looking ahead, with the creation of the China-ASEAN Free Trade Zone, bilateral economic and trade ties will be much closer, the economies of the two sides stronger and their strategic partnership more consolidated, which is sure to advance the stability and prosperity of the region and world peace.

## **BOX:**

### **Review of China-ASEAN Relations**

China-ASEAN relations have basically experienced the following stages:

#### **I. Before 1991: From confrontation and suspicion to dialogue and cooperation**

As close neighbors, China and Southeast Asian countries have a long history of contact in the past. After ASEAN was formed in 1967, its relations with China underwent a period of fluctuations. In its early days, ASEAN had confrontations with and distrusted China. But in 1974 and 1975, Malaysia, the Philippines and Thailand, three of the initial members of ASEAN, established diplomatic relations with China. Also in 1975, China formally recognized ASEAN as a

regional organization. In the following 15 years, China and all ASEAN members strengthened mutual understanding gradually through bilateral activities.

In the late 1970s and early 1980s, China greatly altered its foreign policy. In November 1978, late Chinese leader Deng Xiaoping visited Thailand, Malaysia and Singapore, expressing the view that China was willing to strengthen and develop friendly relations with ASEAN members and establish economic, trade, scientific and technological contacts. His proposal was widely understood and accepted by ASEAN members. The two sides also reached a consensus on a political solution to the Cambodia issue and carried out effective cooperation. During that time, their mutual understanding and trust were strengthened, advancing the development of bilateral relations. By 1991, China had established or resumed diplomatic relations with all ASEAN members, paving the way for their future dialogue and cooperation.

## **II. 1991-96: Establishing an overall dialogue framework**

The years from 1991 to 1996 witnessed the rapid economic growth and expanding political influence of ASEAN countries. The role of ASEAN in Asia became more and more important. To maintain the peace, stability and development of Southeast Asia, ASEAN initiated several dialogue mechanisms. After more than 10 years of reform and opening up, China paid more attention to the stability of the surrounding environment. As ASEAN members are all China's neighbors and developing countries, the organization has many interests in common with China. Thus, both sides had the political will to establish a closer dialogue and cooperation relationship.

In May 1991, China began to establish a formal connection with ASEAN. Chinese Foreign Minister Qian Qichen wrote to ASEAN, expressing the hope of establishing dialogue with the organization in a number of fields, which received a positive response. In July of that year, Qian was invited to attend the opening ceremony of the 24<sup>th</sup> ASEAN Foreign Ministers' Meeting and held the first informal talks with foreign ministers of the six ASEAN members, marking the start of the China-ASEAN dialogue.

In July 1994, China was invited to attend the first meeting of the ASEAN Regional Forum (ARF) as ASEAN's consultation partner, and became one of the founders of the forum, which started a dialogue and cooperation in the regional security field between the two sides.

In April 1995, the China-ASEAN Vice Ministerial Consultation Meeting was held in Hangzhou, Zhejiang Province, creating a new mechanism to deepen the dialogue between the two sides.

In July 1996, at the 29<sup>th</sup> ASEAN Foreign Ministers' Meeting in Jakarta, Indonesia, China formally became a full dialogue partner of ASEAN.

During the five years from 1991 to 1996, political and economic relations between China and ASEAN developed very quickly. In the political area, the two sides launched a process to strengthen mutual trust based on frank dialogue. On the issue of the South China Sea, China came up a proposal to conduct joint development while shelving disputes, which was actively echoed by relevant ASEAN members. The bilateral or multilateral dialogues on the South China Sea made great progress.

In particular, bilateral trade and investment showed rapid growth. During this period, bilateral relations between China and every ASEAN member were further consolidated and developed, and high-ranking officials of the two sides visited each other more frequently. Bilateral ties were elevated from general relations to good-neighborly relations and then to a full dialogue partnership.

### **III. 1997-2002: A good-neighborly partnership of mutual trust**

This period featured the establishment of the 10+1 framework and the overall development of bilateral relations.

The financial crisis in 1997 turned out to be a turning point in relations between China and ASEAN. The two sides coped with the crisis through joint efforts. In the face of heavy economic pressure, China insisted on not devaluing the Renminbi and provided financial support to ASEAN members, which helped to avoid a further deterioration of the economic situation in ASEAN countries. ASEAN members felt China's role as a big regional country and their trust in China increased.

In the political field, ASEAN initiated regular meetings between leaders of ASEAN member nations and China, Japan and South Korea (10+3), and set up regular meetings between China and ASEAN (10+1). In December 1997, the two sides issued a joint declaration on building a good-neighborly partnership oriented to the 21<sup>st</sup> century, which set the direction for the bilateral dialogue.

From 1998-2000, China signed framework documents of bilateral relations and cooperation plans with all ASEAN members. In 2002, the two sides also signed a document on the South China Sea issue and nontraditional security problems.

Their economic cooperation was expanding at that time. The two sides listed agriculture, information technology, communications, human resources development, mutual investment and the development of the Mekong River area as the focus of their cooperation. In November 2002, the two sides signed the Framework Agreement on China-ASEAN Comprehensive Cooperation, launching the process of forming the China-ASEAN Free Trade Area by 2010. This has had a wide impact on the Asia-Pacific region and the world at large.

#### **IV. 2003-06: Setting and consolidating a strategic partnership**

At the end of 2002, China came up with the development target of building a well-off society and a foreign policy of treating neighbors with good will and as partners. In 2003, ASEAN drew a blueprint to create the ASEAN Community. The similar development targets provided the possibility to further enhance bilateral relations.

In October 2003, China joined the Treaty of Amity and Cooperation in Southeast Asia, becoming the first non-ASEAN signatory to the treaty, which directly pushed forward India, Japan and Russia's accession to the treaty.

The two sides also signed the Joint Declaration on the Strategic Partnership for Peace and Prosperity, and thus China became the first strategic partner of ASEAN; ASEAN also became the first regional organization to maintain a strategic partnership with China.

All ASEAN members unanimously recognized China's full market economy status in September 2004. The process to implement the Framework Agreement on China-ASEAN Comprehensive Cooperation has been moving ahead smoothly. In November 2004, the two sides signed the Agreement on Trade in Goods. At the same time, China announced that it would expand the range of preferential treatment to Cambodia, Laos and Myanmar.

Apart from this, the strategic partnership between the two sides is also manifested in their joint efforts to deal with natural disasters and emergencies. Since 2003, China and ASEAN members have encountered some major problems such as SARS, bird flu and the tsunami, and the two sides have cooperated in disaster relief and disease prevention measures. As a result, the strategic partnership between the two sides has been strengthened.