

**FOR IMMEDIATE RELEASE**

## **Tensions contained, but LDCs continue to be hit by G20 protectionism: The 8th GTA report**

**The Global Trade Alert team releases its pre-G20 summit report on protectionism on  
Monday 8 November 2010. No embargo.**

The Eighth GTA report is published on Monday 8 November 2010. According to Simon Evenett, coordinator of the Global Trade Alert, the principal findings are:

1. Recent currency disputes have not led to an outburst of across-the-board tariff protection, and countries with large current account surpluses have not been disproportionately targeted with murkier – that is, less transparent – forms of protection either. Protectionist tensions have been contained, for now.
2. This is no cause for rejoicing: governments around the world continue to close their markets to foreign competition. The spate of protectionist measures that began in the first quarter of 2009 continues: between 100 and 120 new discriminatory measures are implemented every quarter. Even though world trade recovered in early 2010, there is no evidence of a corresponding slowdown in protectionism.
3. The G20 is responsible for the lion's share of protectionism. Since their summit in June, the G20 governments have implemented 111 new measures that harm foreign commercial interests; and 511 measures since the crisis began. The G20 have provided little if any leadership on protectionism.
4. In recent months there has been a burst of tariff cutting. Most of the cuts were by developing countries, in equipment, parts, and components. When it comes to openness, there is plenty that non-invitees to the Seoul Summit could teach the invited!

The G20 summit is expected to launch a new trade, investment, and development initiative. The GTA team checked how often the 50 Least Developed Countries had been harmed by protectionism during the crisis.

5. 141 government measures have hurt the Least Developed Countries. Bangladesh's commercial interests have been hit 65 times since November 2008. The G20 countries are responsible for 101 of these measures – and the developing country members of the G20 have harmed their poorer brethren the most. India has harmed LDC commercial interests no less than 21 times, much more than any other G20 member.
6. Any G20 initiative on trade and development ought, at a minimum, to ensure that the discriminatory measures already introduced are revised so that they do not harm the Least Developed Countries. "First Do No Harm" ought to be motto of the G20, at least as far as trade and development is concerned.

**Table 1.1. Which countries have inflicted the most harm? Certain emerging markets and European nations.**

**Note:** There is no single metric to evaluate harm. Different policy measures affect different numbers of products, economic sectors, and trading partners. GTA reports four measures of harm.

Rank	Metric, Country in specified rank, Number			
	Ranked by number of (almost certainly) discriminatory measures imposed	Ranked by the number of tariff lines (product categories) affected by (almost certainly) discriminatory measures	Ranked by the number of sectors affected by (almost certainly) discriminatory measures	Ranked by the number of trading partners affected by (almost certainly) discriminatory measures
1.	EU27 (166)	Viet Nam (926)	Algeria (67)	Argentina (174)
2.	Russian Federation (85)	Venezuela (785)	EU27 (57)	EU27 (168)
3.	Argentina (52)	Kazakhstan (723)	Nigeria (45)	China (160)
4.	India (47)	Nigeria (599)	Venezuela (38)	Indonesia (151)
5.	Germany (35)	Algeria (476)	Viet Nam (38)	Viet Nam (148)
6.	Brazil (32)	EU27 (467)	Germany (36)	India (145)
7.	UK (31)	Russian Federation (426)	Kazakhstan (36)	Russian Federation (143)
8.	Spain (25)	Argentina (396)	Russian Federation (36)	Finland (132)
9.	Indonesia (24)	India (365)	Ethiopia (32)	Germany (132)
10.	Italy (24)	Indonesia (347)	India (32)	South Africa (132)

**Table 1.2.: Whose government policies have harmed the LDCs since the first G20 crisis-related meeting in November 2008?**

Class of countries	Total number of harmful <sup>1</sup> measures implemented by this class against LDCs
Worldwide (including LDCs)	141
G20 members	101
Non-OECD members	108
G20 Non-OECD members	70
LDCs	4

Source: Global Trade Alert, data extracted 1 November 2010.

## ENDS

*Tensions Contained... For Now: The 8<sup>th</sup> GTA Report* will be available to download from [www.globaltradealert.org](http://www.globaltradealert.org) on Monday 8 November 2010. To request an advance PDF of the report, please contact Anil Shamdasani ([ashamdasani@cepr.org](mailto:ashamdasani@cepr.org)).

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Feel free to contact him over the weekend. On Sunday evening Evenett flies to India but can still be reached at the above number.

### About Global Trade Alert

Global Trade Alert provides information in real time on state measures taken during the current global economic downturn that are likely to discriminate against foreign commerce. Global Trade Alert is:

- Independent: GTA is co-ordinated by CEPR and draws upon expertise and analysis from 7 independent research institutions around the world.
- Comprehensive: GTA complements and goes beyond the WTO and World Bank's monitoring initiatives by identifying those trading partners likely to be harmed by state measures.
- Accessible: The GTA website allows policy-makers, exporters, the media, and analysts to search the posted government measures by implementing country, by trading partners harmed, and by sector. Third parties will be able to report suspicious state measures and governments will be given the right to reply to any of their measures listed on the website.
- Transparent: The GTA website allows policymakers, government officials, exporters, the media, and analysts to report discriminatory measures, but also will provide data for all stakeholders on the posted government measures by implementing country, by trading partners harmed, and by sector.
- Timely: The up-to-date information and informed commentary provided by Global Trade Alert will help ensure that the G20 pledge not to "repeat the historic mistakes of protectionism of previous eras" is met, by maintaining confidence in the world trading system, deterring beggar-thy-neighbour acts, and preserving the contribution that exports could play in the future recovery of the world economy.

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<sup>1</sup> Harmful measures are taken to be implemented measures classified as red or amber. Therefore, these totals do not include potentially harmful measures that have been announced but have not yet been implemented.