

Reviewing Changes in Sino-US Relations and the Outlook of WTO Reform — China Institute of WTO Studies Successfully Hosted the 19th Annual Academic Conference on WTO and China

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On December 12, 2020, co-organized by the China Institute for WTO Studies, University of International Business and Economics (CIWTO, UIBE) and the China Society for World Trade Organization Studies (CWTO), the 19th Annual Academic Conference on WTO and China was successfully hosted in the Yun-nan Building in Beijing.

The “Annual Academic Conference on WTO and China” has been successfully hosted for the past 19 years as an important platform for Chinese and overseas experts in relevant fields to discuss WTO issues, multilateral economic and trade cooperation, global economic governance, globalization and China’s economic development, etc. It has provided an extensive amount of insightful information and innovative perspectives for policy formulation and academic research.

The 19th annual conference is entitled “The US Government’s Power Transition, Changes in Sino-US Co-opetition and Sino-US Relations, and the Outlook of WTO Reform”. Experts and scholars have participated in in-depth exchanges and discussions on topics such as the Biden Administration’s potential policy options, the developments and trends of Sino-US trade friction, and prospects of WTO reform.

Upon invitation, more than 20 distinguished guests and renowned scholars attended this annual conference, including Chong Quan, Chairman of the CWTO; Sun Yongfu, former Director General of the European Department of the Ministry of Commerce (MOFCOM); Tian Deyou, former Commercial Counselor of the Chinese Embassy in the United States; Huo Jianguo, Vice Chairman of the CWTO; Hong Xiaodong, former Director General of the World Trade

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Department of the Ministry of Commerce; Li Yong, Deputy Director of the Academic Committee of the China Association of International Trade (CAIT); Yang Guohua, Professor of the Tsinghua University School of Law; Professor Wang Wen, Executive Dean of the Chongyang Institute for Financial Studies at Renmin University of China (RDCY); Professor Li Wei of Renmin University of China; Ji Zhiye, former Dean of the China Institutes of Contemporary International Relations (CICIR); Huang Renwei, Executive Vice Dean of the Fudan Institute of Belt and Road & Global Governance (BRGG); Gong Baihua, Fudan University, Professor of Law; Li Wei, Director of the Institute of American and Oceania Studies, Chinese Academy of International Trade & Economic Cooperation (CAITEC); Song Hong, Vice Director of the Institute of American Studies, Chinese Academy of Social Sciences (CASS); Ding Yifan, Chair Professor of Beijing Foreign Studies University; Chen Dingding, Dean of the Haigu Tuzhi Research Institute, Jinan University; Chen Fengying, Researcher of the China Institutes of Contemporary International Relations (CICIR); Yue Yunxia, Researcher of the Latin American Institute, Chinese Academy of Social Sciences (CASS); Shen Minghui, Researcher of the National Institute of International Strategy, Chinese Academy of Social Sciences (CASS); Xue Rongjiu, Professor of UIBE; Zhuang Rui, Secretary of the Party Committee of the Academy of China Open Economy Studies (ACOES), UIBE; Zhou Nianli, Professor of the CIWTO, UIBE, etc.

I. OPENING CEREMONY AND KEYNOTE SPEECHES — WTO REFORM STILL HAS A LONG AND WINDING ROAD AHEAD

The opening ceremony was hosted by Tu Xinquan, Dean of the CIWTO, UIBE. Professor Xue Rongjiu of UIBE and Chong Quan, Chairman of the CWTO delivered keynote speeches on WTO reform and Sino-US relations, respectively.

Starting from the possible approaches for WTO reform, Professor Xue Rongjiu mentioned ten perspectives, and also described the status quo, difficulties, and possible breakthroughs. He pointed out that there is generally still a long way to go towards achieving WTO reform, and emphasized that China should take the initiative to lead it.

