

# Theoretical Connotations and Path Selection for Building China's Global Commodity Partnership

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## Abstract

Currently, global commodity prices are fluctuating wildly, and the global supply chain has experienced multiple disruptions, highlighting its vulnerability and backwardness. This has further intensified issues such as global food and energy security. At the 2022 G20 Summit, China first proposed the initiative to establish a Global Commodity Partnership, representing an innovation in China's construction of sector-specific partnerships and an important way for China to weave its global partnership network. The study aims to examine the strategic significance, implementation pathways, and challenges associated with the Global Commodity Partnership initiative, emphasizing its potential to enhance global supply chain stability and address key global concerns, such as food and energy security. To achieve this, the research employs a qualitative methodology, utilizing case studies of existing international cooperation frameworks and initiatives such as the "Belt and Road" Initiative and the Regional Comprehensive Economic Partnership (RCEP). Additionally, policy analysis is conducted to assess China's alignment with international organizations, including the United Nations, the World Trade Organization, and the Food and Agriculture Organization. The implementation path for the Global Commodity Partnership involves relying on international multilateral organizations, strategically aligning with the United Nations, the World Trade Organization, the Food and Agriculture Organization of the United Nations, and others to jointly promote strategic cooperation in commodities; promoting international cooperation in commodities through "initiatives" and "agreements," proposing and implementing initiatives such as the "Belt and Road" Initiative, the "Global Development Initiative," and the "International Initiative on Cooperation for Food Security," signing economic and trade cooperation agreements like the Regional Comprehensive Economic Partnership (RCEP), and building digital commodity trading platforms, commodity intelligence centers, and digital service plat-

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forms for international commodity trade. In the future, to establish the Global Commodity Partnership, China needs to strengthen coordination, cooperation, and dialogue mechanisms in global commodity trading.

### Keywords

Commodity Partnership, Global Partnership Network, Global Supply Chain, The Belt and Road Initiative

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## 1. Introduction

The commodity market is an indispensable part of the international market, and commodity trade constitutes a significant component of global trade. Commodities primarily include metal products such as crude oil, coal, copper, and iron ore, as well as agricultural and sideline products like wheat, corn, and soybeans, along with non-renewable energy sources within food and energy. Due to characteristics such as large supply and demand bases, high standardization, ease of storage and transportation, relatively volatile price fluctuations, and generally good market liquidity, the commodity trading market is susceptible to a wide range of factors including natural disasters, unexpected events, supply and demand dynamics, and seasonal changes. China is a major producer, consumer, and trader of commodities, and the growth of the Chinese economy continuously drives external demand for commodities.

On July 8, 2022, Chinese State Councilor and Foreign Minister Wang Yi, during the G20 Foreign Ministers' Meeting, first proposed the establishment of a "Commodity Partnership" to address food and energy security issues. This initiative was aimed at urging the G20 to shoulder its responsibilities in this regard. Later in October of the same year, the 20th National Congress of the Communist Party of China highlighted the importance of strengthening security capacity building in key areas, including ensuring the security of food, energy resources, and critical industrial chains and supply chains, as one of the key measures to enhance national security capabilities.

On November 16, President Xi Jinping, in his assessment of the nature of international food and energy security issues, formally stated that "food and energy security are the most urgent challenges in the field of global development. The root cause of the current crisis lies not in production and demand issues, but in problems with the supply chain and interference in international cooperation." He further proposed that "the solution lies in countries strengthening cooperation on market regulation under the coordination of multilateral international organizations such as the United Nations, building a Commodity Partnership, constructing an open, stable, and sustainable commodity market, and jointly ensuring smooth supply chains and stable market prices." Since then, the establishment of a Commodity Partnership has been formally placed on the agenda.

The Commodity Partnership represents the latest expansion of China's horizontally woven global partnership network. China's construction of the global partnership network exhibits characteristics of both vertical hierarchy and horizontal domain interweaving (Zhai, 2022). The vertical hierarchy refers to the establishment of different levels of partnerships between China and various countries and regional organizations. The horizontal domain interweaving is the partnership that China has established in different fields in response to various issues in international development and global governance. This horizontal domain-based partnership is a new trend and characteristic of China's construction of the global partnership network. American scholar Evan Medeiros believes that China's partnerships are fundamentally different from those of the West. China's partnerships are comprehensive, encompassing all aspects of bilateral relations such as economics, culture, politics, and security, rather than focusing solely on security and military alliances (Medeiros, 2009).

