



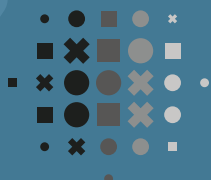
Collateral Damage

Cross-Border Fallout from Pandemic Policy Overdrive

The 26th Global Trade Alert Report

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Collateral Damage: Cross-Border Fallout from Pandemic Policy Overdrive

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EXECUTIVE SUMMARY

The onset of the COVID-19 pandemic meant governments faced their second systemic economic crisis in under 15 years. This year policymaking went into overdrive as states rightly took steps to protect public health and to stabilise their national economies. The impact of those steps did not stop at national borders. Once more the world trading system faced a major stress test.

When crises happen, overwhelmed officials and policymakers try stifling concerns about trade fallout with the following knee-jerk arguments:

- Collateral damage to trading partners is inevitable at times like this.
- Crisis policy response is temporary and so poses no long-term threat to the world trading system.
- No across-the-border tariff hikes (like those witnessed in the 1930s) have occurred and so trade distortions are under control.
- It is unrealistic to expect trade reform during crises.
- Trade rules should not get in the way of national crisis response.

Having documented and analysed information relating to over 2,000 policy interventions taken during the first 10 months of 2020, in this report we marshal evidence to reject every single one of these points. We also compare the policy response this year to that in 2009, during the dark days of the Global Financial Crisis. Doing so reveals there is no single crisis playbook. Governments have a choice in how they respond to crises. Once again states made dissimilar choices with different repercussions for their trading partners. Collateral damage was not inevitable. In fact, we show the fallout across nations this year was very uneven.

This report provides the most comprehensive account to date of the cross-border commercial fallout from government measures taken to tackle the COVID-19 pandemic. Not every element of pandemic response had consequences for trading partners. Of those that did, not all were harmful. Governments may see themselves as responsible solely for the wellbeing of their own citizens but that doesn't negate the fact that their actions can harm the health as well as the livelihoods of citizens of trading partners. This year has witnessed policy

interventions that both sicken-thy-neighbour and beggar-thy-neighbour. There has also been a substantial amount of import reform.

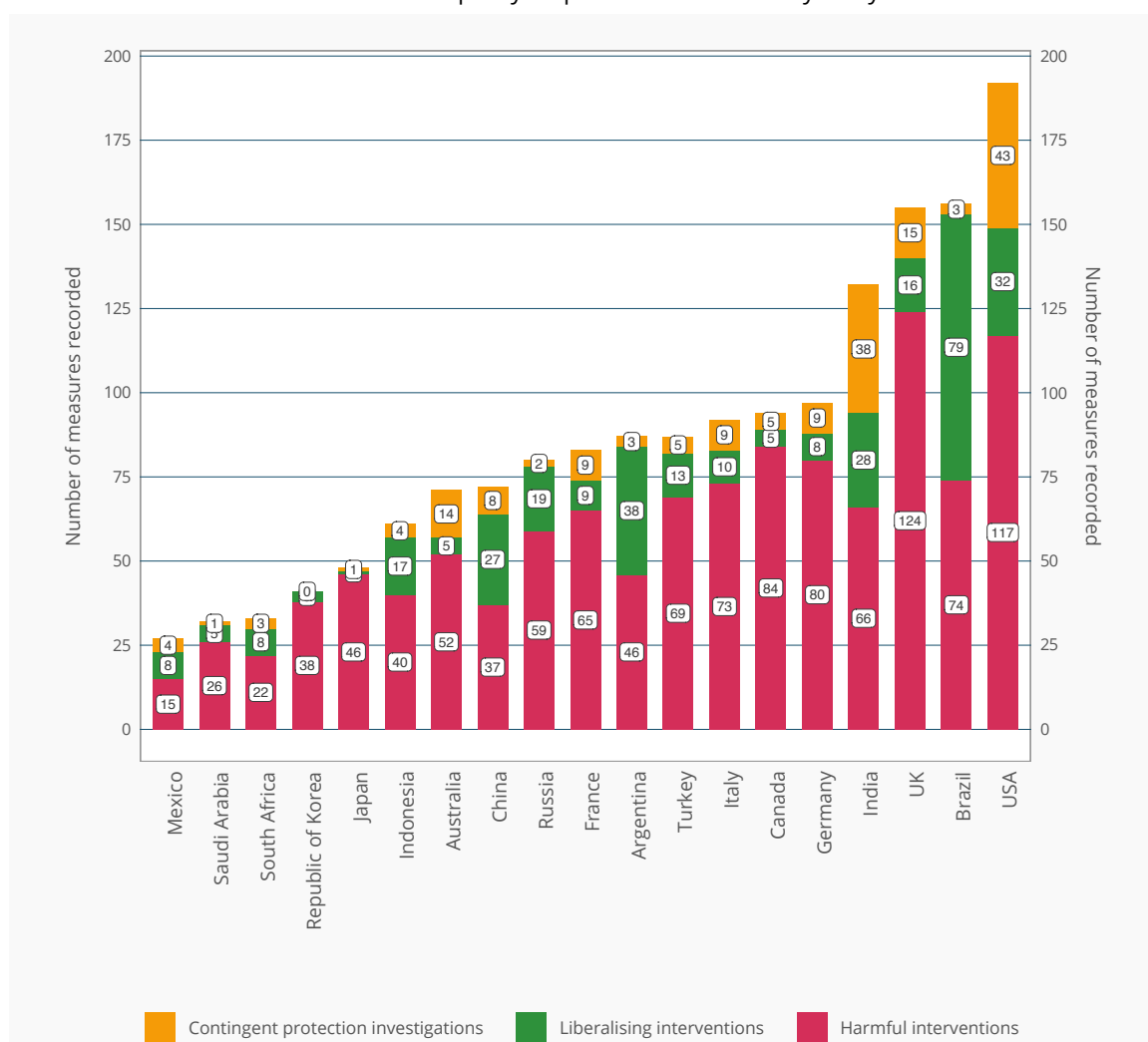
Key findings relating to global policy dynamics affecting cross-border commerce include:

- Trade distortions implemented this year cover 13.6% of world goods trade. By contrast, trade reforms cover 8.2%.
- By 31 October 2020, a total of 2,031 policy interventions affecting international commerce were imposed by governments around the world. That total is up 74% over the same period in 2019 and 147% higher than the average for 2015-2017, the years before the United States-China trade war really kicked in.
- Only 27% (or 554) of those 2,031 policy interventions benefited trading partners.
- 37 nations saw their commercial interests benefit from 100 or more reforms in trading partners. Whereas 58 nations saw their interests harmed 100 times or more so far this year.
- This year 43 nations saw 10% or more of their goods exports face worse market access conditions. Only seven nations saw 10% or more of their goods exports enjoy better market access.
- During the first 10 months of 2020, 26 nations saw more of their goods exports exposed to better market access abroad than worse conditions. For the rest—over 170 economies—more of their goods exports faced impaired access to foreign markets than improvements.
- Overall, policy intervention during the first 10 months of this year generated a total of 10,546 positive cross-border effects for trading partners. Meanwhile, policy induced 17,252 negative spillovers.
- 110 export curbs on medical goods and medicines remain in force. 68 such curbs have no phase-out date raising the prospect of long-term scarring.
- This year 106 nations implemented a total of 240 reforms to ease the importation of medical goods and medicines.

