

# KIEP-KAEA Forum

## Trade Wars and Global Supply Chain Uncertainty



January 8, 2023, AM 10:15 ~ PM 12:00

AEA meetings

New Orleans Marriott, Preservation Hall Studio 5, New Orleans



### Program

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#### Opening

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Kim Heungchong (President of KIEP)

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#### Moderator

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Yoosoon Chang (President of KAEA, Indiana University)

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#### Panelists

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Peter Schott (Yale University)  
Lorenzo Caliendo (Yale University)  
Stephen Redding (Princeton University)  
Pol Antras (Harvard University)  
E Young Song (Sogang University)

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## Topics

### Topic 1 (Peter Schott, Yale University)

Through its traditional role as the world leader of free trade, the United States helped provide a foundation for China's joining the global economic system in the 1990s and early 2000s. But recently, the U.S. seemingly wants to reduce its linkages to, and reliance on, China. The U.S.-China tariff war started in 2018 and continues to this day, and in October, the U.S. announced it was imposing new export controls of high technology products to China. Hence, the trade conflict is expanding in scope and depth. Is there an economic rationale behind the trade conflict between the U.S. and China?

### Topic 2 (Lorenzo Caliendo, Yale University)

It seems that recent destabilizing events, such as the trade war between the United States and China and the Russia-Ukraine war, have weakened free trade across countries. Relatedly, the U.S. and other countries have appeared to support the view that "like-minded" countries ought to cooperate for economic prosperity as can be seen from the Indo-Pacific Economic Framework. If this idea catches hold, what would be the implications for GVCs? How should academic researchers think about optimal GVCs considering both efficiency and this type of geo-political considerations?

### Topic 3 (Stephen Redding, Princeton University)

"Economic security" has become important when it comes to trade policy in many countries including the U.S. and Korea. How can we define "economic security"? Is it related to the resurgence of protectionism?

### Topic 4 (Pol Antras, Harvard University)

We are currently witnessing some signs that GVCs are shrinking. What are the driving factors that affect this recent trend of GVCs, and what are the future trends of global production networks? What would be the implications for a country like Korea, for which international trade is critical to the economy?

### Topic 5 (E Young Song, Sogang University)

The geographical separation between manufacturing and R&D has been a driving force behind the expansion of GVCs, as exemplified by the smartphone and the semiconductor industry. Now the separation is becoming increasingly difficult due to the reshoring policy of the United States and the dual circulation policy of China. What are the long-term implications of this new environment for the performance of the world economy? What would be the implications for the Korean economy that are caught in between the wars of reshoring and technological independence?

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## Organizers

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Kei-Mu Yi (University of Houston), Donggyu Sul (University of Texas at Dallas), Youngseok Park (KIEP), Hyoungmin Han (KIEP)

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