

Prospect on WTO Reform and MC13: The 22nd Academic Annual Conference on WTO and China

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On November 28 to 29, 2023, the 22nd Annual Academic Conference on WTO and China was successfully held at the Conference Hall of the International Exchange Building of the University of International Business and Economics (UIBE). It was sponsored by the University of International Business and Economics, Shanghai University of International Business and Economics (SUIBE), China Society for World Trade Organization Studies (CWTO), undertaken by the China Institute for WTO Studies (CIWTO), and supported by the WTO Chairs Programme (WCP) and Network on International Trade and Investment System (NITIS).

The Annual Academic Conference on WTO and China has been successfully held for the past 22 years as a crucial platform for Chinese and overseas experts to discuss WTO issues, WTO reform, multilateral economic and trade cooperation, global economic governance, globalization, and other crucial topics. It has provided extensive insightful information and innovative perspectives for policy formulation and academic research.

The 22nd annual conference is entitled Prospect on WTO Reform and MC13 (the WTO's 13th Ministerial Conference). Experts and scholars have participated in in-depth exchanges and discussions on topics such as Villars framework for a sustainable trading system, global impacts of China-US Economic and trade relations, WTO MC13 prospect and WTO's future.

More than 20 distinguished guests and renowned scholars attended this

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This Conference summary was finished at the end of last year.

annual conference, including Baoyin Huang, Chair of the University Council, UIBE; Professor Rongming Wang, President of SUIBE; Yong Han, Director General of Department of WTO Affairs, China WTO Notification and Inquiry Center, Ministry of Commerce; Xiaozhun Yi, former Deputy Director-General of WTO; Quan Chong, President of China Society for WTO Studies; Xin Li, Deputy Representative of the International Monetary Fund to China; Huiyao Wang, President of Center for China and Globalization (CCG); Junjie Hong, Vice President of UIBE; Yihong Li, Minister of China's Permanent Mission to WTO; Daniel Esty, Professor, Yale University; Professor Riza Arfani, Universitas Gadjah Mada, WTO Chairholder in Indonesia; Proessor Achyut Wagle, Kathmandu University, WTO Chairholder in Nepal; Proessor James Nedumpara, Indian Institute of Foreign Trade, WTO Chairholder in India; Doctor Luong Thi Ngoc Oanh, Vice Dean of Faculty of International Economics, Foreign Trade University; Jianping Zhang, Researcher, Chinese Academy of International Trade and Economic Cooperation; Ru Ding, Associate Professor, China University of Political Science and Law; Mi Zhou, Researcher, Chinese Academy of International Trade and Economic Cooperation; Yong Li, Deputy Director of the Academic Committee of the China Association of International Trade (CAIT); Xiaobing Tang, former Senior Counsellor of the Market Access Department, WTO Secretariat; Professor Pinguang Ying, Vice Dean, School of Trade Negotiations, SUIBE (WTO Chair), China; Xiaodong Hong, former Director General of the World Trade Department of the Ministry of Commerce; Fan Cui, Professor, School of International Trade and Economics, UIBE; Maarten Smeets, former head of section at the Institute for Training and Technical Co-operation (ITTC), WTO; Xiaowen Tan, Researcher at the WTO Chair Institute-China, SUIBE; Siqi Li, Professor of the CIWTO, UIBE; Ruobing Qin, Assistant Professor, China Institute for WTO Studies, UIBE, etc.

I. OPENING CEREMONY AND KEYNOTE SPEECHES

Xinquan Tu, Chairholder of the China Institute for WTO Studies, UIBE,

presided over the Opening Ceremony. Baoyin Huang, Rongming Wang, Yong Han, and the representative from WTO Secretariat delivered opening speeches, respectively. Baoyin Huang, pointed out the significance of this year's gathering, that is, the 22nd Anniversary of China's WTO accession. He mentioned that China has been transforming from a rule-taker to an active participant. On the occasion of the upcoming WTO's MC13, it is imperative to take action and fully devote ourselves to the new journey of serving the country's high-level opening up to the outside world, Huang added.

