

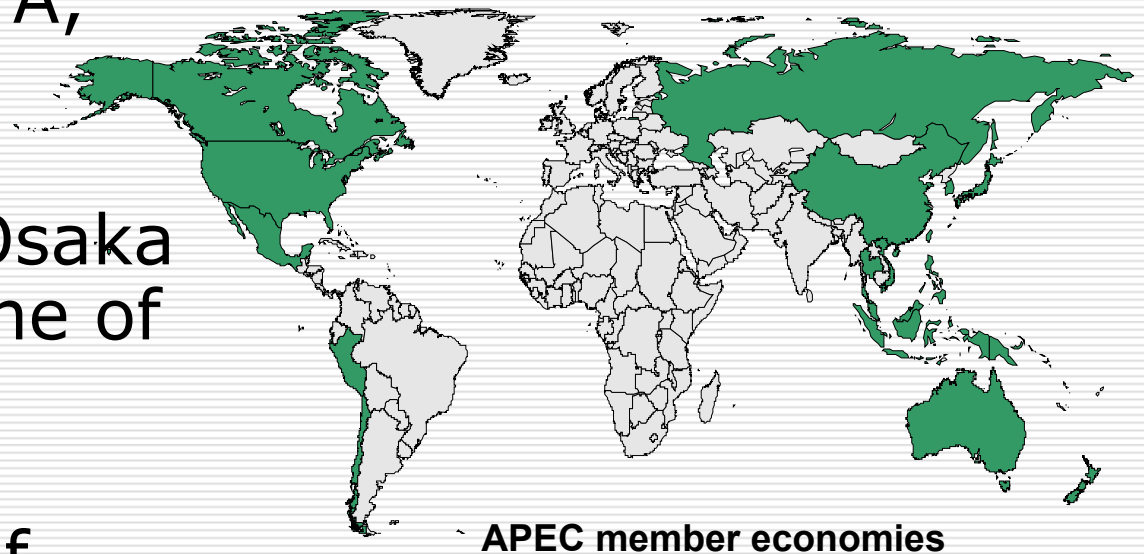
FTAAP as a means of realizing Asian regionalism

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Trans-Pacific regionalism: tension between global and regional initiatives

- ❑ 1980s: foundering Uruguay Round, US-Canada FTA, APEC
- ❑ 1990s: Bogor Declaration, Osaka summit, decline of APEC
- ❑ 2000s: Doha, proliferation of regional initiatives



Normative case for FTAAP

- ❑ Deeper liberalization than possible on the global level
 - ❑ Spur liberalization at the global level
 - ❑ Subsume “noodle bowl”
 - ❑ Maintain US engagement with Asia, avoid inter-bloc rivalry, subsume US-China tensions in less politicized forum
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Quantitative evaluation of FTAAP

- Modestly higher intra-regional trade intensity, higher if oil excluded
 - CGE results
 - Gravity model results
 - Share of global trade: 60 percent
 - Share of intra-regional trade: 65-66 percent
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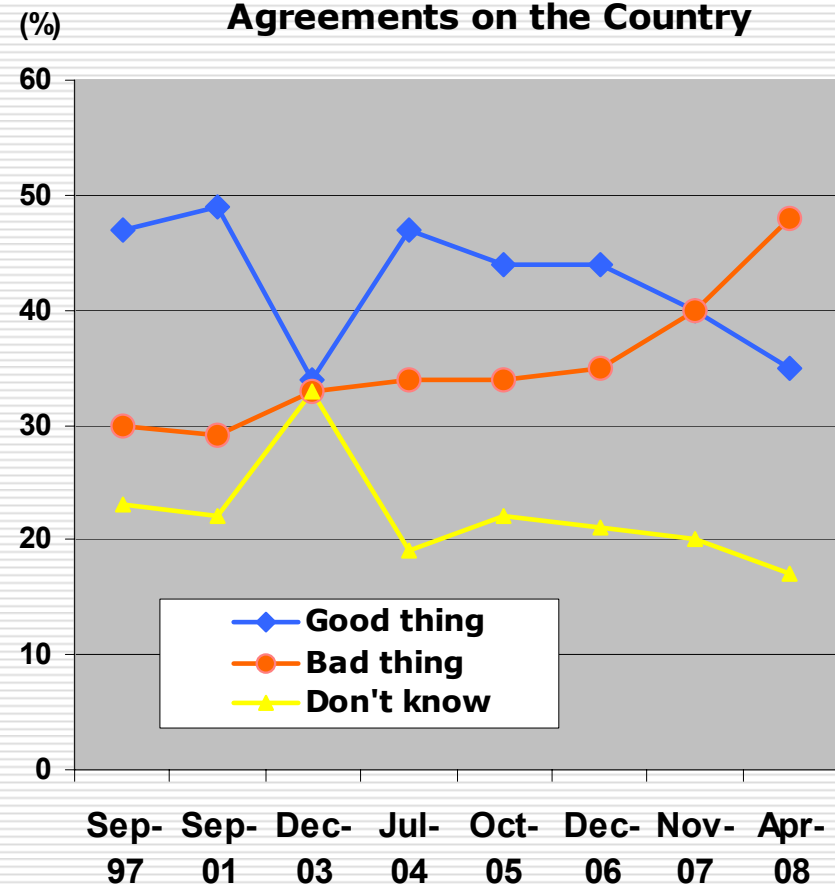
Likelihood of realizing FTAAP

