

## Global Trade Alert: Motivation and Launch

Simon J. Evenett<sup>1</sup>  
University of St. Gallen and CEPR

21 June 2009

Unsurprisingly, governments want to intervene during current downturn: the challenge is to ensure that the measures taken are consistent with pledges to avoid protectionism. It should be recalled that G20 leaders vowed at the April 2009 London summit: “We will not repeat the historic mistakes of protectionism of previous eras.” This pledge reiterated an earlier commitment made at the November 2008 G20 Summit in Washington, D.C. Other heads of government have made similar pledges in regional fora, such as APEC, and elsewhere.

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). A combination of peer pressure plus up-to-date, comprehensive information, the latter being supplied by Global Trade Alert, will help maintain confidence in the world trading system, deter beggar-thy-neighbour acts, and preserve the contribution that exports could play in the future recovery of the world economy. Therefore, Global Trade Alert seeks to inform debate and will not engage in naming-and-shaming; others can judge.

Even though the world has not seen a return to the across-the-board tariff increases of the early 1930s, today governments have resorted to massive stimulus packages, bailouts, and subsidies, many of which include nationalistic provisions that effectively harm trading partners' exporters, investors, and workers. The most recent WTO General Council meeting (in May 2009) confirmed that tensions between nations are growing, fuelled in part by the murky nature of current protectionism and precious little objective information upon which to formulate policy. Moreover, calls were made at that meeting for more analysis of state measures taken during the recent global economic downturn. Since solid analysis builds on accurate information, Global Trade Alert can make another contribution.

Using a network of independent research institutes and trade experts from all over the globe, Global Trade Alert will seek to identify those state measures that discriminate against foreign commercial interests, the latter broadly conceived to include imports, exports, foreign investments (including intellectual property), and foreign employees. GTA will not confine itself to the measures that are covered by the existing body of WTO agreements, it being understood that some prominent state measures taken during this crisis fall outside WTO agreements. Nor will the initiative pronounce on the WTO-legality of a measure or whether a measure is ‘protectionist.’

---

<sup>1</sup> Simon Evenett convenes the network of independent research institutes that make up Global Trade Alert, an initiative of the CEPR. Evenett is the co-director of the CEPR's International Trade and Regional Economics Programme.

Instead, where discrimination against foreign commercial interests can be documented (verification being an important part of any investigation into a state measure) the measure will be posted on the GTA website with a neutral explanation. Since the documentation of discrimination ideally rests on published state regulations or other acts, more posts on *de jure* discrimination than *de facto* discrimination are likely. Discriminatory measures that have been announced – but not implemented – will be investigated and potentially reported too.

Over the next 12 months GTA will offer up-to-date, comprehensive, and impartial information on state measures on a dedicated website, [www.globaltradealert.org](http://www.globaltradealert.org). This website went live on 8 June 2009 and listed seven measures that are representative of the GTA's comprehensive scope. (Many more measures have been added since the launch.) Visitors to the website will see that the initiative has not investigated only the more transparent government measures. Moreover, available data has been used to identify trading partners likely to be affected by a state measure, an advance over other monitoring initiatives.

The GTA website has been deliberately designed so that users can sort the ever-growing database of reported measures by implementing jurisdiction, trading partners affected, and sector. This feature will make it easy for governments, industry and export associations, and others (including the media) to monitor developments that affect them. Moreover, users can sign up for email notifications about newly posted measures that interest them. Furthermore, users can also report measures and the GTA team will investigate. These features of the GTA website will add to the openness and transparency of the world trading system.

In addition to being able to track government measures taken during the current global economic downturn, the stock of measures that are reported on the GTA website will grow and so provide researchers and government officials with information on any new patterns of state intervention that are problematic from the perspective of maintaining open borders. As those familiar with the sharp downturn in the early 1980s and the launch of the Uruguay Round in 1986 will appreciate, the information collected during monitoring exercises such as these can influence subsequently commercial policy priorities of nations.

Information about GAT's participants, sponsors,<sup>2</sup> and methodology can be found on the website. Given the advances in web-based technology, taking monitoring 'on line' was surely inevitable. An important public policy question for later is whether such on-line monitoring of state measures should become a permanent feature of the worldwide trade policy landscape and, if so, on what terms.

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 and Geneva have provided important suggestions for substance, process, and presentation and these are being followed up. During the implementation of an initiative such as this, it is inevitable that a fair amount of learning takes place. Much of that learning will follow from extensive listening, hence the Global Trade Alert's multiple launches and outreach activities.

---

<sup>2</sup> A wide range of funders were sought for this initiative, precisely to limit the actual or perceived influence of any one funder. The funders include: the UK Government, the Canadian International Development Research Centre, the Canadian Centre for International Governance Innovation, the German Marshall Fund of the United States, and the World Bank.