

RIETI-ANU Symposium Asian Integration and the Global Economy: Economics of geopolitics

アジアの地域統合とグローバルエコノミー：経済安全保障への布石

講演 / Presentation

浦田 秀次郎
URATA Shujiro

RIETIファカルティフェロー/早稲田大学大学院アジア太平洋研究科教授

Faculty Fellow, RIETI

Professor of Economics, Graduate School of Asia-Pacific Studies, Waseda University



November 21, 2019



独立行政法人経済産業研究所 (RIETI) / Australian National University (ANU)

Asian Integration and the Global Economy: Economics of geopolitics

November 21, 2019

Shujiro Urata

RIETI and Waseda University

National Security and International Economic Policy

- Use of international economic policy to achieve national security objectives by the U.S. (particularly vis-à-vis China)
- Section 232 of the Trade Expansion Act of 1962 (threat to national security): Raise tariff rates on Steel and Aluminum products in March 2018)
- Section 301 of the Trade Act of 1974 (action against unjustified, unreasonable, or discriminatory, and that burdens or restricts U.S. commerce): Raise tariff rates on imports from China since July 2018
- These actions distort economic activities, resulting in economic slow down

Unilateral Measures and the WTO

- Application of Section 232 of the Trade Expansion Act of 1962 and Section 301 of the Trade Act of 1974 by the U.S. are unilateral measures, which are likely to violate the WTO rule
- Indeed, because of possible violation of the GATT/WTO rules, Section 232 of the Trade Expansion Act of 1962 was not applied for many years. The last application was embargo of Libyan oil in 1982.
- Why unilateral measures are applied?
- A possible reason is absence of rules at the WTO and lack of strict enforcement of the rules

Response by Asian Economies

- Asia's high economic growth has been achieved by rapid expansion of trade and investment. This in turn contributed to high growth of the world economy. Development of global value chains (GVCs) has played an important role in promoting regional economic integration and economic growth in Asia
- To achieve further economic growth, expansion of trade and investment is required.
- Because of this reason, unilateral measures to restrict trade and investment have to be avoided.
- Specifically, a rules-based trade and investment environment has to be established by enacting expanding mega-FTAs such as TPP11 and RCEP
- At the global level, WTO reform has to be carried out

Contentious Areas on National Security and International Economic Policy other than International Trade

- Capital: direct investment, portfolio investment
- Digital economy: data flow
- Energy, natural resources: oil, liquified natural gas, rare metals, etc
- To avoid frictions in these areas, establishment of appropriate international rules and their strict enforcement is needed