From the perspective of Sino-US relations, Chairman Chong Quan explained the possible trends of Sino-US relations once the Biden Administration takes office. Chairman Chong argued that the new political, economic, and military relations between China and the United States will be significantly different

from those during the Trump Administration. Taking the multilateral trading system as an example, unlike Trump's withdrawal, the WTO will once again become the main aspect of co-opetition between China and the United States. Hence, China should widely seek wisdom from other WTO members regarding reforms and work together to cope with upcoming challenges. He also clearly explained that China should continue to act as a determined supporter of the multilateral trading system, remain committed to reform and opening up, promote the formulation of the domestic market, and above all, advance the formation of a new development strategy focused on China's domestic market as well as dual economic circulation involving mutually-reinforcing domestic and international markets.

II. ANALYSIS AND ESTIMATION OF BIDEN'S POLICY TOWARDS CHINA — OPPORTUNITIES OUTWEIGH CHALLENGES, AND CHINA SHOULD PROMPTLY IMPROVE ITS COMPETITIVENESS

The first section had the theme of "The Analysis and Estimation of Biden's Policy towards China" and was chaired by Huo Jianguo. The guest speakers Huang Renwei, Ding Yifan, Chen Dingding, and Li Wei delivered speeches on this topic, respectively.

Huang Renwei argued that after Biden takes office, Sino-US relations may enter a transition and adjustment period. Unlike the Trump Administration, Biden considers China as a "strategic competitor" and advocates negotiating with China based on the rules-based multilateral economic and trade systems, as well as Sino-US dialogues. Professor Huang also stressed that the Biden Administration will also differ from the Obama Administration, and the future of Sino-US relations is still very uncertain. To cope with this situation, China should emphasize economics and trade while using a rules-oriented approach to resolve the Sino-US security and ideological crisis.

Ding Yifan started by introducing the topic of co-opetition in Sino-US trade relations. He then stated that the current international trade environment is completely different from any previous one, as the meaning of international trade has dramatically changed. The old version of international trade marked by the exchange of manufactured goods and consumer goods has evolved into one led by the exchange of semi-finished products from industrial chains. Consequently, three leading industrial chain clusters have formed in North America, Europe, and East Asia. According to him, the WTO's future trajectory will

be closely related to the development of these regional industrial chains. He also suggested China should give more of a voice to other members in WTO negotiations to ease the United States' pressure on China.

From an international relations perspective, Chen Dingding analyzed the possible opportunities and challenges for the development of Sino-US relations once Biden takes office. Specifically, Dean Chen observed that Biden's coming to power presents both opportunities and challenges for China, and opportunities generally outweigh the latter. In response to Biden's alliance policy for the next four years, he suggested that China should take the initiative to enhance the competitiveness of its domestic market, upgrade its business environment, and strive to enhance its competitiveness during this grace period before Biden's coming to power.

Professor Li Wei analyzed the formation of US foreign policy based on the geographical layout of the economy. He believed that judging from the outcome of the 2020 presidential election, the Biden Administration's global economic leadership is seriously undermined. Hence, Biden is facing intense domestic and international pressure, particularly related to upgrading the WTO system or returning to the CPTPP. Li noted that China should focus on how to strengthen economic cooperation with the United States' Rust Belt as one of the key elements of Sino-US relations.

III. ANALYSIS AND ESTIMATION OF BIDEN'S TRADE POLICY — CLIMATE CHANGE AS A KEY AREA OF COOPERATION AMONG MANY UNCERTAINTIES

Focusing on the topic of "Analysis and Estimation of Biden's Trade Policy", the second section was presided over by Li Yong. Guests delivering speeches on this topic included Tian Deyou, Chen Fengying, Song Hong, and Li Wei.

Counselor Tian Deyou first analyzed potential developments in Sino-US relations, then stressed that these relations have reached a crossroads in which China should be cautious about its decision-making. He stressed that before Biden comes to power, there will still be a transition period and the pandemic will continue to negatively impact Sino-US relations. Lastly, given the far-reaching impact that the global industrial shift will have on the United States, he estimated that the future direction of Sino-US cooperation may not lie in market access or the opening of financial industries. Therefore, he advised that China should thoroughly examine future opportunities for cooperation between itself and the United States.

