

Global Trade Alert 1st Report, 8 July 2009

Global Trade Alert, first launched on 8 June 2009, has been in operation for a month. Experts from every region of the world are now contributing to this initiative. However, rather than rush to judgement about the implications for foreign commercial interests of the state measures taken since the first crisis-related G20 meeting last November, this GTA report describes our findings to date and explains the procedures GTA follows. In doing so the GTA's value-added and complementarity with existing monitoring initiatives will be established.

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Introduction

To increase the information available on state measures that may affect trading partners' commercial interests, the Centre for Economic Policy Research (CEPR) has teamed up with independent research institutes from around the world to create Global Trade Alert (GTA).¹ A combination of peer pressure plus up-to-date, comprehensive information — the latter being supplied by Global Trade Alert — can foster confidence in the world trading system, deter beggar-thy-neighbour acts, and not limit the contribution of exports to the world economy's recovery. Global Trade Alert seeks to inform debate and will not engage in naming-and-shaming.

Global Trade Alert will examine whether state measures undertaken during the current global economic downturn alter the **discrimination** faced by foreign commercial interests — the latter broadly conceived to include measures affecting imports, exports, foreign investments, intellectual property rights, and foreign/migrant workers. GTA is, therefore, not just interested in state measures that disadvantage foreign commercial interests — the so-called bad news.

In the first instance, our investigations seek to verify whether a given state measure's implementation will have different effects on the treatment extended to the relevant domestic and foreign parties. In cases where evidence is available, it may be possible to assess whether there is an asymmetric effect on domestic and foreign parties. Each investigation results in a colour coded assessment for a measure, following a consistent evaluation scheme (see Box 1 below).

¹ Details about the participating research institutes can be found at <http://www.globaltradealert.org/network>.

Box 1: How GTA colour codes state measures	
Colour code	Criteria
▲	(i) The measure has been implemented and almost certainly discriminates against foreign commercial interests.
▲	(i) The measure has been implemented and may involve discrimination against foreign commercial interests; <i>OR</i> (ii) The measure has been announced or is under consideration and would (if implemented) almost certainly involve discrimination against foreign commercial interests.
▲	(i) The measure has been announced and involves liberalisation on a non-discriminatory (i.e., most favoured nation) basis; <i>OR</i> (ii) The measure has been implemented and is found (upon investigation) not to be discriminatory: <i>OR</i> (iii) The measure has been implemented, involves no further discrimination, and improves the transparency of a jurisdiction's trade-related policies.

GTA will not confine itself to the measures that are covered by the existing body of agreements in the World Trade Organization (WTO), on the basis of the understanding that some prominent state measures taken during this global economic downturn fall outside existing WTO agreements. Nor will the initiative pronounce on the WTO-legality of a measure or whether a measure is "protectionist."

In the interests of informing policy deliberations, GTA will consider significant policy initiatives that have been proposed but not yet implemented. In these cases GTA will provide an assessment as to whether the degree of discrimination might change upon implementation. GTA therefore provides "early warnings" and possibly reassurance about prospective and soon-to-be-implemented state measures.

Each measure is described neutrally on the GTA website, and sources are provided so that users can review the relevant documents. A distinctive feature of the GTA is that, where possible, the tariff lines and trading partners that **are likely** to be affected by a state measure are identified, though how this is done depends critically on the nature of the state measure. Even so, every effort is made to employ the same method for each type of state measure. GTA does not undertake statistical evaluations of the impact of investigated measures; instead existing trade, investment, migration and other pertinent data are used to identify existing commercial links and which trading partners' commercial interests might be affected by any given announced or implemented state measure.

Box 2 below summarises the contents of the GTA database after the first month of operation.

