

Exploring the Development of Agricultural Trade between China and ASEAN under the RCEP: A SWOT Analysis

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The Regional Comprehensive Economic Partnership Agreement (RCEP) is the world's largest free trade agreement. The RCEP has significant implications for China's agricultural trade especially in the ASEAN region which is China's top export market, the second-biggest source of imports for Chinese agricultural products, and largest trading partner in the agricultural sector. To boost trade development, this paper presents a detailed SWOT analysis of China's agricultural trade with the ASEAN using the RCEP as the research background. Through the RCEP, China's agricultural products are expected to achieve not only growth in trade scale and trade facilitation, but also stronger economic ties in East Asia. However, the RCEP also poses new challenges to China's agricultural trade structure, core competitiveness, and quality and safety system. Therefore, China should reinforce

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its brand building, optimize its trade layout, deepen its agricultural transformation, and improve its cooperation to better enjoy the trade dividends brought by RCEP.

Keywords: RCEP, China, ASEAN, Agricultural Trade, SWOT

I. INTRODUCTION

In light of the current international economic situation and China's development, the post-2020 era will see the introduction of a new development pattern with not only a huge domestic cycle, but also a dual domestic and international cycle, according to Chinese President Xi Jinping.¹ As a major agricultural country, China's trade in agricultural products has always occupied an important strategic position, which has undoubtedly placed new demands on agricultural trade. In turn, the Regional Comprehensive Economic Partnership Agreement (RCEP) was formally signed on November 15, 2020. The RCEP is a mega-regional trade deal currently negotiated by 16 nations in Asia and the Pacific, including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam, China, India, Australia, South Korea, Japan, and New Zealand. If implemented, the RCEP will be applicable to half of the world's population.

The text of the RCEP agreement contains several provisions directly addressing agriculture, mainly in Chapter II, Section I, Article 13 "Agricultural Export Subsidies." The parties to the Agreement reaffirmed the commitments made in the Ministerial Decision on Export Competition of 19 December 2015 (WT/MIN(15)/45, WT/L/980) in Nairobi,² which included the abolition of the planned right to use export subsidies for agricultural products. The Parties to the Agreement emphasized that they would work together to promote the elimination of export subsidies on agricultural products in a multilateral framework and do their utmost to resist the reintroduction of export subsidy policies on agricultural products.³ The policy of restricting and eliminating such export subsidies not only promotes the liberalization of agricultural trade, but also facilitates agricultural trade between China and the members of the Agreement.⁴

Table 1 shows the provisions related to trade in agricultural products in the RCEP Agreement. The reduction or cancellation of tariffs and general quantitative

restrictions in the RCEP's terms is important to the development of agricultural trade and conducive to the expansion of overseas markets for agricultural products. At the same time, the impact of technical trade barriers on agricultural trade is also vital.⁵

Table 1: Provisions related to Agricultural Trade in the RCEP Agreement⁶

Chapter II Trade in Goods	Article 4	Tariff reduction or elimination
	Article 5	Accelerated Tariff Commitments
	Article 6	Tariff differentials
	Article 13	Agricultural export subsidies
	Article 17	General elimination of quantitative restrictions
Chapter IV Customs procedures and trade facilitation	Article 20	Import and export fees and formalities
	Article 5	Transparency
Chapter VI Standards, technical regulations, and conformity assessment procedures	Article 13	Trade facilitation measures for certified operators
	Article 4	Agreement on Technical Barriers to Trade
Chapter VII Trade remedies	Article 2	RCEP Transitional Safeguard Measures
	Article 11	Anti-dumping and countervailing
Chapter VIII Trade in Services	Article 4	National Treatment
	Article 5	Market Access
	Article 6	Most Favored Nation Treatment
	Article 23	Increased Participation of Least Developed Country Parties from ASEAN Member Countries
Chapter IX Temporary Movement of Natural Persons	Article 4	Granting of Temporary Admission
Chapter X Investment	Article 17	Investment Facilitation

Source: Compiled by authors

The establishment of the largest, highest-standard free trade area in the Asia-Pacific⁷ region through the signing of the RCEP is a significant step forward for regional economic integration in Asia.⁸ In particular, the RCEP Agreement's adjustment of agricultural tariffs and elimination of agricultural export subsidies will aid the continued growth of agricultural trade between China and the RCEP partner countries as a comprehensive,⁹ contemporary, high-quality, and mutually beneficial free trade agreement.