## **2. The Essence of the Commodity Partnership**

### **2.1. The Key Roles of Establishing the Commodity Partnership**

The subjects and objects of the Commodity Partnership differ from the buyers and sellers in commodity trading. The buyers and sellers of commodities are generally large-scale enterprises, and the transactions occur between businesses, which is referred to as commodity trading. Commodity trading has its specific trading venues, and the most widely traded commodities have well-established markets, with approximately 50 major commodity exchanges globally. This also reflects the financial attribute of commodities, where commodity derivatives such as futures and options can be traded as financial instruments to discover prices and hedge against price risks. However, the subjects and objects of the Commodity Partnership are not limited to transactions between businesses. As the proposer and initiator of the "Commodity Partnership," China is the main subject in establishing this partnership. The objects of the Commodity Partnership primarily include national actors within the international system (especially developing countries), regional organizations (such as ASEAN, AU), international organizations (like the G20, WTO, IMF), private enterprises and foreign enterprises.

Furthermore, different roles have different functions. Regional organizations are crucial in supporting the implementation of the Commodity Partnership within their respective regions. These organizations can act as intermediaries, promoting intra-regional trade, ensuring regulatory alignment, and offering a framework for cooperation between member countries. They will also play a role in fostering regional stability and harmonizing standards and policies to facilitate smoother trade flows. International organizations will provide institutional support and create frameworks for cooperation. These organizations could help ensure that the partnership aligns with international trade regulations and broader economic governance structures. Their role might involve facilitating dialogue, monitoring compliance, and resolving disputes among members. Private enterprises are key drivers of the Commodity Partnership's operations, especially multinational corporations

and large-scale companies in sectors like energy, agriculture, and technology. These businesses will likely take part in facilitating trade, investment, and the establishment of long-term commodity supply chains. They provide expertise, innovation, and infrastructure necessary to streamline the movement of commodities across borders. In some cases, these enterprises will also play a role in the development of financial instruments (such as commodity futures and options) linked to the partnership to mitigate risks and enhance market liquidity. Foreign enterprises may also participate. These companies could serve as investors, suppliers, or end consumers of commodities. Their involvement could bring capital, innovation, and technology to help optimize supply chain processes and enhance overall efficiency.

In summary, the Commodity Partnership is a multi-stakeholder initiative that brings together not only businesses but also regional and national governments, international organizations, and private enterprises. This structure allows for a more inclusive and flexible framework compared to traditional commodity trading, offering a broader avenue for cooperation and global trade management.

## **2.2. The Essential Attributes of the Commodity Partnership**

The Commodity Partnership is a dynamic and innovative concept aimed at addressing critical global challenges related to food and energy security, as well as the ongoing instability in the global supply chain. Its core attributes stem from a blend of relational and substantive principles that build on existing frameworks of international cooperation while addressing specific challenges faced in the global commodity markets. This partnership goes beyond traditional bilateral agreements, evolving into a more comprehensive and specialized global network. Below, we explore the essential attributes of the Commodity Partnership, based on relational, institutional, and operational considerations.

At its core, the Commodity Partnership reflects the relational attributes of a diplomatic network. A partnership, in this sense, is a bilateral or multilateral relationship where countries engage based on mutual interests and shared goals, yet without binding political alliances. This “non-alignment” characteristic is fundamental to the Commodity Partnership, as it does not align with any particular political bloc or strategic alignment. Instead, the partnership facilitates dialogue and collaboration between a diverse set of countries, including both developed and developing nations, as well as regional organizations.

China’s role in proposing and driving the Commodity Partnership reflects its broader diplomatic strategy to build a global network of partnerships with over 170 countries. This strategy aligns with its vision of creating inclusive, flexible cooperation frameworks that transcend ideological boundaries, thereby fostering broad-based participation in solving global issues. By focusing on win-win outcomes, the Commodity Partnership exemplifies the diplomatic positioning aimed at enhancing economic cooperation while respecting the sovereignty and diversity of participating nations.