As is the case before any G20 Leaders' Summit, we put the track records of this group's members under the spotlight. Here the main findings are:

- In the first 10 months of this year, together the G20 members undertook 1,371 policy interventions—1,067 of which harmed trading partners. The harmful total is up 24% on 2019 and 117% higher than the years before the trade war, 2015-2017.
- G20 members were responsible for three-quarters of both the harmful and the beneficial knock-on effects for trading partners witnessed this year.
- Three classes of G20 member can be identified—four nations that implemented over 125 trade-related policies in the first 10 months of this year, three nations that implemented 33 or fewer, and the rest (see Figure).
- The policy mix employed by G20 members varied markedly. For example, Brazil undertook 156 policy interventions this year, 47% of which harmed trading partners. For its part, the UK imposed 155 measures
- and 80% tilted the playing field in favour of domestic firms. Remarkably, the UK's percentage was bested by Canada, Germany, Japan, Korea, and Saudi Arabia.
- Resort to time-bound crisis intervention varies a lot too. Russia has already phased out 20% of harmful crisis intervention taken earlier this year. China is scheduled to phase out 29% of its harmful measures by the end of this year—the comparable percentages for Italy and Mexico are 32% and 26%, respectively. Overall, 47% of Mexico's harmful crisis-era intervention is time-bound, just ahead of China (46%). In contrast, over 95% of Canada, Saudi Arabia, and South Africa's policies imposed this year that harm trading partners are not time-bound.
- This year G20 members undertook 770 General Economic Support measures (WTO terminology that captures inside-the-border policy intervention that can affect global commerce). A total of 679 of such measures involved granting different types of trade-distorting subsidies, either to firms competing

G20 trade-related policy response varies markedly this year



Source: Global Trade Alert.

in home markets or in foreign markets. The G20 is responsible for substantial subsidy-related trade fallout, affecting competitive conditions for 9.4% of world goods trade this year.

Coming at a time when the prospects for a revival of multilateral trade cooperation are improving, our evidence supports three recommendations to policymakers. First and foremost, a major shift in mindset is needed—away from the prevailing view that the world trade rule book must be effectively suspended for the duration of a crisis. This mindset has deep roots—going back to the origins of the post-war trading regime and manifests itself in what are euphemistically referred to as “flexibilities” in multilateral trade accords. In a world with extensive cross-border commercial ties, the current approach to crisis management is a recipe for the long-term scarring of the world trading system.

Keeping goods—including medical kit, medicines, and hopefully soon vaccines—flowing across borders is essential during a pandemic. More generally, open trading regimes facilitate exports, which speed up national economic recovery. A crisis management protocol should

be agreed by governments to shape how they respond to crises in a way that limits harm to trading partners and keeps commerce flowing. Temporary policy intervention should be prioritised and a mechanism included to encourage the unwinding of trade distortions introduced during crises. The World Health Organization has protocols that kick in when crises occur, so why can't the World Trade Organization?

Second, governments and international organizations need to systematically compare the state responses to this year's pandemic and to the Global Financial Crisis so as to identify those effective policy actions that inflicted little or no harm on trading partners. Third, developing such best practices requires systematic information collection on public policy responses and their cross-border commercial fallout. The new Director-General of the World Trade Organization should strengthen that body's monitoring and analysis functions. That monitoring needs to pay particular attention to subsidies and other General Economic Support measures. Other international organisations and independent analysts should contribute too.

SECTION 1

CROSS-BORDER FALLOUT FROM SYSTEMIC CRISES

CHAPTER 1

CROSS-BORDER TIES, PANDEMIC RESPONSE, AND SYSTEMIC ECONOMIC CRISES

Much has been made of the role that international travel played in spreading COVID-19. By March 2020 that spread was so extensive the World Health Organization (WHO) declared a pandemic. Governments responded to this public health emergency by closing borders, by restricting air and sea transport, and by ramping up health care provision. Each of these steps implicated cross-border commercial ties.

But this was not all. To limit person-to-person contact, some governments locked down large shares of their national economies, forcing employees to either work from home or not at all. Some governments chose to support individuals with direct financial payments, others did so by offering state aid to their employers. Massive fiscal and monetary policy stimuli were undertaken by governments fearing the worst economic slump since the Great Depression of the early 1930s. The fallout from these measures did not stop at national borders.

The purpose of this report is to provide the most comprehensive account to date of the cross-border commercial fallout from government measures taken to tackle the COVID-19 pandemic. Not every element of pandemic response had consequences for trading partners. Of those that did, not all were harmful. Governments may see themselves as responsible solely for the wellbeing of their own citizens but that doesn't negate the fact that their actions can harm the health as well as the livelihoods of citizens of trading partners. This year has witnessed policy interventions that sicken-thy-neighbour as well those that beggar-thy-neighbour. There has also been a substantial amount of trade reform. Sorting through this mixed picture is one of our goals here.

By and large, governments did not align on either their public health or economic responses to the pandemic. For sure, there were statements of good intentions lodged by governments at the World Trade Organization (WTO), in regional fora, and by the G20 nations. But as we will show, based on information collected on over 2,000

policy interventions this year, there were considerable differences across governments in the quantum, mix, and transitory nature of their policy interventions¹ that had consequences for cross-border commercial flows of goods, services, employees, direct investments, ideas, and data. Although we will present global averages and other pertinent summary statistics, they often obscure important differences across countries.

The commercial fallout from trading partners' pandemic responses was uneven too. Indeed, one of the points of differentiation of this report from others, is that, for each implemented policy intervention where information is available, the affected trading partners were identified using relevant data on commercial flows. Another differentiator is our extensive coverage of what are referred to in trade policy circles as General Economic Support measures—largely, subsidies of different types paid to firms.

It is by combining the largest collection of information on pandemic-era policy intervention, by tracking the widest range of policy interventions, and by systematically identifying the affected trading partners and the amount of goods trade likely implicated, that we seek to provide a unique perspective on the implications for the world trading system of the COVID-19 pandemic. In turn, that perspective raises important questions such as: Must an activist, effective state harm the commercial interests of trading partners? Has the time come to develop an international understanding of principles that guide governmental crisis response in ways that inflict less harm on trading partners and that encourage the unwinding of any crisis-era harmful measures that have been taken?

To put the developments in this report in perspective, the remainder of this chapter looks back to the cross-border commercial fallout from the policy responses taken at the start of the last global economic crisis, specifically, those taken during 2009. The COVID-19 pandemic is the second systemic crisis to hit the world trading system

¹ A total of 62 different types of policy intervention that could have implications for cross-border commerce are tracked by the Global Trade Alert team. Of the policy interventions announced or implemented this year, 98.5% were documented using official sources. This percentage is higher than in previous years. In the nearly 30,000 entries in the GTA database, 97.2% are based on official sources or on the official declarations of companies to stock exchanges.

in less than 15 years. By examining how governments initially responded to the Global Financial Crisis, we will demonstrate that the many commercial ties between nations imply that national crisis responses spill across borders, implicating the economies of trading partners. Globalisation is sufficiently advanced that, when it comes to the fallout from the policy responses to systemic crises, no country can pull up the drawbridge and wait it out.

Governments had a choice in 2009 and they chose differently

When systemic crises hit, governments move quickly to shore up national economies and to protect the incomes of families. In their haste, however, governments frequently take measures that also affect foreign commercial interests. Governments may intentionally shift the burden of painful economic adjustment on to trading partners. Nonetheless, it must be acknowledged that in many cases, domestic considerations alone drive policymaking.

Intended or not, adverse cross-border spillovers are created by certain public policy responses to crises. When that happens, the governments of trading partners—which have a legitimate interest in defending their own economies and citizens' livelihoods—notice and trade tensions can result. In a systemic crisis, which implicates many economies simultaneously, the sheer quantum of government crisis response around the world elevates this matter to the highest levels of trade policymaking. Under these circumstances, the principles and practices of the world trading system are put to the test, with evident consequences for the standing of the WTO.

For better or for worse, current multilateral trade rules allow governments to respond to crisis in many different ways. Governments therefore have a choice and their choices have implications for trading partners. This is apparent in the initial government policy responses to the Global Financial Crisis and to the COVID-19 pandemic. To demonstrate this point, consider the record of the G20 members.

