

An aerial photograph of a large cargo ship sailing on the ocean. The ship is viewed from above, showing its deck with various structures, cranes, and containers. The ship is moving through the water, leaving a white wake behind it. The background is a deep blue ocean.

Resilient Supply Chains while Decoupling is Everywhere?

Lili Yan Ing

Lead Advisor, Southeast Asia Region (ERIA)

21st IORA Working Group on Trade and Investment, 23 May 2023

What Leaders and Ministers Say...

- **A Well-Functioning WTO by WTO by 2024**
“.....commit to conduct discussions with the view to having a fully and well-functioning dispute settlement system accessible to all Members by 2024.” MC-12 para4
- **Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**
A trade agreement among 11 countries. 13% of global GDP.
Trade in Goods: eliminates tariffs for 98% of exports of member countries.
- **Regional Comprehensive Economic Partnership (RCEP)**
A trade agreement among 15 countries: ASEAN+5. 30% of global GDP.
Trade in Goods: reduction of 90% of import tariffs among its members.
- **Indo-Pacific Economic Framework (IPEF)**
IPEF is not a trade/investment agreement, it is not about market access. 4 pillars: (i) Trade, (ii) Supply chains, (iii) Clean energy, decarbonization, and infrastructure, (iv) Tax and anti-corruption.

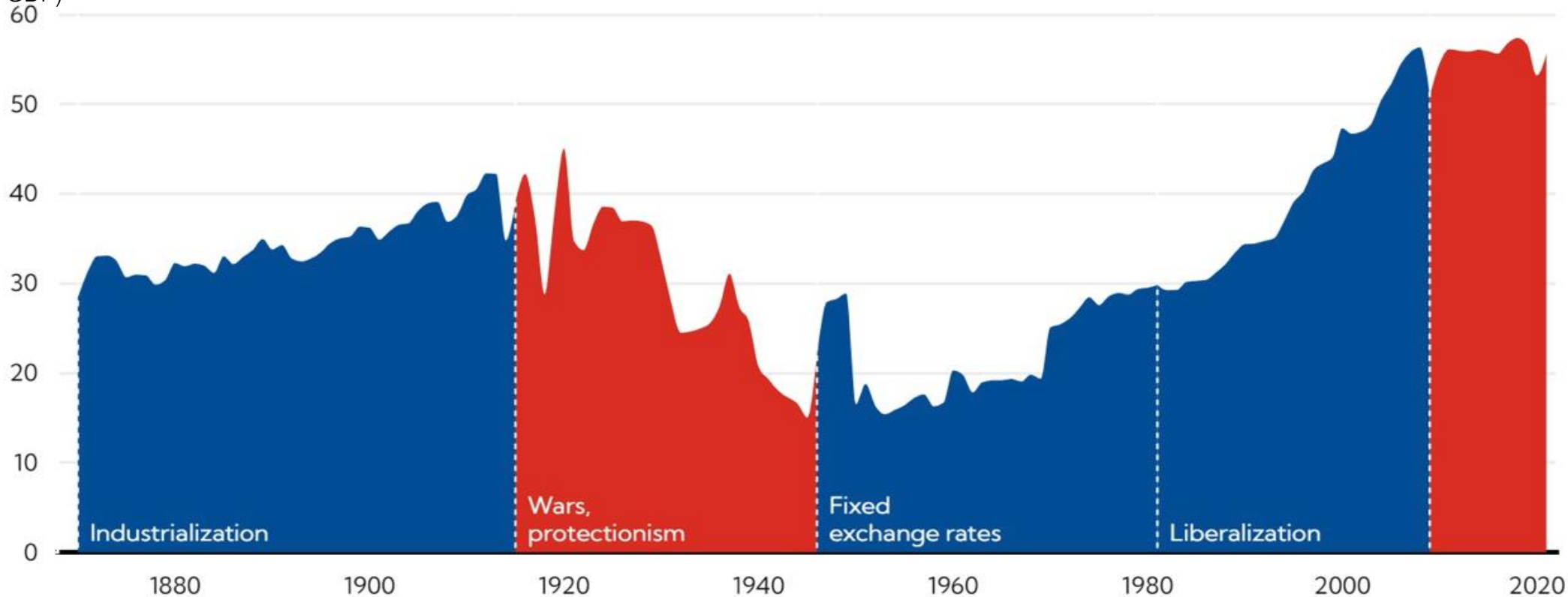
What Facts Tell Us...

