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Nicolas BARRE

Let me turn to you, Minister Bark. You were Minister of Trade for South Korea between 2011 and 2012, at a time when your country was negotiating a trade deal with China and you are now the head of a major think tank in Seoul, involved in trade and economy, Lee & Ko.

Taeho BARK

Thank you very much. Based on my area of interest, I would like to briefly discuss the current state of global trade governance. As all of you know, the Doha Round has been drifting for 16 years, and yet we do not know when or how it can be concluded. This kind of impasse had never happened before, since the start of the multilateral trading system, the GATT in 1948. The 11th WTO Ministerial Conference will be held in Buenos Aires, Argentina next month. To prepare for this MC11, an informal mini ministerial meeting was held here in Marrakech, early last month. However, the ministers found that there are still sharp differences on major issues among the groups of countries, depending upon their own interests.

As the multilateral trading system of the WTO was struggling with the Doha Round, many countries actually attempted to liberalise their economies by seeking bilateral as well as regional FTAs. Most recently, there has been a new trend of forming mega RTAs, with multiple participants, such as TPP, RCEP and TTIP. However, as you know the Trans-Pacific Partnership Agreement will not be implemented and you know why. Furthermore, the negotiations for other mega RTAs also seem to be prolonged. In addition, as you have just heard from Marcus Noland, President Trump's America First trade policy is making the global trading environment more uncertain and more unpredictable.

Against this backdrop, some international organisations and the Leaders Forum have worked to improve global trade governance. In particular, the G20, the premier Leaders Forum for international economic cooperation, has made various efforts to restore the credibility of the global trading system. As we remember, at the 2015 Turkey G20 summit, leaders asked trade ministers to meet on a regular basis. Following this request, G20 trade ministers met in Shanghai in July 2016 and welcomed the establishment of the G20 Trade and Investment working group. However, during this year's German presidency of the G20, trade ministers did not meet and no substantial agreement on improving the world trading system was even included in the G20 summit declaration. Meanwhile, at the German G20 summit, leaders discussed the importance of fair trade and level playing fields, and recognised the role of trade defence instruments, like anti-dumping and countervailing duties. It should be noted that at this time, G20 leaders were more interested in fair trade than free trade.

I would now like to make some personal suggestions on the global trading system. First, the WTO members should seriously discuss how to save the multilateral trade negotiations. There should be serious discussions at the upcoming MC11 on how to save the Doha Round and revise an agenda written 16 years ago.

Second, along with the multilateral negotiations, WTO members must consider taking different approaches to address further liberalisation and new commercial rules. Given the nature of the decision-making mechanism of the WTO, we may need to seek plurilateral agreements among like-minded participants for certain issues, such as government procurement agreements. Of course, if other countries later satisfied certain requirements, they would be allowed to join the agreement. Furthermore, if this agreement extends the benefits to all other non-participating members of the WTO on a MFA basis, this agreement would become multilateral, like the information technology agreement.

Third, we know that the WTO's dispute settlement function has been respected, despite the failure of the Doha Round. However, recently the WTO has been unable to fill vacant positions on its Appellate Body. This really hurts

the credibility of the WTO's dispute settlement system. We hope that this problem will be resolved as soon as possible.

Fourth, I would also like to emphasise that the MC11 must produce a successful outcome with another small package.

Fifth, I would recommend that the WTO members agree that investigation and imposition of trade defence measures should be consistent with WTO rules and purposes. In this context, it is extremely important that trade remedy systems are operated in a fairer, more transparent way.

Sixth, I would like to note that there seems to be a growing consensus about the need to help all citizens share the opportunities and benefits of trade liberalisation. Regarding this issue, there are two important areas to focus on. First, we have to look at this issue from the point of view of the consumers, who in many countries often do not feel the benefits of trade liberalisation. One of the main problems in this case is extremely complicated distribution processes for delivering imported goods from the border to the final consumers, which makes the price of the goods much higher than the initial import price. From the consumers' point of view, expensive imported goods are not attractive and therefore they cannot see the real benefits of trade liberalisation. Therefore, there should be major reforms to the distribution process for imported goods.

Second, we have to reconsider how to assist industries, firms and labors that are having a difficult time with liberalisation. We now need more inclusive policy schemes to assist the losers from globalisation and trade. On these two issues, I would like to recommend that the WTO, along with other appropriate international organisations, study and suggest complete policy recommendations, with best practices.

Last, but not least, I would like to suggest that WTO members utilise their existing and future bilateral FTAs to liberalise trade further and reflect new commercial issues in the agreement. In other words, if the WTO members decide to have new FTAs or revise existing ones, they should make them as modern as possible by including newly emerging trade rules, such as competition policy, e-commerce, trade remedies, state owned enterprises and investment facilitation, to name a few. Thank you very much.

Nicolas BARRE

Thank you. Some interesting suggestions on how to improve the global trade system and, as you said, it is hard to challenge given the fact that we need to find a consensus on these issues.