Policy interventions in the Global Trade Alert (GTA) database are classified according to whether or not their implementation alters the *relative treatment* of domestic commercial interests vis-à-vis their foreign rivals.² Cutting import tariffs improves the commercial conditions facing the latter and worsens them for the former. Selective bailouts of specific firms, a national airline for example,

treats those domestic firms more favourably than their foreign rivals. Changes in relative treatment provide a sound basis to classify the cross-border spillovers created by policy intervention.

Information on the policy interventions by each G20 government during 2009 and 2020 was extracted from the GTA database. For each G20 member the percentage of policies implemented in 2009 that treated local commercial interests more favourably than foreign rivals was calculated. Likewise, for the policy interventions documented for this year. Figure 1 plots the two percentages for each G20 member.

In 2009, G20 governments differed markedly in their resort to policies that harmed trading partners. That year the percentage of harmful measures implemented by G20 members ranged from 32% (South Africa) to 95% (the United States). This demonstrates that governments don't have to choose crisis-era policy mixes that overwhelmingly harm trading partners.

This year, as Figure 1 shows, there is also diversity across the G20 in the degree to which their pandemic responses harm trading partners. However, this year the lowest percentage of harmful measures across the G20 was higher than in 2009. Every G20 member adopted a policy mix this year where more than 54% of policies implemented had adverse effects on trading partners.

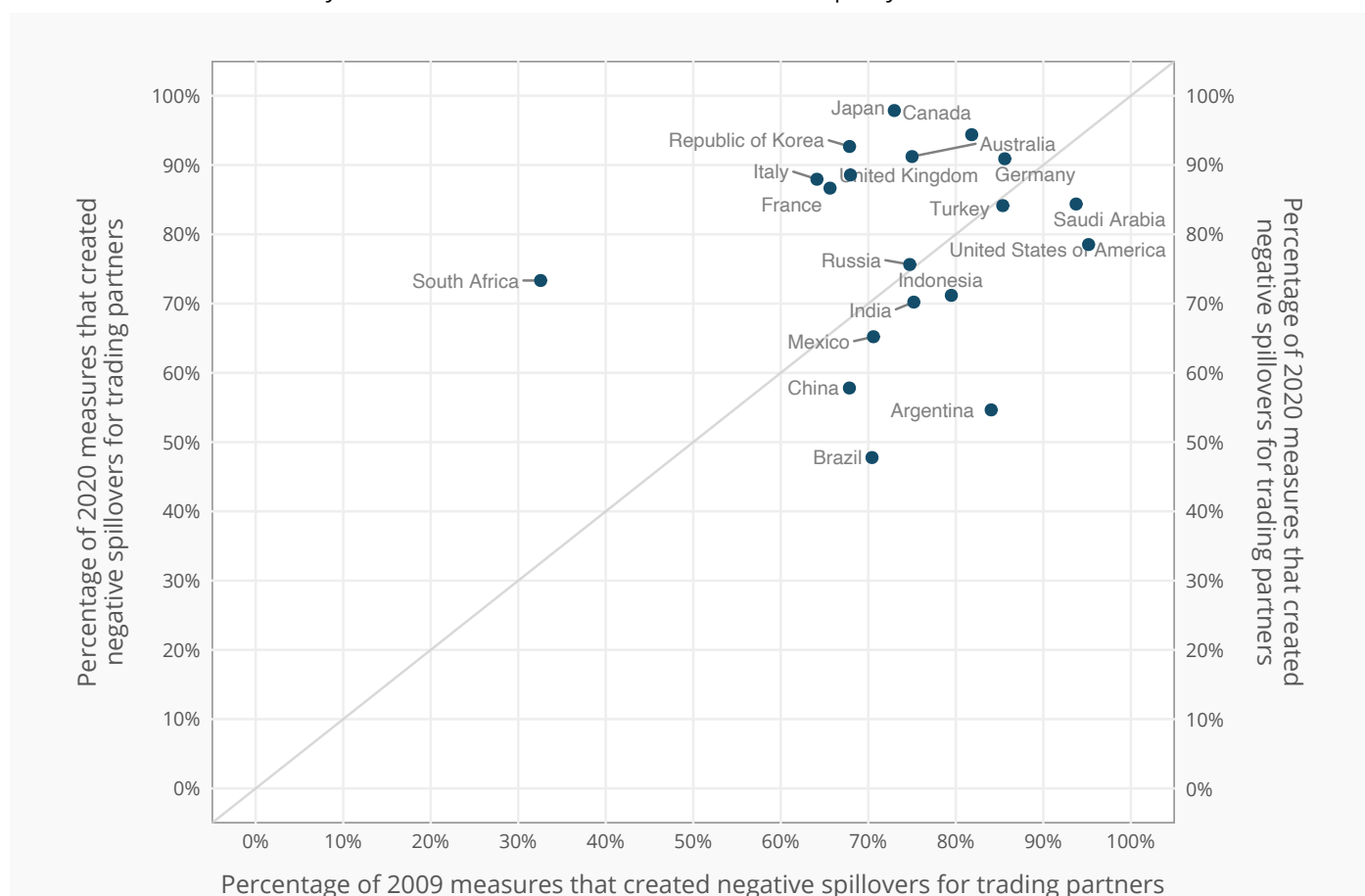
Nor is past prologue—that is, governments that adopted more harmful policy mixes in 2009 did not necessarily implement more harmful mixes in 2020. Argentina and Brazil stand out in this regard—their policy mixes are less harmful this time around. Surprising as it may seem given the salience of trade tensions, China and the United States' policy mixes are, on the information available to date, less harmful to trading partners than in 2009.

South Africa's policy mix is markedly more harmful (this year 73% of its policy intervention were in sectors where harm to trading partners is likely). France, Italy, Japan, Korea, and the United Kingdom's pandemic responses involved policy mixes significantly more harmful to trading partners than in 2009. While systemic crises differ, the following question does arise: Why were governments able to devise policy responses that were less inimical to trading partners' interests in 2009 unable to do so in 2020? Ultimately, governments have a choice and they should be expected to be held accountable for them, not just by their citizens but by their trading partners as well.

2 Notice it is the implementation, not the stated intention, of a policy that forms the basis of the classification. We refer to this relative treatment standard as the Relative Treatment Test.

FIGURE 1

This year half of the G20 resorted to more harmful policy mixes than in 2009



Source: Global Trade Alert.

The commercial fallout from the 2009 crisis response: a global perspective

Because the Global Trade Alert team has developed systematic methods to identify the trading partners affected by the implementation of a wide range of policy instruments, it is possible to assess how often each nation's commercial interests were affected by the measures taken by other governments during the dark days of the Global Financial Crisis. Furthermore, estimates of the share of each nation's goods exports that face different trading conditions in foreign markets can be prepared.³ This information reveals the degree to which the crisis policy intervention in 2009 spilled across national borders; whether the fallout was uneven; and whether the exposure to harmful measures by trading partners exceeded exposure to foreign trade reforms.

The map in Figure 2 reveals, perhaps unsurprisingly, that the largest trading nations tended to be hit the most often by harmful policy intervention by other governments. Likewise, for foreign trade reforms. The nation whose commercial interests were hit most often by measures taken in 2009 was China; a total of 598 foreign government interventions harmed Chinese commercial interests that year. Germany came in second with 508 hits to its exporters, overseas affiliates, and citizens working abroad.