The ASEAN has been an important partner for China in the agricultural trade sector. According to the PRC Ministry of Commerce, the total imports and exports of agriculture between China and the ASEAN nations in 2021 amounted to USD 5,302,592,000, accounting for 17.43% of China's total agricultural trade.¹⁰ Therefore, it is necessary to heighten the development of agricultural trade between China and the ASEAN, especially to further promote the optimal allocation of resources between China and the ASEAN region in the free trade area under the RCEP. This would enable the exploration of more space for collaboration and development potential in the field of agricultural products, as well as advance regional economic cooperation with great significance and value.

We review the literature from three perspectives: the development of agricultural products in world trade; the development of agricultural trade in China; and the development of agricultural trade in ASEAN. The main focus is on the development of agricultural trade between China and ASEAN under the RCEP initiative.

There is currently a wealth of international research on the development of agricultural products in world trade. Yuan Lingran et al¹¹ and Zhang Jianwen et al¹² argued for the contribution of agricultural trade to economic growth and the alleviation of environmental pressures. Ju Ping et al,¹³ Ibrahim Ridwan Lanre et al,¹⁴ and Sunge, Regret and Ngepah, Nicholas¹⁵ used panel data models to argue that African countries should increase productivity to facilitate agricultural trade. Pellegrina Heitors examined how agricultural productivity shocks in Brazil impact factors such as agricultural employment through trade.¹⁶

International scholars have a wide variety of perspectives on the development of agricultural trade in China and the ASEAN, all of which are relatively new. For example, Bouet Antoine et al¹⁷ assessed the integration of agricultural trade in Southeast Asia and argued that the agriculture and food sectors could be better

integrated. Zang Dungan et al¹⁸, Kang Jian and Zhao Minjuan¹⁹, and Zhou, Lunzheng and Tong, Guangji²⁰ studied China's agricultural trade and posited that implementing a low-carbon agricultural development strategy and actively building international agricultural capacity cooperation can improve the international competitiveness of agricultural products.

The literature on China's agricultural trade with ASEAN is relatively rich, with many international scholars expressing their insights from novel perspectives and with unique approaches. Among them, Li Shanshan et al²¹ and Zhang Yunling²² believe that China and ASEAN are key partners for economic growth. On the other hand, Sun Zhilu and Li Xiande²³ argue that multiple factors, such as agricultural export capacity and trade integration, have a significant impact on the trade profitability of China's agricultural exports to the ASEAN. These studies have added value to the body of knowledge on China's agricultural trade with the ASEAN, but lack explanations of the conditions under which this trade continues to grow, such as China's strengths and weaknesses in agricultural trade.²⁴

In fact, extant studies have ignored that China's agricultural trade with ASEAN is a continuously developing systemic project with a deepening trade structure. This calls for the analysis of China's agricultural trade with ASEAN across different contexts to identify and deal with the opportunities and challenges faced by China, a prerequisite for which is to understand the strengths and weaknesses of such trade. Only when the four aspects of advantages, disadvantages, opportunities, and challenges in different contexts are clearly understood can we put forward suggestions and recommendations for China's trade with ASEAN in agricultural products, thereby contributing to the sustainable development of this trade and deepening regional bilateral cooperation. Therefore, this study uses SWOT analysis to analyze the development of China's agricultural trade with ASEAN under the latest RCEP Agreement, thereby supporting China-ASEAN agricultural trade growth and providing sound ideas and perspectives for international academic research on agricultural trade.

