

ABSTRACT

Globalization and liberalization has been makes Southeast Asia region become a target by china to creating free trade in term to develop their economy. Establishment of ACFTA has been makes China and ASEEAN as the biggest trade region in the world, seen from total population and being the third biggest trade seen from trade size. Cooperation of ACFTA expected could give the positive result in term to increase economic development both China and ASEAN for short and long term. The importance of this journal, explain that china attend in Southeast Asia region is not only as cooperation partner in trade however the China's need toward the sources of energy in Southeast Asia region. It is used to fulfill the demand of industrialization and get the position toward China's economic hegemony through ACFTA. It is expected that existence of United States and Japan which already appear in that area since years ago could be defeat. In this research the researcher uses theory of absolute advantage from Adam Smith And Concept sphere of influence. Then the last things the researcher uses the concept of hegemony from Antonio Gramsci. Those are the important base in explain this research.

Keywords: ASEAN-China Free Trade Area, China, Political Economy, China Hegemon, Tributary System.