- **Rising Protectionist Measures**
 - The number of export restraint measures and LCRs are growing
 - The US Measure 232 and the US rejection on WTO DBS panel findings
- **Technology Measures**
 - The US Export Restrictions to China, October 2022
 - China's Strikes Back on US Chip Maker
 - Decoupling Cuts Deep: Japan Restrict Chipmaking Equipment Export
- **Securing Critical Minerals**
 - Economies such as the US, the EU, and Japan increase attempts to secure their critical minerals supply chain: creating resource reserves, import-substituting country diversification, global mine acquisitions, and establishing international alliances for critical minerals (USGS, 2021).

Are we going back to the 1930s?

Protectionism can be politically popular, but harmful to the economy

World's exports and imports
(% of GDP)



Sources: PIIE, Jorda-Schularick-Taylor Macrohistory Database, Penn World Data (10.0), World Bank, and IMF staff calculations.
Note: Sample's composition changes over time.

Way Forward

1. Keep neutral position, embrace middle-income countries' power
2. Strengthen multilateral trading system, pursue plurilateral economic co-operation
3. Diversify sources and markets and improve regional trade
4. Investing in human capital and digital technologies

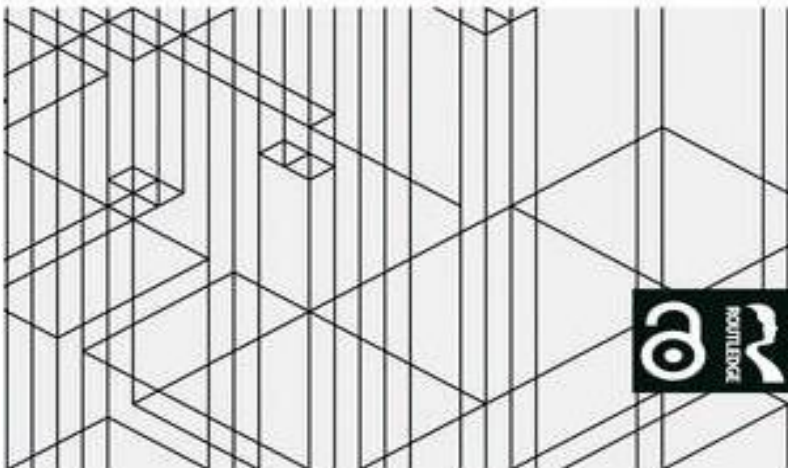


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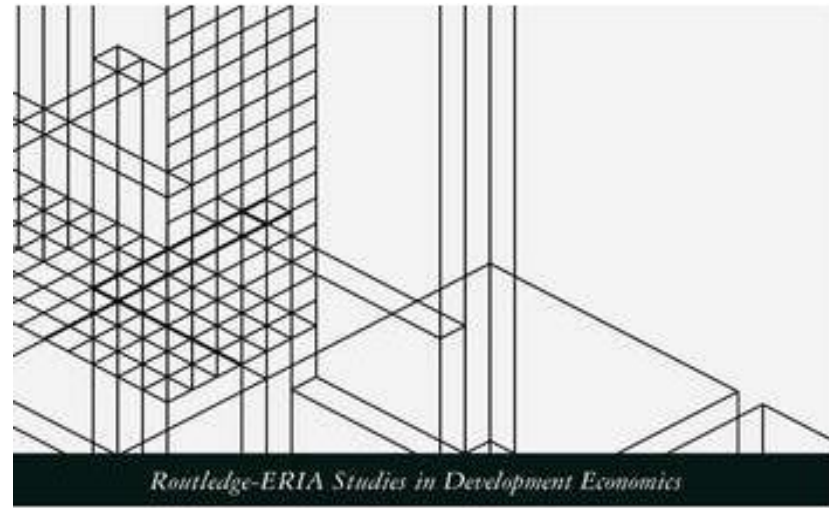
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