From the essence of the relationship, the Commodity Partnership is fundamentally

a global partnership that adheres to the principles of “win-win cooperation,” “correct concept of justice and benefit,” and the “Five Principles of Peaceful Coexistence.” The threats and challenges faced by the global commodity market urgently require the international community, based on the “Five Principles of Peaceful Coexistence,” to reach a consensus on “win-win cooperation” and strive for international cooperation to address food and energy security issues as well as the global supply chain crisis. These principles emphasize equality, mutual respect, non-interference, and peaceful resolution of conflicts, which are vital for fostering collaboration across diverse nations and economic systems.

While grounded in the broader framework of global partnership, the Commodity Partnership also represents an “innovation” in its specificity and focus. Unlike more general diplomatic relationships or trade agreements, the Commodity Partnership is targeted and specialized, concentrating on the critical issues of commodity trade, energy, and food security. The challenges faced by the global commodity market—ranging from volatile prices to disruptions in supply chains due to geopolitical tensions—necessitate a more focused and structured response.

### **2.3. The Differences between the Commodity Partnership and Typical Existing Global Trade Agreements**

In the evolving landscape of global trade, several key agreements have shaped economic relations, with the Regional Comprehensive Economic Partnership (RCEP) and the World Trade Organization (WTO) being among the most prominent. For a clearer understanding of the nature of the commodity partnership, it’s important to clearly differentiate the Commodity Partnership from existing global trade agreements like RCEP and WTO by examining their scope, objectives, membership, mechanisms of operation, and governance structures.

The Commodity Partnership is a specialized agreement focused solely on commodities, including energy, metals, agricultural products, and minerals. Its primary aim is to stabilize commodity markets, address price volatility, and promote sustainable practices in commodity production and trade. This narrow focus distinguishes it from RCEP, a broad regional trade agreement that encompasses goods, services, investment, and economic integration within the Asia-Pacific region. While RCEP may include commodities as part of its wider agenda, it does not prioritize them over other sectors. Similarly, the WTO is a global organization with a comprehensive mandate that covers all sectors of trade, including agriculture, but with no specific emphasis on commodities.

The primary objective of the Commodity Partnership is to stabilize commodity markets, foster cooperation between producers and consumers, and address issues such as resource sustainability, price fluctuations, and supply chain disruptions. Unlike RCEP, which aims to foster economic integration and reduce trade barriers within the Asia-Pacific region, the Commodity Partnership is focused specifically on creating a more resilient commodity market, ensuring fair trade, and promoting environmental and social governance standards within the sector. In contrast, the WTO aims for trade liberalization across all goods and services globally,

ensuring the smooth operation of international trade, but without a specific focus on commodity markets or sustainability concerns.

Membership in the Commodity Partnership would likely be selective, with a focus on countries that are significant producers, consumers, or exporters of key commodities. This may involve both developed and developing nations, with the aim of creating tailored agreements that reflect the specific needs and challenges of commodity sectors. In contrast, RCEP is a regional agreement comprising 15 countries in the Asia-Pacific region, focusing on broader economic integration. The WTO, on the other hand, has 164 member countries, including both developed and developing nations, and covers all sectors of trade worldwide, making it much more inclusive in terms of membership.

The Commodity Partnership would introduce specialized mechanisms to stabilize commodity markets, such as joint research on sustainable practices, the creation of buffer stocks or pricing bands to counteract volatility, and collaboration on infrastructure projects to streamline the production and distribution of commodities. The Commodity Partnership would emphasize sector-specific solutions to address the challenges unique to commodity markets. In contrast, RCEP operates by reducing tariffs and standardizing customs procedures to encourage regional trade. Its mechanisms focus on trade facilitation and economic integration, rather than specifically addressing commodity-related issues. Similarly, the WTO regulates global trade through a comprehensive set of agreements covering all sectors, with dispute resolution and policy monitoring as key operational tools, but without specific mechanisms tailored to commodities.

The governance structure of the Commodity Partnership would likely involve a specialized body, potentially a council or board that includes representatives from key stakeholders such as producers, consumers, governments, and private sector entities. The Commodity Partnership would likely prioritize decentralized governance to ensure that the interests of the diverse commodity market participants are represented. RCEP operates through the RCEP Secretariat, which supports decision-making across its member states, with an emphasis on trade liberalization and economic cooperation. The WTO, on the other hand, has a centralized governance model with a General Council, where decisions are made based on member contributions and trade negotiations, with a focus on global trade rather than sector-specific issues.

