

Asia-Pacific Strategies for the Global Trading System

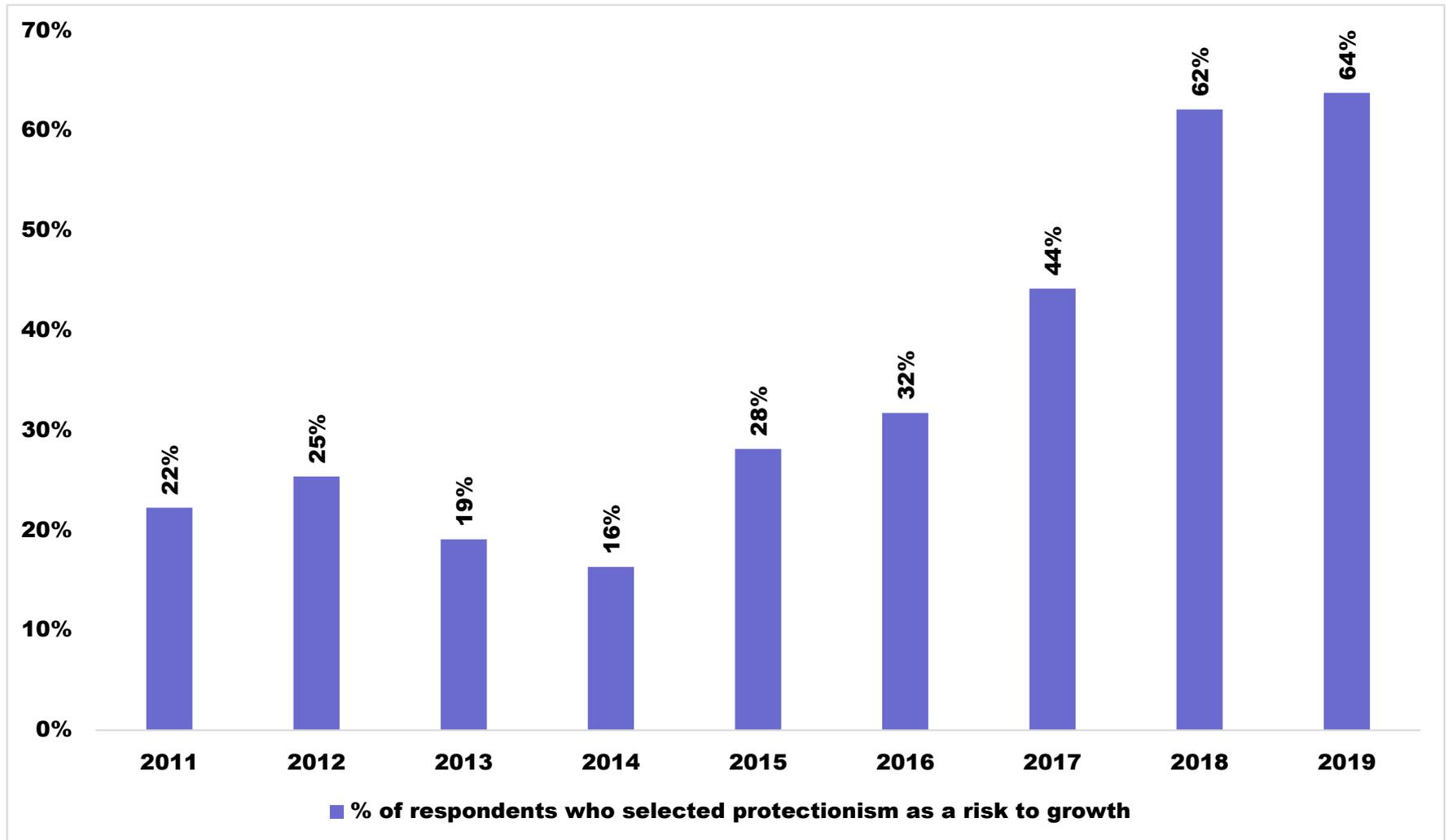
Current Challenges to the International Trading System: Part 2