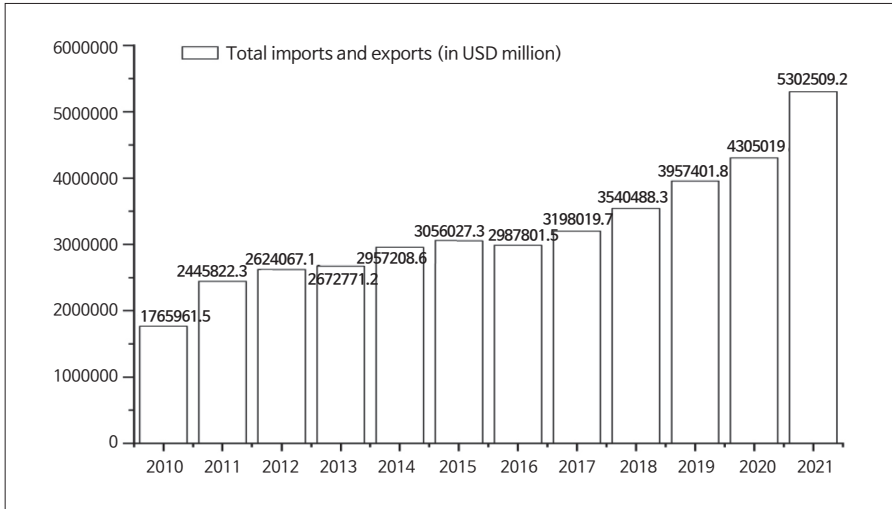
II. CURRENT DEVELOPMENT OF AGRICULTURAL TRADE BETWEEN CHINA AND ASEAN

As the largest importer and second-largest trader of agricultural goods worldwide, China's agriculture-related trade is significant and expanding quickly. China has vast land area and long agricultural civilization. Along with its unique geographical advantage and cultural heritage, China have created favorable conditions for agricultural production.

In 2002, China and ASEAN signed the China-ASEAN Framework Agreement on Economic Cooperation. Subsequently, the signing of the Early Harvest Plan in 2004 established the first zero-tariff policy on 500 agricultural products, including fruits and vegetables, making agriculture one of the first areas to be opened up. The year 2010 then marked the full completion of the China-ASEAN Free Trade Area.

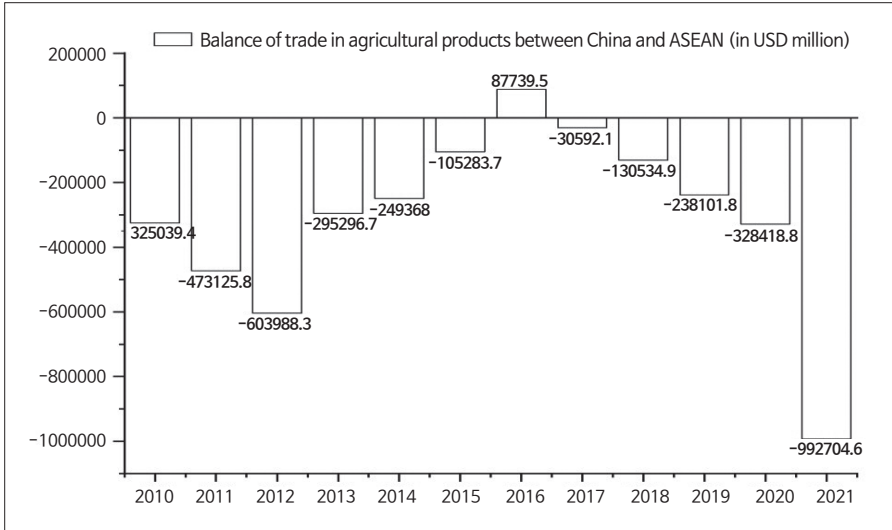
Figure 1 shows statistics from the PRC Ministry of Commerce which indicate that China's trade in agricultural products with ASEAN has increased year-on-year since 2010 (except for 2016),²⁵ growing nearly threefold from USD 1,765,961.5 million (2010) to USD 5,302,509.2 million (2021). Total agricultural trade between China and ASEAN has grown to varying degrees over the 12 years,²⁶ with year-on-year growth averaging approximately 9.57%. Notably, the negative repercussions of the Covid-19 pandemic did not affect the development of China's agricultural trade with ASEAN, which reached USD 430,501.9 million (2020), an increase of 8.07% compared to USD 3,957,401.8 (2019). Therefore, China's agricultural trade with ASEAN might have a firm foundation and is not easily affected by the external environment.²⁷

Figure 1: Total Agricultural Trade between China and ASEAN and Its Year-on-Year Growth (in USD million)²⁸



Another issue that is further highlighted by the growing trade in agricultural products between China and ASEAN is the existence of a deficit.²⁹ According to the statistics in Figure 2 from China's Ministry of Commerce, for example, China's agricultural trade balance with ASEAN in 2010 was USD 325,039.4 million, and after 12 years of trade cooperation, it grew to USD 992,704.6 million in 2021. Notably, the agricultural trade balance of USD 992,704.6 million in 2021 was nearly three times that of USD 328,418.8 million in 2020. Overall, from 2010 to 2021, China's agricultural trade balance with ASEAN shows a decreasing trend, with China only maintaining a trade surplus in 2016. It is thus evident that China cannot avoid a growing trade deficit when deepening its agricultural trade with ASEAN.