Researcher Chen Fengying analyzed the long-term development of Sino-US relations. She made a strong argument that to enhance the importance of China's long-term development, it should take the initiative to win by losing, namely, to seek cooperation with the US by conferring them with certain interests in terms of economics and trade. Moreover, she believed that China should seek cooperation with the United States under the WTO framework since the US currently desperately needs multilateral cooperation. In addition, she found that Biden's emphasis on climate change coincides with China's environmental development goals, so strengthening this aspect of Sino-US cooperation would be an important aspect of future Sino-US cooperation.

Researcher Song Hong expressed his views on Biden's trade policy, Sino-US economic and trade relations, and Sino-US co-opetition. He said that Biden's trade policy may focus more on fair trade rather than regional agreements. In addition, affected by the difficulty of negotiation, he estimated that the progress of Sino-US economic and trade relations at the bilateral level is more likely to happen than on the multilateral level. Further, he claimed that the future development of Sino-US interactions will be more tortuous and turbulent.

Li Wei shared his prediction on Biden's overall trade policy and his policy towards China. He argued that economic and trade issues will not be the new government's top priority. According to his forecast, Biden may make limited use of multilateral platforms to unite his allies, but at the same time, Biden still needs to use existing rules and laws to safeguard his country's own interests. In terms of trade policy towards China, Sino-US economic and trade relations may ease in the short term. However, Professor Li warned that Biden's long-term trade policy towards China will be more politicized. Regarding the decoupling between China and the United States, Li Wei mentioned that the United States may use a partial and gradual approach to break away from its over-dependence on China.

IV. DIFFERENCES BETWEEN CHINA AND THE UNITED STATES ON WTO REFORM — TRANSPARENCY ISSUES, THE STATUS OF DEVELOPING COUNTRIES, MARKET ORIENTATION AND REFORM OF THE APPELLATE BODY

The third section had the theme of "Sino-US Differences in WTO Reform" and was hosted by Professor Tu Xinquan. Speakers for this section included Yang Guohua, Hong Xiaodong, Zhou Nianli, and Gong Baihua.

Based on the reform proposals issued by China and the United States, Professor Yang Guohua started by giving his viewpoints on the differences between these two parties in WTO reform. He found that there were four main issues — transparency, the status of developing countries, market orientation, and reform of the Appellate Body. Moreover, many aspects of WTO reform are consistent with China's fundamental policy of reform and opening up. Thus, he concluded that China should not only firmly guard the multilateral trading system, but also should prove itself as suitable for this task by acting in an honest and sincere manner.

Hong Xiaodong expressed his views on the differences and common grounds between China and the United States during WTO reform. He pointed out that in terms of implementing the transparency obligation, the WTO should formulate a specific punishment mechanism to restrict it. While considering the status of developing countries, the treatment of these countries should be distinguished from their status. He pinpointed that the problem of market orientation is one of the longstanding and 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.

Starting from the WTO's digital trade negotiation, Professor Zhou Nianli gave her opinions on the differences and common interests between China and the United States in an era of digital trade. After briefly introducing the multilateral negotiations on digital trade under the WTO, she pinpointed the core differences between China and the United States based on the proposals they put forward during digital trade negotiations. She suggested that China can appropriately improve standards for the rules of cross-border data flow to achieve a balance with the United States while appropriately improving the commitment standards in the rules of regional free trade agreements to reach the level of those in the CPTPP. Additionally, China could utilize domestic free trade zones to promote innovative management of cross-border data flow.

The next guest Gong Baihua delivered a keynote speech on the topic of "WTO Reform and Modernization Exchange", analyzed the differences between China and the United States regarding WTO reform, and expressed his own views on China's WTO reform as well as how to cope with the differences in Sino-US relations. Professor Gong argued that from the perspective of modernization of rules, open and inclusive multilateral negotiations are consistent with the multilateral trading system, and a lot of work must be done to achieve WTO reform.