Box 2: Where matters stand after 1 month of GTA

Number of measures posted on 8 July 2009:	67
Number of different state acts covered in posted measures:	85
Number of posted measures that have been implemented:	47
Number of yet-to-be implemented measures posted:	20
Number of implemented discriminatory measures posted:	39
Number of jurisdictions responsible for measures posted:	26
Number of jurisdictions likely to be affected by posted measures:	142
Number of jurisdictions likely to be affected by 10+ posted measures:	36
Number of jurisdictions likely to be affected by 5-9 posted measures:	63

The GTA website has been designed in such a way as to allow users to search and sort the ever-growing database of reported measures by implementing jurisdiction, trading partners affected, type of state measure, and sector. This means that governments, industry, export associations, researchers, the media, civil society, and other interested parties can check: (i) which trading partners' state measures are likely to be affecting certain commercial interests; (ii) which measures are being used; and (iii) if those measures have yet to be implemented (possibly opening the door for consultations with the trading partner or partners in question).

Another distinctive feature of the GTA website is that with one click the summary tables presented in this report can be generated by visiting the following site <http://www.globaltradealert.org/site-statistics>. Real-time summaries of the prevalence of state measures that have cross-border commercial implications are therefore available. Interpreting these numbers will require care; see Box 3 below for some pointers.

Users can sign up for email notifications about newly posted measures and ask to be notified each time a particular country's commercial interests are deemed to be affected.² Moreover, users can report **in confidence** measures that the GTA team will investigate.³ These features of the GTA website will add to the openness and transparency of the world trading system.

Any suggestions that you may have about improving GTA are most welcome and will be shared with the initiative's participants. To date meetings in London, Geneva, and Washington, D.C. have provided important suggestions for substance, process, and presentation, and many of them have been taken on board. This process of listening, reflection, and adaption will continue.

Box 3: Avoiding pitfalls in interpreting GTA-related reports and statistics

- GTA has been in operation one month. Over the summer we intend on compiling reports on many other state measures taken since the G20 summit meeting of November 2008. So as not to swamp the database, for the first month GTA has refrained from including many trade defense measures, bail-out packages, and TBT/SPS measures. Any omissions consistent with our focus on discriminatory measures will be rectified in due course.
- A state measure will be colour-coded ▲ by GTA if it is discriminatory and implemented. Some discriminatory measures are taken by authorities pursuing objectives other than favouring domestic commercial interests, and where the implementing jurisdiction contends this the description of the measure on the GTA website will say so.
- Not every state measure or policy initiative reported on the GTA website is discriminatory. Therefore, the total number of measures implemented by a jurisdiction will equal or exceed the total number of discriminatory and implemented measures.
- Not every state measure or policy initiative reported on the GTA website has been implemented; so please ensure to check the "Implementation" entry on the report for a measure.
- A state measure reported on the GTA website may involve more than one form of state intervention.
- GTA uses the UN's COMTRADE database with 4-digit tariff lines to identify the possible trade flows affected by state measures. Our ability to identify the right tariff lines depends very much on how detailed are the official statements concerning any given state measure.
- The "Any Evidence Based Deliberation" section reports whether on the basis of the public record the implementing authority took various steps associated with better practice on policy choice. It may be possible that an authority has taken some or all of these steps in private and this cannot be observed by GTA's researchers.
- GTA always tries to find official sources to verify a measure. If that is not possible, the sources used are explained.
- The "Government response" section is where any reaction received from the authority implementing the measure in question will be placed. GTA will review our assessment of a measure in response to clarifications and other statements received from a government or other implementing authority.

Professor Simon J. Evenett

on behalf of GTA.

² Please go to <http://www.globaltradealert.org/user/register> to register for email notification.

³ Steps to assure the anonymity of those submitting information have recently been put into effect. Details are available upon request. To report a measure please go to <http://www.globaltradealert.org/report-a-measure>