Figure 2: The agricultural trade balance between China and ASEAN (in USD million)³⁰



The level of trade development will further increase as China expands its agricultural trade cooperation with ASEAN under the RCEP initiative. However, this may cause the agricultural trade deficit to become larger. A widening trade deficit indicates a reduction in China’s foreign exchange reserves and a weakening of the international competitiveness of agricultural products, thus placing China’s foreign agricultural trade at a disadvantage. Therefore, China should pay attention to the domestic impact of the trade deficit when exchanging agricultural products with ASEAN.

III. STRENGTHS OF CHINA’S AGRICULTURAL TRADE DEVELOPMENT WITH ASEAN UNDER THE RCEP

A. Super-sized Market

China’s mega market is not only large in population, area, and economic volume, but also has a fully developed industrial system, strong growth, continuous upgrading, and substantial scale advantages. China has always been committed

to establishing a unified national market, giving full play to the advantages of a “mega-market.” Moreover, in today’s global economy, markets have become the scarcest resource. A strong domestic market is thus a unique and unparalleled advantage of the Chinese economy. China’s exports to ASEAN countries are mainly labor-intensive agricultural products, such as vegetables (mushrooms, garlic, fungus, onions, etc.), temperate fruits (oranges, apples, pears, etc.), and aquatic products (cuttlefish, squid, etc.). In turn, China imports tropical fruits (durian, bananas, dragon fruit, longan, etc.), palm oil, aquatic products (prawns, catfish, fishmeal for feed, etc.), and rice from the ASEAN nations. With the advantage of a super-sized market, China can further expand its agricultural trade with ASEAN.³¹

B. Complementary Products

In terms of natural conditions, most of the ASEAN region has a tropical monsoon and tropical rainforest climate with high temperatures and rainfall all year round, making it suitable for natural rubber, sugarcane, palm fruit, coconuts, bananas, lychee, longan, and other tropical crops. In contrast, most of China’s arable land is in the temperate zone and mainly used to produce temperate agricultural products. Therefore, China and ASEAN form complementary advantages in exchanging these agricultural products, which is conducive to better agricultural trade between the two.³²

C. Friendly Cooperation

There is huge potential and growing demand for cooperation between China and ASEAN in the processing and upgrading of agricultural chains. For the ASEAN countries, many of China’s agricultural technologies and equipment are not only “good value for money,” but also ahead of them. In recent years, China has carried out demonstration projects in the ASEAN countries in maize cultivation, rubber seedling production, horticultural crop cultivation, feed processing, and pig production. These projects promote excellent crop varieties, agricultural machinery, and cultivation management techniques to achieve increased yields.³³

In addition, at the level of business exchange and interaction, initial results are becoming visible. At present, Chinese “going out” enterprises have built several

food and cash crop production bases and industrial parks in the ASEAN countries, covering the industrial chain of planting, breeding, processing, seed industry, and storage and logistics for agricultural products like grain, aquatic products, fruits, sisal, cassava, and more. At the same time, the two sides have launched the China–ASEAN Science and Technology Partnership Program, which has strongly promoted their agricultural technology cooperation. Under the program, China has held more than 260 agricultural technology and management training courses for ASEAN countries, attracting more than 4,000 ASEAN agricultural management and technical personnel and providing human resource support for regional agricultural development.³⁴

D. Geographical Advantages

The geographical locations of China and ASEAN provide easy access to logistics. For agricultural trade, the preservation of agricultural products is of utmost importance. Therefore, to ensure product freshness, it is necessary for the logistics and transport systems between the two regions to be sufficiently well-developed and advanced. With the ongoing cooperation between China and ASEAN in the field of cross-border cold chain logistics, the promotion of the new land and sea corridor, and the opening of the China-Lao railway, the cross-border transportation time between China and ASEAN will be further shortened, which will also facilitate the development of agricultural trade between China and ASEAN.³⁵

IV. WEAKNESSES IN THE DEVELOPMENT OF AGRICULTURAL TRADE BETWEEN CHINA AND ASEAN UNDER THE RCEP

A. Imperfect Bilateral Trade Mechanisms

From a global perspective, the liberalization of China's agricultural trade is advancing at a rapid pace.³⁶ In this relatively short process, the government's original macro-control system with a strong planning nature has been abolished. In its place, a new control system that can adapt to the requirements of the market economy and international trade rules has just been established. Given its early stage, there are still many imperfections and gaps, especially pertaining ways to

prevent the negative impact of rapid liberalization on related domestic industries. China has an important global position in the agricultural products, but does not have a perfect supporting mechanism for the circulation of these products. While the agricultural products of the ASEAN countries have integrated production, transportation, packaging, and marketing systems, China's agricultural exports have not yet reached this level. Due to the lack of a corresponding quality testing and certification mechanism in the trade process, the quality of China's exported agricultural products is uneven, which seriously affects the reputation of its agricultural products in the ASEAN countries. This is also an important reason why China's agricultural products have repeatedly encountered trade barriers in the global agricultural trade market.³⁷