V. THE US FACTORS AND CHINA'S PROSPECTS FOR BILATERAL AND REGIONAL COOPERATION — ENHANCING BILATERAL COOPERATION AND ACCELERATING THE EU-CHINA BILATERAL INVESTMENT TREATY (BIT) NEGOTIATIONS

Section four of the conference featured the topic “The US Factors and China’s Prospects for Bilateral and Regional Cooperation”, and it was chaired by Zhuang Rui. Four participants, Sun Yongfu, Ji Zhiye, Wang Wen, Yue Yunxia, and Shen Minghui, delivered their viewpoints, respectively.

Director General Sun Yongfu expressed his views on the impact of the US factors on bilateral and regional relations. He believed that China should focus more on its relations and cooperation with the EU: China will face a more complicated international situation once the cooperation between the United States and Europe becomes further strengthened after Biden takes office. Moreover, he stressed that the Bilateral Investment Treaty (BIT) negotiations between China and the EU should be implemented as soon as possible, and argued that the signing of the China-EU BIT could be China’s “opportunity of a lifetime”.

Next, Ji Zhiye analyzed the cooperation opportunities between China and Russia after Biden comes to power. He first implied that after Biden takes office, Sino-Russian cooperation will be strengthened, but its external pressure is far greater than its internal dynamics. Ji added that in the future, Sino-Russian cooperation needs to focus more on its internal drivers while seeking further cooperation by clearly identifying the similarities and differences between China and Russia.

Professor Wang Wen analyzed the future cooperation and competition between China and the United States from the perspective of unprecedented changes. He observed that in the digital era, the technical and industrial competitive and co-opetitive interactions between China and the United States will drastically intensify. Furthermore, he proposed his idea that in the next five years, Asia will become the core region for global development. Therefore, China should base itself and its dual-economic circulation on Asia’s example. The future era of major global changes will focus on three major areas: the reform of international organizations, the change in patterns of international power resulting from the scientific and technological revolution, and the trend of re-globalization driven by China.

Researcher Yue Yunxia expounded on her views related to Latin America’s possible role and influence in the WTO reform and global economic development.

She remarked that Biden's coming to power will likely strengthen ties and cooperation between the US and Latin America, and could lead to adjustments and revisions in their free trade agreements. Based on China's viewpoint, she suggested that future opportunities for cooperation with Latin America may lie in strengthening economic cohesion, seeking common interests, and pursuing consensus.

Last but not least, Researcher Shen Minghui shared his opinions on East Asia's possible role and influence in multilateral and regional cooperation. According to Shen, the United States influences the economic cooperation in East Asia to a large extent. Moreover, he predicted that China, Japan, and South Korea's external pressure on the US would weaken once Biden takes office, hence deeper cooperation in East Asia may lack impetus. According to his viewpoints, China should seek joint development with East Asia and the United States by uniting with more developing economies and reduce the overcharging of the United States.

The year 2020 was truly eventful. Global economic growth will continue to slow down due to the outbreak and spread of the pandemic. The selection process for the WTO's Director-General has been stalled, the Appellate Body has been suspended for nearly a year, and the US presidential election has just ended, which, altogether, may be a new tipping point for the multilateral trading system. Moreover, the formal completion of Brexit may cause European integration to stagnate and even retrogress; but the official signing of the Regional Comprehensive Economic Partnership (RCEP) will send a clear signal of firm support for multilateralism and free trade to the global community. During this conference, experts and scholars expressed their views and opinions on issues such as the US government's transfer of power, the co-opetition between China and the United States, and the prospects for WTO reform, etc. These experts and scholars participated in extensive and in-depth exchanges and discussions that provided insights and new directions for the future development of Sino-US relations and WTO reform.