October 28-20, 2019

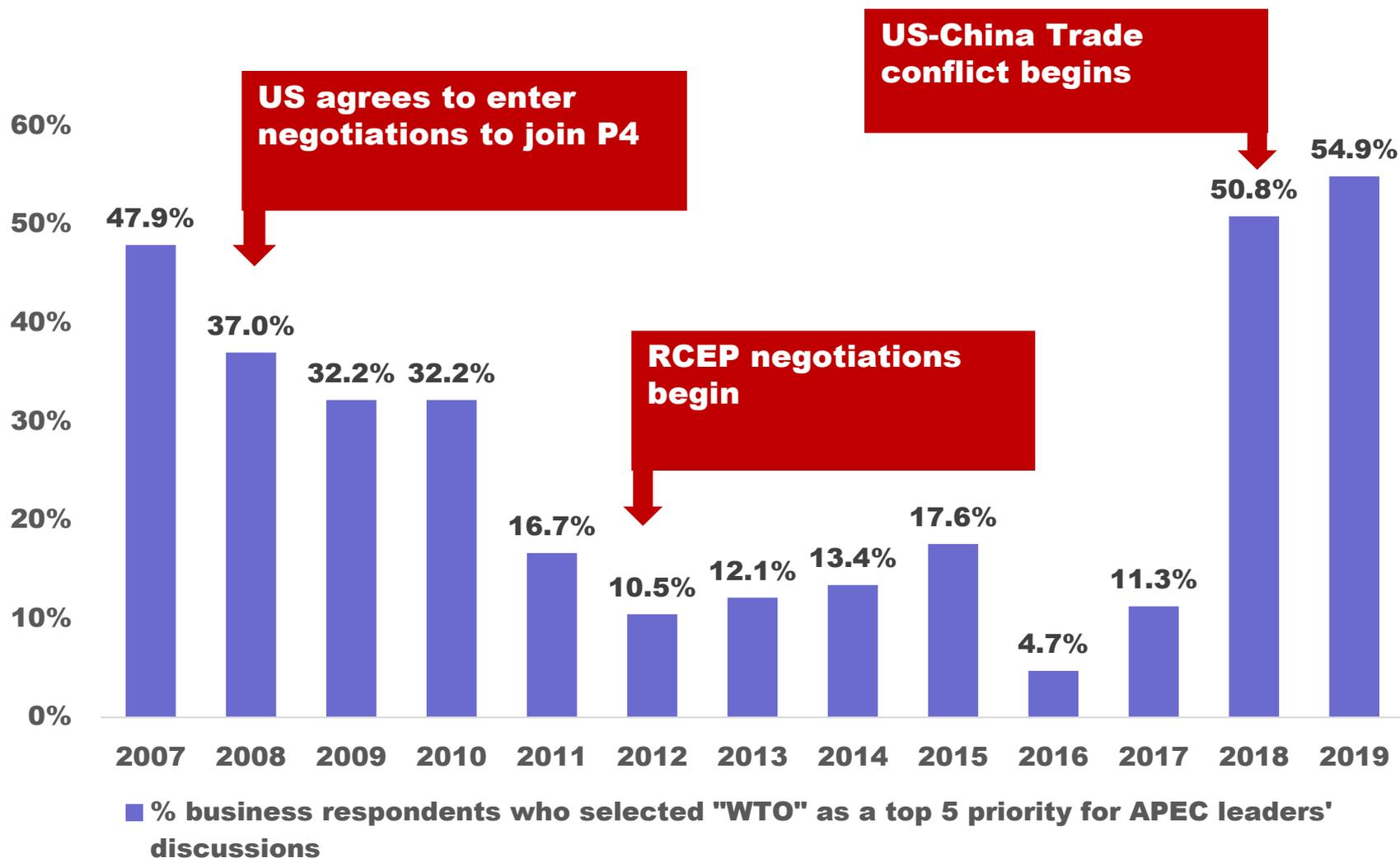
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The views expressed here are his own and do not necessarily reflect those of the PECC nor its members.

