

RIETI BBL Seminar Handout

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Comments on Dr. Elm's Presentation

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Takeaway 1: Diagnosis of the Problem of Current World Trade System

- World trade system is in trouble
- Major players are breaking trade rules (violation of WTO rules)
- Alternative approaches (new trade agreements) are inconsistent and incompatible
- Rise of protectionism to protect jobs
- Major players are in conflict (geopolitical rivalry)

Takeaway 2: Solution

- What should Asian countries do?
- Entice bigger players to re-engage with WTO
- Coalitions of “middle powers” to shore up system and create work arounds
- Create network of trade agreements, preferably with similar model language or approaches

Comments/**Questions**

- **Excellent analysis/diagnosis of the problems of the current trading environment in the World**
- **Coalition of middle powers to create rules-based trading system to be led by Japan, Singapore, Australia, N.Z., Canada, (ASEAN?)**
- **Question: Can Japan play a leading role in the creation of coalition? Do countries in Asia expect Japan to play that role? If so, how can Japan do it?**

Comments/**Questions**

- Enlarge CPTPP and RCEP by accepting new members: create secretariats
- **Question: Which countries should host secretariats for CPTPP and RCEP? Should CPTPP members accept China? Is EU likely to join CPTPP?**
- Create plurilateral agreements: e.g. digital trade
- **Question: What are the challenges in establishing plurilateral agreements? How can they be overcome?**
- Business sector can/should play a constructive role in promoting and maintaining open trade system
- **Question: What does it take for the business sector to play that role?**
- Decoupling from China is likely to continue
- **Question: How should countries like Japan and other Asian countries deal with the situation? specifically IPEF? (national security vs economic growth?)**