



BARK TAEHO

President, Lee&Ko Global Commerce Institute, former Minister for Trade, Republic of Korea

PARK In-kook

The next speaker will be Professor Taeho Bark, who is working as President of Lee & Ko Global Commerce Institute. He served as former Minister for Trade of the Republic of Korea and Ambassador at large for International Economy and Trade. He will focus on trade issues, especially the TPP and RCEP.

BARK Taeho

Thank you Mr. Chairman. I am very happy to say that I have been participating in this WPC workshop on China for three consecutive years since 2015. Based on my expertise, I would like to briefly discuss trade and economic issues related to China. To be more specific, I would like to ask several questions to our Chinese colleagues. Before I start, I would like to congratulate Chinese colleagues for the successful conclusion of the 19th Party Congress of the Chinese Communist Party.

Numerous world news media acknowledged that the leadership of President Xi has been definitely strengthened and predicted that major policies including economic policy will be more effectively implemented. Although details of economic policy are yet to be revealed, experts outside China seem to be welcoming the outcome of the Party Congress.

I would now like to discuss a few issues related to international trade. First, I would like to start with the Chinese role and its leadership in the coming years. As President Xi noted, China will show a more proactive leadership in the international community. As we know well, the 11th ministerial conference of the WTO will be held in Buenos Aires next month. According to the Geneva sources, a few issues regarding fisheries subsidies and agriculture will be seriously discussed at the MC11. However, we also hear that there are still large differences among major participating countries. Some news media reported that the US strongly argues that there will not be any agreements at the upcoming MC11 due to difficult negotiations. Furthermore, it is predicted that how to deal with the Doha Round in the future will not be included at all in the official agenda of the MC11. One more frustrating issue is that vacant members of the WTO Appellate Body cannot be filled due to the blocking of the selection process by the US. We are concerned that this kind of incident may hurt the credibility of the WTO dispute settlement function which has been fully respected by the members despite the long impasse of the Doha Round negotiations. I would like to hear the positions of China as the largest trading nation in the world on the MC11, WTO Appellate Body situation and more generally on the current difficult situation of the multilateral trading system.

Second, I would like to discuss about the regional trade agreements. In response to the ineffective performance of the multilateral trading system, a large number of bilateral and regional free trade agreements have been pursued. Among the mega-RTAs, only the TPP was concluded but failed to be implemented because of the US decision to withdraw from it. Recently, trade experts and news media are suggesting that China should play a leading role in the RCEP negotiations which are yet to be concluded and in forming FTAAP in the long run. However, based on the progress made so far, the RCEP is not expected to be a high standards RTA. I would like to hear from Chinese colleagues the major reasons for slow progress of the RCEP negotiations and the possible Chinese leadership in remaining negotiations.

Third, I would like to discuss about the trade policy of the US President Trump. President Trump is frequently saying that the US is seriously concerned with the excessively large magnitude of its bilateral trade deficit against China and



argues this huge bilateral trade imbalance is mainly due to unfair trade practices of China. Recently, President Trump has enhanced his criticism against the Chinese unfair trade practices such as dumping, circumventing trade remedy duties, export subsidies, violation of IPRs and so on by saying they are predatory. Furthermore, the US is considering a Section 232 investigation based on the security concerns to restrict imports of steel and aluminum. The US is also examining its major trading partners whether they are manipulating the currency in favor of their export and refuses granting the market economy status to China. Some trade experts are concerned that the trade disputes between the US and China may lead the world trading environment to a kind of trade war. I will greatly appreciate if our Chinese colleagues give us the Chinese view on the current US-China trade relations.

Fourth, I would like to touch upon China's future economic policy direction. After the conclusion of the Party Congress, there seems to be an agreement that China's policy of reform and opening will be continued. However, I would like to raise one question on the future economic policy. During his speech at the Party Congress, President Xi mentioned that the role of state owned enterprises (SOEs) will be strengthened in the future. I thought that it may be contradictory to deepening market-oriented economic reforms. I would like to hear the background of President Xi's statement on the SOEs. One more concern is that we are experiencing global oversupply as well as overcapacity problems in certain sectors such as steel. If certain industries enter into the restructuring process, there will be some resistance from workers in those industries. Then the implementation of the market opening policy may face difficulties and possibly be delayed. I would like to hear from Chinese colleagues how China is dealing with these problems.

Lastly, I would like to know how the expansion of Free Trade Zones after establishing the first one in Shanghai in 2013 has been pursued and the current state of the China's BIT negotiations with the EU.

I will stop here and thank you very much.