Above all, in contrast to the RCEP and the WTO, which are broad trade frameworks focusing on a wide range of goods and services, the Commodity Partnership is focused specifically on commodity markets, aiming to stabilize prices, improve supply chain resilience, and integrate sustainable practices.

### **3. The Three Dilemmas in Building a Commodity Partnership**

#### **3.1. The Vulnerability and Backwardness of the Global Supply Chain Are Prominent**

The global supply chain, regarded as the “fiber” weaving globalization together,

has developed alongside globalization and faces multiple risks from politics, economics, and nature. With technological advancements and increased productivity, product structures have become increasingly complex, and any issue in any link can render the entire supply chain non-functional. In recent years, the US government has adopted protectionist measures and engaged in “decoupling” with China to reduce economic interdependence between the two countries, severely disrupting the security and stability of global industrial and supply chains.

Before the tariff hikes, China was the largest supplier of goods to the U.S., with China accounting for 22% of U.S. goods imports by 2017 (Haberhorn et al., 2024). However, after the U.S. imposed tariffs on approximately \$370 billion worth of Chinese goods in 2018, the share of U.S. imports from China started to decline (Sutter, 2024). By 2023, China’s share of U.S. goods imports had decreased to around 14%, a drop largely attributed to the tariffs, although some of this decline was mitigated by increased U.S. demand for Chinese products during the pandemic (Ma, 2024).

In terms of logistics, shipping delays and costs have also been impacted. The increased tariffs led to changes in demand patterns, often resulting in congestion at ports. The U.S. saw substantial delays, particularly in 2020 and 2021, when container shipping rates more than doubled and major trade routes like Asia-North America experienced severe bottlenecks. Shipping delays became more frequent, and costs surged, further exacerbating the vulnerability of global supply chains. Moreover, multinational corporations that relied on a just-in-time inventory system were particularly affected, as they struggled to adapt to new supply dynamics (Ma, 2024). On some major trade routes such as Asia-Europe and Asia-North America, rates have soared rapidly, and delays have become more frequent. However, multinational corporations reliant on global supply chains have not promptly developed new technologies, and in the face of increasingly severe globalization challenges, they have failed to establish transparent, flexible, and robust sustainable supply chains ahead of time, thus appearing passive and worn out.

### **3.2. The Disruption of Global Supply Chains Exacerbates Global Energy and Food Security Issues**

The frequency of global supply chain disruptions has increased under the stimulation of global sudden events. According to the latest data from McKinsey in the United States, the global supply chain is disrupted once every 3.7 years, with each disruption lasting for one month or longer (McKinsey Global Institute, 2020). In the early stages of the COVID-19 pandemic, due to nationwide lockdown measures and shortages of international labor, factories in many countries were idle. At the same time, shipping operations slowed significantly due to tightened restrictions on cross-border trade, the closure of ports, and other logistics disruptions. The impact of the Russia-Ukraine conflict on global value chains is even more evident. Russia and Ukraine, known as the “breadbaskets” of Europe, are major exporters of global energy and agricultural products, with many countries relying on the

commodities exported by these two countries. Affected by the Russia-Ukraine conflict, the prices of energy and food commodities surged in 2022. In September 2022, energy prices rose by 47% year-on-year and by 125% compared to January 2021; food prices rose by 12% year-on-year and by 19% since January 2021. Fertilizer prices, which directly impact food security, rose by 75% year-on-year in September 2022 (WTO, 2022).

### **3.3. International Competition in Supply Chain Strategies Is Intensifying**

The global economy is highly dependent on commodity trading, which primarily relies on global supply chains. The level of a country's supply chain has become an important indicator of its comprehensive strength. Therefore, major economies worldwide have introduced strategic plans conducive to the development of their domestic supply chain systems, promoting the construction of these systems and enhancing supply chain competitiveness (Peng et al., 2017). The United States has already elevated the "Global Supply Chain Strategy" to the level of "National Security Strategy" in 2012, and European countries are also actively strengthening their supply chain strategic deployments to cope with the intense global supply chain competition. At the "2022 Ministerial Forum on Supply Chains," the United States, the European Union, and 16 other economies jointly issued the "Joint Statement on Cooperation on Global Supply Chains," in which they proposed a "Four-Point Roadmap" aimed at building collective and long-term resilient global supply chains based on international partnerships.

## **4. Constructing the Pathways for China's Global Commodity Partnerships**

Amidst the entanglement of a triple dilemma, delineating the primary avenues for commodity partnerships satisfies China's developmental requirements and safeguards national security, while also offering a Chinese approach to the global challenges within the commodity market.

