



Shanghai Forum 2018 Perspective Highlights

Regional Disintegration: Driving Force, Way out and the Role Played by China

ROUNDTABLE 08 Session One

13:30-15:15, May 26

Chair:

Wan Guanghua: Director, Institute of World Economy, Fudan University

Luo Changyuan: Deputy Director, Institute of World Economy, Fudan University

Moderator: Wan Guanghua: Director, Institute of World Economy, Fudan University

**Ju Jiandong
Director, Center for
International
Economic Research,
Tsinghua University**

Understanding U. S.-China Trade Disputes

1. It is quite normal to have disputes concerning the loss and gain in China-US trade relationship, but it's not desirable to intervene the existing value chain of production just because of trade friction. Therefore, the ZHONGXING Event captured the headline over the society.
2. While the America-dominate pattern is being broken in world economy situation, the triangle of North American value chain, European value chain and Asian value chain is be formed. This situation annoys Washington. The development of global economy and global governance is undergoing an essential evolution.
3. China has to prevent three dangers-Japanese trap, Soviet trap and international financial crisis-during the friction of China-US trade. China's current major mission is to promote the quick development of China's high-tech industries and the reformation of global governance system. While undergoing the upgrading trade friction, the future of China's trade development remains bright.

**Lu Yi
Professor, School of
economics and
management,
Tsinghua University**

The Influence of China-US Trade on US Economy

1. While Chinese import penetration to US grows rapidly, the employment rate and wage of US manufacturing sector decline correspondingly. Therefore, many American scholars regard Chinese import as the main reason of the decrease of US employment rate and wage.
2. Researches about politics and media find that the congressmen who hold that Chinese import causes the decrease of US employment rate and wage have a tendency to vote for democrat candidates and the media which hold the same opinion are prone to use negative words when describing Chinese events.
3. US anti-dumping investigation is like a filter. After anti-dumping investigation, only the competitive and thriving companies in China were survived, however, the weak domestic companies in America were being protected and remained.

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Huang Jianzhong
Dean, School of
International Trade,
Shanghai University
of
International Business
and Economics

China International Import Expo and Opening-up in New Era

1. High-quality development derives from high-quality reform. High-quality reform is pushed by high-quality Opening-up.
2. Hosting the Import Exposition is the significant practice and typical representation of high-quality Opening-up and it can highlight three comparative advantages: the advantages of manufacturing, investing and internet applying.
3. The Import Exposition is the Supply-Side Structural Reform of promoting the Belt and Road Initiative. The reform includes the enhancement of regional economic vitality, the cooperation of international production capacity, bilateral or regional integration, and the globalization of RMB during the process.

Sheng Bin
Dean, School of
economics, Nankai
University.

China's Role in the Asia-Pacific Regional Integration

1. The global production network promotes and calls for new trade rules, which are mainly implemented in high-standard regional trade agreements.
2. Two main approaches to measure the quality of trade agreements and examine their impact on regional economic integration: the frequency method and the scoring method.
3. Trade relations of the regional value chain in the Asia-Pacific region: trade protectionism leads to the failure of high-standard regional trade agreements in the Asia-Pacific region, which makes the region face the threat of disintegration. China should play a significant role in the process of economic "reintegration" in the Asia-Pacific region.

DISCUSSION

1. Discussion about the expectation of the result of Sino-US trade war and how China should respond to it.
2. Discussion about how government should support for exports.

(Editor: Xu Zuo Li Yunlu)



Shanghai Forum 2018 Perspective Highlights

Regional Disintegration: Driving Force, Way out and the Role Played by China

ROUNDTABLE 08 Session Two

15:30-17:00, May 26

Chair:

Wan Guanghua: Director, Institute of World Economy, Fudan University

Luo Changyuan: Deputy Director, Institute of World Economy, Fudan University

Moderator: Luo Changyuan: Deputy Director, Institute of World Economy, Fudan University

**Paolo Epifani
Dean, School of
economics, The
University of
Nottingham**

Capital Flows to Developing Countries: A View from Trade

1. Gourinchas and Jeanne (2013) have documented a so-called allocation puzzle: net capital inflows are negatively correlated with productivity growth in a cross-section of 68 developing and emerging countries observed between 1980 and 2000.
2. The reason of the above pattern is that manufacturing trade deficits negatively influenced the productivity rate.
3. Provided that capital inflows are correlated with manufacturing trade deficits, a two-sector multi-country version of the workhorse trade model with intermediate goods can naturally explain the allocation puzzle.

**Zhang Lei
Dean, WTO
Research Institute,
Shanghai
University of
International
Business and
Economics**

The Role of WTO against Regional Disintegration

1. Seeking the best ways for regional economic integration: The government should focus on how to solve the real challenges and make good use of the opportunities posed by RTAs to promote economic integration and sustainable development.
2. Problems of existing ways: Lack of political will; Resource constraints; Addressing the “problem” of wrong direction.
3. Launching the RTA Exchange: Gaining fresh information, data, and analysis of RTAs; Negotiating and implementing RTAs; Deepening regional integration; Converging and multilateralising RTAs; Developing complementary policies.

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Cheng Dazhong
Deputy Dean,
World Economy,
Fudan University

Marginalization of WTO and Evolution of Regionalism: A Global Value Chain Perspective

1. There are two opinions of whether the global system is being broken:
 - ①The challenges faced by WTO;
 - ②The rise of global value/supply chains and offshoring is likely to erode the effectiveness of the GATT/WTO shallow-integration approach.
2. The three stages of global value/supply chains:
 - ①Production is divided in different places over the world;
 - ②The value/supply system is dominated by transnational corporation;
 - ③Instead of being global, GVC is regional.
3. If regional policy is taken by China, the government should consider the trade partners and role of the government.

Fan Haichao
Associate
Professor,
Institute of World
Economy, Fudan
University

To Open Wider or to Close Again: China's Options Ahead

1. Trade war between China and the United States will worsen the two countries' overall welfare level.
2. Compared to the United States, China's welfare will deteriorate more.
3. Overall, the impact of the two countries' trade friction on the welfare would be no more than 1%.
4. China's accession to the WTO would increase the welfare levels of all the countries in the world.

DISCUSSION

1. Discussion about whether the research of Paolo Epifani can be applied to developed countries.
2. Discussion about whether the research of Fan Haichao takes the global value chain into account.
3. Discussion about China's adhering to the strategy of developing multilateral trade and regional trade together.

(Editor: Xu Zuo Li Yunlu)