- Rhetorical commitment exists
 - Must get major power buy-in
 - Japan?
 - China?
 - Tactical issues
 - Coalitions of the willing
 - Pathfinders
 - Docking
 - Relaxation of ROOs
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Is US commitment credible?

- Growing partisanship
 - Majority Democratic Party increasingly anti-globalization
 - Platforms
- Public support for open trade waning
- No fast-track
- Colombia, Korea FTAs

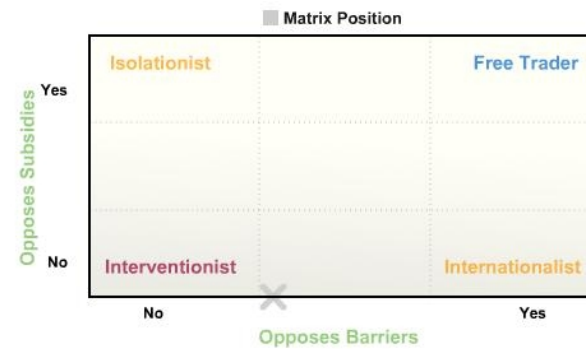
Opinions on Impact of Free Trade Agreements on the Country



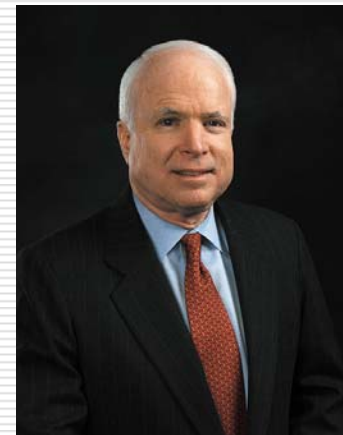
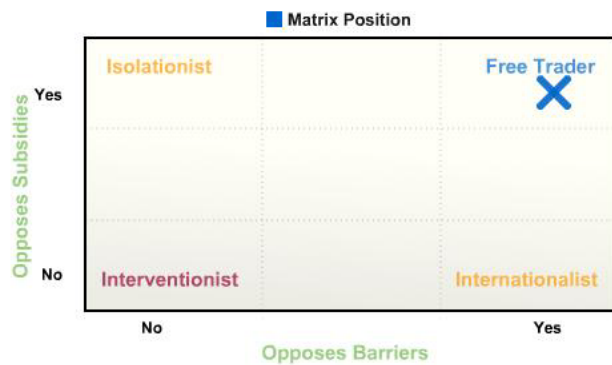
US Presidential conundrum



Barack Obama



John McCain



Complicating political uncertainties



- Japan, European Commission
 - Interactions with global system/Geneva bust-up
 - Legitimacy, single undertaking
 - Salvage or scrap?
 - DG Lamy
-

Conclusions: the case for FTAAP

- ❑ Deeper liberalization than at global level
 - ❑ Spur Doha revival
 - ❑ Hedge if Doha fails permanently
 - ❑ Subsume “noodle bowl”
 - ❑ Prevent intra-bloc rivalry, keep US engaged in Asia
 - ❑ Channel US-China tensions into less politicized forum for resolution
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