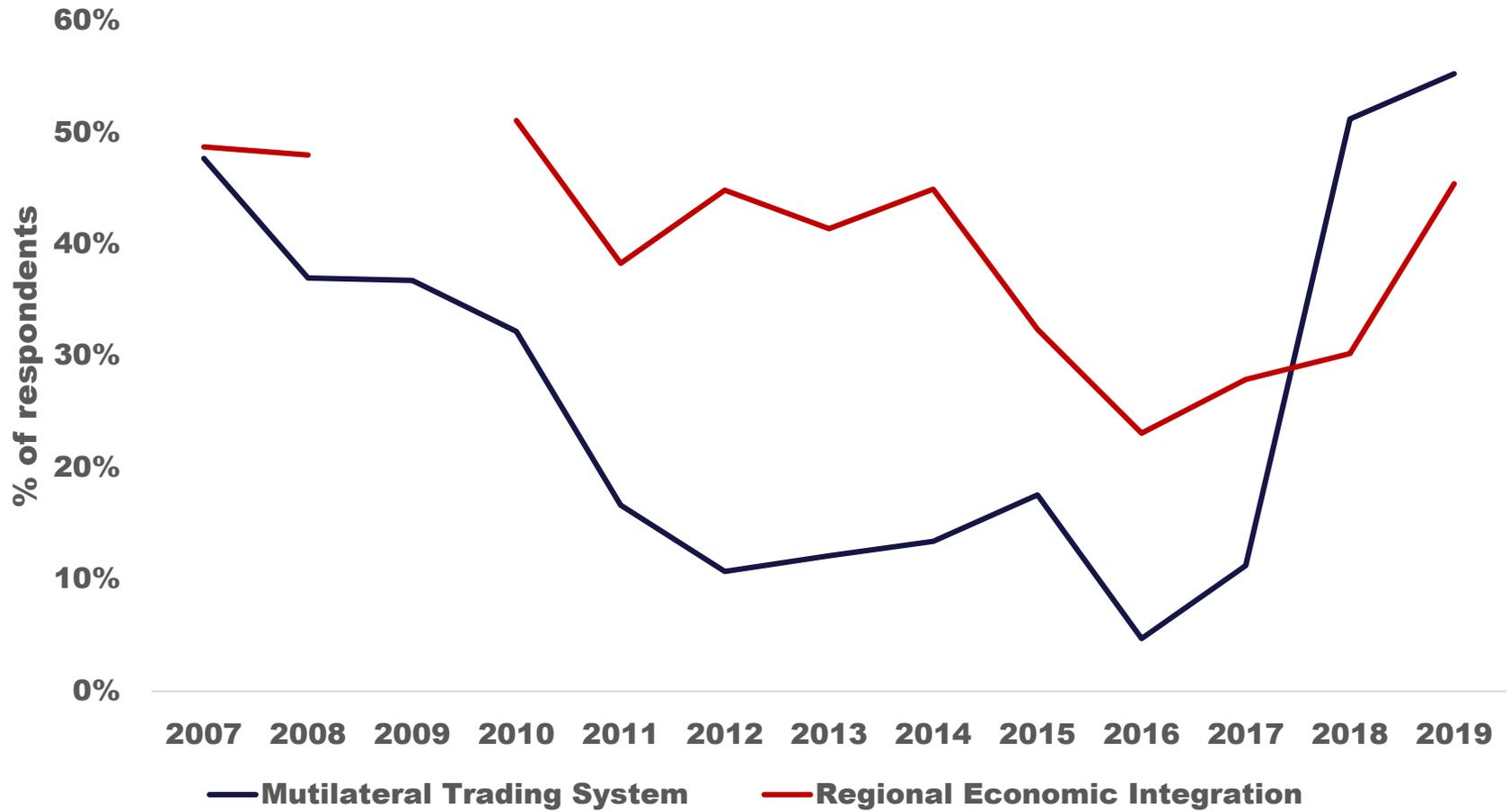
Risk of Protectionism on an Upward Trend



Do businesses think the 'WTO' should be a priority for APEC leaders' discussions?



MTS vs REI as an APEC Leaders Priority in PECC Survey



Why is this an APEC issue?

