



Steel trade war threatens to bring back “dark ages” in world commerce

A brewing trade war over steel is threatening to bring the world back to the economic “dark ages” when countries used trade curbs to retaliate politically against rival governments.

The World Trade Organization and its members must find ways to ease tensions between rival countries and look for innovative ways to ensure global trade rules remain relevant and adaptive to the challenges of the present and the future.

It may mean revisiting the WTO and the role it can play in trade governance.

One of the reasons the WTO was formed was to make sure global trade is balanced and fair by isolating international trade from government intervention.

Revisiting the WTO has become urgent in the wake of US President Donald Trump’s decision to slap tariffs on steel imports to protect the United States’ national interest, which is purportedly endangered by dependence on imported steel.

The US acted before the WTO could consider its complaints of dumping, and the European Union and the People’s Republic of China are considering retaliatory tariffs.

The move is reminiscent of the anti-dumping measures filed between 1980 and 1998, many of which were motivated by political objectives rather than attempts to level the playing field.

From 2002, new users of anti-dumping measures embraced international trade regulation upheld by the WTO to protect themselves from the traditional users of anti-dumping measures, such as the US and the EU.

International trade regulation became politicized, preventing the WTO system from operating as a mechanism for trade cooperation.

This once-dynamic system has become stagnant and regressive, ensnared by the economic systems or the people who lead them.

As a multilateral institution, the WTO can work with partners to find innovative solutions to ensure that the regulatory system for global trade does not so easily fall under the sway of governments' or their leaders' political motives.

One solution is for WTO member countries to revisit how they determine whether a certain country is dumping goods, by comparing the export price and the value of the goods in the exporting country's home market and coming up with more accurate assessments of what duties to impose that are fair to all parties.

Another solution is for countries to partner with private sector entities wanting to streamline WTO rules to encourage business.

While critics may cite fears of abusive practices and loopholes that can undermine the trade system, that does not seem such a far-off reality from the status quo.

This episode is based on an [ADBI blog post](#) by Soo-hyun Lee, research associate of International Law and Dispute Settlement at the Asian Institute of Policy Studies in Seoul, Republic of Korea.

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