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Panel: WTO vs. Mega FTAs (G1)

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Talking Points for: Troy Stangarone, Korea Economic Institute of America

We are currently witnessing a shift from multilateral trade to mega FTAs in the global trading system. This shift is being led by the United States, which for the first four decades after World War II pursued trade liberalization through the multilateral negotiations that culminated in the establishment of the World Trade Organization.

However, as new players have come into the multilateral trading system and progress on multilateral trade liberalization has slowed, the United States and others have begun pursuing mega FTAs, such as the Trans-Pacific Partnership and the U.S.-EU FTA, to spur new trade liberalization on the multilateral level.

Korea has played a key role in this shift, serving as a catalyst that has spurred not only its agreement with the United States, but some of the largest bilateral trade deals in the world with the EU and soon China.

However, the ultimate goal of this shift should not be to weaken the WTO, but rather to provide alternative paths to liberalization and ultimately more comprehensive multilateral liberalization.

* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.