

Session 2: Economic Integration and Trade System of Asia Pacific.

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- Key words for describing current global and regional economic situation
- **COVID-19 Pandemic: export restriction, production subsidy**
- **Growing protectionism: particularly in the form of NTMs, trade remedies**
- **Increasing government intervention: government subsidy, industrial policy**
- **US-China conflict: tariff war, tech war, decoupling, managed trade**
- **Digital economy: digital trade, prevent digital protectionism, protection of privacy**
- **Global value chains (GVCs): robust and resilient**
- **Environment**
- **Energy**

- To deal with these problems and achieve sustainable, resilient, inclusive, and dynamic economic growth
- Asia-Pacific economies need to establish and manage a free, open, transparent, rules-based economic/business environment, which will facilitate international/regional movement of goods, services, data/information, and people, contributing to expansion/intensification/diversification of GVCs, which have shown to be robust and resilient to COVID pandemic
- Important regional trade and investment frameworks
- RCEP: monitoring the compliance by the members
- CPTPP: expansion of membership, UK, China, Taipei, China, possibly other economies including Thailand, South Korea, Indonesia, etc. Strict application of accession requirement, e.g. e-commerce, state-owned enterprises, labor
- FTAAP
- Lead global discussions on digital trade rules, subsidy issue, etc
- Use APEC and G-20 meetings to discuss regional and global issues on trade and investment, respectively

- **Need to deal with negative impacts of globalization and technological progress (skill-biased technical change) : unemployment, increased inequality**
- **Economic Cooperation/Assistance and Income/Asset Redistribution**
- **For developing economies:**
- **Economic cooperation/assistance from developed economies: International/regional economic cooperation: provision of soft (educational and legal systems, governance, etc) and hard (transportation, and communication systems etc) infrastructure, particularly development of human resources (education, training, digital skills) and MSMEs**
- **For developed economies:**
- **Economic assistance (trade adjustment assistance): temporary income compensation, human resource development (education and (re)training, digital skills), MSMEs**
- **For both developing and developed economies**
- **Income/asset redistribution**