

*This report is written by Jonas Vogt, researcher at Hanns Seidel Foundation Korea. The report is about the 2015 Seoul Conference on Trade & Industry on November, 10<sup>th</sup> 2015 at the Nine Tree Convention Gwanghwamun*

---

**Title: 2015 Seoul Conference on Trade & Industry**

Date: November 10, 2015

Theme: A New Paradigm for the World Trading System

Location: Grand Ballroom, Nine Tree Convention Gwanghwamun

**Summary:**

Under the theme „A New Paradigm for the World Trading System“, the 2015 Seoul Conference on Trade & Industry was held. Central to the conference was the topic of trade negotiations among recent shifts in the global economy: a shift from bilateral FTAs (Free Trade Agreement) towards more inclusive and bigger „mega-FTAs“.

The conference focused in the first session on the emergence of so called „mega-FTAs“. These Mega-FTAs would supersede the bilateral FTAs, which have emerged due to the stalled Doha Round of the WTO. Depending on the experts opinion, these Mega-FTAs are seen as either a reaction to a changing economic environment or as a geopolitical instrument. Characteristic for such Mega-FTAs is not just the scope of agreements but also the vast range of trade issues included (e.g. regulatory harmonization, investment rules, etc) while previous FTAs have more focused on market access and tariff reductions. Panelist and speaker Alan V. Deardorff, economist from the University of Michigan, gave an introduction into the above mentioned topic. He argued that the the EU, MERCOSUR AND ASEAN would be already existing Mega-FTAs while further agreements would be in the negotiation process, such as TTIP, RCEP. TPP has already been agreed on, yet not ratified. The panel consisted of professors, The Deputy Director General of the WTO, Yonov Frederick Agah, and politicians. It was also debated, whether the rise of the Mega-FTAs would lead to the creation of a new global trade regime and hence represent an alternative to the WTO that has not produced any results apart of the „Bali Package“ in 2014. It has also been discussed if the emergence of Mega-FTAs would create pressure on the WTO to complete the Doha Round. Deardorff argues that this might be possible, since the creation of NAFTA would have motivated the Uruguay Round to be completed. However, he believes that this is not very likely and that further multilateral trade liberalization through the WTO is unlikely to happen in the foreseeable future.

In the second session, the discussions mainly revolved around the TPP (the Trans-Pacific Partnership), a mega-FTA recently being agreed on by its members (but not ratified yet). The current members of the TPP account for approx. 40% of global GDP and about 25% of world trade. Korea`role in the TPP was debated, as the country is still considering if and when to

join the TPP. Currently, Korea is not party to the agreement, however has announced interest in joining. The country has been invited to the TTP negotiation rounds by the US, after a successfully concluded bilateral free trade agreement between the US and the ROK (KORUS, 2007). Korea has already bilateral trade agreements with all but two members of the TPP. Most experts argued that the ROK would lose out if left outside the agreement and thus heavily advocated the country to join the TPP. Some experts argued that TPP is an economic initiative, set up as a reaction to the new demands of a global world economy. Other panelists, such as Claude Barfield from the American Enterprise Institute, however emphasized the geopolitical motivation for the TPP. Is the Mega-FTA an attempt to define future trade standards? Is the TPP a part of the US` pivot to Asia and thus aimed at ensuring continued US influence in an Asian region that is also subject to growing Chinese power? Or is it even an effort to directly counter the rise of China, hence an instrument of containment? China, not being part of the TPP is a leading advocate of the FTAAP (Free Trade Area of the Asia-Pacific), which is seen by some experts as a counterweight to the US-led TPP. Looking at this development, and gridlock within the multilateral WTO negotiations, are we in a phase of competitive liberalization? With all the FTAs (bilateral, trilateral, regional), Mega-FTAs and the multilateral WTO system in place, it is indeed difficult to keep an overview of the status-quo of trade and of recent developments in trade agreements.