TABLE 1 – Report of measures posted, by implementing jurisdiction

No.	Implementing Jurisdiction	Number of measures reported on www.globaltradealert.org, 8 July 2009				
		Total number reported	Implemented as of today	Discriminatory and implemented as of today	Number of tariff lines affected by measures	Number of trading partners affected by measures
1	Argentina	2	2	2	35	15
2	Australia	1	1	1	0	28
3	Brazil	1	1	1	4	27
4	China	2	1	1	1	15
5	Ecuador	1	1	1	101	25
6	European Communities	3	2	1	6	41
7	Germany	1	1	0	1	42
8	India	3	3	1	184	107
9	Indonesia	6	6	5	113	104
10	Iraq	1	1	1	14	5
11	Japan	2	2	2	2	23
12	Kazakhstan	2	2	2	0	4
13	Kuwait	2	2	1	25	3
14	Malaysia	2	2	2	26	99
15	Philippines	1	1	1	1	4
16	Russian Federation	6	5	4	144	96
17	Saudi Arabia	2	1	1	6	2
18	South Africa	1	0	0	21	20
19	Switzerland	1	1	1	2	53
20	Thailand	1	1	1	26	96
21	Ukraine	2	2	2	1112	51
22	United Arab Emirates	1	1	1	0	0
23	United Kingdom	1	1	1	0	8
24	United States of America	21	6	5	16	96
25	Viet Nam	2	2	2	6	11
26	Zambia	1	1	1	1	11

Notes:

1. A jurisdiction is not listed in this table if no measure implemented by that jurisdiction was reported on www.globaltradealert.org
2. As of 8 July 2009 a total of 67 state measures were reported on www.globaltradealert.org
3. More information about the methodology used by Global Trade Alert can be found at <http://www.globaltradealert.org/about>
4. Inquiries can be sent to Professor Simon Evenett at simon.evenett@unisg.ch
5. EU Member States are listed separately when they have taken a state measure independently of the European Commission.

TABLE 2 – Report of measures posted, by affected jurisdiction

No.	Affected Jurisdiction	Number of measures reported on www.globaltradealert.org, 8 July 2009			
		Total number reported	Implemented as of today	Discriminatory and implemented as of today	Number of countries implementing measures affecting the jurisdiction
1	Albania	3	3	3	5
2	Algeria	3	3	3	3
3	Andorra	1	0	0	1
4	Argentina	14	12	11	11
5	Armenia	4	4	4	6
6	Australia	16	12	11	12
7	Austria	20	13	12	13
8	Azerbaijan	3	2	2	3
9	Bahamas	1	1	1	1
10	Bahrain	1	1	1	3
11	Bangladesh	3	2	2	5
12	Barbados	1	1	1	1
13	Belarus	5	5	5	7
14	Belgium	22	17	16	15
15	Bolivia	4	4	4	6
16	Bosnia and Herzegovina	4	4	4	6
17	Botswana	1	1	1	1
18	Brazil	17	14	12	11
19	British Virgin Islands	2	2	2	2
20	Brunei Darussalam	2	1	1	2
21	Bulgaria	9	6	6	7
22	Burundi	1	1	1	1
23	Cambodia	2	0	0	2
24	Canada	23	17	15	12
25	Chile	9	6	6	9
26	China	36	29	25	21
27	Chinese Taipei	5	1	1	1
28	Colombia	10	8	8	10
29	Costa Rica	7	6	6	8
30	Côte d'Ivoire	5	5	5	7
31	Croatia	8	7	7	9
32	Cyprus	8	6	6	6
33	Czech Republic	17	11	10	10
34	DPR Korea	1	1	1	1
35	Denmark	15	10	9	11
36	Dominican Republic	3	0	0	2
37	Ecuador	2	2	2	4
38	Egypt	9	7	6	9
39	El Salvador	5	4	4	6
40	Estonia	12	9	8	9
41	Ethiopia	2	2	2	4
42	Finland	19	13	12	12
43	France	28	21	19	17
44	Georgia	2	1	1	1
45	Germany	29	21	19	14
46	Ghana	1	1	1	3
47	Greece	11	8	8	8
48	Guatemala	4	4	4	6
49	Honduras	4	3	3	5