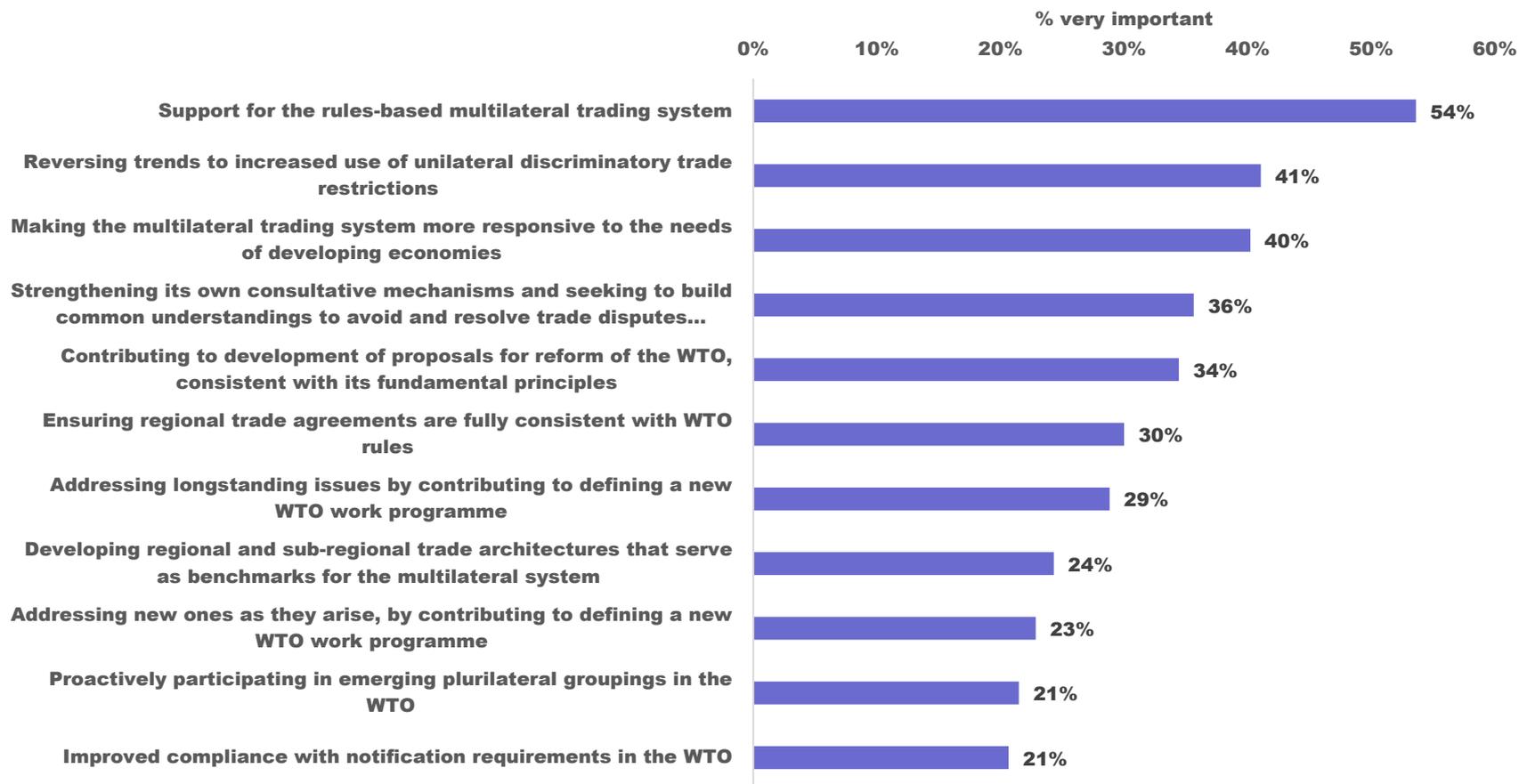


“serious cracks are appearing in the international trading system which have major implications for the future health of both our region and the world economy:

- ***bilateral trade pressures associated with the significant trade imbalances between a number of regional countries and the United States;***
- ***a trend towards the formation of bilateral or regional trading arrangements which run the risk of undermining a truly multilateral trading system; and***
- ***there are fundamental tensions within the GATT framework of multilateral trade, of which the recent Montreal deadlock is but the latest manifestation.”***

APEC objectives (Seoul 1991) : “to develop and strengthen the open multilateral trading system in the interest of Asia-Pacific and all other economies”

What can APEC do in support of the MTS?



Source: PECC State of the Region Survey 2019, Question: *“In 1994 in the Bogor declaration, regional leaders set the objective of APEC leading the way in strengthening the open multilateral trading system. They further called for the successful launching of the World Trade Organization (WTO). How important do you think each of the following should be to APEC’s work on trade after 2020?”*

PECC Task Force on APEC Post 2020: Selected Recommendations

- Contribute to development of proposals for reform of the WTO, consistent with the WTO's fundamental principles;
- Develop regional and sub-regional trade architectures that serve as benchmarks for the multilateral system.
 - CPTPP, RCEP: SOM RTA/FTA Dialogue on WTO Plus Elements of RTAs - lacks mechanism for exchange with WTO
 - How to rectify that?
 - Sectoral/functional agreements: APEC CBPR, ASEAN Digital Data Governance Framework – coherence issues?
Interoperability with EU GDPR?
 - Can/should economies be relied on to bring these to multilateral level?

Conclusions: A Role for PECC?

- Continue to provide objective survey intelligence on the views of the Asia-Pacific policy community on key issues
- Work on aspects of the rules that are behind modern commerce – focused on PECC’s comparative advantage
 - Digital economy
 - Artificial intelligence
- Provide a sounding board for various initiatives on WTO reform with Track 1.5/2 community
- Work with business community – key to change – sustaining interest (not just trips to Geneva but supporting domestic policy)
- Leverage Role in APEC: SOM RTA/FTA Dialogue
- Momentum is towards plurilaterals but there is risk of further fragmenting system without deliberate steps
- Build on open regionalism concept – NZ idea – ‘open plurilateralism’