

# U.S.-China Trade Rules: What Happens After the Doha Collapse

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# Doha is Dead

- Doha Round Launched in 2001
- Current deal unacceptable to many
- WTO future:
  - Just a breather?
  - Or.....litigation not negotiation?

# Questions for the US-China role

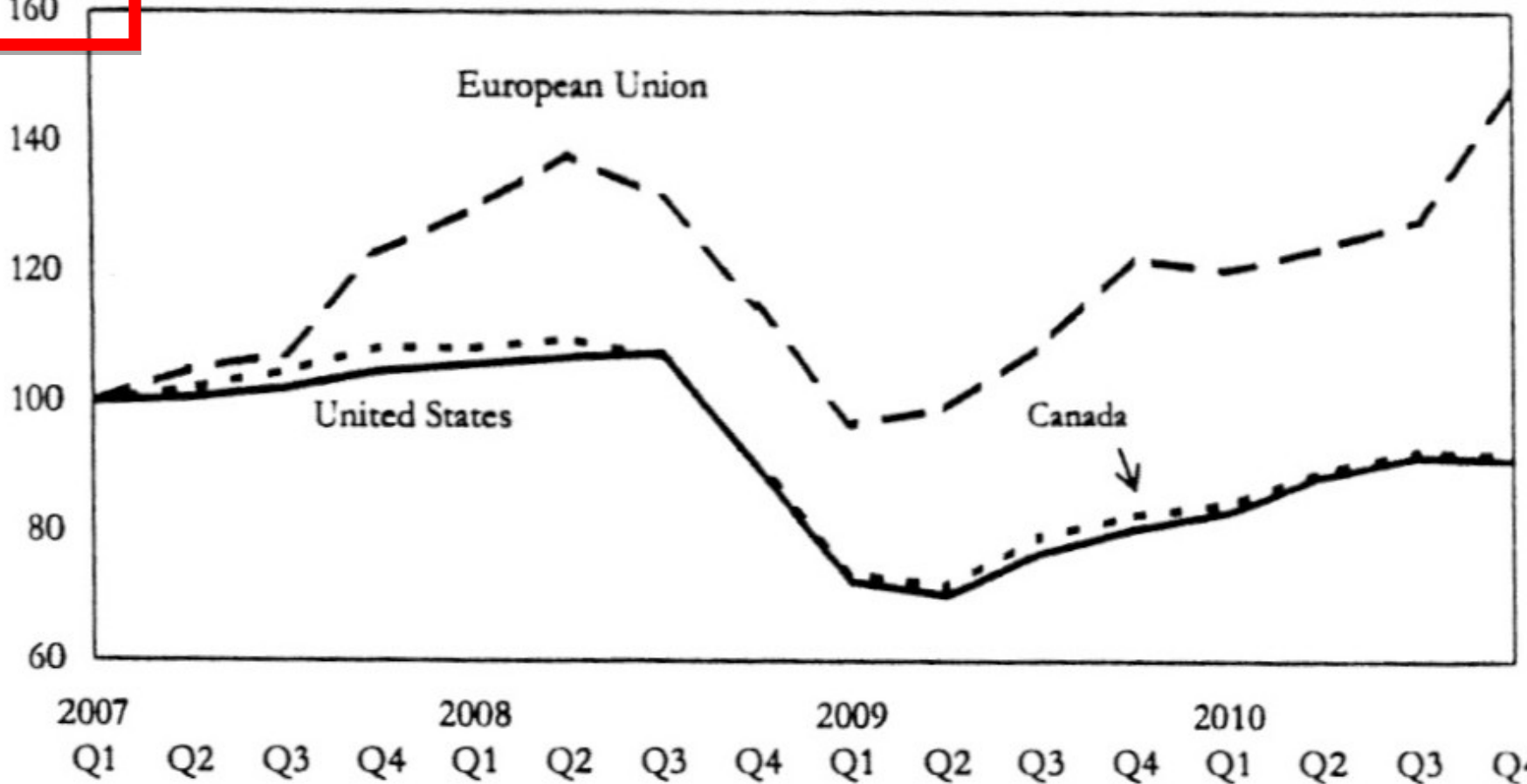
- Cooperation to preserve the current system of non-discrimination?
- Bilateral focus, while neglecting the multilateral system?
- Will a new structure emerge, with a diminished role for the US and a correspondingly central role for China?