No.	Affected Jurisdiction	Number of measures reported on www.globaltradealert.org, 8 July 2009			
		Total number reported	Implemented as of today	Discriminatory and implemented as of today	Number of countries implementing measures affecting the jurisdiction
50	Hong Kong	15	11	11	11
51	Hungary	14	9	8	9
52	Iceland	9	7	6	7
53	India	20	15	13	13
54	Indonesia	10	5	5	7
55	Iran	4	3	3	2
56	Ireland	13	9	8	10
57	Israel	11	8	8	7
58	Italy	27	19	16	16
59	Jamaica	4	3	3	5
60	Japan	24	20	18	13
61	Jordan	7	7	7	9
62	Kazakhstan	4	3	3	5
63	Kenya	5	5	5	7
64	Kyrgyzstan	5	4	4	6
65	Latvia	13	10	9	10
66	Lebanon	4	3	3	6
67	Liberia	1	1	1	1
68	Liechtenstein	2	1	1	2
69	Lithuania	13	9	8	9
70	Luxembourg	11	8	7	9
71	Macedonia	6	4	4	7
72	Madagascar	2	1	1	2
73	Malawi	3	2	2	5
74	Malaysia	12	9	8	9
75	Malta	7	4	4	7
76	Mauritania	1	1	1	1
77	Mauritius	5	4	4	5
78	Mexico	18	14	12	10
79	Monaco	1	0	0	1
80	Mongolia	4	3	3	4
81	Montenegro	1	1	1	1
82	Morocco	5	4	4	6
83	Mozambique	2	2	2	2
84	Myanmar	1	0	0	1
85	Namibia	1	1	1	3
86	Netherlands	19	14	13	12
87	Netherlands Antilles	1	1	1	1
88	New Zealand	12	10	10	10
89	Nicaragua	4	3	3	3
90	Niger	1	1	1	1
91	Nigeria	3	3	3	5
92	Norway	15	12	11	11
93	Oman	4	4	4	6
94	Pakistan	11	8	8	10
95	Palestinian	4	4	4	6
96	Panama	5	4	4	4
97	Paraguay	3	3	3	5
98	Peru	6	6	6	8
99	Philippines	10	9	9	9

No.	Affected Jurisdiction	Number of measures reported on www.globaltradealert.org, 8 July 2009			
		Total number reported	Implemented as of today	Discriminatory and implemented as of today	Number of countries implementing measures affecting the jurisdiction
100	Poland	12	8	7	9
101	Portugal	14	10	9	9
102	Qatar	2	1	0	2
103	Republic of Korea	20	16	14	12
104	Republic of Moldova	5	4	4	5
105	Romania	13	10	9	11
106	Russian Federation	14	13	12	13
107	Samoa	1	1	1	1
108	San Marino	1	0	0	1
109	Saudi Arabia	7	6	5	8
110	Senegal	4	4	4	6
111	Serbia	9	8	8	9
112	Singapore	18	15	14	11
113	Slovakia	13	10	9	8
114	Slovenia	13	10	9	11
115	South Africa	15	14	13	15
116	Spain	19	14	13	12
117	Sri Lanka	7	5	5	9
118	Sudan	1	1	1	1
119	Swaziland	2	2	2	4
120	Sweden	22	16	14	13
121	Switzerland	15	11	10	9
122	Syrian Arab Republic	6	5	5	6
123	Tajikistan	1	1	1	1
124	Thailand	21	17	16	13
125	Togo	2	2	2	2
126	Trinidad and Tobago	5	5	5	7
127	Tunisia	7	6	6	9
128	Turkey	18	15	14	13
129	Turkmenistan	3	2	2	2
130	Uganda	5	5	5	7
131	Ukraine	9	8	8	7
132	United Arab Emirates	10	8	7	8
133	United Kingdom	26	20	18	15
134	United Republic of Tanzania	3	3	3	5
135	United States of America	24	23	19	16
136	Uruguay	10	8	8	9
137	Uzbekistan	4	3	3	2
138	Venezuela	2	2	2	2
139	Viet Nam	9	5	5	7
140	Yemen	4	4	4	6
141	Zambia	4	4	4	6
142	Zimbabwe	4	3	3	6

Notes:

1. A jurisdiction is not listed in this table if no measure reported on www.globaltradealert.org was likely to affect its foreign commercial interests.
2. As of 8 July 2009 a total of 67 state measures were reported on www.globaltradealert.org
3. More information about the methodology used by Global Trade Alert can be found at <http://www.globaltradealert.org/about>
4. Inquiries can be sent to Professor Simon Evenett at simon.evenett@unisg.ch