### **4.1. Emphasizing Policy Dialogue with Global and Regional Organizations, and Promoting the Implementation and Execution of Key Projects**

Stability is an essential characteristic that the commodity economy must possess, and globalization is an important prerequisite for commodity partnerships. Based on the premise of globalization, China's construction of global commodity partnerships emphasizes reliance on global and regional organizations, fully aligning with international development strategies to implement commodity cooperation projects, closely integrating strategic planning with practice. Specifically, this involves aligning with international development strategies such as the United Nations' Sustainable Development Goals (SDGs) and the 2030 Agenda, the World Trade Organization's Commodity Strategy under the Integrated Framework, and the Strategic Framework 2022-2031 proposed by the Food and Agriculture Or-

ganization of the United Nations (FAO).

The global commodity partnership responds to the United Nations' call to address the imbalance in human development and closely aligns with the UN's cooperation strategies. In 2015, the UN listed "partnership" as one of the core pathways to achieve sustainable development. In the 2030 Agenda, the UN proposed the "5P" core elements: People, Planet, Prosperity, Peace, and Partnership. Among them, partnership is one of the core elements, and the 17th goal of the agenda is to "Strengthen the means of implementation and revitalize the global partnership for sustainable development." The global sustainable development partnership starts from the interests of all humanity, calling on all countries (both developed and developing) to take action, leaving no one behind, and encouraging the establishment of multi-level partnerships between the private sector, civil society, and governments. Shortly thereafter, in 2017, the World Trade Organization, in its Commodity Strategy under the Integrated Framework, focused on sustainable development and poverty reduction as the main goals, prioritizing commodity development strategies, promoting the upgrading and diversified development of commodity strategies to help enhance the value chains of countries and sectors related to commodity production.

The Food and Agriculture Organization (FAO) of the United Nations has proposed the "4 Betters" in its Strategic Framework 2022-2031: Better Production, Better Nutrition, Better Environment, and Better Life. These are important initiatives for the FAO to directly promote the Sustainable Development Goals (SDGs) 1 (No Poverty), 2 (Zero Hunger), and 10 (Reduced Inequalities). The United Nations' 2030 Agenda and the Sustainable Development Goals are at the core of this strategic framework. The FAO focuses on agricultural production that goes beyond production and macroeconomic objectives to ensure international food security and the ability to withstand crises, promote innovation, and better facilitate investment and partnerships. United Nations Secretary-General António Guterres, in his signed article "8 Billion People, One Humanity" published on November 4, 2022, pointed out: "The issue of global inequality is becoming increasingly severe, and the conflict between Russia and Ukraine has exacerbated the current food and energy crisis, which hits developing economies the hardest." Twelve days later, President Xi also pointed out at the first phase of the 17th G20 Leaders' Summit: "The risks to food and energy security in developing countries are more pronounced... The United Nations has established the 'Global Food, Energy, and Financial Crisis Response Team', and the G20 should respond accordingly." Guterres' speech echoes President Xi's remarks, reflecting the international community's consensus on the issue of commodity security.

The construction of the global commodity partnership emphasizes a practice-first approach, starting with countries and enterprises that have cooperation projects, and gradually expanding from point to surface. The Western Land-Sea Corridor project is one of the main outcomes of the third intergovernmental cooperation project between China and Singapore, known as the "China-Singapore Stra-

tegic Connectivity Demonstration Project”. Guided by the principles of “full chain, large platform, new business forms”, it focuses on the logistics and containerized transportation of bulk commodities such as coal, metal ores, grain, and oil products. It aims to build an international commodity trading platform that integrates online transactions, physical delivery, logistics services, and financial services, providing a new path for commodity trading. As of the end of August 2022, the Western Land-Sea Corridor project has formed a logistics network that interweaves railway, air, and maritime transportation, covering 335 ports in 113 countries and regions worldwide, becoming the most convenient channel for the import and export of goods in China’s central and western regions. The trade volume between countries along the Western Land-Sea Corridor and the ten ASEAN countries has also increased from 691.6 billion yuan (RMB) in 2019 to 881.7 billion yuan (RMB) in 2022, with an average compound annual growth rate of 8.91%. In addition, the successive implementation of two bulk commodity projects in the Ningbo area of the Zhejiang Free Trade Pilot Zone signifies a further step in the synergistic and integrated development of the industrial and supply chains among the three.