Rongming Wang said that the global situation was full of uncertainties, marked by the prevalence of populism and unilateralism, along with prominent global challenges. However, WTO continues to play a crucial positive role in addressing issues. Regarding WTO reform, Wang believes that WTO should take the initiative to prioritize reform and promote negotiations among countries based on the basis of MC12. Meanwhile, he emphasized that China should actively participate in WTO reform proposals.

Yong Han said during the conference that China has proposed more than 20 initiatives associated with WTO reform since the start of the year. As a result, efforts should be made to promote full participation in WTO work. Agreements should also be reached on extending e-commerce moratorium, new memberships, and security issues, Han added.

A representative from WTO Secretariat delivered a video speech mentioning that trade has always been the driving force of the growth and development in Asia. The attendance of WTO Chairholders from various regions of Asia demonstrates a clear intention that the core value of the program is to promote the network of WTO Chairs Programme, and to achieve collaboration and resource sharing within the network and among communities.

The Opening Ceremony was followed by the keynote speeches, which were presided over by Pinguang Ying. Xiaozhun Yi, Quan Chong, Xin Li, Huiyao Wang, Junjie Hong and Yihong Li delivered keynote speeches respectively.

Xiaozhun Yi said that economic globalization has recently faced strong headwinds as major developed economies turn from traditional trade liberalization toward unilateralism and protectionism. The top priority for WTO

reform and the MC13 is to restore the normal functioning of WTO's dispute settlement mechanism, and to prevent the world economy from reverting to "the law of the jungle". Asian economies share a common aspiration to revitalize the multilateral trading system through reform and guide the global economy back to the right track of economic globalization, Yi added.

Quan Chong stated that the WTO has promoted economic growth, poverty alleviation, and social welfare. In recent years, the role of WTO has been weakened due to the rise of trade protection policies and various kinds of trade measures that harm the interests of other countries. China should cooperate with other WTO members to solve problems and contribute to the success of the MC13.

Xin Li provided an analysis of the global macroeconomic environment after the pandemic. Studies by the IMF have shown that de-risking strategies will severely impact global economic growth.

Huiyao Wang said that the multi-polar world had arrived, but the multilateral governance system had not been formed. Although WTO is facing a lot of problems, it is a potential platform that should be reformed and upgraded to maintain multilateralism. He also highlighted several issues regarding WTO reform, such as infrastructure construction, artificial intelligence, monetary payment, digital economy, and other emerging issues.

Junjie Hong shared academic insights on the global value chain (GVC) issues. The development of GVC has its own rules and involves regional and structural changes, and that the China-US trade war has had a significant destructive impact on GVC.

Yihong Li shared the latest progress of WTO negotiations, involving many topics such as the reform of the dispute settlement mechanism, agricultural and food security issues, and negotiations on fisheries subsidies, which was very enlightening.

II. VILLARS FRAMEWORK FOR A SUSTAINABLE TRADING SYSTEM

The theme of the forum's first section was Villars Framework for a Sustainable

Trading System. James Nedumpara chaired this section. Guests delivering speeches on this topic included Daniel Esty, Riza Arfani, Achyut Wagle, James Nedumpara, Luong Thi Ngoc Oanh, Jianping Zhang, Ru Ding, and Ruobing Qin.

Daniel Esty introduced the Villars framework of the WTO sustainable trading system, which was finally created by many discussions in several fields. He stressed the sustainability of trade, analyzed the challenges existing in the trading system, and proposed the need for the whole society to equally participate in discussions on trade sustainability. He also explained the importance of the formulation process of reforming the standards for sustainable development and put forward his views on subsidies and governance.

Ruobing Qin commented that the Villars framework has given us a more perfect framework for studying trade and environment governance. Currently, there is no unified approach to carbon pricing and no underlying research support. She also emphasized that we should focus on the topic of net zero greenhouse gas emissions under the Villars framework, which is guiding and inclusive for future.

