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2nd Report from Global Trade Alert reveals how G20 countries have broken their “no protectionism” pledge

“The protectionist juggernaut shows no sign of slowing down” according to the latest Report from **Global Trade Alert**, published today by the Centre for Economic Policy Research. “Over 70 harmful measures have been enacted in each quarter of 2009, and almost every nation has been harmed by these measures. Another six months of protectionist measures are in the pipeline already.”

The GTA Report, released on the eve of the G20 Summit in Pittsburgh reveals how the G20 countries have broken their “no protectionism” pledge, made at the November 2008 summit.

“At least 121 measures have been implemented by G20 governments since last November. Every three days a G20 government has broken the pledge.” noted Professor Simon Evenett, coordinator of the GTA initiative.

The Report urges the leaders at the Pittsburgh Summit to take two steps immediately in order to halt the protectionist dynamics. G20 members should act immediately to drain the protectionist pipeline – and not refill it. They should also launch an open and transparent review of all the trade-distorting measures they have already taken, as the first step in unwinding these policies and repairing the damage they have inflicted on world trade.

Broken Promises: A G-20 Summit Report by the Global Trade Alert was prepared by an independent group of researchers and analysts located around the globe, and is based on over 400 investigations of state measures that have been implemented since the first crisis-related G20 meeting in November 2008.

Key findings in the Report

The protectionist juggernaut shows no sign of slowing down and the damage to world trade compounds quarter-by-quarter.

- *At least 70 harmful measures have been implemented in every quarter of 2009.* Almost every nation has been harmed by another's beggar-thy-neighbour policy. Fewer than 5 percent of product categories have escaped being hit by some type of protectionist measure.
- *There are another 134 protectionist measures in the pipeline.* This is equivalent to half a year's protectionism at current rates.
- *The full scale of the G20's failure to keep its no-protectionist pledge is now apparent.* Conservatively estimated, 121 beggar-thy-neighbour measures have been implemented by G20 governments since last November. Every three days a G20 government has broken their no-protectionist pledge.

Policy recommendations for the Pittsburgh Summit

Rather than issue another injunction to trade ministers to complete the Doha Round at some future date, the Summit should take two steps immediately to address the protectionist dynamics already underway:

- *Drain the protectionist pipeline – and don't refill it.* Each G20 member should commit to publish and then review all of its major economic initiatives planned for the next year. Outright discriminatory objectives should be disavowed. When a planned initiative's objective is benign, the G20 member responsible for it should verify publicly that the means chosen to attain the goals in question do so at least possible cost to trading partners.
- *Review and unwind trade-distorting measures already taken:* These measures are well known: they have been identified by the major monitoring initiatives. Each G20 member should undertake an immediate review of every crisis-related economic and financial programmes and trade policy initiatives it has implemented since the first G20 summit.

ENDS

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 the Centre for Economic Policy Research (www.cepr.org), an independent academic and policy research think-tank based in London, UK. GTA 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.

For further information about Global Trade Alert, please visit www.globaltradealert.org or contact:

Simon J. Evenett

University of St. Gallen, Swiss Institute for Intl. Economics, Bodanstrasse 8, 9000 St. Gallen, Switzerland

Email: simon.evenett@unisg.ch; Tel: +41 76 345 2848 (mob.)

or

Vivian Davies, Chief Operating Officer

Centre for Economic Policy Research, 53-56 Great Sutton Street, London EC1V 0DG

Email: vdavies@cepr.org; Tel: +44 (0)20 7183 8815 (direct line)