The third session was about China`s initiative „One Belt, One Road“ (OBOR), often seen as one of Chinas` answers to the mega-FTAs led by the advanced economies. Wenling Chen, chief economist at the China Center for International Economic Exchanges (CCIEE) presented her findings on the Chinese initiative. „One Belt, One Road“ would build a new Eurasian Land Bridge and secure transport routes at sea. The initiative would lead to a further economic integration of the countries involved and strengthen cooperation in policy coordination. Charles E. Morrison, President of the East West Center, commented on an American perspective, and argued that the US` interest in this initiatives would rather be limited since it would neither impact US security nor economics interests in a negative way. However, he raised concern that the OBOR initiative could undermine US, EU or UN sanctions, such as sanctions against North Korea and Iran (nuclear proliferation) and Russia (aggression).

It seems that the title of the conference, „A New Paradigm for the World Trading System“, refers to the shifts of trading systems, from the WTO-led multilateral trade liberalization to bilateral FTAs and then to a web of Mega-FTAs.

## Program:

09:00 - 10:00(60')	<b>Registration</b>	
10:00 - 10:20 (20')	<b>Opening Ceremony</b>	
Opening Remarks	<b>In-Ho KIM</b>	Chairman & CEO, Korea International Trade Association (KITA)
Welcoming Remarks	<b>Il Hong LEE</b>	President, Korea Institute for International Economic Policy (KIEP)
Congratulatory Remarks	<b>Yonov Frederick AGAH</b>	Deputy Director General, World Trade Organization (WTO)
10:20 - 12:10 (110')	<b>Session I Mega-FTAs and the Changing Global Trade Regime</b>	
Chair	<b>Byung-il CHOI</b>	Professor, Ewha Womans University
Presenter	<b>Alan V. DEARDORFF</b>	Professor, University of Michigan
	<b>Yonov Frederick AGAH</b>	Deputy Director General, World Trade Organization (WTO)
Discussant	<b>Seokyoung CHOI</b>	Ambassador-at-large, Ministry of Foreign Affairs (MOFA)
	<b>Ravi KEWALRAM</b>	Deputy Head of Mission, Australian Embassy in Korea
	<b>Chul CHUNG</b>	Vice President, Department of Asia-Pacific, Korea Institute for International Economic Policy (KIEP)
	<b>Kay Georg SEGLER</b>	Professor, Nanyang Technological University
12:10 - 13:40 (90')	<b>Luncheon</b>	
13:40 - 15:40 (120')	<b>Session II The Trans-Pacific Partnership(TPP) : Where Does Korea Stand?</b>	
Chair	<b>Duk-Geun AHN</b>	Professor, Seoul National University
Presenter	<b>Peter A. PETRI</b>	Professor, Brandeis University ; Visiting Fellow, Peterson Institute for International Economics (PIIE)
	<b>Yukiko FUKAGAWA</b>	Professor, Waseda University
	<b>Charles FINNY</b>	Partner, Saunders Unsworth
Discussant	<b>Clare Patricia FEARNLEY</b>	Ambassador, New Zealand Embassy in Korea
	<b>Tae-Hee WOO</b>	Deputy Minister for Trade, Ministry of Trade, Industry & Energy (MOTIE)
	<b>Amy JACKSON</b>	President, American Chamber of Commerce in Korea (AMCHAM)
	<b>Keuk-Soo KIM</b>	President, Institute for International Trade, Korea International Trade Association (KITA)
15:40 - 16:00 (20')	<b>Coffee Break</b>	
16:00 - 17:50 (110')	<b>Session III One Belt, One Road : Possibilities, Prospects and Implications for Korea</b>	
Chair	<b>Il Hong LEE</b>	President, Korea Institute for International Economic Policy (KIEP)
Presenter	<b>Wenling CHEN</b>	Chief Economist, China Center for International Economic Exchanges (CCIEE)
	<b>Charles E. MORRISON</b>	President, East West Center
	<b>Fukunari KIMURA</b>	Professor, Keio University ; Chief Economist, Economic Research Institute for ASEAN and East Asia (ERIA)
Discussant	<b>Gerhard SABATHIL</b>	Ambassador, Delegation of the European Union to Korea
	<b>Claude BARFIELD</b>	Resident Scholar, American Enterprise Institute (AEI)
	<b>Young-Rok CHEONG</b>	Professor, Seoul National University
	<b>Chang Ting ZHOU</b>	Minister-counsellor, Chinese Embassy in Korea