



China and Taiwan Both Seek to Join the CPTPP

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On September 16, [China announced it had formally submitted](#) a request to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the trade-opening agreement formed among 11 members of the Trans-Pacific Partnership (TPP) following U.S. withdrawal from the TPP in 2017. On September 22, [Taiwan formally submitted](#) an application to join CPTPP, as a [separate customs territory](#), in a similar approach as it used to [join the World Trade Organization \(WTO\)](#) in 2002. China's ability to join CPTPP faces questions over its intent to comply with or accept CPTPP rules, while Taiwan's bid faces various political constraints. Both bids raise issues for the United States and Congress regarding the United States' trade leadership and economic role in Asia. China is also a member of the 15-member [Regional Comprehensive Economic Partnership Agreement \(RCEP\)](#) concluded in 2020.

CPTPP

In 2016, after several years of negotiation originating under the George W. Bush Administration, the Obama Administration signed the TPP together with 11 Asia-Pacific countries. The United States led the negotiation of TPP provisions to eliminate tariff and nontariff barriers and establish enforceable rules on digital trade, investment, government procurement, intellectual property rights (IPR), state-owned enterprises (SOEs), labor, and environment (see [CRS analysis on TPP](#)). The agreement was not submitted to Congress for approval. [President Trump withdrew the United States](#) as a signatory in 2017, citing an intention to focus on bilateral negotiations, among other issues.

The 11 remaining members created the [CPTPP](#), a legal instrument that incorporates the TPP text, except for certain administrative provisions (e.g., accession, entry into force, withdrawal), and suspends 22 substantive TPP trade commitments (e.g., IPR provisions on biologics). CPTPP countries also agreed to certain additional country-specific exemptions; for example, a side letter [grants Vietnam a five-year exemption](#) from dispute settlement regarding cross-border data flows.

The CPTPP entered into force among Australia, Canada, Japan, Mexico, New Zealand, and Singapore in 2018, for Vietnam in 2019, and for Peru in 2021. The remaining signatories (Brunei, Chile, and Malaysia) have not ratified the agreement. In 2019, the parties established a [CPTPP accession process](#). To date, the United Kingdom, China, and Taiwan, have submitted accession requests, all in 2021.

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Next Steps and Prospects for Accession

CPTPP accession requires the unanimous consent of its members to begin market access negotiations (the [UK recently received such approval](#)). If negotiations proceed, CPTPP parties determine whether an applicant is qualified to join based on its market access offers and demonstrated ability to adhere to CPTPP rules. Such approval for China may be difficult given global concerns about its trade practices, economic coercion, and industrial policies. Officials from [Australia](#) have highlighted trade frictions with China as a potential hurdle, and [Japanese officials](#) have questioned China's ability to adhere to CPTPP commitments. Taiwan's economic policies may be more aligned with CPTPP criteria, but its participation faces significant political challenges.

The CPTPP contains provisions contrary to China's current policies and practices. Such provisions include limitations on SOE activity and subsidies, restrictions on [requirements to localize data](#), and requirements to [open government procurement](#) to foreign competition—provisions that China is [unlikely to meet](#) without significant changes to its recent laws, including on [data security](#) and [government procurement standards](#). Taiwan's application [challenges broader efforts by the Chinese government](#) to restrict Taiwan's participation in international organizations and multilateral agreements. In the case of the WTO, this political challenge was overcome through contemporaneous consideration of both China and Taiwan's participation and consideration of Taiwan as a separate customs territory.

Potential Implications for U.S. Trade Policy

China's formal accession request and potential CPTPP participation, alongside Taiwan's, may have implications for how countries view U.S. trade and economic leadership and U.S. influence in developing new trade rules. The United States is not involved in any current major Asia-Pacific regional trade agreements or negotiations. TPP proponents argued that the U.S. withdrawal from TPP [ceded U.S. leadership](#) in developing new trade rules, particularly in areas where trade barriers are of increasing concern and where comprehensive multilateral rules and disciplines do not currently exist (e.g., [SOEs](#) and [digital trade](#)), though TPP critics [questioned this premise](#). [Some Members](#) and [observers](#) have urged the Biden Administration to join the CPTPP arguing this will advance U.S. trade and economic engagement in Asia and ensure U.S. priorities continue to shape regional trade rules.

The Biden Administration has stated it [would not join the CPTPP](#) in its current form. The Administration reportedly may instead focus on a [potential digital trade agreement](#) among key U.S. trade partners in the region, though it has not announced such plans to date.

Some trade policy experts caution that [China's economic influence could potentially persuade](#) CPTPP members to weaken the current agreement's standards in exchange for greater access to China's market. Others suggest that China's application, which China's [leaders claim is driven](#) by a desire for more substantive multilateral engagement on trade, may reflect a [desire to fracture perceived containment strategies](#) among the United States and its allies within the CPTPP, such as Japan.

China and Taiwan adhering to CPTPP rules and agreeing to liberalize their tariffs in line with existing CPTPP commitments (i.e., [99% tariff elimination](#)) could have mixed economic impacts for the United States. Such an outcome could result in domestic reforms in China long sought by the United States. It also could put U.S. firms at a competitive disadvantage in China, Taiwan, and certain CPTPP markets.

The impact of China and Taiwan's CPTPP accession requests may depend on their intent and the interpretation and response of CPTPP members and the United States. Questions for Congress as it considers these scenarios include:

- What are the costs and benefits to the United States of participating or not participating in significant regional trade liberalization and rules-setting initiatives involving major U.S. trading partners?
- How important is it for U.S. priorities to shape regional trade and investment rules and what are the most effective tools to achieve this?
- How does the expiration of U.S. [Trade Promotion Authority \(TPA\)](#) affect the advancement of future U.S. trade agreements?

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