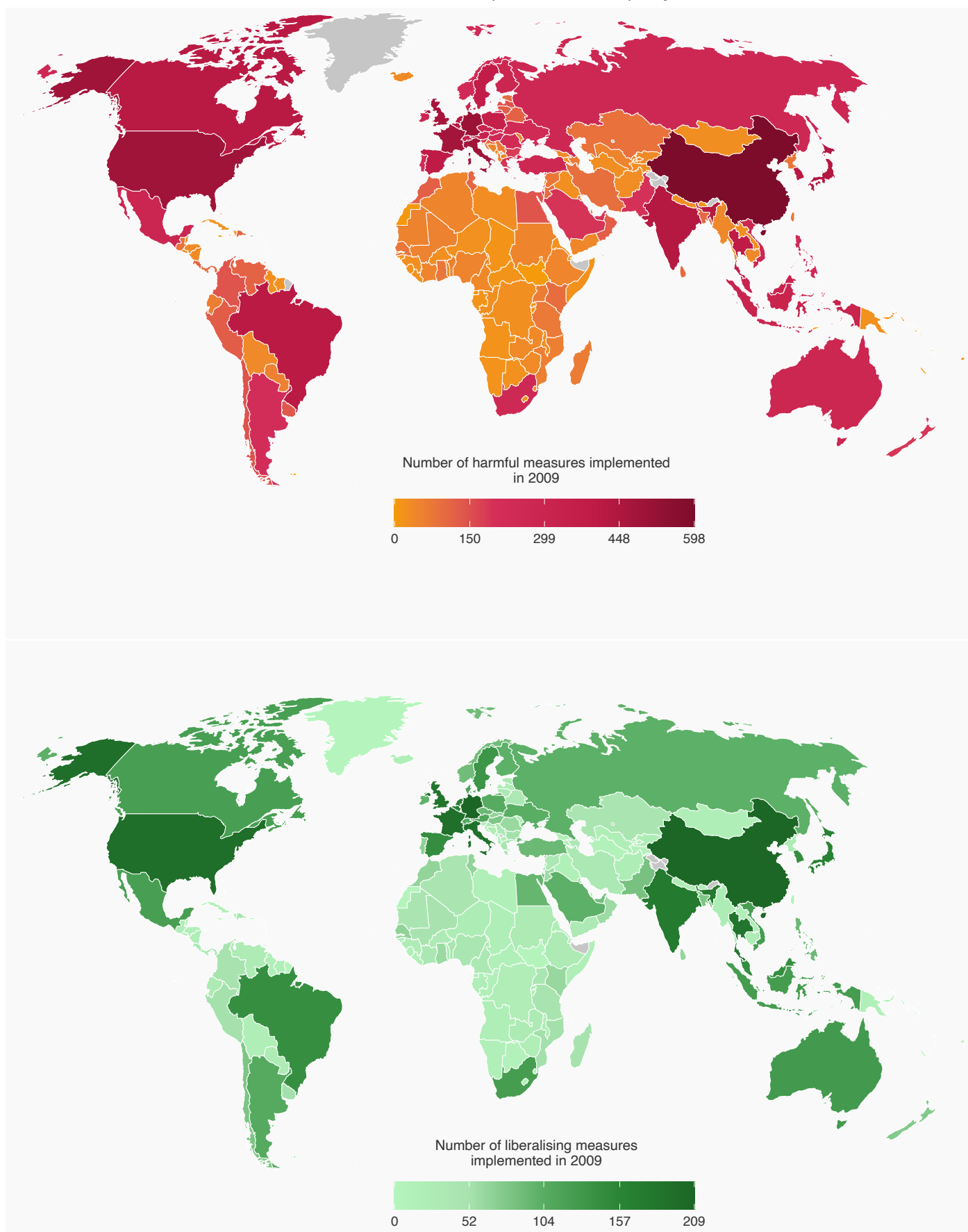
More generally, 67 nations saw their commercial interests hit 100 times or more. In contrast, only 33 nations benefited 100 times or more from foreign trade reforms implemented in 2009. Worldwide, the total number of harmful cross-border spillovers from 2009 crisis measures was 22,263.⁴ This was more than double the number of beneficial spillovers (10,015) arising from trade reforms undertaken in 2009.

³ These estimates were prepared using the finest-grain global data on international trade flows of goods available from the United Nations. That is, using the six-digit level of disaggregation of the Harmonized System found in the COMTRADE database.

⁴ Here a policy intervention that affects the commercial interests of n trading partners is said to generate n cross-border spillovers.

FIGURE 2

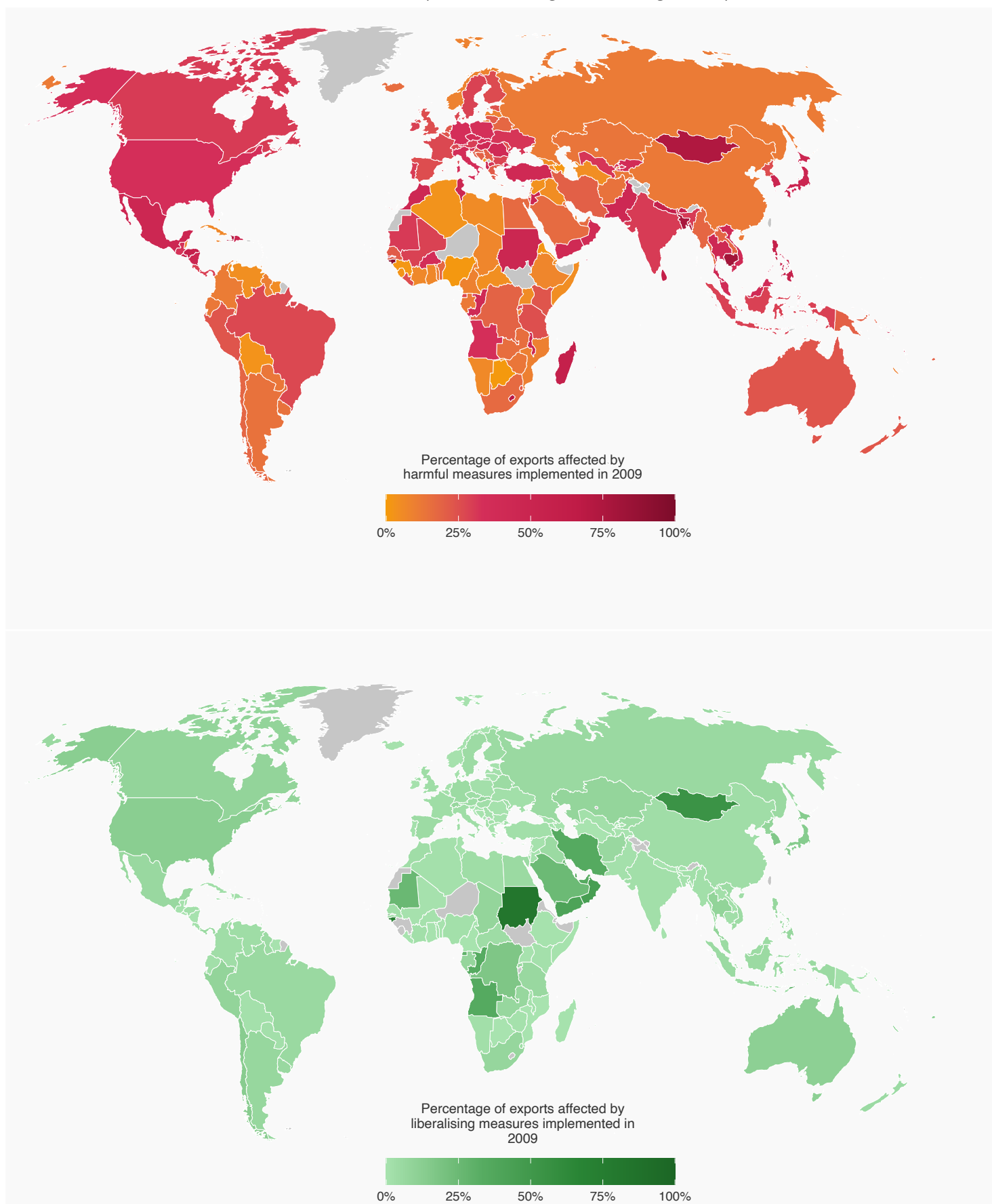
Global fallout from the 2009 crisis response: Counts of policy interventions



Source: Global Trade Alert.

