



EAST ASIA-EU ECONOMIC ROUNDTABLE Wednesday December 12, 2012

Dear Participants,

Please, find below a more detailed program for our December 12th Roundtable. A few preliminary remarks:

- The Roundtable is an opportunity to exchange information and views. It is not a conference where fully-fledged papers are presented in detail (even if such papers can be used as background documents).
- Each session begins by two to three brief introductory presentations: 8 minutes maximum, with an optional powerpoint of 4 slides maximum. These presentations should aim at launching the debate among us.
- Some participants have already mentioned their willingness to make such introductory presentations. The door is open to all the other participants, with (ideally) a maximum of three presentations by session. Two introductory presentations will be made by OECD participants in order to brief the whole group on the ongoing OECD work on topics of particular relevance for our discussions (value-added chains in session 2, state-owned enterprises in session 3).

SESSION 1 (9:00-10:45). A “NEW NORMAL” OF MACROECONOMIC INSTABILITY?

The macroeconomic situation is worsening in most of Asia and Europe. Economic uncertainties are compounded by political changes: While East Asia may witness a change of governments in its three largest economies (China, Japan and Korea), general elections in Italy (April 2013) and in Germany (October 2013) may create new turbulences in Europe.

Macroeconomic authorities are still in a crisis mode. The balance sheets of central banks in Asia and Europe have swollen – yet it is debated whether money stimulus has been too small or too big. Governments are consolidating fiscal policy – and faced by increased criticism for not stimulating economies (enough) on the fiscal side. And banks in both regions remain fragile, despite or because of expansionary policies in the past years.

While downside risks for the global economy have been reinforced, there are signs suggesting central banks and governments are adjusting policy to a “new normal” of macroeconomic instability. Few appear to suggest that the world economy will return to the “golden age” of stability in the growth up to 2007. But there is an increasing debate over how macro authorities should act – continue with current approaches or change course – and what is necessary to avoid further stress in and between countries.

Moderator: Fredrik Erixon (ECIPE)

Introductory presentations (no more than 8 minutes and 4 slides)

- Prof. Kiyotaka Sato or Junko Shimizu (RIETI)
- Prof. Yoon-Je Cho (Sogang University)
- Prof. André Sapir (Université Libre de Bruxelles and Bruegel)

SESSION 2 (11:00-12:45). CONVERGENCE OR DIVERGENCE IN GLOBAL TRADE POLICY?

Is global trade policy fragmenting? A stalled Doha Round has undermined the role of the WTO as the place to negotiate and discuss trade issues. Even uncontroversial issues, or low-hanging fruits like trade facilitation or duty-free-quota-free for LDCs, seem hard to settle.

Meanwhile, all countries in the world have jumped the preferential trade agreements (PTAs) bandwagon. But PTAs are not easy to negotiate or manage. As of today, the most advanced PTA is the Trans-Pacific Partnership with the US and, possibly, Japan. The China-Japan-Korea has been re-launched, and it is complemented by bilateral negotiations between China and Korea. A couple of weeks ago, the EU has finally decided to give a mandate of negotiations to the Commission to negotiate a PTA with Japan. All these “mega-PTAs” are likely to have substantial discriminatory effects on the countries not involved in the PTAs.

How can we ensure that these agreements will deliver the true pro-growth trade and investment liberalization that both regions need in order to overcome the current crisis, without generating discriminations that are doomed to create distortions and conflicts? Which kind of domestic and international institutions would ensure that there would be no major drift towards protection among the major world economies?

Moderator: Guy de Jonquieres (ECIPE)

Introductory presentations (no more than 8 minutes and 4 slides)

- Prof. SeYoung Ahn (Sogang University)
- Prof. Ronglin Li (Nankai University)
- Dr. Dorothée Rouzet (OECD)

Lunch (12:45-14:00)

SESSION 3 (14:00-15:45). “NEVER WASTE A GOOD CRISIS”: STRUCTURAL REFORMS DURING THE CRISIS

Europe and East Asia both need structural reform. But they appear to share a common feature of having made only few significant structural and regulatory reforms in the past few years, let alone during the past decade. While the record is patchy, recent economic difficulties appear to have induced governments to introduce more rigid regulations in areas such as finance, energy, and services. Product market regulations seem to have expanded and entry barriers have increased (e.g. in the banking sector). Competition policies regarding to subsidies (when such policies exist) have shown serious limits.

What is the state of the structural reform agenda in East Asia and Europe? What reforms are needed for liberalization in services (the bulk of our economies), state-owned enterprises and subsidies (in declining or promising sectors)? Which kind of institutions would ensure that there would be a smooth flow of reforms during crisis periods?

Moderator: Alan Winters (University of Sussex)

Introductory presentations (no more than 8 minutes and 4 slides)

- Prof. Peter Drysdale (Australian National University)
- Dr. Jean-Jacques Hallaert (International Monetary Fund)
- Prof. Jianping Zhang (National Development and Reform Commission)
- Dr. M. Buge (Organization for Economic Cooperation and Development)

SESSION 4 (16:00-17:15). THE GREEN AGENDA: COMPETITION AND COOPERATION

The attention for “green” issues (climate change, green growth, natural resources, water scarcity, et cetera) has declined in the past years. Trends in both regions are worrying. First, there is a profound lack of cooperation between different parts of the world, which leads to friction, trade discrimination, and higher welfare costs. There is an absence of international institutions that command authority and legitimacy in addressing these issues. Second, many “green” initiatives have undermined market-based systems for pricing and competition, which leads to profound misallocation of resources and increased state interventionism.

What should be the agenda for international cooperation – and what needs to change in domestic and international current approaches for “green” initiatives to be efficient and economically sustainable?

Moderator: Jaime de Melo (University of Geneva)

Introductory presentations (no more than 8 minutes and 4 slides)

- Prof. Song (Chinese Academy of Social Sciences CASS)
- Jaime de Melo (University of Geneva)

SESSION 5 (17:15-18:00). WHAT NEXT?

This session aims at drawing a few key lessons from our discussions during the whole day. It will also make a first “tour de table” to see whether there is some willingness to do the same exercise next year.

Moderator: ** (to be announced)

No introductory presentations

Venue: Atrium Science 14, Rue de la science, 14b - Bruxelles