International Trade Training for Journalists in Asia

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Stephen Olson
Hinrich Foundation Research Fellow

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