

RIETI-ANU Symposium

Japan and Australia:

Leading Asia Pacific regionalism in uncertain times

Handout



Shiro Armstrong

Director, Australia-Japan Research Centre

Director, East Asian Bureau of Economic Research

Fellow, Crawford School

The Australian National University

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Research Institute of Economy, Trade and Industry (RIETI)

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The challenge and threat to Asian trade

Shiro Armstrong
Crawford School of Public Policy
Australian National University

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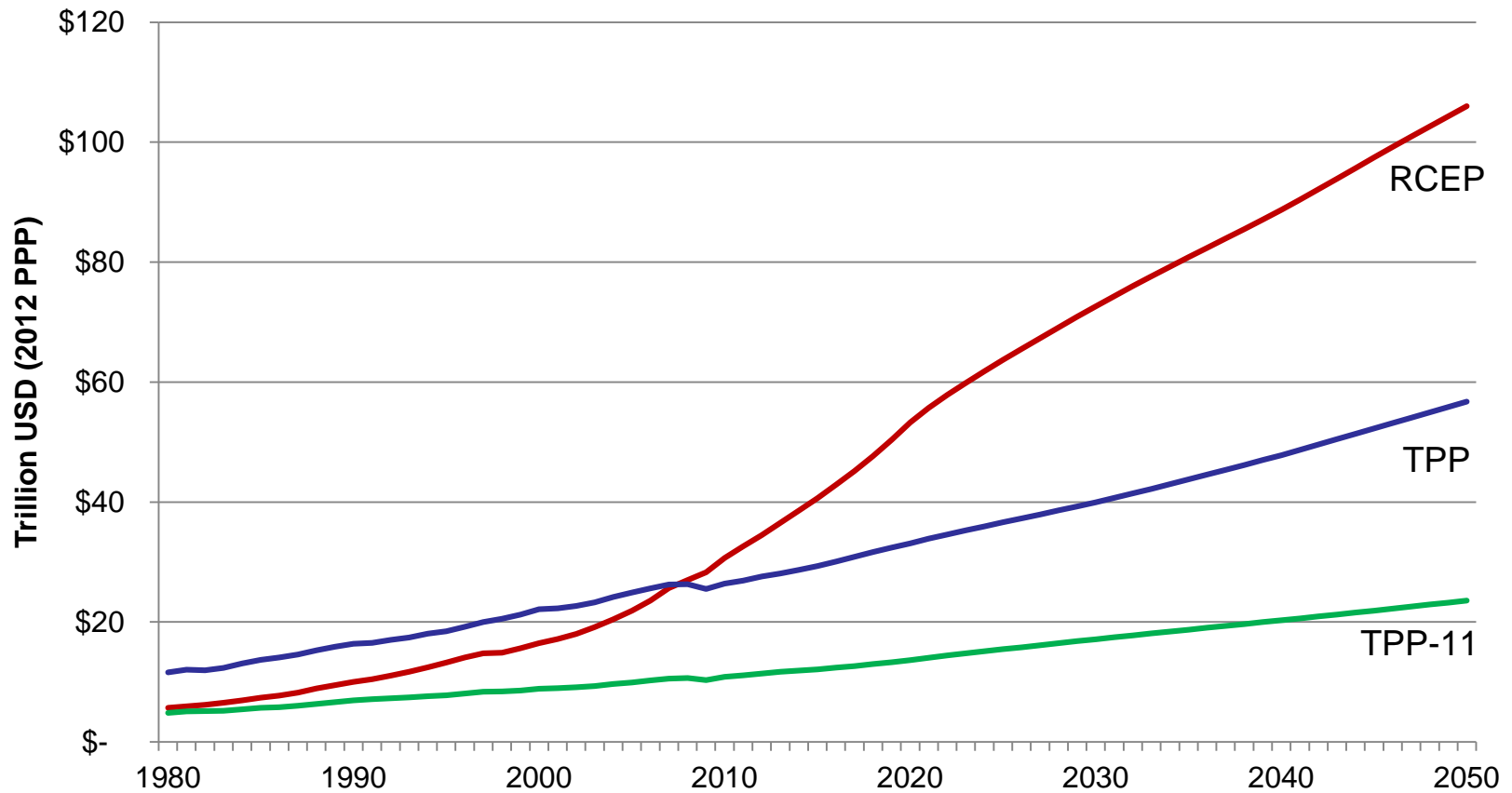
The threat of protectionism

- Trump's America first agenda
 - Withdrawal from TPP
 - US Trade Policy Agenda and the WTO
 - Tariffs on steel and aluminium
 - Mid-term elections, trade deficits and US Fed raising rates
- Global economic order under threat
 - Created and underpinned by US, now under threat from US
 - Basis for global and especially Asian economic security
 - Example: the Japan-China relationship; APEC

