

Uneasy Days of Push-and-Pull between China and the WTO: Recent Issues of China in the WTO

Bomin Ko *

As China's 12-year experience in the WTO has induced an ambitious global vision so-called "New Silk Road Strategy," its global status has leveled up to 'G2' of the world. In terms of global trade, consumers all over the world have gained much from cheap Chinese goods, and Chinese growth has provided a huge market for other countries' exports. This paper briefly analyzes traditional issues concerning China's cases in the WTO in such areas as goods and services, intellectual property, dispute settlement, multilateral and regional trade agreements. It also tackles China-related issues in the WTO including investment, competition, government procurement, trade finance, and labor and human rights. This paper concludes that China needs to be equipped with better enforcement of domestic rule of law and greater room for trade liberalization. Moreover, the WTO is expected to encourage and boost China's economic growth and institutional development, while China will continue to pose both new opportunities and threats to the multilateral trading system.

Keywords: Goods, Services, IP, Dispute Settlement, Investment, Labor, Human Rights

1. Introduction

According to the Trade Policy Review Report of China by the WTO Secretariat, China's economy has enjoyed a stable growth, with real GDP expanding by 7.7 percent annually.¹ This was witnessed both in the years 2012 and 2013, and a

* Lecturer of Dongguk University College of Social Science-Seoul; Senior fellow of YIJUN Institute of International Law. B.A./Ph.D.(Sogang Univ.), MA(Ewha). Special thanks extend to Yeunju Jo at YIJUN Institute of International Law. <http://orcid.org/0000-0002-7744-8482> The author may be contacted at: bomingo@sogang.ac.kr

forecast of 7.5 percent is expected for 2014.² Backed by strong domestic demand, mainly from the private sector, the Chinese government continues to promote consumption expansion through fiscal policy measures such as its structural tax reduction policy.³ The surplus in China's external current account reflects an excess of national savings over investment because the levels of both savings and investment continue to be very high, representing some 50 percent and 47 percent of GDP, respectively.⁴ IMF also indicates that China's real GDP growth recovered somewhat in the second half of 2013 and stayed robust in the year of 2014.⁵ Table 1 refers to the overall macro-economic indicators of China, Japan and Korea. The announcement of the government's reform blueprint including fiscal reforms has gained global confidence.⁶

Table 1: China, Japan, & Korea: Real GDP, Consumer Prices, Current Account Balance & Unemployment⁷

	Real GDP			Consumer Prices			Current Account Balance			Unemployment		
	Projections			Projections			Projections			Projections		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
China	7.7	7.5	7.3	2.6	3.0	3.0	2.1	2.2	2.4	4.1	4.1	4.1
Japan	1.5	1.4	1.0	0.4	2.8	1.7	0.7	1.2	1.3	4.0	3.9	3.9
Korea	2.8	3.7	3.8	1.3	1.8	3.0	5.8	4.4	3.5	3.1	3.1	3.1

* Unit: annual percentage change

This paper will briefly analyze traditional issues concerning China's cases at the WTO, in areas such as goods and services, intellectual property, dispute settlement, multilateral and regional trade agreements. It will also tackle China-related issues in the WTO under topics such as investment, competition, government procurement, trade finance, and labor and human rights.