TABLE 3 – Report of measures posted, by type of measure

Form of State Intervention	Number of measures reported on www.globaltradealert.org, 8 July 2009			
	Total number reported	Implemented as of today	Discriminatory and implemented as of today	Number of countries implementing this form of state intervention
Bail out measure	2	2	1	2
Competitive devaluation	0	0	0	0
Consumption subsidy	0	0	0	0
Export subsidy	5	5	4	4
Export taxes or restriction	4	3	2	5
Foreign policy motivated	0	0	0	0
Import ban	7	4	4	5
Intellectual property protection	2	0	0	2
Investment measure	2	0	0	1
Local content requirement	3	1	1	1
MFN liberalisation	1	1	0	1
Migration measure	5	4	4	4
Non tariff barrier (not otherwise specified)	5	5	5	3
Other service sector measure	5	2	2	2
Public procurement	7	4	3	4
Quota (including tariff rate quotas)	1	0	0	1
Sanitary and Phytosanitary Measure	5	4	3	4
State trading enterprise	1	1	1	1
State-controlled company	0	0	0	0
Sub-national government measure	0	0	0	0
Tariff measure	17	12	10	10
Technical Barrier to Trade	5	0	0	1
Trade defence measure (AD, CVD, safeguard)	8	3	2	5
Total	85	51	42	

Notes:

1. As of 8 July 2009 a total of 67 state measures were reported on www.globaltradealert.org
2. A reported state measure can involve more than one form of state intervention.
3. More information about the methodology used by Global Trade Alert can be found at <http://www.globaltradealert.org/about>
4. Inquiries can be sent to Professor Simon Evenett at simon.evenett@unisg.ch

TABLE 4 – List of prospective measures

State measures listed in GlobalTradeAlert.org but not yet implemented		
NO	TITLE	POST DATE
1	Russia: Announcement of New Trade Strategy, 2010-2012.	07-Jul-09
2	EC: Development of an "Customs Action Plan to Combat IPR Infringements"	05-Jul-09
3	United States of America: Imposition of a fee on foreign travelers.	02-Jul-09
4	Saudi Arabia: Ban on import of Cars older than 5 years	02-Jul-09
5	United States of America: Buy American provisions and set-asides in the Fiscal Year 2010 defense appropriations bill.	02-Jul-09
6	South Africa: Likely tariff increases from 40% to 45% on 127 lines of garments.	01-Jul-09
7	United States of America: Possible imposition of a fee on imported dairy products	01-Jul-09
8	United States of America: Buy American provisions in school construction bill.	30-Jun-09
9	United States of America: "Black liquor" subsidies to the paper industry	29-Jun-09
10	United States of America: Trade Reform, Accountability, Development and Employment (TRADE) Act	28-Jun-09
11	United States of America: Penalty tariffs on imports in climate-change bill	28-Jun-09
12	United States of America: Ban on certain switchblade knives	28-Jun-09
13	United States of America: Trade-remedy petitions against polyethylene retail carrier bags from Indonesia, Taiwan, and Vietnam, and market-economy status of Vietnam	26-Jun-09
14	United States of America - Investment, antitrust, and safety inspections in the aviation industry	24-Jun-09
15	United States of America: Trade Enforcement Act	24-Jun-09
16	United States of America: Safeguards against imports of consumer tires from China	23-Jun-09
17	United States of America: Proposed port-use tax	22-Jun-09
18	US: Water Quality Improvement Act of 2009	04-Jun-09
19	US: EPA procedures on the construction or maintenance of water infrastructure	04-Jun-09
20	China: Initiation of an anti-dumping investigation against iron and steel fasteners from EU	28-May-09
Notes: 1. As of 8 July 2009 a total of 67 state measures were reported on www.globaltradealert.org 2. Inquiries can be sent to Professor Simon Evenett at simon.evenett@unisg.ch		

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, 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:

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