



We are pleased to invite you to the GRS Webinar:

Changing Trade and Investment Patterns: East Asia's new trade blocks

Thursday, 17 September 2020, 15h00-16h30 (Paris time)

Zoom Webinar

This event will be chaired by **Andreas Schaal**, Director of the Global Relations Secretariat

The speakers at the seminar will be **Michael G. Plummer**, Director of SAIS Europe and Eni Professor of Economics, the Johns Hopkins University [[biography](#)]
and

Peter A. Petri, Carl Shapiro Professor of International Finance, Brandeis International Business School [[biography](#)]

The discussant will be **Susan Stone**, Head of Division, Emerging Policy Issues, Trade and Agriculture Directorate

Abstract:

The reactions to the COVID-19 pandemic are reshaping global economic relationships. Alongside these developments, two new megaregional trade agreements, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP), will refocus East Asia's economic ties on the region itself. The new accords are moving forward without some major players like the United States and India, once seen as critical partners in the CPTPP and RCEP, respectively. Using a computable general equilibrium model, we show that the agreements will raise global national incomes in 2030 by an annual USD 147 billion and USD 186 billion, respectively. They will yield especially large benefits for China, Japan, and Korea, and losses for the United States and India. These effects are simulated both in a business-as-before-2016- environment and in the context of sustained trade conflicts. Compared with business as before, the trade war generates large global losses rising to USD 301 billion annually by 2030. The new agreements could potentially offset the effects of the trade war globally, but not yield to benefits for the United States and China. Ongoing trade conflicts make RCEP especially valuable because it strengthens East Asian interdependence, raising trade among members by USD 428 billion and reducing trade among nonmembers by USD 43 billion. These shifts bring regional ties closer to institutional arrangements proposed in the 1990s and incentivize greater cooperation among China, Japan, and Korea.

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