

A List of Questions
for
June 28 (Thur) 14:00-15:30 Samda Hall
“Rapidly Rising Protectionism and East Asia’s Responses”

Moderator’s questions to each panel member:

First Round Questions:

To Mr. Jeffrey Jones

Very recently, prominent economists including winners of Nobel laureates had issued an open letter to President Donald Trump and the US. Congress to claim that the Trump administration’s high tariffs policy would injure American consumers and even American industries, which rely on heavily imported intermediate goods. Many experts indicate that President Trump has jeopardized the global free trade system by applying a deal-based trade policy rather than a rule-based one. How do you view Mr. Trump’s recent highly protectionist trade policy, recently on imported steel and aluminum? Do you think the US mid-term election results might cause Mr. Trump to back off the protectionist stance?

- Mr. Trump tends to speak larger than he acts. If you watch his words and actions you begin to see a fairly dependable pattern
- To rephrase a statement famous policy of Franklin Roosevelt of “carry a big stick and speak softly” Mr. Trump’s policy may be characterized and “carry a big stick, speak even bigger and tread lightly”
- He has modified his stance on the KORUS FTA, pulled back on NAFTA, gave Korea and others exemptions from aluminum and steel imports and even delayed some of the Chinese trade sanctions
- But his method of dealing has worked well with North Korea, it has gotten the attention of China and I believe his unconventional way of engaging in diplomacy has yielded some results for the U.S. economy
- There is no doubt he is sincere about his feeling that the U.S. is treated unfairly
- I do not believe the mid-terms will result in a change of his policy; his successes in North Korea have boosted his popularity quite significantly
- I would prefer a more conventional approach to trade and diplomacy, but let’s

see how this turns out. I am actually much more concerned about the Commerce Department investigation on autos. The announced 25% tariff on imported vehicles will be a disaster for the U.S. and Korea and we are taking a position in opposition to such a tariff.

Second Round Questions:

To Mr. Jones

Given U.S. protectionism, East Asian economies are actively searching for intensified intra-regional trade and investment linkages through e-commerce and e-trade and a formal free trade mechanism while reducing trade dependence on the US. We are seeing the advent of the Asian century. For the sake of U.S. interests, U.S. should engage with rising Asia as President Obama's policy of Pivot Asia pursued. In this regard, Mr. Trump might join the TPP minus the U.S. How do you see this prospect?

- It is of course very difficult to predict what Mr. Trump will or will not do
- He has spoken of rejoining TPP if the conditions are right; it is my sense that if it makes sense, he will do it.
- Mr. Trump is not one stuck on principle; he will do what is pragmatic and good for America in his view
- This sometimes makes it difficult to predict his actions, but if TPP offers significant protection from America getting the bad end of a trade deal, then Mr. Trump would be happy to join TPP

Final questions to all panel members:

IMF Chief, Christine Lagarde has asserted that trade wars leave no winners. How East Asian economies should respond to ongoing "America First" protectionist trend while recognizing the global trading system works when every economy plays by the rules. Without awaiting for effectuation of top-down large regional preferential trade arrangements, private sector should make a maximum use of e-commerce, e-trade, and ongoing global supply chains. In this regard, how can the private sector collaborate with each other across nations.

- The U.S. is the most important market in the world still
- A trade war is not wanted by anyone, and certainly not the U.S.
- But Mr. Trump has domestic politics to contend with and he has to be seen as bringing back manufacturing to the U.S. Some of his policies are working

and more manufacturing is returning to the U.S., but this is more about tax and other economic incentives than trade wars.

- Mr. Trump has put in place lower taxes and regulatory barriers which makes it easier and more efficient to manufacture in the U.S. given growing wage costs in China and other parts of Asia, particularly Korea
- We should learn from Mr. Trump's actions, not his big words