#### **4.2. Establishing “Cooperation Initiatives” and “Agreement Systems” to Strengthen the Adhesiveness of Economic Interdependence**

“Initiatives” and “agreements” are two pathways for two actors to reach cooperation. An “initiative” refers to the initial proposal or the act of initiating something, reflecting the proactive subjectivity of the initiator, indicating a positive attitude and strong desire to achieve a certain cooperation; whereas an “agreement” is a norm jointly established and committed to by both parties after negotiation and consultation, reflecting their sincerity in cooperation. The signing of economic cooperation agreements further deepens the economic interdependence between partners, which is more conducive to building and enhancing the partnership with the signatories. The basic path for China to build commodity partnerships is to propose various commodity cooperation initiatives and sign economic cooperation agreements with stakeholders in related fields.

The “Belt and Road” initiative, as China’s top-level cooperation initiative, provides a broad cross-border platform for international commodity cooperation. Firstly, the trade volume of the “Belt and Road” initiative as a percentage of China’s total foreign trade has been increasing year by year, from less than 26% to 34.3% in the first half of 2023. China provides a variety of high-quality and low-cost industrial products, base metals and their products, etc., to countries participating in the “Belt and Road” initiative, and imports various commodities from partner countries. In 2023, China’s import and export volume with countries participating in the “Belt and Road” initiative reached as high as 19.47 trillion yuan, a 2.8% increase compared to the previous year, accounting for 46.6% of China’s total foreign trade value, an increase of 1.2 percentage points. Among them, the export

volume was 10.73 trillion yuan, an increase of 6.9%.

Secondly, the scope of connectivity between China and countries participating in the “Belt and Road” initiative is gradually expanding, opening channels for building a global commodity partnership. The basic framework is the “Six Corridors and Six Routes with Multiple Countries and Ports,” with international passages advancing in sync with the “Belt and Road” economic corridors; port shipping cooperation continues to deepen, significantly improving the efficiency of cargo transportation. As of the end of June 2023, the “Silk Road Maritime” routes have connected 117 ports in 43 countries worldwide, with more than 300 well-known domestic and international port enterprises, shipping companies, and think tanks joining the “Silk Road Maritime” alliance. The construction of international logistics channels, represented by the New Eurasian Land Bridge and the New International Land-Sea Trade Corridor, is efficiently promoted, enhancing regional connectivity and improving the efficiency of commodity logistics and transportation. The China-Europe Railway Express is an important support for the New Eurasian Land Bridge economic corridor, now reaching over 200 cities in 25 European countries. As of the end of July 2023, the China-Europe Railway Express had operated 10,176 trips, a year-on-year increase of 12.8%.

The “Global Development Initiative” and the “International Food Security Cooperation Initiative” are important measures for China to promote global development and cooperation on food security. The “Global Development Initiative” is one of the significant international cooperation platforms and global public goods provided by China to the international community. From its proposal in September 2021 to April 2023, it has garnered nearly 70 member countries. Poverty reduction and food security are key focus areas of this initiative, with cooperation projects primarily in poverty alleviation, food security, and public health, which are crucial to people’s livelihoods. In August 2023, China increased its investment in the China-UN Peace and Development Fund and established a \$4 billion Global Development and South-South Cooperation Fund to help achieve the United Nations’ 2030 Sustainable Development Goals. The International Research Center of Big Data for Sustainable Development and the Chinese Academy of Agricultural Sciences also signed cooperation agreements with the Food and Agriculture Organization of the United Nations in areas such as digital and innovative agricultural finance, sustainable soil and water resource management, and the prevention and control of animal and plant diseases.

The “Initiative for International Cooperation on Building Stable and Resilient Industrial and Supply Chains” was jointly launched by China, Indonesia, Serbia, and four other partner countries at the International Forum on Industrial and Supply Chain Resilience and Stability in 2022. The initiative aims to deepen international cooperation on industrial and supply chains and work with countries to maintain the security and stability of industrial and supply chains. By strengthening logistics infrastructure to ensure smooth transportation of logistics supply chains, enhancing collaboration and information sharing with international logis-

tics enterprises to ensure efficient operation of supply chains, and building more equitable, inclusive, and constructive industrial and supply chain partnerships, the initiative addresses global challenges in supply and industrial chains.

