

# 15 Asian Nations Sign Huge China-backed RCEP Trade Pact, The US is Excluded

By [The Economic Times](#)

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Region: [Asia](#)

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*Fifteen Asia-Pacific economies formed the world's largest free trade bloc on Sunday, a China-backed deal that excludes the United States, which had left a rival Asia-Pacific grouping under President Donald Trump.*

The signing of the Regional Comprehensive Economic Partnership (RCEP) at a regional summit in Hanoi, is a further blow to the group pushed by former U.S. president Barack Obama, which his successor Trump exited in 2017.

Amid questions over Washington's engagement in Asia, RCEP may cement China's position more firmly as an economic partner with Southeast Asia, Japan and Korea, putting the world's second-biggest economy in a better position to shape the region's trade rules.



## RCEP to Cement China's Position

**Launched in 2012, RCEP** is a trade pact between the 10-member ASEAN bloc, along with China, Japan, South Korea, Australia and New Zealand

**The deal includes 2.1 billion** people, with RCEP's members accounting for around 30% of global GDP

**Specifically, RCEP is expected to help reduce costs and time for companies by allowing them to export a product anywhere within the bloc**

**It also touches on intellectual property, but will not cover environmental protections and labour rights**

**India had been due to sign but pulled out last year**

**Its aim is to lower tariffs, open up trade in services and promote investment to help emerging economies catch up with the rest of the world**

The infographic features a central illustration of three stylized figures in business suits (one in a blue suit, one in a red suit, and one in a brown suit) standing in front of a blue grid background. Various icons are used to represent different aspects: a calendar and clock for the India-related text, a shopping cart for the cost reduction text, and a document with a pencil for the intellectual property text.

The United States is absent from both RCEP and the successor to the Obama-led Trans-Pacific Partnership (TPP), leaving the world's biggest economy out of two trade groups that span the fastest-growing region on earth.

By contrast, RCEP could help Beijing cut its dependence on overseas markets and technology, a shift accelerated by a deepening rift with Washington, said Iris Pang, ING chief

economist for Greater China.

RCEP groups the 10-member Association of Southeast Asian Nations (ASEAN), China, Japan, South Korea, Australia and New Zealand. It aims in coming years to progressively lower tariffs across many areas.

The deal was signed on the sidelines of an online ASEAN summit held as Asian leaders address tensions in the South China Sea and tackle plans for a post-pandemic economic recovery in a region where U.S.-China rivalry has been rising.

RCEP will account for 30% of the global economy, 30% of the global population and reach 2.2 billion consumers, Vietnam said.

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