FIGURE 3

Global fallout from the 2009 crisis response: Percentage of national goods exports at risk



Source: Global Trade Alert

Of the 220 trading territories represented in Figure 2, only 37 nations saw their commercial interests benefit more often from foreign trade reforms than were hit by harmful crisis response measures. However, the overwhelming majority of nations, 178 in total, suffered more hits to their commercial interests than they benefited from foreign trade reforms. The former exceeded the latter for China by 390; for Canada, Germany, Italy, and the United States this discrepancy was around 300. On these metrics, the fallout from the 2009 crisis responses was on net negative and very uneven across trading partners.

Figure 3 presents the estimates for each nation of the share of their national goods exports in 2009 that faced better and worse market access conditions abroad on account of the crisis response measures taken that year. The nations whose exports were most at risk were developing countries. Bangladesh, Cambodia, Guinea-Bissau, and Haiti all saw three-quarters or more of their exports face worse trading conditions on account of policy interventions by trading partners. For Mongolia the comparable percentage was 74%.

Of the 50 nations with the highest percentage of goods exports at risk from 2009 crisis measures, only five were G20 members. Korea was the G20 member with the most exports at risk (48%), followed in short order by Japan (47%) and Mexico (46%). Russia had the lowest export exposure among the G20 members (11%). Only 12% of Chinese exports were at risk from trading partners adopting crisis measures in 2009 with adverse cross-border spillovers. In contrast, 34% of US merchandise exports faced worse market access conditions on account of harmful crisis measures by trading partners. The upper map in Figure 3 reveals the uneven fallout around the world to the 2009 crisis measures taken by governments.

With respect to goods exports exposed to trade reforms in 2009, on the whole the percentages are much smaller. Sixteen nations saw 20% or more of their goods exports face better conditions in 2009 on account of foreign trade reforms implemented that year. (In contrast, 106 nations saw market access conditions worsen for 20% of more of their goods exports.) Saudi Arabia was the only G20 member among the fortunate sixteen, with 24% of its goods exports facing better market conditions. In fact, Saudi Arabia was the only G20 nation whose goods exports were exposed to more foreign trade reforms than to harmful measures implemented abroad. Saudi Arabia is one of just 16 nations where more goods exports were exposed to crisis-era trade reforms than to harmful policies.

Concluding remarks

International trade was neither the cause of the Global Financial Crisis nor the COVID-19 pandemic. But the extensive network of commercial ties forged during the era of globalisation implies that the policy responses of governments during systemic crisis will implicate trading partners. While those spillovers could be beneficial, given what we now know about government policy intervention in 2009 in the darkest days of the Global Financial Crisis, in fact the large majority of spillovers were harmful. Moreover, the commercial fallout from the 2009 crisis response was uneven across nations. For our purposes here, ultimately, the question is whether this pattern repeated itself in this year's state responses to the COVID-19 pandemic?

CHAPTER 2

MUST AN ACTIVIST, EFFECTIVE STATE HARM TRADING PARTNERS?

During a pandemic governments have a duty to take steps to protect the health and wellbeing of their citizens. To beard the pandemic those steps have to be effective and, in turn, this may require a high degree of activism by many government ministries and agencies. None of this is contested. However, given that governments do have a choice and, on the basis of evidence available to date, have acted differently, is it necessary that an active, effective state take steps that also harm trading partners?

In asking this question there is no implicit assumption that governments have a duty to foreign citizens. Rather, in a world economy where there are extensive ties between nations relating to different forms of commerce, can governments design effective crisis interventions that also limit, possibly avoid, harm to trading partners? If so, what best practices should guide government policy intervention?

By intervention here we mean the full range of public policies that could alter the relative treatment of domestic commercial interests vis-à-vis their foreign rivals. We do not confine ourselves to the trade policy instruments of yesteryear—tariffs, import quotas and the like. Nor should we limit the discussion to policies subject to provisions in regional and multilateral trade accords. Those accords take time to negotiate, if they are negotiated at all, and rarely cover the full range of policy instruments available to governments in a crisis. Plus, we should be open to the possibility that a crisis induces a government to innovate, either creating new policy instruments or repurposing existing instruments. Taken together, then, any compelling answer to the overarching question posed here should not be policy instrument-specific. Nor should any policy instruments be off-limits. Under these circumstances, a principles-based approach is more appropriate.

Revisiting the apparent tension between internal and external stability

Remarkably, the question—Whether an activist, effective state must harm trading partners?—is rarely asked despite there being two systemic economic crises in less than 15 years. Understanding why this question has not be asked is important as it reveals a critical assumption concerning the relationship between trade regimes and societal imperatives.

As Ruggie (1982) has argued, the post-war trading arrangements, upon which ultimately the World Trade Organization was built, reflected the tenets of Embedded Liberalism. Ruggie differentiated those arrangements from predecessors observing:

“...unlike the economic nationalism of the thirties, it would be multilateral in character; unlike the liberalism of the gold standard and free trade, its multilateralism would be predicated on domestic interventionism” (page 393).

In practical terms this resulted in trade agreements where:

“the principles of multilateralism and tariff reduction were affirmed, but so were safeguards, exemptions, exceptions, and restrictions—all designed to protect the balance of payments and a variety of domestic social policies” (page 396).

In Ruggie’s view governments sought to manage a tension between stability in external commercial relations and preserving domestic stability at home. The manner in which this tension was resolved was to allow for departures from non-discrimination (free trade) when social stability was disrupted by economic or other sources. Hence, the reference to safeguards, exemptions, and the like.

The contemporary manifestation of this particular solution to the apparent tension between internal and external stability are the so-called flexibilities in many international trade accords. Article XX of the General Agreement on Tariffs and Trade is a leading example of provisions allowing governments to depart from non-discrimination, permitting the imposition of export controls, for example.

This way of thinking is ingrained and came to the fore when the COVID-19 pandemic hit. For example, the WTO website contains the following statement:

“...each WTO member is free to determine what is necessary to protect its citizens and take the measures it deems appropriate. In general, WTO rules provide broad space for members to adopt trade measures deemed necessary to protect public health and public welfare (including import and export bans, quantitative restrictions on imports and exports, and non-automatic import licensing)...

“The Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) also provides members with flexibilities to ensure that life-saving drugs are available and affordable for their citizens. Among other tools, governments can use WTO-compliant compulsory licensing procedures in cases where patented drugs have been unaffordable or not widely available. Voluntary licensing of patents and pooling of intellectual property for different drugs or medical technologies are additional options within the scope of WTO rules.”⁵

In the field of government procurement, supporters of the existing WTO Agreement of Government Procurement were quick to point out:

“Taken together, these flexibilities ensure that the Agreement does not serve as an obstacle to swift, efficient responses by governments in a time of crisis” (Anderson and Müller 2020, page 190).

The defensive tenor of such remarks is unmistakable. They are tantamount to advocating suspending parts of the multilateral trade rulebook whenever a crisis occurs. Now that, regrettably, systemic crises occur with greater frequency these days, it would make sense to revisit the central assumption here—specifically, that external stability should be sacrificed on the altar of internal stability. Crisis-era policy choice—and indeed differences in such choices across governments—should provide plenty of grist for any re-evaluation. In this regard, it may be useful to pose two further questions.