B. Vulnerability to Natural Disasters

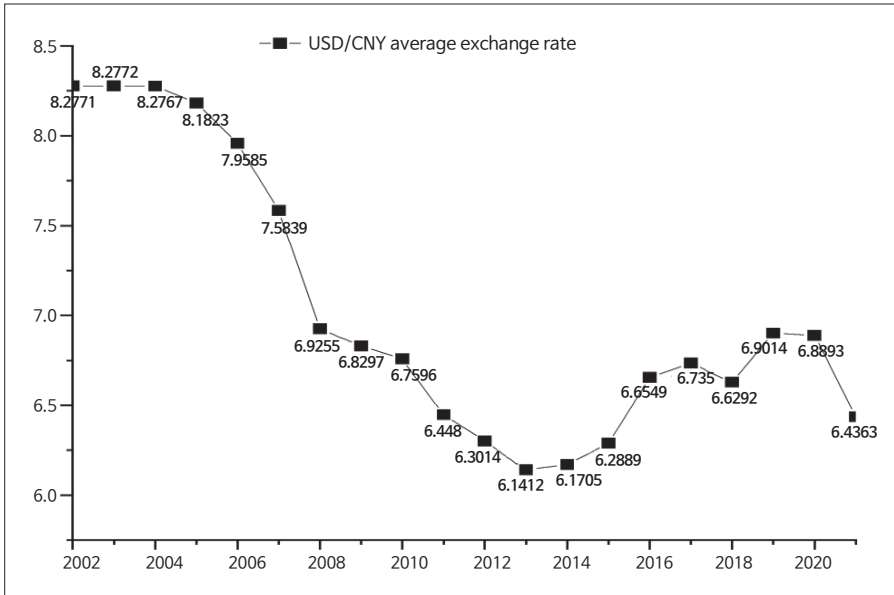
The ASEAN countries are spreading across a region of Southeast Asia that is geographically complex and susceptible to various natural hazards and harsh growing environments, which can be a significant impediment to agricultural cooperation. Southeast Asia is located at the junction of the Pacific Rim Volcanic Seismic Zone and the Mediterranean-Himalayan Seismic Zone, where the probability of volcanic earthquakes is high and difficult to predict.³⁸ In addition, though ASEAN has a large population base, some countries have poor infrastructure and are not well equipped to prevent natural disasters. Natural disasters are extremely destructive to infrastructure, and in the absence of scientific and technological preparedness and resistance to these disasters in ASEAN, only human and material resources can be used to rebuild new infrastructure. Consequently, economic development and agricultural cooperation will lag. In conclusion, although China is actively involved in disaster prevention and mitigation in ASEAN, there remain problems in some areas. Specifically, the cooperation between China and ASEAN is still mainly at the level of seminars and propaganda. Without deeper involvement in practical content, the emergency disaster prevention mechanism is left blank and imperfect while the rescue capacity is relatively weak.³⁹

C. Impact of RMB Exchange Rate Fluctuations on Exports

In theory, if the RMB exchange rate appreciates, China's goods become more

expensive to foreign eyes; thus, the export of agricultural products will decrease. Conversely, if the RMB exchange rate depreciates, the export of agricultural products will increase.

Figure 3 Average RMB Exchange Rate (in USD/CNY) in 2002-21⁴⁰



As can be seen in Figure 3, the RMB to USD exchange rate has risen steadily, particularly since the start of the financial crisis in 2008. At that time, the US dollar suffered rapid depreciation, while the RMB came under intense pressure to rise which was detrimental to China's exports. The RMB's appreciation has increased the price of agricultural production and simultaneously decreased the price competitiveness of Chinese agricultural products in the global market.⁴¹ In addition, with the appreciation of the RMB, six ASEAN countries-Malaysia, Singapore, Thailand, Indonesia, Cambodia, and the Philippines - have incorporated the RMB into their foreign exchange reserves, relying on exports to China to generate additional RMB, which in turn has catalyzed economic growth.⁴²

The cost of exporting agricultural products from China will rise in the short term due to price increases. Subsequently, the price of Chinese agricultural

products will rise in the global market and their competitiveness will decline, which is unquestionably bad for China.