Economic and trade cooperation agreements have also strengthened the coordination, dialogue, and cooperation mechanisms for global commodity trading to a certain extent. Agricultural product trading is an important aspect of the Regional Comprehensive Economic Partnership Agreement (RCEP). Amid the current tightening of international energy supply and demand, the entry into force of the RCEP means that member countries will reduce tariffs and lower standard barriers as agreed, which helps to reduce the energy trade costs of various countries, strengthen multilateral cooperation, address domestic energy supply tensions, ensure China's energy security, and maintain the stability of supply and demand in the energy market. Additionally, RCEP member countries are important import and export markets for China, geographically close to China, have close economic and trade relations, and have a strong interdependence. In 2022, China's import and export volume with 14 RCEP member countries reached 12.95 trillion yuan, accounting for 30.8% of China's total foreign trade. China's import and export growth with Singapore, Myanmar, Indonesia, Laos, and Cambodia all exceeded 20%. The signing of the RCEP has effectively consolidated China's economic and trade partnerships with RCEP member countries, expanded the depth and breadth of cooperation between the two sides, and laid the foundation for China to build commodity partnerships with member countries.

The construction of China's regional partnership relationships is based on multiple consensuses and common goals with the target partners in the field. The maintenance of partnerships mainly relies on a series of institutionalized documents such as memoranda, cooperation treaties, and agreements, which clarify the content, methods, procedures, and legal norms of cooperation. The construction of cooperation mechanisms can strengthen cooperation between countries, protect national interests, and convert concepts into consensus-based principles based on the exposition of their own positions. The construction of global commodity partnerships has gradually put China's global commodity cooperation on an institutionalized track, providing new dialogue mechanisms for ideological differences and interest conflicts that exist in transactions, enhancing the risk resistance capacity of China's cooperative relationships with partners, and ensuring the smooth progress of commodity trading.

#### **4.3. Empower the Digitalization of Commodity Trading to Enhance the Resilience of Global Supply Chains**

Digitalization is the main trend for the development of future international trade transactions. It empowers economic and trade activities and provides significant convenience for businesses along the supply chain to enjoy the dividends of development. The digitalization of commodity trade can effectively improve the efficiency of border control and trade management procedures, reduce trade costs

to a certain extent, and enhance the resilience of global supply chains. Reducing the costs of international trade is the fundamental driving force for economic entities to actively participate in regional and global value chains.

Building a digital trade service platform is a core path for China in building commodity partnerships. It not only simplifies the transaction process and improves transaction efficiency but also significantly reduces trade costs and promotes trade growth. Global commodity partnerships can explore the joint construction of new types of international trade digital infrastructure with partners, ensure the security of commodity resource supply, enhance trade safety and convenience, help traditional industries transform towards digitalization and low-carbon green development, establish a new economic system for sustainable development, and thus shape China's new advantages in international commodity market competition and cooperation, continuously enhancing China's discourse power in the international commodity market. In recent years, several commodity digital trading platforms have been put into operation to promote the development of the commodity market towards a more open, stable, and sustainable direction, ensuring the smoothness of supply chains and the stability of market prices, which is consistent with the goals of global commodity partnerships.

The Commodity Intelligence Center (CIC) is a global B2B platform for commodities based on blockchain technology, linking Chinese and overseas markets, and providing global traders with transaction matching and one-stop services for commodities. Sinochem Energy and China National Petroleum International Corporation, Macquarie Group Commodities, and nine other companies signed a joint venture agreement to establish TradeGo, a digital service platform for international commodity trade based on blockchain technology, providing a digital space for upstream and downstream industries of metals, energy, and chemicals, gradually becoming a leading infrastructure platform for commodities in China, Asia-Pacific, and even globally. The successful launch and operation of the China (Ningxia)-Mongolia Commodity Cross-Border Direct Trading Platform provides integrated services such as international transportation, storage, and legal services for Chinese and Mongolian enterprises. The Beibu Gulf (Guangxi) Commodity Trading Platform was also launched in 2022, becoming a commodity trading center interconnected domestically and internationally, enhancing the platform's advantages in cross-border supply chain services for commodities such as financing, bonded trading, futures and spot linkage, cross-border settlement, and offshore trade. In 2023, the Qingdao area of China (Shandong) Free Trade Pilot Zone built the first digital platform for spot trading of commodities in the country based on digital warehouse and digital warehouse receipt system functions and services, which can effectively solve a series of problems that have always existed in commodity warehouses, such as difficult control, unclear property rights, and lack of transparency, and successfully completed the application of digital yuan in the field of commodity trading.

