The World Economy's Centre of Gravity Shifts to Asia: The Forty-Fourth Newsletter (2025)

Nguyễn Phan Chánh (Vietnam), *Market Scene*, 1937.

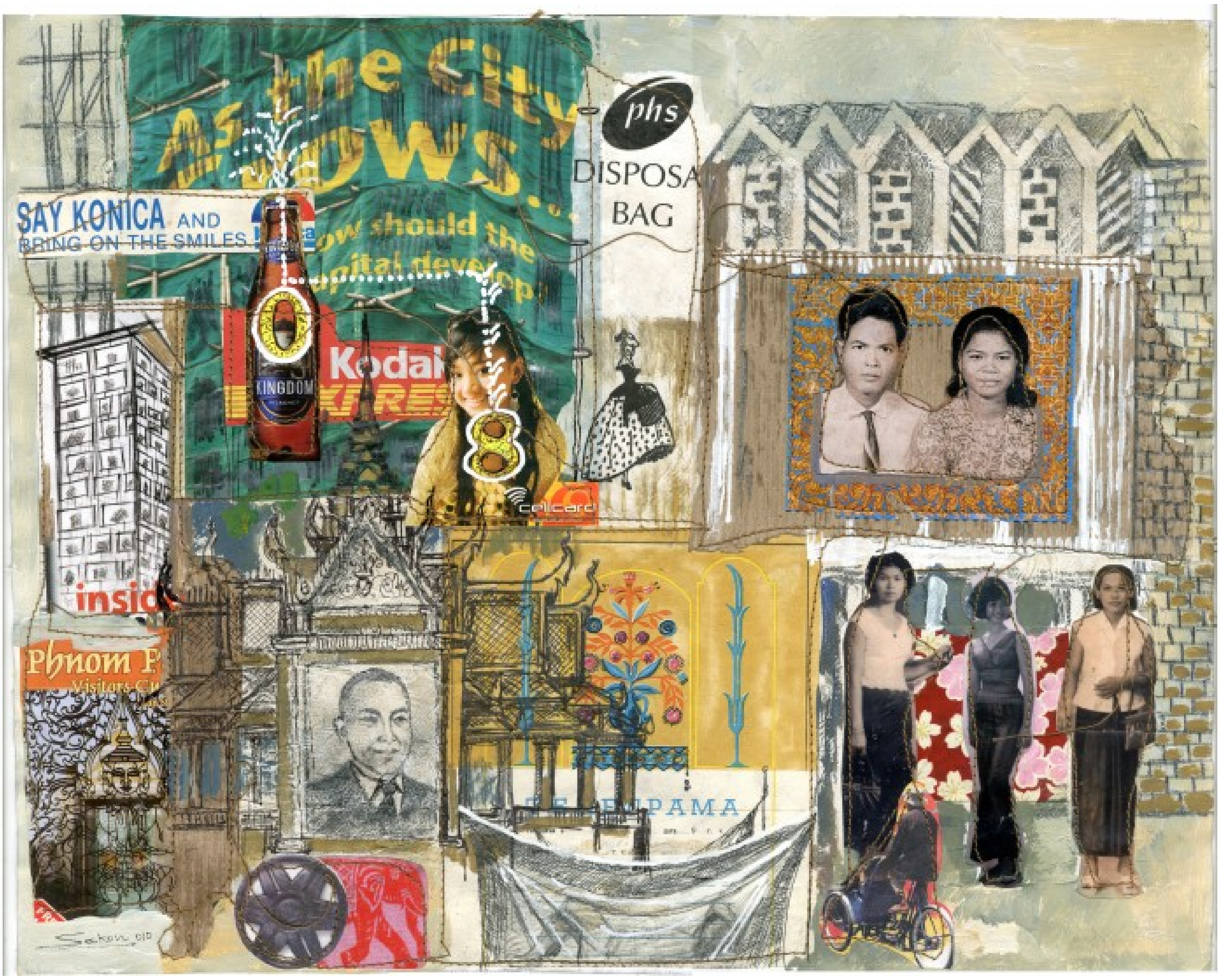
Dear friends,

Greetings from the desk of **Tricontinental: Institute for Social Research**.

On the last day of October 2025, leaders from the 21 nations of the Asia-Pacific Economic Cooperation (**APEC**) forum will meet in the city of Gyeongju in the Republic of Korea (South Korea) for the organisation's 33rd summit. Since its founding in 1989 in Canberra, Australia, APEC has promoted building a zone of 'free and open trade' – a concept outlined by the Bogor Goals, which came out of the **summit** in Indonesia in 1994.

APEC is a creature of its times. First, it emerged as an instrument of Japan's Pacific Economic Cooperation Council with the goal of building regional supply chains after the Plaza Accord (1985) appreciated the yen against the dollar. Second, it was designed during the Uruguay Round (1986–1994) of the General

Agreement on Trade and Tariffs, which ended with the formation of the World Trade Organisation. This was the era of trade liberalisation, when the United States and its G7 partners – flush with the sense that History had ended and that every country would orbit the US for eternity – pushed countries to open their economies to North Atlantic and Japanese corporations. The US hoped that the Maastricht Treaty (1993), which created the European Union, would lead to a transatlantic free trade agreement (though this never happened) and that the North Atlantic Free Trade Agreement (1994) would yoke Canada and Mexico to the US in perpetuity.



Leang Seckon (Cambodia), *The New Phnom Penh*, 2010.