Is harm absolutely necessary?

The different ways in which governments have sought to support personal incomes this year highlights the significance of this question. The United States government, for example, provided generous levels of financial support directly to those unemployed in the earlier months of the COVID-19 pandemic. Such direct financial support to individuals conferred no commercial advantage to any firm and is unlikely to raise objections from trading partners.

The same government, however, introduced a complicated scheme for the U.S. aviation sector.⁶ Ostensibly framed as a scheme to continue paying staff in this sector, the manner in which this scheme was constructed did not call for all the funds made available to be paid solely to employees. That the firms in question, including major U.S. airlines, derived a commercial advantage from these payments, totalling up to \$32 billion, cannot be ruled out.

Establishing whether a subsidy confers a commercial advantage is not simply a matter of identifying the intermediate or final recipient of the state largesse. The first wave of the COVID-19 infection saw governments order many firms to cease commercial activity. In Europe, a number of governments also implemented schemes that compensated firms a certain percentage of their employees' salaries if they held on to their staff. Although the payment here was to firms, the fact that the companies in question ceased commercial operations makes it doubtful that any commercial advantage was secured (at least during the period of the lockdown) and, therefore, that there is little for trading partners to complain about.

In short, the legitimate objective of income protection could be accomplished in more than one way. Surely, the principle ought to be adopted that any crisis-related state intervention should do the least harm to trading partners for the shortest period of time? State behaviour consistent with this principle involves consideration of multiple, plausible alternative policy options, possibly informed by the policy choices of other governments facing similar crisis situations.

That some of those alternatives may involve little or no harm to trading partners calls into question the presumption that, when crises hit, preserving internal stability must come at the cost of external stability. Moreover, having regard for the cross-border consequences of state intervention is not a roundabout way of curbing all forms of public policy intervention—let us dispense with that red herring as well.

⁵ Statement taken from https://www.wto.org/english/tratop_e/covid19_e/faqcovid19_e.htm.

⁶ Section 4112 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act).

Is harming trading partners smart?

In a world where, sadly, multilateral trade rules offer little by way of discipline on government policy choice during crises, states ought to give serious thought to whether their actions might induce retaliation by other governments. Two factors multiply the opportunities for retaliation and each is considered in turn. By the way, the following is not to be read as an endorsement of retaliation, the pros and cons of which need to be carefully scrutinised.

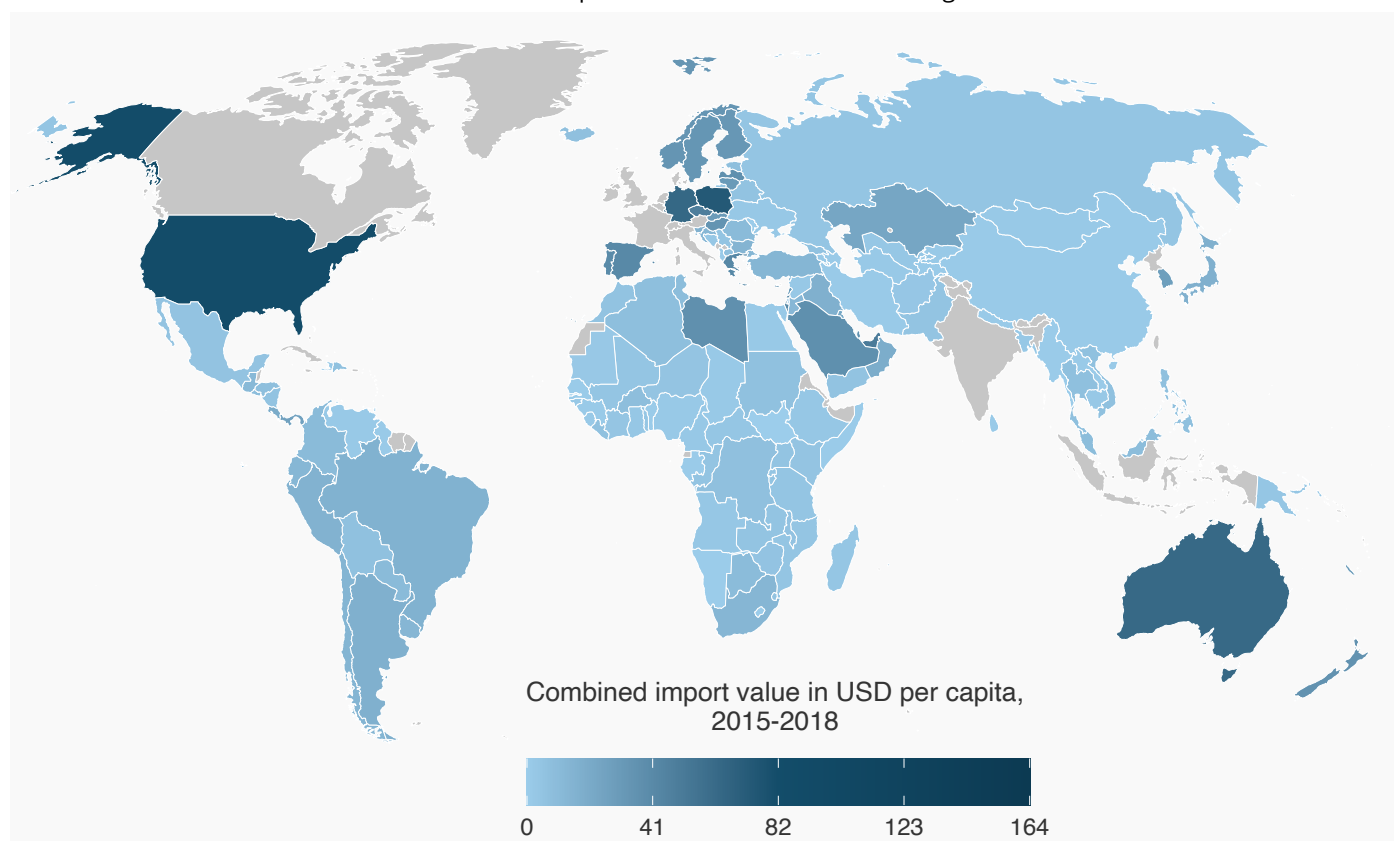
As some governments learned the hard way in the first half of this year, the reality that many sought after goods are produced using extensive cross-border supply chains increases the potential for retaliation by trading partners. While trade economists have long argued that global supply chains strengthen the disincentives to raise import barriers on parts and components, that argument can be extended to export curbs as well. The evidence presented in Chapter 5 of this report shows that many (but not all) governments scrapped over the summer months of

2020 their earlier resort to export controls on medical goods and medicines, potentially after realising how counterproductive those trade restrictions were.

The future is the second factor. Trading partners need not retaliate now to harmful policy intervention by a government as they have future opportunities to do so. For example, should successful vaccines be developed then they will have to be distributed via international trade. United Nations COMTRADE data for human vaccines⁷ for 2015 to 2018 reveals that 152 nations⁸ were net importers of vaccines (see Figure 4). Moreover, 111 nations only imported vaccines and did not export them at all. While the G20 members were well represented among the net exporters, much of the developing world, the Middle East, and North America were net importers. This is just one example of possible future retaliation—the existence of which should make any government think twice about harming trading partners today.

FIGURE 4

152 nations were net importers of human vaccines during 2015 to 2018



Note: UN COMTRADE database used to extract data on HS code 300220. Population data from the World Bank. Grey-coloured countries are net exporters of vaccines.

7 HS code 300200.

8 Technically, customs territories.

Concluding remarks

During the COVID-19 pandemic, the world needs effective, activist states—for the obvious public health reasons but also because nations benefit when normal economic conditions are restored in their trading partners. Fundamentally, there is no misalignment of objectives on this key point.

