

promoting sustainable global trade

hinrich foundation

International Trade Training for Journalists in Asia

National Press Foundation

June 17, 2019

Hong Kong

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our focus

Trade Career Development • Export Trade Assistance • International Trade Research

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Overview of current issues in trade

Three main issues to unpack:

- Why you are covering trade more than ever before – and why that's not going to change.
- The 800 pound gorilla in the room: US-China
- Alphabet soup of trade agreements: CPTPP, NAFTA 2.0 (USMCA), RCEP

Why you are covering trade more than ever before

- Short answer: trade is now about a lot more than trade
- Behind the border issues
 - More intense civil society interest/activism on trade – fueled by social media
- Geo strategic considerations
 - Trade now front and center in foreign policy
 - (it's always been the case, but now more explicit)
 - Trade now a platform for great power rivalries to play out
- Bottom line: your readers/viewers will be a lot more engaged and passionate

US-China Trade War -- What's it Really About?

- Larger systemic challenge
- Trade disputes today result from friction between different systems
- Trade architecture based on Western models, incapable of coping w/China
- Hard to mesh China's system with existing trade rules

Where are things headed over the longer term?

- Irrespective of short term outcomes, we've crossed the Rubicon
- Traditional benign US policy narrative on China has collapsed. Why?
 - State-directed capitalism more entrenched
 - Economic system has proven to be formidable competitor to western models
 - China skillful and persistent in evading trade obligations – benefiting from trade system without being constrained by its disciplines.
 - US business lobby calculations have shifted
- New narrative: playing field is lopsided, trade/integration benefits China, not US.
- This sentiment was not created by Trump, and will outlast Trump Presidency

Where are things headed in short term?

- Distinction between face-saving agreement and meaningful agreement
- Key dynamics
 - Don't overreact to current impasse
 - China will make concessions, but....
 - Political considerations influencing policy decisions in US
- Trump-Xi meeting in Osaka end of June
 - Potential outcomes?

CPTPP, NAFTA, RCEP: Key Dynamics to be aware of

- CPTPP
 - Gold standard?
 - Not yet fully ratified, too early to draw conclusions
 - Ultimately, as multilateral system wobbles, institutional framework might be most important aspect.
- NAFTA 2.0
 - “Worst” deal to “great” deal?
 - Really about repatriating supply chains?
 - China implications?
 - Not yet a done deal ...
- RCEP
 - Aiming low ... and missing