Ru Ding shared a report on how to distinguish between harmful and beneficial subsidies, mainly showing the two-dimensional matrix of sustainable trade distortion, and proposed three types of comments, including how the framework can deal with some existing problems, especially under the framework of subsidy regulation, and how to deal with invisible subsidies.

Luong Thi Ngoc Oanh believed that the Villars framework report is quite comprehensive. She proposed that a sustainable trading system should create a sustainable environment for everyone. She made a three-way proposal. First, this trading system should be inclusive and people-oriented. Second, the environment should be considered. Third, developing countries should also make progress together. Ultimately, she pointed out that some concepts were vague and that they should be more specific and helpful to member states.

Jianping Zhang pointed out that it is difficult to correlate trade issues and environmental issues. He believed that the report is a comprehensive review of the latest form of sustainable trade. Carbon Border Adjustment Mechanism

(CBAM) poses a major challenge to the WTO system and violates the WTO's Most Favored Nation (MFN) principle. At the same time, he called on all developing countries to unite to safeguard their development interests jointly.

Achyut Wagle said that the truly powerful countries and regions, such as the United States and the European Union, should really assume their responsibilities. Moreover, there is still exclusivity and unfairness when discussing southern cooperation, carbon border regulation mechanisms, or other issues.

In his comments, Riza Arfani discussed the tenth part of the Villars framework, promoting the development of a sustainable and recycling economy. It was pointed out that emphasizing a circular economy is a very important way out for developing countries. It's especially important to apply this principle when carrying out the Villars circular economy framework.

III. GLOBAL IMPACTS OF CHINA-US ECONOMIC AND TRADE RELATIONS

The second section of the forum Global Impacts of China-US Economic and Trade Relations was chaired by Professor Xinquan Tu. Guests delivering speeches on this topic included Mi Zhou, Yong Li, Luong Thi Ngoc Oanh, James Nedumpara, Xiaobing Tang, and Pinguang Ying.

Mi Zhou delivered a nuanced analysis of the intricate dynamics of China-US relations within the WTO. He emphasized the key role played by China and the United States in the WTO and their importance as key players in shaping global trade pattern. By analyzing trade data, he pointed out that the United States' share of total world trade has been relatively stable, and China's trade growth can also bring new hope to the international economy. In response to current economic challenges, he advocated innovation as a key driver and said benchmarking international rules may be more appropriate than "internationalization of domestic laws".

Yong Li presented the impact of China-US trade on the world economy, and deeply discussed key issues such as "China-US decoupling" and "de-

risking”. He emphasized the importance of supply chain diversification based on elucidating the potential consequences of these phenomena. In addition, he pointed out that the unique advantages of China’s market size and market economic system has determined its ability to activate the economy. He also suggested that collaborative and open trade policies should yield benefits for the nations involved and the entire global economic ecosystem.

Luong Thi Ngoc Oanh took tea and cocoa beans as a case and analyzed the overall performance of developing countries from the perspective of global value chain, pointing out that the trade development trend of developing countries is uncertain. By advocating for a more equitable distribution of benefits, she highlighted the importance of creating a level playing field, particularly for developing countries. Using Vietnam, a significant player in global trade, as a case study, Oanh highlighted the unique challenges faced by nations whose primary exports are semi-finished goods. In drawing parallels between Vietnam and other developing countries, she highlighted the potential drawbacks of heavy reliance on a single exported product.

James Nedumpara declared that China-US economic and trade relations are actually not a financial issue, but a globalization issue. He focused on the role of industrial policy in promoting economic growth and emphasized the important role of industrial policy in supporting the development of emerging industries. In addition, he explored other topics, such as sustainability, supply chain, national security, pointing out that an open trading system should require more attention to the WTO discussions to ensure a functionally dispersed system.