# Slow Crisis at WTO

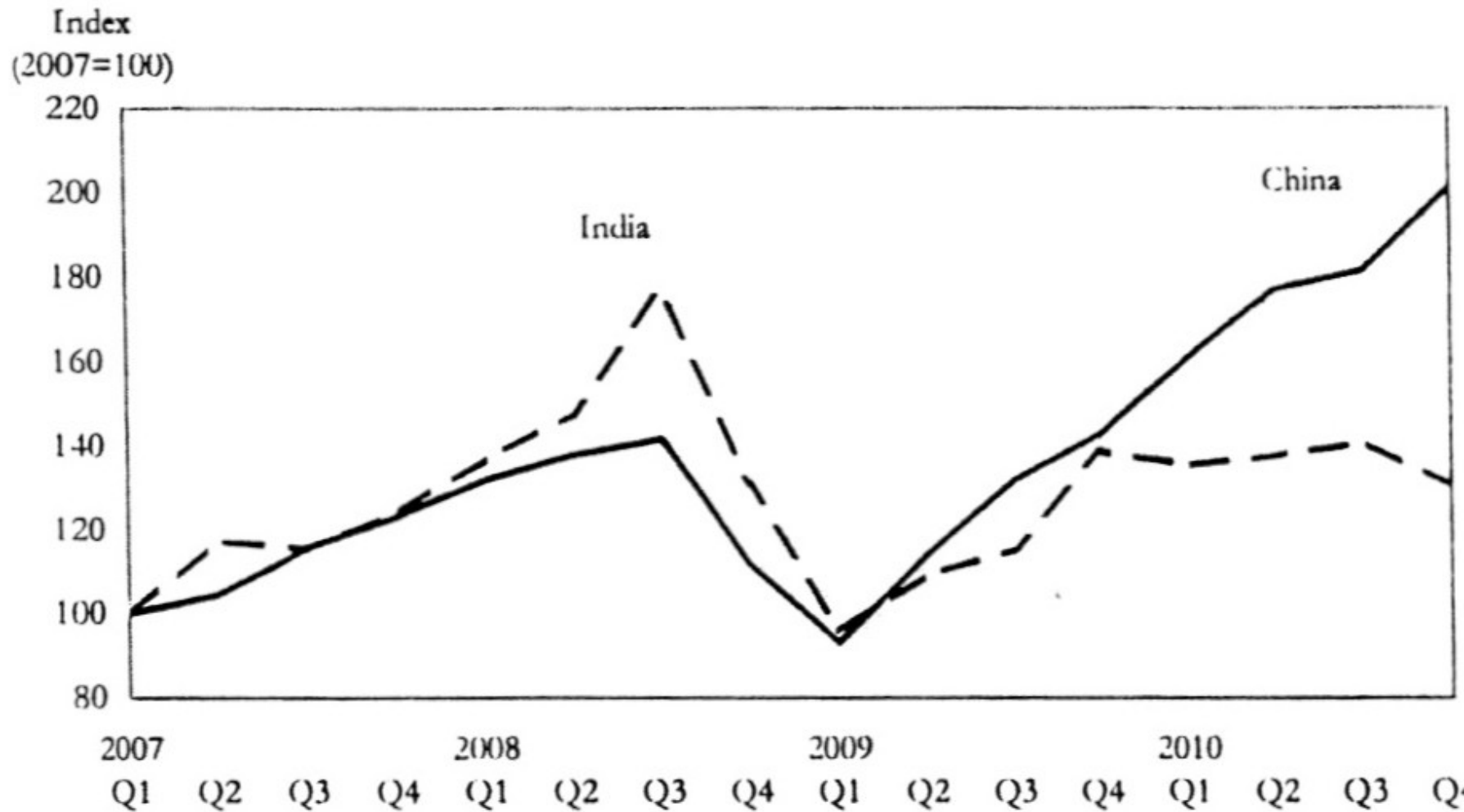
- Long-term implications for the multilateral system
  - Optimistic case
    - Reinvigorated after reset
    - Current obligations remain
  - Pessimistic case
    - Increasingly “irrelevant” WTO
    - Trade negotiation energy elsewhere

# Imports and the Great Recession

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(2007=100)



# Imports and the Great Recession



# Antidumping cases against China

- United States
  - 2000-2004: 50 percent against China
  - 2005-2009: 83 percent against China
- Argentina
  - 2002-2007: 17 percent against China
  - 2008-2010: 62 percent against China

# Areas of US-China tension

- Allegations of “unfair” trading by China
- Intellectual property disputes
- Chinese subsidies and state-owned enterprises
- Climate change and “carbon leakage”
- Currency rates



# US-initiated WTO dispute cases (China)

Defendant	Product	Year initiated
China	VAT on integrated circuits	2004
China	Auto parts imports	2006
China	Domestic subsidies	2007
China	IPR	2007
China	Audiovisual services and IPR	2007
China	Financial information services	2008
China	Domestic subsidies	2008
China	Exports of raw materials	2009
China	Electronic payment services	2010
China	CVDs and antidumping on steel	2010
China	Measures concerning wind power equipment	2010

# China-initiated WTO dispute cases (all)

<b>Defendant</b>	<b>Product</b>	<b>Year initiated</b>
US	Steel safeguard	2002
US	Antidumping on coated paper	2007
US	Antidumping procedures	2008
US	China-specific tire safeguard	2009
US	Antidumping on shrimp	2011
EU	Antidumping on footwear	2010
EU	Antidumping on steel fasteners	2009

# Going forward---US

- Lack of US leadership
  - Breakdown of globalization consensus
  - Obama limited trade agenda
- Focus on bilaterals not multilateral system
  - FTAs
  - Trans-Pacific Partnership

# Going forward---China

- China as “natural” successor as guarantor of multilateral system?
- China’s role in Doha: “punching below its weight”
- What would a Chinese-led system look like?
  - Rules-based non-discrimination?
  - Reaction to targeting by others?

# Multilateral system

- Status quo or traditional concerns?
- Additional issues?
  - Mattoo and Subramanian: Currency rates, financial regulation, climate change effect on trade/investment
  - Food security
  - Energy security