

**THE TRANS-PACIFIC PARTNERSHIP:
IT LOOKS AS THOUGH IT IS A NON-STARTER, TODAY**

But, Will The People's Republic Of China Fill The Void ?

Trade agreements between nations are rarely without an element of politics, either overtly or covertly, being deeply rooted within the pages of protocols.

The **Trans-Pacific Partnership (TPP)**, the finalised proposal, having been signed on February 4, 2016, in Auckland, New Zealand, was awaiting ratification in order for the green button to be pushed, setting the wheels of this trade agreement in motion.

It, now, appears that this green button will not be pushed – because, inter alia, President-Elect Donald John Trump has made it clear that The United States of America wants out of the TPP.

Without The United States of America as a signatory to this historic trade agreement, it does appear that the TPP is doomed, at least for the time being.

Unless, of course, the People's Republic of China determines to fill the void, left by the vacant seat of The United States of America at the table of the Trans-Pacific Partnership.

The Trans-Pacific Partnership had, up to February, this year, taken the best part of 11 years to come to fruition, negotiations, having been commenced as the Trans-Pacific Strategic Economic Partnership Agreement, signed in 2005, between Brunei, Chile, New Zealand, and Singapore.

In 2008, the governments of Australia, Canada, Japan, Malaysia, Mexico, Peru and The United States of America and Vietnam showed their interest in joining the trade agreement which is, today, known as the Trans-Pacific Partnership, comprising 12 nations.

It was, always, noticeable that the government of the People's Republic of China appeared not to be very interested in joining the TPP throng.

The aims and objects of the Trans-Pacific Partnership included, inter alia:

'To promote economic growth; support the creation and retention of jobs; enhance innovation, productivity and competitiveness; raise living standards; reduce poverty in the signatories' countries; and promote transparency, good governance, and enhanced labour and environmental protections'.

Over the many years of negotiations, there had been many contentious issues that needed to be thrashed out by the negotiators, representing the 12 states.

These matters included thorny agricultural considerations, states' intellectual property rights, services and investments, just to mention four, highly controversial issues.

On November 21, 2016 (last Monday, Washington D.C. time), President-Elect Donald John Trump

announced that The United States of America was not willing to be a signatory to the TPP and that, on his first day of donning the purple of office, his country would officially state its intention, definitively.

Instead, the President-Elect said that The United States of America would seek bilateral trade treaties with select partners.

The outgoing Administration of President Barack Hussein Obama could not have been overjoyed by the pronouncements of the President-Elect of last Monday, but it is quite possible (if not probable) that the President of the People's Republic of China, Mr Xi Jin Ping (), is considering what role, if any, his country could play with regard to the withdrawal of The United States of America from the TPP.

Without The United States of America as a signatory to the TPP, being the largest economy of the world with a human population of about 324 million and being the most technologically advanced economy in the world, with a Per Capita Gross Domestic Product of \$US54,800 and with US corporate entities at, or near, the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment, it leaves the remaining heads of governments of the 11 states pondering: What to do about this situation?

Enter the People's Republic of China?

The economy of the People's Republic of China has been on its proverbial back foot for a number of years and it is quite possible that President Xi Jin Ping could see his way clear to having his country take the place, left vacant by the departure of The United States of America.

In contrast to The United States of America, the People's Republic of China has a human population of about 1.37 billion people with a Per Capital Gross Domestic Product of \$US14,100.

The Real Growth Rate of the Gross Domestic Product, however, has seen a steady erosion since the 2013 Fiscal Year, from 7.70 percent, to 7.30 percent in 2014, to an estimated 6.90 percent in the 2015 Fiscal Year.

Since the late 1970s, the economy of the People's Republic of China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role.

The fiscal year 2010 saw China become the world's largest exporter: It was the tailor shop of the world, the largest producer of household goods, from refrigerators, to vacuum cleaners, to microwave ovens and to steel products, sold internationally.

The People's Republic of China is known to face numerous problems on the home front, however.

It needs, among other things, to reduce the present, high-level of domestic savings rate and the corresponding low domestic consumption.

With regard to job creation, it has to facilitate higher-wage job opportunities for the ever-aspiring middle class.

It, also, has to reduce corruption in government and in the financial sector of the economy, as well as other commercial crimes, and to placate the masses, suffering social injustices, due, inter alia, to the rapid economic transformation in the country.

All of the above and much more could well make President Xi Jin Ping make the determination that Trans-Pacific Partnership could well be of great benefit to the People's Republic of China.

In the past, the 12 states that represented of the Trans-Pacific Partnership saw The United States of America as being a sort of pry bar that could reduce reliance on the People's Republic of China.

In short, the 11 member states would align themselves to The United States of America where it was correctly perceived that the rule of law was sacrosanct.

The present situation, assuming the President-Elect Donald John Trump, as President of the most-powerful country in the world, come January 20, 2017, does not back-pedal, leaving the remaining 11 members of the Trans-Pacific Partnership in a state of quandary.

Markets hate uncertainty and this was made only too apparent when, just before Mr Donald John Trump had beaten off Mrs Hillary Diane Rodham Clinton as the 45th President of the United States of America, the key indices of nearly all of the equity markets of the world went into free fall.

Without the inclusion of The United States of America as a member of the Trans-Pacific Partnership, it is difficult to imagine an harmonious ‘*marriage*’ of the remaining 11 members.

Whether or not the remaining 11 members will be willing to tie themselves to the Government of the People’s Republic of China, which is the second-largest economy of the world, only history shall be able to foretell.

It does appear, though, that there are material benefits to be forthcoming, both by the People’s Republic of China and the 11, original signatories of the Trans-Pacific Partnership.

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