In addition, China broadens the path of commodity digitalization by building

bilateral and multilateral digital trade partnerships with countries and regions closely related to commodity trade and signing related digital trade agreements, in order to transform China's weak position in bilateral and multilateral digital trade rule negotiations. At the global level, China has proposed four proposals on the development of cross-border e-commerce and trade facilitation, promoting the inclusion of Chinese proposals in the negotiation outcomes. At the regional level, China participates in multilateral digital trade agreements (such as the Digital Economy Partnership Agreement (DEPA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the BRICS Digital Economy Partnership Framework), and actively promotes the discussion of digital trade-related issues in multilateral mechanisms. At the bilateral level, China focuses on issues such as digital trade facilitation and has signed 19 free trade agreements with 26 countries and regions. The signing of bilateral and multilateral digital trade agreements provides cooperation norms and institutional guarantees for China to build commodity partnerships.

The Commodity Partnership recognizes the importance of bridging the digital divide between developed and developing countries, especially as the global economy increasingly relies on digital tools for trade, information sharing, and market access. While the core focus of the partnership is on addressing issues like food and energy security, its implementation acknowledges the significant role that digital infrastructure plays in ensuring equitable participation. For countries with limited digital infrastructure, the Commodity Partnership aims to adopt several strategies to address the divide from three aspects.

Firstly, the Commodity Partnership seeks to invest in the digital infrastructure of participating countries, particularly in developing regions. This could include efforts to build broadband networks, improve internet access, and promote digital literacy. China has a history of offering support for infrastructure development in countries with weaker digital ecosystems. Initiatives like the Belt and Road Initiative (BRI) include components focused on enhancing digital connectivity through investments in internet networks, 5G, and other technologies, which could benefit countries participating in the Commodity Partnership as well.

Secondly, the Commodity Partnership aims to facilitate capacity-building programs to enhance the digital skills of the workforce in partner countries. This includes training programs in key digital areas such as e-commerce, data analytics, cybersecurity, and cloud computing. Such programs ensure that local businesses, government officials, and workers are equipped with the skills necessary to navigate and thrive in a digital economy. This is critical for developing countries that may lack the human capital to leverage digital tools for economic development.

Thirdly, the Commodity Partnership can also support the development and accessibility of digital platforms that enable trade, finance, and commodity exchanges. For example, by facilitating the digitalization of commodity markets, it can provide small and medium-sized enterprises (SMEs) in developing countries with access to online trading platforms, allowing them to participate in global markets

more easily. The partnership can also advocate for open-source platforms or low-cost digital solutions that can be scaled to different economies, ensuring that all participants can access the tools needed to engage in international trade.

## 5. Conclusion

The proposal of a Global Commodity Partnership holds multiple values, including strengthening international economic and trade cooperation, promoting stability and sustainability in global supply chains, driving global economic recovery, re-shaping China's new competitive advantages in the international bulk commodity market, and enhancing China's voice in this market. In the current complex international situation, China needs to further expand its advantages in the global supply chain and safeguard its security and stability.

The implementation path for the Global Bulk Commodity Partnership involves emphasizing policy communication with international or regional multilateral organizations such as the United Nations, the World Trade Organization, and the Food and Agriculture Organization of the United Nations, as well as promoting the landing and implementation of key projects. It also includes establishing institutional guarantees for the partnership in the form of "initiatives" and "agreements," proposing and implementing the "Belt and Road Initiative," the "Global Development Initiative," and the "International Initiative on Cooperation for Food Security," along with economic and trade cooperation agreements, to strengthen the viscosity of economic interdependence.

Additionally, building a digital bulk commodity trading platform, creating a bulk commodity intelligence center, and establishing digital service platforms for international bulk commodity trade will empower the digitization of bulk commodity transactions and enhance the resilience of global supply chains.

In the future, to build the Global Bulk Commodity Partnership, China needs to strengthen coordination, cooperation, and dialogue mechanisms in global bulk commodity trading, promote sustainable development and transformation of global supply chains, and help commodity-dependent countries improve their risk resistance capabilities.

## Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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