D. Low Value-added Agricultural Products

Although China exports a wide range of agricultural products to ASEAN, most of them are primary products (e.g., grains, meat, eggs, vegetables, and fruits). The low added value of these products weakens the competitive advantage of Chinese agricultural exporters, resulting in low product prices and low profits for enterprises, which demotivates exporters. Moreover, while China's exports are cheap primary agricultural products, its imports are deeply processed agricultural products (e.g., canned food, fruit juices), thereby hindering China's ability to generate income through its agricultural exports. In the long run, this will not only be detrimental to upgrading China's agricultural processing technology, but will also lead to a year-on-year reduction in China's foreign income from agricultural products.

V. OPPORTUNITIES FOR THE DEVELOPMENT OF AGRICULTURAL TRADE BETWEEN CHINA AND ASEAN UNDER THE RCEP

A. Reduction of Tariff Barriers and Greater Scale of Trade

The signing of the RCEP has provided a major impetus to the expansion of agricultural trade between member countries, which are the main targets of China's agricultural trade. In doing so, this agreement helps form an economic partnership that shares dividends. In the past, countries often set high tariff barriers to protect their agricultural products, resulting in a lack of organic complementarity in agricultural advantages. The RCEP's zero tariff breakthrough will facilitate the conversion of extra-territorial trade into intra-territorial trade, strengthen the division of labor in the industrial chain, and reduce costs. China's commitment to the liberalization of agricultural products among RCEP member countries is about 83%, and its commitment to the liberalization of agricultural products such as pineapples, coconuts, and peppers to some ASEAN countries exceeds that of the China-ASEAN Free Trade Agreement. The high commitment to agricultural

liberalization will certainly drive the growth of China's agricultural imports. The expansion in the volume and variety of agricultural imports enables the general public to enjoy more affordable prices and a wider variety of agricultural products to meet the needs of the general public for a better life. Therefore, agricultural exporters should seize the historical opportunity of regional economic integration and further strengthen the cost, quality, and brand of agricultural products to enhance agricultural export scale and improve agricultural development.⁴³

B. Reduction of Non-Tariff Barriers to Promote Equity and Facilitation

More than the visible dividend of direct tariff reduction, the hidden dividend of reducing non-tariff barriers can promote sustainable trade in agricultural products. The RCEP member countries would implement more uniform and transparent rules of origin, technical standards, safety indicators, and customs procedures, which not only standardize intra-regional trade regulations, but also gradually eliminate unreasonable trade discrimination, leading to fairer trade.⁴⁴

Moreover, in the past, there were complicated and cumbersome customs clearance procedures and long transportation times, which had a great impact on fresh produce trade. In this regard, the RCEP has detailed instructions on customs clearance procedures as a whole and adopts methods such as early determination and efficient inspection to shorten customs clearance times towards better trade facilitation.⁴⁵

C. Promotion of Agricultural “Outreach”

The accession to the RCEP has changed the agricultural investment environment and brought a new opportunity for high-level agricultural development to “go global.” The opening up of the agricultural investment sector has had little impact on Chinese agriculture. The Special Administrative Measures for Foreign Investment Access (Negative List) (2020 Version) explicitly states that the proportion of Chinese control over seed production and selection of new wheat varieties shall not be less than 34%.⁴⁶

Meanwhile, the RCEP clearly states that foreign investment in wheat and maize seed production and the selection and breeding of new varieties should be controlled by China. This shows that access rules for foreign agricultural investors in the RCEP are higher than the 2020 version of the negative list. This approach is

conducive to cushioning the possible impact on Chinese agriculture.⁴⁷ On the other hand, the RCEP eases restrictions for its member states, especially the ASEAN countries, to invest in Chinese agricultural enterprises.

D. Stronger East Asian Economic Linkages

The RCEP is a combination of bilateral free trade agreements already in place within the East Asian region. Although the Agreement falls short of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), it still largely reduces the cost of intra-regional trade in East Asia. Regional economic integration is primarily comprised of six organizational levels, namely preferential trade agreements, liberalized trade zones, customs unions, common markets, economic unions, and full economic integration. Overall, the signing of the RCEP will deepen economic ties in East Asia, and the liberalization of rules relating to agriculture, such as tariff exemptions and agricultural investment areas, will accelerate the construction of an integrated agricultural trade pattern in the region.⁴⁸