Asia's response

- To protect and double down on global system
- Holding the line:
 - 2017 APEC important milestone
 - TPP-11 with Japanese (and Australian) leadership
- Is that enough? What's next?
 - TPP12: \$28.8 trillion (38% of global economy)
 - TPP11: \$10.2 trillion (13 % of global economy)
 - RCEP: \$23.8 trillion (31% of global economy)

Size of RCEP vs TPP vs TPP-11

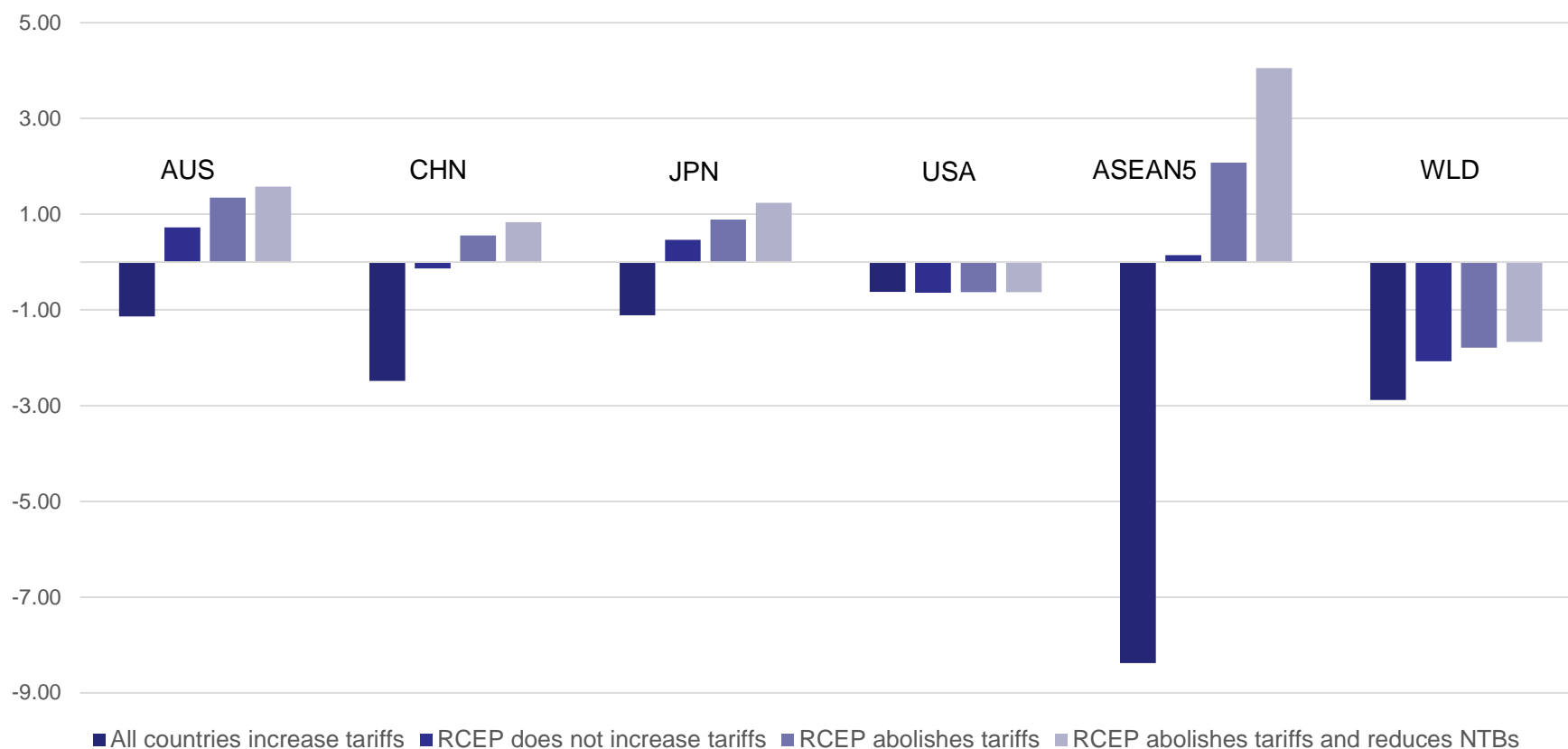


Strategic opportunity of RCEP

- Making progress in difficult relationships
 - Japan-China; China-India
 - RCEP as cover just as TPP was cover for US-Japan
- Asian cooperation with binding rules and market access commitments
 - Regulatory cooperation, capacity building and experience sharing
- Locking in liberalization and reform in China, India, Indonesia and others

Global contagion (15% tariffs) and RCEP's response

(% change GDP)



The forward agenda and global interest

- Asia has economic weight, interest and responsibility to step up, whether ready or not
 - Leadership from Australia and Japan
 - How about China, India and Indonesia?
- Avoid a low quality RCEP deal: needs to be credible to buttress global system
- A regional dialogue on social protections and spreading gains from trade and innovation (APEC, RCEP)
- Regional initiatives as platform for global progress