



# Free Trade Under Fire?

---

Alec van Gelder

Pacific Rim Policy Exchange, Sydney,  
September 2010

# What's happening with trade in the Pac Rim?

---

- Doha...
- Bilaterals
- Trans Pacific Partnership
- China
- The Global Financial Crisis

# What's happening with trade in the Pac Rim?

---

- Doha...
- Bilaterals
- Trans Pacific Partnership
- **China**
- **The Global Financial Crisis**

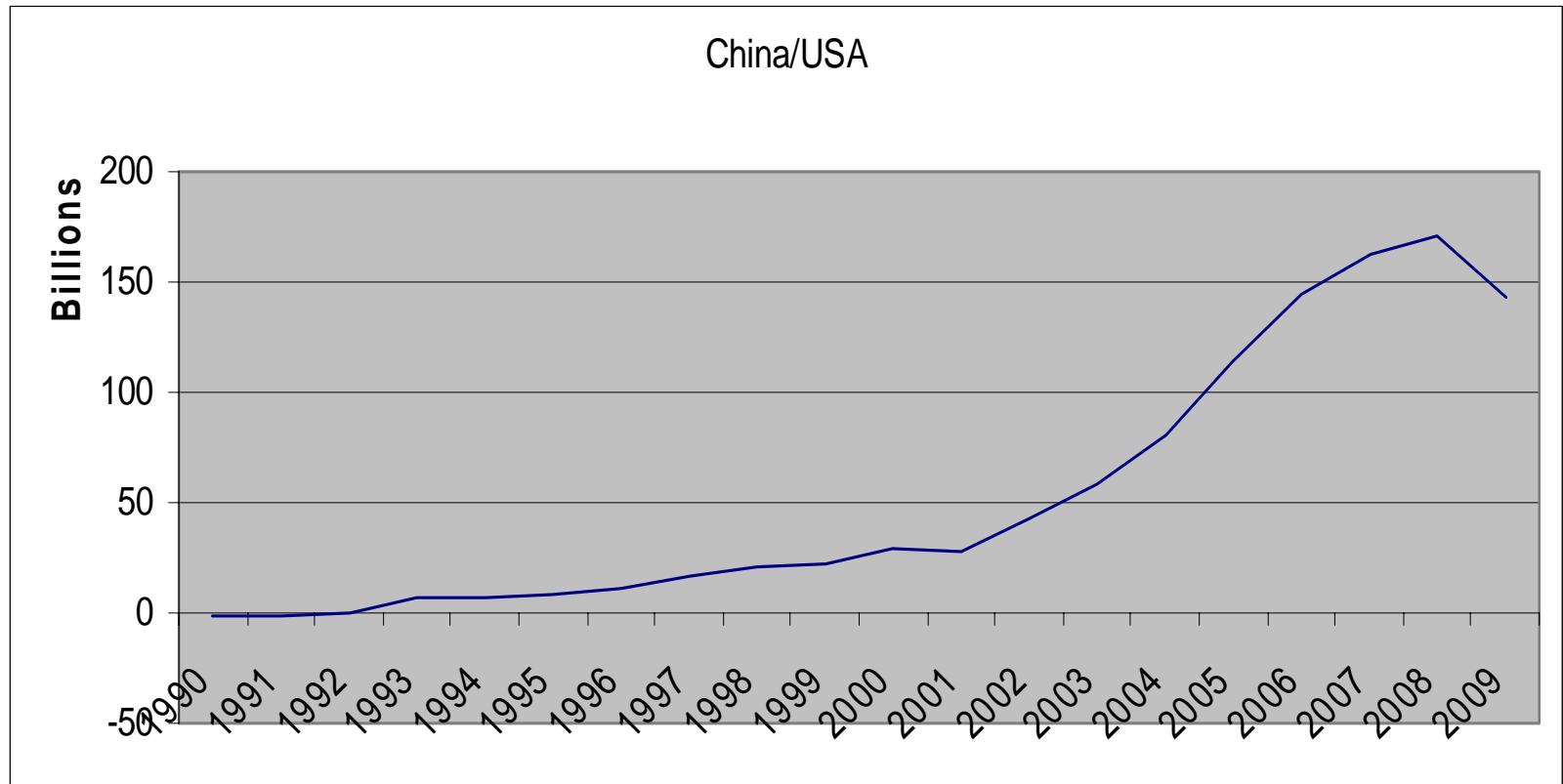
# Trade with China

---

- “do something about the trade deficit!”