VI. THREATS TO THE DEVELOPMENT OF AGRICULTURAL TRADE BETWEEN CHINA AND ASEAN UNDER THE RCEP

A. Unstructured Agricultural Trade and Regional Value Chains for Agricultural Products

In agricultural trade, countries have always focused on protection and barriers. Under the RCEP framework, however, the member countries are opening up to their maximum extent. As the world's largest free trade area, the RCEP will provide member countries with a broad regional market for agricultural trade. On the one hand, ASEAN has the advantage in grains, fruits, and vegetables. On the other, China is rich in natural resources, but its agricultural exports to RCEP partner countries are relatively concentrated and homogeneous, with a large proportion being primary agricultural products with low added value and limited technological content. This directly leads China to become even more of a large supplier of primary agricultural products after the RCEP is launched.⁴⁹

Moreover, labor-intensive, processed agricultural products are losing their international competitive advantage due to the rise in China's domestic labor costs. At the same time, China's agricultural imports tend to be concentrated on high-value-added or land-intensive products. This trade structure has led to an increased trade deficit that is likely to widen as the RCEP progresses. As a result, this poses a significant challenge in terms of how to position China's advantages in the RCEP's agricultural trade, guide the development of advantageous agricultural products, and actively reshape China's regional value chains for agricultural products.⁵⁰

B. Intense Competition

The RCEP further pushes the competition for agricultural products at the regional stage. With the economic development and the improvement of people's living standards, mastering the production technology of high-end agricultural products will become the key to future agricultural trade.⁵¹ The zero tariff policy and the regulatory transparency of the RCEP enables the high-end agricultural products of other member countries to enter the Chinese market smoothly and on a large scale. Consequently, the RCEP introduces numerous low-priced and high-quality products into the market, which will greatly affect China's already unsustainable advantage.

C. Inadequate Quality and Safety Systems

The RCEP brings stricter standards to the forefront while establishing more transparent and uniform trade rules to achieve fair trade. China's inadequate quality and safety system for agricultural products will thus become a more serious problem. Compared to countries with strict quality controls and specific regulations, China has more serious problems with excessive pesticide residues and frequent food safety incidents. Although attempts have been made in recent years to comprehensively regulate quality standards through various regulations and public monitoring, the difficulty of standard setting, the scope of integration, and the number of regulatory targets are substantial. As a result, China's agricultural product quality and safety system still lags far behind that of leading countries.⁵²

D. Increase in China's Agricultural Trade Deficit with ASEAN

In terms of agricultural export subsidies, the RCEP agreement states that first, the Parties reaffirm the commitments made in the Ministerial Decision on Export Competition of December 2015 (WT/MIN(15)/45, WT/L/980),⁵³ which includes a multilateral framework for eliminating the planned right to use export subsidies on agricultural products. Second, the Parties should cooperate to avoid the redistribution of export subsidies for agricultural products in any form and decrease agricultural tariffs as agreed.⁵⁴ Thus, with the enforcement of the RCEP, the degree of agricultural trade liberalization within the region will increase significantly. China's trade in agricultural products with ASEAN, on the other hand, indicates a widening trade deficit. With the increasing liberalization of trade in the RCEP and the weak competitiveness of Chinese agricultural products, the trade deficit between China and ASEAN in agricultural products will further deepen, resulting in the unbalanced development of China's agricultural trade under the RCEP.⁵⁵

VII. DEVELOPMENT RESPONSE

A. Improvement of Competitiveness and Brand Strength

While the implementation of the RCEP underscores several problems in China's agricultural trade, it also brings unlimited opportunities. In the face of the new, more open and highly competitive international environment, China's agricultural products need to gradually improve their core competitiveness. The first step is to internalize the RCEP rules and transform them into domestic safety standards for agricultural products so as to meet basic external requirements and correct the misconception that producers are blindly pursuing volume. The second step is to increase the added value of products through all aspects of pre-production, production, and post-production, mainly by relying on Chinese characteristics and leveraging the comparative advantages of agricultural products. The third step is to strengthen brand building by creating an internationally known Chinese brand and increasing its influence in RCEP member countries, rather than just surrendering to the stereotype of a vast market. In addition, China must provide uniform training for agricultural enterprises and promote the development of each advantageous variety in tandem through exchanges and demonstrations.⁵⁶

B. Optimization of Layout and Diversification of Trade

Although China's total trade volume is the highest among the RCEP member countries, the breakdown of product categories reveals that its internal structure is not reasonable and there is a perennial trade deficit with some countries. In the face of the greater trade opportunities brought about by the RCEP, China should optimize its trade layout. In the other sense, however, it should pay attention to the layout of agricultural imports and exports as well as enhance its core competitiveness in agricultural products. Then, it should give full play to its advantages in agricultural products by shifting from primary agricultural products to medium and high-end agricultural products, increasing the technological content of its exports, and looking for new growth points. At the same time, China should seek to diversify its importing countries to avoid being held back. This includes objectively recognizing the heterogeneity of member countries and attaching importance to sub-country trade management for each country. For countries with large perennial trade but little potential for growth, new trade patterns can be explored, for example, in terms of efficiency in trade transport and product identification. Meanwhile, countries with high trade potential and market demand need to be further explored through talks and field trips.⁵⁷

