



Why Regional Economic Integration is Important in Challenging Times

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Sixth ASEAN-CER Partnership Forum: Economic Integration in Challenging Times, Auckland, 31 May 2017

The global setting

- slow recovery from GFC
 - trade growth from 2 times GDP growth to barely matching it
 - services trade
- protectionist sentiment growing globally
 - Brexit and Europe's troubles
 - American uncertainty and fundamental structural problems
 - distribution of the gains from trade
- not business as usual: slowly unfolding crisis
- focus on Asia's response

The threats

- Asia the most dynamic part of global economy, will be for some time
- economic dynamism depends on major reform programs that are made more difficult with a hostile external environment
- importance of confidence in WTO system
 - underpinned growth in Asian interdependence
 - rules and dispute resolution
 - implications for economic and political security
- response to growing uncertainty and risks?
- response to talk of trade war?

Response

- picking up what's left of the TPP?
- Regional Comprehensive Economic Partnership opportunity
 - platform to project push-back against North Atlantic protection
 - standard for FTAAP and beyond
 - agent for progress on towards Asia Pacific political settlement
- cooperation dimension
 - complementary strategies for integration in an open global economy
 - principles of connectivity through openness, inclusiveness, mutual interest and mutual benefit: BRI path strengthen globalisation
- time for collective leadership