

Forming a Mega-Competitive QUINTET : Place of China and India

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Abstract

The traditional TRIAD Power anchored by Japan, USA[NAFTA], Germany[EU-4] - referred to here as JUG - boasting the three largest global economies for over three decades, is now joined by the powerhouses of China and India to form the QUINTET. During the last 30 years the weight of the world economy has gradually shifted from the USA and industrial giants of Europe [EU-4] to Japan, signifying the concentration of economic and trade prowess in a TRIAD, which currently is reshaped

by emerging mega-competitive China and India. The paper examines the roles and concentration of economic power in a QUINTET that will guide the distribution of a larger share of world output [GDP], global trade, investment flows, mergers and acquisitions and foreign exchange reserves featured by the sum of competitive advantages of the QUINTET vs. TRIAD. QUINTET's power has resulted in advancing Free Trade Agreements [FTAs] in this e-global age where technologies and information flows are borderless. The paper also identifies the raison d'être for Free Trade Agreements, growth of Regional Economic Cooperation [REC] - APEC's success as a New Model and SAARC's constraints to form a FTA, economic impact of FTAs and policy implications for the respective FTA countries, and the rest of the world. The RECs and FTAs in effect are portrayed to highlight the comparative geographic and economic profiles along with the United Nations and countries of the TRIAD and QUINTET. The expanding global FTA network is pushed by the lagging WTO talks. Also included are Brazil, Russia, India, China, Korea and

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South Africa [BRICKS]. The continued proliferation of RECs and FTAs as they join the mega-competitive global marketplace is also noted.

Keywords: TRIAD = Japan + USA [NAFTA] + Germany [EU-4]; JUG = Japan + USA + Germany, QUINTET = TRIAD + China + India, Emerging Markets, Regional Economic Cooperation [REC] Free Trade Agreements [FTA] APEC; SAARC; ASEAN; BRIC = Brazil + Russia + India + China, BRICKS = BRIC + Korea + South Africa

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