What the world does not need are reflexive crisis measures that impose collateral damage on trading partners and ride roughshod over the established principles of the world trading system. The assumption, hardwired into the thinking of many, that trade rules need to be suspended needs to be reconsidered.

It is unlikely that the diverse public policy responses taken by governments during the COVID-19 had identical effects on foreign commercial interests. Therefore, the

hunt should be on to identify effective public policy interventions that limit, even avoid, harming trading partners. That is only possible if information on the steps taken by governments is collected systematically, which takes us to the importance of transparency in the world trading system during systemic crises.

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CHAPTER 3

WHY TRANSPARENCY IS NEEDED DURING SYSTEMIC CRISES

Policymaking during a fast-changing pandemic must be gruelling. If such decision-making takes place largely in an empirical vacuum, then fear and rumour most likely hold sway. Combined with growing geopolitical tensions, this makes for a heady brew in which scraps of information could trigger policy responses inimical to an open trading regime. Access to reliable, up-to-date information that can be quickly assessed is essential. Doing so will require officials and ministerial advisers to identify, contrast, and evaluate multiple policy options and this is what active policy surveillance should reveal.

Fortunately, there are now the tools to substantially improve the transparency of public policymaking that affect cross-border commerce. While many governments are behind in making notifications to the World Trade Organization, over the past quarter of a century many public administrations have taken steps at home to improve the transparency of national decision-making processes. More and more decisions relevant to trading partners mindful of their commercial interests are posted on government websites and changes there can be detected, evaluated, processed, and stored.

The monitoring of policy responses during and after the Global Financial Crisis contains three important lessons for tracking contemporary policy developments that implicate international commerce. The purpose of this chapter is to describe those three lessons and to reflect on them. These lessons derive from the experience of the Global Trade Alert team which has sought to track policy developments that affect cross-border commerce from the first G20 Leaders' Summit in November 2008. Over 60 policy instruments have been tracked according to a consistent methodology outlined in Evenett (2019) and in a handbook (Evenett and Fritz 2020).

To support the three lessons described below evidence on the quantum and form of policy intervention in 2009 is presented. The focus here is on all policy intervention—irrespective of whether foreign commercial interests benefited or were harmed—undertaken by governments worldwide. By the end of October 2020, the Global Trade Alert team had 12 years to collect information on policy

developments in 2009. By examining what was known about policy stance at different points in time, much can be learned about the impact of sustained monitoring of state intervention.

Lesson 1: Near-term monitoring only reveals the tip of the iceberg.

By 31 October 2009, a total of 326 policy interventions implemented that year which implicated global commerce had been documented. Two-thirds of policy intervention known then was implemented by G20 members. Subsequently, it has been possible to document a further 1,613 policy interventions bringing the total number of policy interventions documented in 2009 to 1,939 (as of 31 October 2020). This implies that for every policy intervention spotted by 31 October 2009, a further five were found in the years thereafter. This finding holds for G20 and non-G20 totals considered separately—it is a broad-based finding.

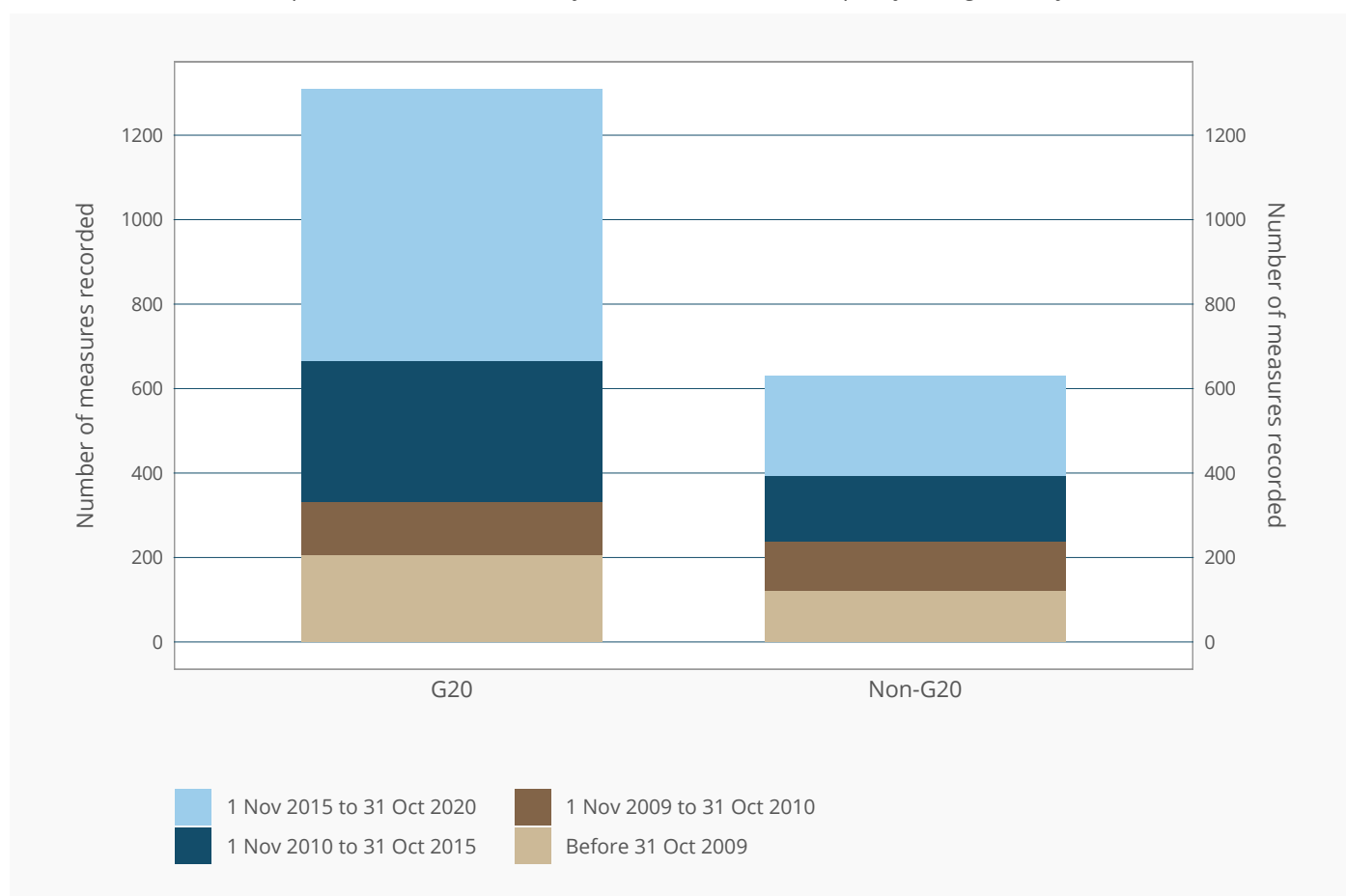
This finding has important implications for policymakers, diplomats, journalists, and analysts when they interpret this year's statistics on trade-related policy intervention. As more information becomes available, those totals will almost certainly be revised up considerably. Put differently, reporting lags imply that the first readings on policy stance are likely to understate the degree of policy-induced disruption to the world trading system.

Lesson 2: Updating earlier assessments of policy stance is essential.

Monitoring resources could be devoted entirely to detecting recent policy changes. However, if the goal is to facilitate accurate assessments of policy stance, then that would be a mistake. As new information comes to light about policy intervention taken during earlier reporting periods, then resources must be devoted to processing and assessing that information and the totals for earlier periods updated.

FIGURE 5

Reports in 2009 revealed only a sixth of trade-related policy changes that year



Source: Global Trade Alert.

