Davos

Davos marks the emergence of a confident, strong China

by Charles Riley @CRrileyCNN

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Davos has a new star.

Xi Jinping is set to become the first Chinese president to attend the World Economic Forum's annual gathering high in the mountains of Switzerland.

It's a visit rich in symbolism: Beijing is positioning itself as a global leader at a time when Western powers, and especially the United States, are retreating from the world stage.

The Davos meeting coincides with the formal handover of power in the U.S. Donald Trump will be inaugurated as president on Jan. 20, the final day of the forum.

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influence through trade initiatives.

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China's political heavyweights avoided Davos in 2016. One of the few officials who went, financial regulator Fang Xinghai, spent much of his time defending Beijing's botched response to a stock market crash.

What a difference a year makes. In June, Britain voted itself out of the European Union. Then Hillary Clinton lost the U.S. presidential election to Trump, a political neophyte who has questioned many of the key principles that have underpinned the world order for decades.

"President Xi's appearance in Davos is indicative of China's desire to signal that it is ready for constructive engagement in global governance and to take on a leadership role consistent with its economic might," said Eswar Prasad, the former head of the International Monetary Fund's China division.

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During the election campaign, Trump blasted international trade deals, tapping into a deep well of popular anger over globalization. Now, the president-elect could try to kill the huge U.S.-led Pacific trade agreement that he has described as a "disaster done and pushed by special interests who want to rape our country."

China isn't waiting around for the funeral. It's already pushing its own free trade deal with leaders from around the Pacific. Its competing initiative -- the Regional Comprehensive Economic Partnership -- covers 16 nations, accounting for almost 30% of global GDP and more than a quarter of world trade.

Frustrated by a relative lack of influence at the World Bank (a U.S.-based institution) and the Asian Development Bank (where Japan is a major force), Beijing has also spent billions of dollars to establish a new infrastructure bank.

"As countries around the world take stock of what a Trump presidency could mean for their relations with the U.S., China is seeking to position itself as a mature, trustworthy power that is open to closer bilateral relations and also to a broader leadership role in the international community," said Prasad, who is now a professor at Cornell University.

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The power players gathering in Davos will be trying to make sense of these changes -- and how to respond. Indeed, the theme of this year's meeting is "Responsive and Responsible Leadership."

But with European standard bearer Germany sitting out the conference (Chancellor Angela Merkel faces tricky elections later this year), and the U.S. focused squarely on Trump, that hands China an opportunity to pick up the mantle of leadership.

"China is positioning itself to fill in any void left by the U.S. in terms of global leadership," said Prasad.

-- Jethro Mullen contributed reporting.

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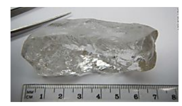

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