Xiaobing Tang delivered a keynote speech titled Future Challenges of the WTO and Talent Cultivation for International Organizations. In the challenges faced by WTO reform, it is recommended to correctly examine the international rules themselves, rather than stick to what is happening currently. Additionally, he utilized his work experience at the WTO to share with researchers in scientific research institutions on how to learn to think within the rules.

Pinguang Ying believed that globalization currently faces three major challenges: maintaining peace and security, reducing poverty and inequality,

and realizing inclusive needs and sustainable capabilities. He expressed that globalization should urge capable members, such as China, the United States and the European Union, to increase investment in the medical economy and help with infrastructure development. Globalization also requires strengthening cooperation among major members and with international financial organizations.

IV. WTO MC13 PROSPECT AND WTO'S FUTURE

The third section had the theme of WTO MC13 Prospect and WTO's Future and was hosted by Researcher Siqu Li. Six participants, Xiaodong Hong, Fan Cui, Riza Arfani, Maarten Smeets, Achyut Wagle, and Xiaowen Tan, delivered their viewpoints, respectively.

Xiaodong Hong pointed out that in terms of implementing the transparency obligation, the WTO should formulate a specific punishment mechanism. While considering the status of developing countries, the treatment of these countries should be distinguished from their status. Hong pinpointed that the problem of market orientation has been one of the longstanding root causes of the economic and trade differences between China and the United States. Therefore, it should be solved within a framework other than the WTO because this problem cannot be solved under the multilateral trading system. His call for a renewed focus on "trade-related issues" and the organization's revitalization highlighted the urgency of addressing fundamental challenges.

Fan Cui pointed out that multilateral rationality still exists under the anti-globalization situation, and advocated efforts to make the WTO more balanced. He believed that the WTO needs to reform its censorship system and use scientific research as a pragmatic method to establish a fair global trade framework.

Riza Arfani delved into the environmental dimensions of trade, drawing attention to the impact on ecosystems. His call for more green policies highlighted the urgency of addressing sustainability concerns within international trade. By advocating for flexibility in policies, especially

regarding the environment, Professor Arfani positioned himself as a proponent of adapting global trade practices to align with environmental sustainability.

Maarten Smeets emphasized a vision for rebuilding trust and fostering a more collaborative international trade environment. He mentioned that the lack of trust in trade would be an important issue in the future, special attention should be paid to the threats facing globalization, including rising protectionism and geopolitical tensions. He believed that the WTO needs to face these challenges, with special emphasis on the key role of digital trade in rebuilding trust.

Achyut Wagle called for improving the operational efficiency of the WTO, solving the shortcomings of current dispute settlement mechanism, and advocating the establishment of a more adaptable and responsive WTO system to deal with anti-globalization situation in trade. By highlighting the WTO's limited engagement with the trade of digital goods, he advocated for an organization that evolves in tandem with the changing nature of global commerce.

Finally, Xiaowen Tan conducted a detailed analysis on the issue of multilateral digital trade rules, mentioning that all parties have reached a major consensus under the issue of "inclusive development of digital trade". Her focus on the intricacies of digital trade illuminated the need for specialized considerations within the WTO framework. She also emphasized that the rules should not impose strong obligations on members but provide opportunities for members to exchange best practices.

The MC13 is scheduled from February 26 to 29 in Abu Dhabi, the United Arab Emirates. China is expected to play an important role in promoting reform at the World Trade Organization and ensuring practical outcomes at the multilateral trade body's 13th Ministerial Conference next year. The need for a more adaptive, transparent, and trade-focused World Trade Organization (WTO) emerged as a shared vision.

A common thread of collaboration and inclusivity wove through the diverse perspectives. During this conference, experts and scholars expressed their views and opinions on issues such as the Villars framework, global

impacts of China-US Economic and trade relations, WTO MC13 prospect, and the future of the WTO. In contemplating the path forward, the conference's insights underscored the necessity of unity, fairness, and equilibrium within the WTO. These experts and scholars participated in extensive and in-depth exchanges and discussions that provided insights and new directions for the future development of China-US relations and WTO reform.