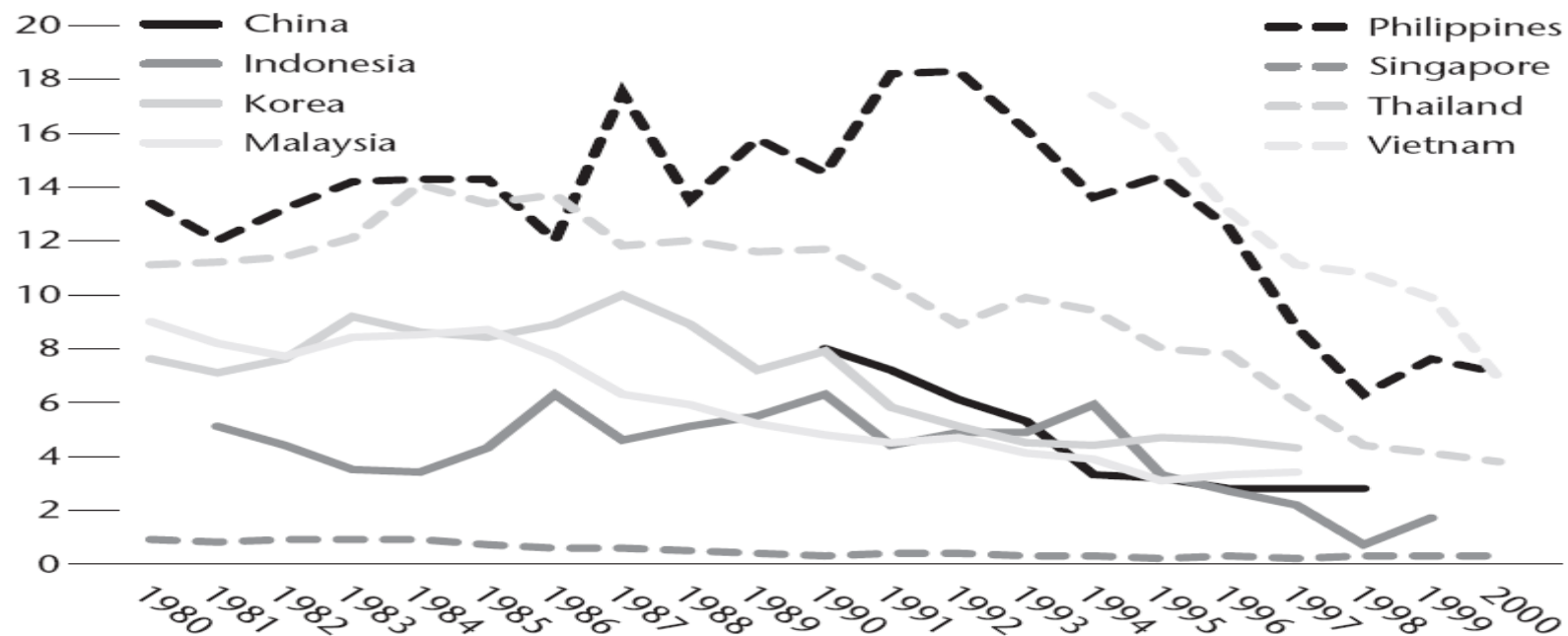


# What does the US trade deficit with China look like?



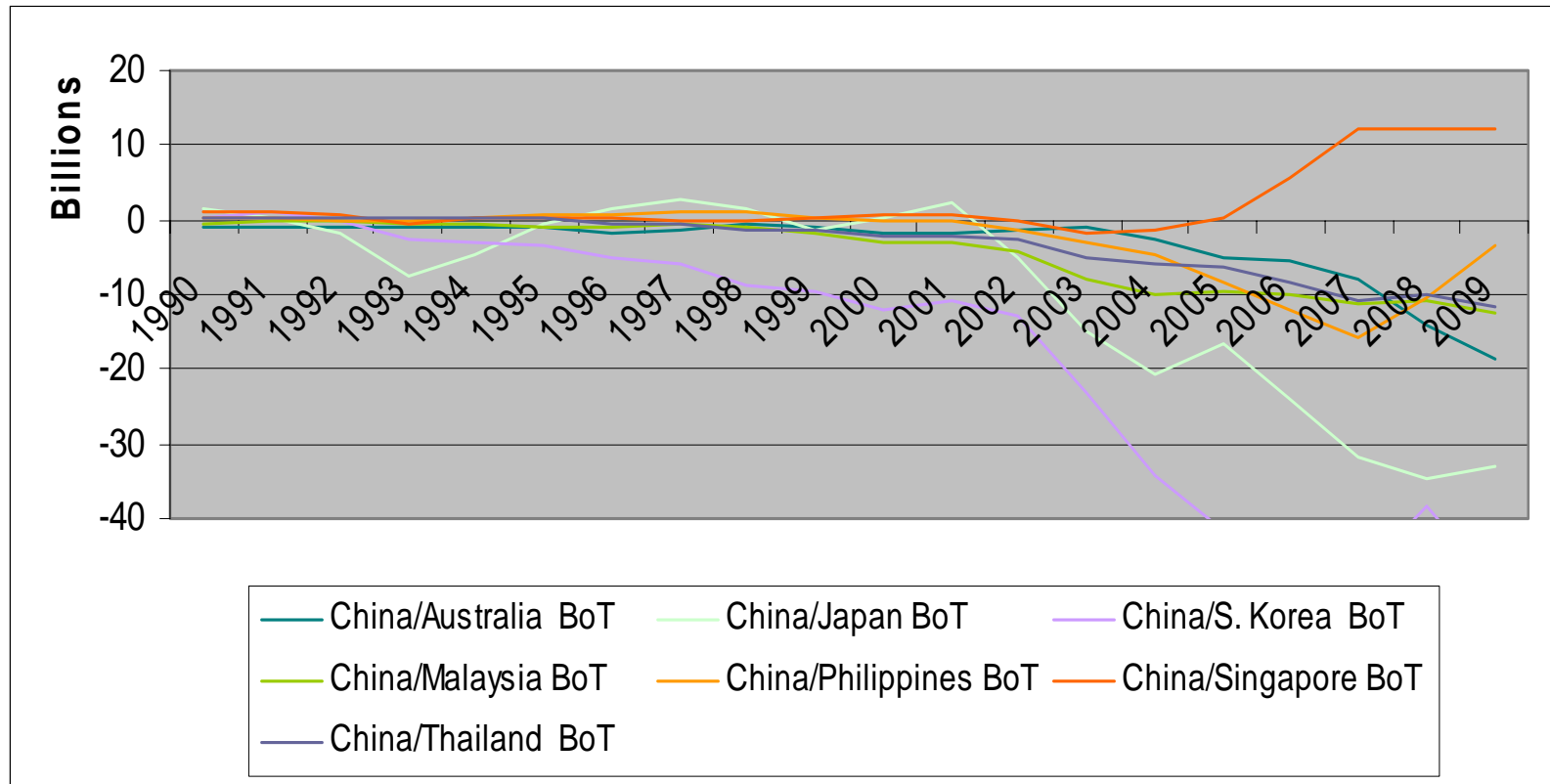
# Trade liberalisation throughout Asia

Figure 17 Tariffs in East-Asia, import-weighted  
1980–2001



Source: Ando and Kimura (2005), which was drawn from Ando and Estevadeordal (2003) (Original data source: World Bank Indicators 2002 (CD-ROM)) and also used by Baldwin (2006)

