

# T-20 Task Force 8

## -Trade, Investment and Globalization- Policy Briefs

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**THINK 20 (T20) — The research and policy advice network for the G20**

## 10 Task Force

TF1: 2030 Agenda for Sustainable Development

TF2: International Financial Architecture for Stability and Development/Crypto-assets and Fintech

TF3: Climate Change and Environment

TF4: Economic Effects of Infrastructure Investment and its Financing

TF5: Cooperating with Africa

TF6: Social Cohesion, Global Governance and the Future of Politics

TF7: The Future of Work and Education for the Digital Age

**TF8: Trade, Investment and Globalization**

TF9: SME Policy faced with Development of Financial Technology

TF10: Aging Population and its Economic Impact + Immigration

## T20 Summit 2019

**26-27 May 2019 – Toranomon Hills, Tokyo**

\* Presented at the 14th Jeju Forum for Peace and Prosperity, Jeju, South Korea, May 29-31, 2019, [http://www.jejuforum.or.kr/m21\\_program.php?year=2019](http://www.jejuforum.or.kr/m21_program.php?year=2019)

# PB 1 – The Crisis in World Trade



- Proposed actions to be taken to avoid a widespread resurgence of protectionism:
  - reinvigorate the multilateral system.
  - accelerate the efforts at striking bilateral and regional trade agreements.
  - engage domestic reforms that improve competitiveness and facilitate integration in GVC.
  - aid the most vulnerable to the spread of labor-saving tech and of trade involving low-wage economies.
  - Bilateral trade imbalance can be corrected via changes in macroeconomic and structural policies.
  - China should rapidly adopt reform corresponding to its new-found status (subsidies, SOEs, intellectual property, investment).
  - US, which has legitimate concern, should exercise its power to change the system from within.

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# PB 2 – Reinvigorating the WTO as a Negotiating Forum

- Market access (goods and services):
  - “critical mass” approach preferable.
  - Environmental Goods agreement (EGA) and Trade in Services Agreement (TiSA) should be carried out accordingly.
- Rules:
  - Multi-speed multilateral agreement is preferable. Plurilateral agreement with openness and aid-for-trade component is the second best.
  - The following should be priorities: (1) modernizing the WTO rules (MC11, e.g., MSMEs, e-commerce, investment facilitation, service domestic regulations), and (2) tightening/expanding the existing WTO rules on trade distorting practices (subsidies, SOE, tech transfer).

# PB 3 – Reforming the WTO AB: Short-term and Mid-term Options for DSU Reform, and Alternative Approaches in a Worst Case Scenario



## 1. Institutional and Procedural Reform of the DSU

- Short to mid-term reform (primarily procedural, such as outgoing AB Members, 90-day deadline, etc.)

⇒relatively easy. amending DSU or AB rules or interpretive approach.

- More ambitious, longer-term reforms (*e.g.*, the issues of precedent, “judicial activism” )

⇒Annual meeting between AB and WTO Members ○

⇒Reinforcing Independence of the AB ×

## 2. Alternative Approaches

- Art. 25 Arbitration

- Countermeasures under general intl. law (*ref.* DSU art. 23)

- *“Hopefully, both Members concerned would act judiciously and with restraint, and there would be no further escalation of the matter...”*

# Some thoughts for Asian Regional Economic Integration

- CPTPP – should be expanded.
- RCEP – should be concluded as soon as possible.
- Other connectivity initiatives – should be operated rule-based.

⇒ good both for the region and for multilateralism

*Thank you!*