



# Asia Pacific Bulletin

EastWestCenter.org/APB

Number 405 | November 15, 2017

## The 2017 APEC Summit: A Game Changer for the Asia-Pacific?

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One of the most important diplomatic, political, and economic events for the Asia-Pacific region this year — the APEC Summit — was held in Da Nang, Viet Nam (November 6-11, 2017). Amid the fast changing geostrategic context and domestic situation in a number of countries, the APEC Leader's week may have been a game changing moment for the Asia-Pacific region for a number of reasons.

First, APEC is the premier forum in the region to facilitate the realization of the development goals set forth by the United Nations. Home to around 2.8 billion people, approximately 59 percent of world GDP and 49 percent of world trade, APEC includes the world's biggest economies, such as the US, China, Japan, ASEAN, and thus has the potential to make important economic contributions to the region — and the world. APEC could help to promote economic development in the region in many important ways. Even though the Asia Pacific is the fastest-growing region at a time when the world economy is witnessing positive growth, there are lurking risks such as inward-looking policies of many countries, aging populations, as well as traditional and emerging security challenges. With the focus on “creating new dynamism, fostering a shared future,” the 2017 APEC under the host of Viet Nam proposed four areas for cooperation: a) sustainable, innovative and inclusive growth; b) regional economic integration and connectivity; c) dynamism for micro, small, and medium-sized enterprises (MSMEs) — a key driver of the region's growth; and d) food security and achieving sustainable agriculture. Topics of discussion also included improving work force skills to meet the new demand for the fourth industrial revolution, reducing income gaps and, and promoting inclusive and equitable development. The Danang Declaration — unanimously adopted at the Summit — reaffirmed all these and called them “long-standing commitments” by all member economies. Similarly, the dramatic revival of the Trans Pacific Partnership Agreement talks (now changed to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership) after intensive negotiations in Danang has helped tighten an embrace of “high-standard”, “balanced” “free”, and “fair” game of trade for concerned stakeholders.

Second, the APEC Summit provides an opportunity for regional economies to make their priorities better known to each other, thus boosting trust and cooperation. Through high-level interaction, the US and China, whose relationship is a crucial factor shaping the region's geopolitical landscape, identified measures to address new realities. On the one hand, US policy toward the Asia Pacific, despite a rough start, has gained clarity, especially on the security-defense side. Soon after his arrival in Danang, President Trump delivered a speech promoting the idea of a “free and open Indo-Pacific”, with significant implications both for the regional architecture and the US future ties with allies and partners. On the

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other, China has become more confident internationally owing to its rise in both capacity and determination. Many argue that China has eased and even dropped the long-time brake on its strategy of “tao guang yang hui” (hide one’s capabilities and bide one’s time). An American scholar Michael Pillsbury has gone further by stating that China’s international strategy is already effective both at present and in the longer term. President Xi called globalization an “irreversible historical trend”, affirming China’s place as a leader in the trend. Japan, South Korea, and Australia – important members of APEC — have recently played more active roles in regional affairs. These new-found strategic contours give birth to a hope that following the meetings in Viet Nam, the United States, China, and other powers will be able to make necessary adjustments to their new postures for the larger interests of the region.

Third, at the APEC Summit, for the first time ASEAN leaders had a dialogue with APEC members’ heads of delegation. This is a testament to both ASEAN and APEC’s continued aspirations for a wider community of cooperation. APEC, like ASEAN, constitutes a significant building block for the region’s deeper integration and connectivity. ASEAN has endeavored to keep its centrality in the regional architecture, one with values shared by APEC, such as open regionalism and inclusiveness. The Association is however facing new challenges. ASEAN fears of a regional lack of unity are starting to become a reality. The principle of consensus that has helped ASEAN in the past now raises questions about the organization’s effectiveness. The last ASEAN Foreign Ministers meeting in Manila, for example, showed that to a certain extent reaching unanimity on vital issues like the South China Sea has become harder. Against this backdrop, the 2017 APEC, with its agenda on practical cooperation and community-building, and its multilateralism, should be a naturally complementary process for ASEAN.

For all of these reasons the November 2017 APEC Summit came at a critical time and has the potential to make important contributions. Da Nang – a beautiful coastal city in central Vietnam - provided an ideal venue for dialogue between leaders from member economies. In early October, advance teams from 21 economies expressed their satisfaction with Vietnam’s preparatory work. This same positive feeling was also witnessed when the Summit’s most important moment – the Leaders’ Meeting Retreat – ended on November 11. US President Donald Trump’s attendance bodes well for regional cooperation, and adds clarity to US policy toward the region. Unlike many past US presidential trips to Asia, President Trump’s took place in the first year of his administration. Chinese President Xi Jinping also drew a lot of attention because the meeting took place not long after China’s 19th Party Congress. The region wanted to know Beijing’s major policy lines for the new term as could be seen in President Xi’s numerous sideline meetings, and Vietnam was the first foreign country President Xi visited. Russia, Japan, Canada, South Korea, and Australia (an APEC founding member) certainly took APEC seriously with their respective agreement on the host country’s proposed agenda. As for ASEAN, with the presence of Secretary General Le Luong Minh, it was able to seize the opportunity to cement its solidarity and the working principles that have brought about its successes in the last five decades.

The 2017 APEC Summit presents a key medium for regional stakeholders to tackle current problems and promote better understanding. APEC’s consensus-based approach, broad inclusiveness, and efficient platform for numerous multilateral and bilateral meetings make the venue important. Cooperative programs within the APEC framework may be either substantive or symbolic, but given all the present challenges and needs, both are valuable for the region.

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The *Asia Pacific Bulletin* (APB) series is produced by the East-West Center in Washington.

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