C. Greater Transformation and Policy Support

Improving the efficiency and quality of agricultural products essentially improves the level of agricultural technology. China's long-standing tradition of intensive farming stems mainly from its basic national conditions. In the new era and new situation, however, it is imperative to seek a path of agricultural development with Chinese characteristics to achieve agricultural transformation. On the one hand, it is necessary to enhance the scale of agricultural production, integrate agricultural resources through land transfer and cooperative operations, and promote economies of scale as well as production efficiency. On the other hand, it is critical to recognize that China is different from countries such as Australia and the model of large farms cannot be fully replicated.⁵⁸

Therefore, it is necessary to make agricultural production technologically advanced, to drive agricultural production efficiency through technology, and to increase the proportion of high-end agricultural products. China is still a agricultural country, though agriculture itself is a relatively weak industry that

needs government support. Therefore, the Chinese government needs to start from the whole agriculture chain and gradually introduce support policies to ensure the development of agriculture in all aspects. It should also focus on subsidies for agricultural science and technology talents and skills training for agricultural workers, in order to fully mobilize agricultural workers and achieve sustainable agricultural talent.⁵⁹

D. Enhancement of Cooperation for A Win-Win Situation

In the context of the current double cycle, China needs to promote supply-side reform in agriculture based on domestic demand while balancing domestic and external demand. The RCEP will engender an unprecedented level of cooperation between regions. China must actively communicate with other member countries to promote the improvement and implementation of the specific rules of the RCEP, in line with the original intention of complementing each other's advantages and maximizing regional benefits. Concurrently, China needs to dovetail the "Belt and Road" construction with the RCEP member countries to share the double dividends. The exchange of trade is not only about products, but also about technology and humanities. China thus needs to strengthen policy communication with other member countries and seek common interests and ideas through private visits. This would reduce trade friction and integrate the country into the RCEP partnership with a more open attitude.⁶⁰

VIII. SUMMARY AND CONCLUSION

Through the SWOT method, this study has analyzed the growth of agricultural trade between China and ASEAN under the RCEP. The findings demonstrate several benefits to business between the two regions. China and ASEAN have a strategic position with favorable transportation options, sizable markets with great market potential, and complementary products. These factors have led to active collaboration between China and ASEAN in the agricultural trade sector.

The SWOT analysis detects the internationalization of trade, the imperfect bilateral trade mechanisms between China and ASEAN, the susceptibility of ASEAN agricultural products to natural disasters, the low added value of China's

agricultural products, and the impact of RMB exchange rate fluctuations on agricultural trade between China and ASEAN as the Chinese economy grows are all drawbacks to China-ASEAN agricultural trade. Nonetheless, the RCEP reduces tariff and non-tariff barriers, which presents several opportunities such as fairness, expansion of agricultural trade, the “going out” of agriculture, and stronger economic ties across East Asia. The following are the threats to China’s trade with ASEAN: the RCEP will aggravate the unreasonable product structure; promote fierce agricultural product competition between China and ASEAN; highlight the imperfect quality and safety systems of Chinese agricultural products; and ultimately lead to the further widening of the trade deficit between China and ASEAN. To further promote the development of China’s agricultural trade with ASEAN under the RCEP, corresponding countermeasures are proposed to alleviate possible disadvantages, problems, and threats. These measures include: improving the competitiveness of agricultural products and strengthening brand building; optimizing the layout of product structure to achieve trade diversification; deepening transformation and policy support; and strengthening cooperation to achieve a win-win situation.

In view of China’s economic development, the continuous integration of the world economy, and the increasing demand for material living standards, the RCEP will elicit unprecedented cooperation in agricultural trade between regions. Trade is not only an exchange of products, but also that of technology and humanity. Efficient and stable agricultural cooperation and exchange between China and ASEAN countries will not only drive Chinese enterprises to invest in ASEAN countries and promote the extension of the agricultural investment value chain, but will also help ASEAN agricultural products expand their export channels, enhance the rapid development and modernization of agriculture on both sides, and build a closer China-ASEAN community of destiny.

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