# What about trade balances (w China) in other Pacific / Asian countries?

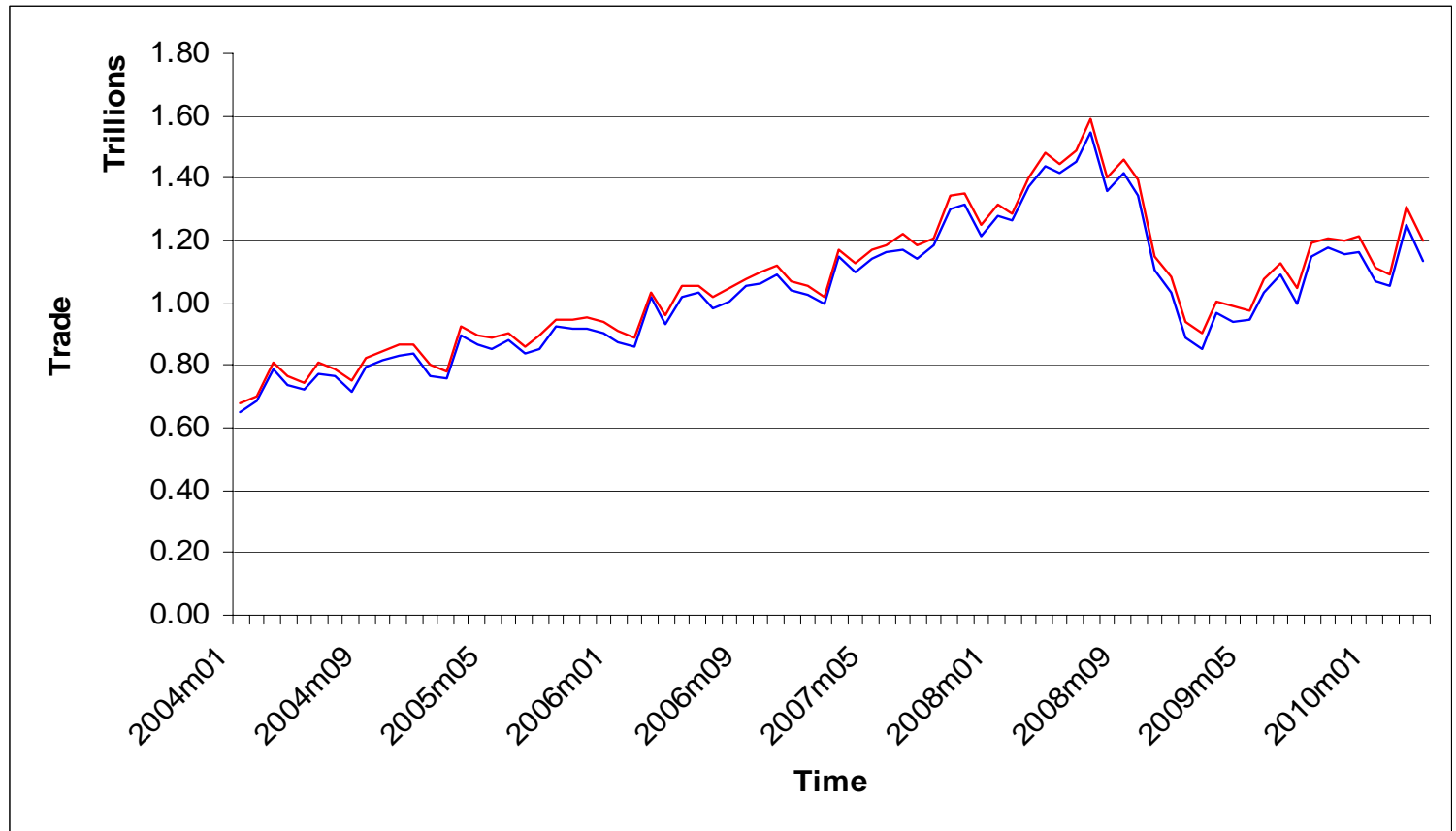


# Trade with China within Asia

---

1. Capital goods (Japan, S. Korea)
2. Raw materials (Australia, Indonesia)
3. **Components (all Pac Rim countries)**
  - **“designed in California, made in China”**

# The Global Financial Crisis



# What to look for now

---

- 1930s-style protectionism averted
  - Partly because of global supply chain
- But...that doesn't mean we're in the clear yet:
  - Anti-dumping filings are increasing
  - Government emerging as the biggest trade barrier
    - Nationalisations
    - Protectionism procurement
    - Currency



# Thank you!

---

[alec@policynetwork.net](mailto:alec@policynetwork.net)