For years, the US came to APEC summits and pushed for a free trade area that would allow its corporations to dominate the region. The Bogor Goals of 1994 were meant to serve this purpose, but they failed for various reasons – including internal fears that Asia's growing industrial prowess would outcompete the US. In 2005, four countries (Brunei, Chile, New Zealand, and Singapore) signed the Trans-Pacific Strategic Economic Partnership agreement, which added eight more countries (Australia, Canada, Japan, Malaysia, Mexico, Peru, the US, and Vietnam) by 2013. But it was too little, too late. The financial crisis of 2008 sent a tremor through the Global South, which came to recognise the fragility of the North Atlantic economies and the need to build a South-South trade and development alternative.

In 2007, the eve of the financial crisis, China was already the third-largest economy in the world. In 2010, it overtook Japan to become the second-largest economy. Today, China is the largest trading partner of most countries in the Asia-Pacific, including 13 of the 21 APEC countries. After the 2008 financial crisis, the Pacific Rim countries deprioritised pursuing a free trade agreement with the US. And when US President Donald Trump withdrew his country from the Trans-Pacific Partnership in 2017, the remaining countries continued discussions without Washington at the table. Ten out of the eleven signatories of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which emerged from these discussions, were APEC members.

Kim In Sok (Democratic People's Republic of Korea), *Rain Shower at the Bus Stop*, 2016.

At a 2011 summit of the Association of Southeast Asian Nations (ASEAN), some members discussed the possibility of an Asia-centric free trade agreement. Negotiations proceeded with the confidence that ASEAN's ten members – plus China and India – would anchor a significant trade network. India eventually dropped out, but all ten ASEAN countries, as well as China, Japan, South Korea, Australia, and New Zealand, remained in the process. In 2020, these countries signed the Regional Comprehensive Economic Partnership (RCEP) – the largest trading bloc in the world with almost a third of the world's population (2.3 billion) and 28% of the world's Gross Domestic Product (GDP). By comparison, the European Union accounts for about 18% of world GDP, while NAFTA accounts for roughly 30% of world GDP. The RCEP accomplished a form of 'free and open trade' – what APEC aspired to achieve with its Bogor Goals – while the US remained isolated.

But the US retains at least two instruments to exercise power in the Asia-Pacific: APEC, which is less an economic forum and more an instrument for the US to discipline its Asian allies, and **Rim of the Pacific** (RIMPAC), which is its military arm. RIMPAC was created in 1971 as part of the Cold War architecture against the Soviet Union but has morphed into a mechanism to exert naval power against China and other sovereign-seeking countries. RIMPAC, which is organised by the US Navy's Indo-Pacific Command and headquartered in Hawai'i, now includes Israeli military assets. This should create problems for members such as Colombia, Chile, and Malaysia, which have taken strong positions against the ongoing Israeli genocide against Palestinians. All APEC countries participate in RIMPAC except China, Russia, and Vietnam (China participated until it was excluded in 2018).

The overlap between the membership of APEC and RIMPAC reveals the US attempt to exercise hegemony through *economic consent* (APEC, which coordinates the economic circuits of capitalism) and *military coercion* (RIMPAC, which secures the military conditions for that economic order). While APEC appears to be merely about investment, supply chains, and the digital economy, it is in fact a mechanism to ensure that the US – with at least 260 military bases and rotational sites, from Australia's RAAF Base Darwin to Japan's Kadena Air Base, and with the RIMPAC military manoeuvres – remains the dominant power in the region. The US strategy to contain China is now firmly anchored in the APEC-RIMPAC dynamic. Unable to contest the economic buoyancy of China and its neighbours, the US resorts to military and diplomatic pressure campaigns.

Rodel Tapaya (Philippines), *Alamat ni Lam-ang* (Legend of Lam-ang), 2012.

The summit in South Korea will be enveloped by mass demonstrations led by trade unions of industrial and agricultural workers, human rights groups, and student organisations. There will also be pockets of ultra-nationalist supporters of former President Yoon Suk Yeol (2022–2025) of the right-wing People Power Party, who declared martial law in 2024. But these groups will not shape the bulk of the demonstrations, which are for the creation of a people-centred economy in South Korea and against the attempt to use the APEC summit to entrench the country's political elite who remain shaken by the fall of Yoon.

Hun Kyu Kim (South Korea), *Draft of Long Long Summer*, 2017.

As the world economy's centre of gravity shifts to Asia, the US will use every possible means to assert itself. But it simply does not have the tools to dominate as it once did. One productive use of APEC is that it provides a platform for US and Chinese leaders to meet at a time when spaces for bilateral dialogue are shrinking. This is why the media's focus has been on the meeting between Trump and China's President Xi Jinping.

In 2013, President Xi used the phrase 'community with a shared future for humanity' (人类命运共同体), which entered the 2017 Constitution of the Communist Party of China. At the 2014 APEC summit in Beijing, Xi said that the Asia-Pacific should not become 'an arena of competition' but should be the location for 'a community of common destiny'. Chinese officials began to speak of an 'Asia-Pacific community with a shared future' (亚太命运共同体), which echoed the 2013 phrase. The essence of these phrases is that Asian countries should not strive for bloc politics or military alliances but should be open to dialogue with everyone and build platforms that uphold the dignity of all peoples. While these are interesting phrases, their noble sentiments can only be realised in the actual process of history – when people across the region see their lives improve through peace and development.

Warmly,

Vijay