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

The graph shows the index of imports for the European Union, the United States, and Canada from 2007 to 2010. The index is normalized to 2007 = 100. During the Great Recession, there was a significant drop in imports, with the European Union and Canada experiencing sharper declines compared to the United States. The index for the European Union and Canada shows a recovery之后, while the United States' index remains relatively stable.
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)

<table>
<thead>
<tr>
<th>Defendant</th>
<th>Product</th>
<th>Year initiated</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>VAT on integrated circuits</td>
<td>2004</td>
</tr>
<tr>
<td>China</td>
<td>Auto parts imports</td>
<td>2006</td>
</tr>
<tr>
<td>China</td>
<td>Domestic subsidies</td>
<td>2007</td>
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<td>China</td>
<td>IPR</td>
<td>2007</td>
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<td>China</td>
<td>Audiovisual services and IPR</td>
<td>2007</td>
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<tr>
<td>China</td>
<td>Financial information services</td>
<td>2008</td>
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<tr>
<td>China</td>
<td>Domestic subsidies</td>
<td>2008</td>
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<tr>
<td>China</td>
<td>Exports of raw materials</td>
<td>2009</td>
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<tr>
<td>China</td>
<td>Electronic payment services</td>
<td>2010</td>
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<tr>
<td>China</td>
<td>CVDs and antidumping on steel</td>
<td>2010</td>
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<tr>
<td>China</td>
<td>Measures concerning wind power equipment</td>
<td>2010</td>
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## China-initiated WTO dispute cases (all)

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<thead>
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<th>Defendant</th>
<th>Product</th>
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</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>Steel safeguard</td>
<td>2002</td>
</tr>
<tr>
<td>US</td>
<td>Antidumping on coated paper</td>
<td>2007</td>
</tr>
<tr>
<td>US</td>
<td>Antidumping procedures</td>
<td>2008</td>
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<tr>
<td>US</td>
<td>China-specific tire safeguard</td>
<td>2009</td>
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<tr>
<td>US</td>
<td>Antidumping on shrimp</td>
<td>2011</td>
</tr>
<tr>
<td>EU</td>
<td>Antidumping on footwear</td>
<td>2010</td>
</tr>
<tr>
<td>EU</td>
<td>Antidumping on steel fasteners</td>
<td>2009</td>
</tr>
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</table>
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