

Comments on Professor Petri's Presentation

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Brief Summary

- Very good analysis of the current trade policy situations focusing on US protectionist trade policy
- Particularly, description of “Trump negotiation model” is illuminating.
- Equilibrium 1 : Bazaar ---- US
- Equilibrium 2: Zone of rules ---- TPP (CPTPP), RCEP
- Equilibrium 3: Reformed and modernized WTO

Question 1

- Why is protectionism growing in the US?
- How much does it have to do with President Trump?
- If underlying cause is widening income gap and/or unhappy middle-aged factory workers, then protectionist policies are likely to continue, even after President Trump.
- If underlying cause is China's threat, which is shared by the US Congress, then protectionist policies against China are likely to continue, even after President Trump.

Question 2

- Equilibrium 3 is most desirable. How can this equilibrium be achieved?
- China: RCEP can play the role to discipline China?
- Improve WTO functionality: Which country (countries) can lead the process? How can they deal with differences in opinions between developed and developing countries?
- Address new issues: Are plurilateral agreements effective frameworks to deal with new issues?

Question 3

- How should Japan respond to US demand to open Japanese agricultural markets, to reduce car exports to the US, or to increase car imports from the US, if the US
- (1) threatens imposition of 25 % tariff on imported Japanese cars?
- (2) threatens withdrawal of US military bases from Japan?
- In answering these questions, reference to the Trump negotiating model presented earlier may be helpful.

Trump negotiating model