Figure 5 demonstrates why updating earlier totals is important. By 31 October 2009, a total of 205 policy interventions by G20 members has been documented. By 31 October 2010, that total had risen to 332 policy interventions. By 31 October 2015, that total had doubled (665) and, on 31 October 2020, the total number of G20 policy interventions in 2009 that had been documented stood at 1,309. Under these circumstances, no one should be terribly surprised if assessments of the G20's track record changed over time as more information is collected.

Sustained monitoring and updating, where appropriate, of earlier totals is particularly needed if governments bury information about policy interventions, thereby frustrating near-term monitoring initiatives. Other rationales for reporting lags are more benign: governments typically report subsidy interventions, in particular firm-specific ones, with a considerable lag. Companies make stock market filings, which can reveal financial assistance from governments, at regular intervals, but they may not fall

within the time frame of a near-term monitoring initiative. Finally, the efficiency with which information on policy changes is collected and processed is a consideration as well.

Lesson 3: Monitoring General Economics Support measures is essential.

Policy interventions affecting trade flows differ markedly in their salience. Everyone has heard about import tariffs and quotas and remembers that they played an important role in the 1930s. For many, it seems, the very notion of protectionism is wedded to these import restrictions. For others it is contingent protection measures (anti-dumping, anti-subsidy, and safeguard actions) that are salient. This year export bans and other export controls garnered a high public profile, as they did when there were food security concerns at the time of the Global Financial Crisis. But what of less salient policy intervention?

What does the sustained monitoring of policy interventions in 2009 reveal about the mix of policies used by governments? Figure 6 reveals, at the end of every year from 2009 to 2019 and on 31 October 2020, what was known at each point in time about the mix of policies introduced in 2009. One important finding is that an exclusive focus on the transparent trade policy interventions (taken here to be import tariff changes, contingent protection policy changes, import bans, import quotas, export quotas, export taxes, and export licensing requirements) would have missed half of the relevant policy intervention in 2009.

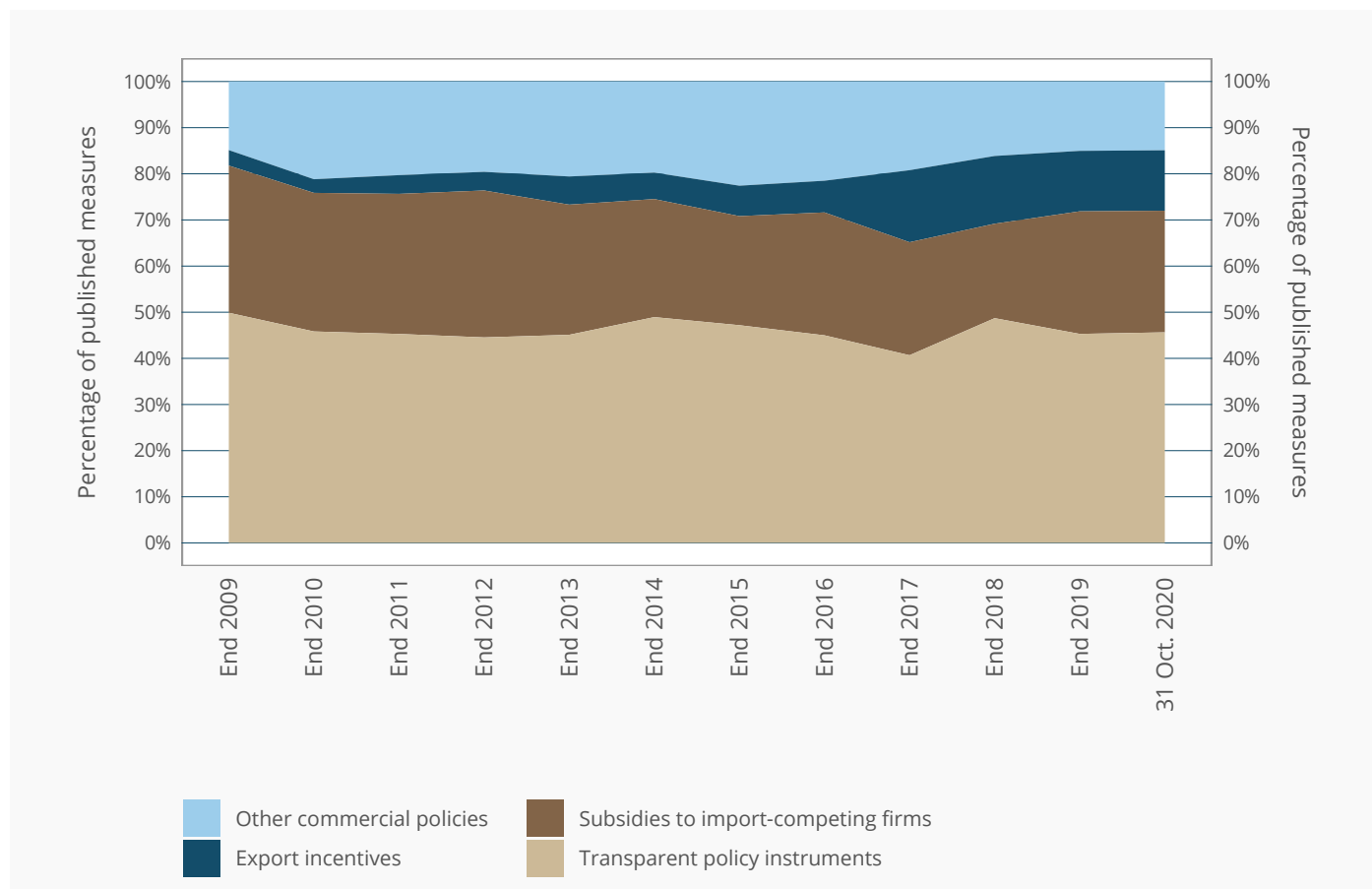
Subsidies to import-competing firms and state-provided export incentives accounted for a third of measures documented by 31 December 2009. Over time both transparent policy interventions and subsidies to import-competing firms lost market share (their shares of total intervention falling by approximately five percentage

points) whereas the percentage of documented 2009 measures that were export incentives rose ten percentage points to 13%. Overall, sustained monitoring over time revealed the importance of such General Economic Support measures. By 31 October 2020, nearly 40% of the policy interventions implemented in 2009 were found to involve some type of subsidy.

Given the significant expansion in the number of policy interventions taken during 2009 that have been documented over time, that the percentage of transparent policy interventions has remained so high implies that the transparency of a policy intervention may not be a good guide as to how quickly or easily it is documented. Statements like “well at least we can be sure we’ve captured most of the transparent policy interventions in our near-term monitoring” should be treated with some scepticism. There are no short cuts.

FIGURE 6

As monitoring continued the centrality of subsidies to manufacturers and farmers in the 2009 crisis response grew



Source: Global Trade Alert.

Concluding remarks

The systematic monitoring of policy developments affecting global commerce is both essential and feasible. However, successful execution requires proper design of the monitoring initiative, getting the scope of policy interventions right, as well as devoting resources to sustain monitoring of current and earlier periods.

Care is needed in interpreting the findings of such monitoring, especially in relation to near-term monitoring on policy stance. The quantum of policy intervention documented in the near-term will almost certainly understate the true level, possibly by a significant amount. Finding little such intervention during any time frame is no guarantee of little trade policy activism. However, should the quantum of intervention documented in the near-term jump (as it has this year) then, if experience is anything to go by, this is a strong indication of greater trade policy activism. Assessments of policy stance need to take account of the biases inherent in near-term monitoring exercises.

The importance of reporting subsidies and other General Economic Support measures was also made clear in the evidence present here. As previous Global Trade Alert reports have shown, and as borne out in the country annexes in this report, when measured by the shares of world trade implicated, different types of state largesse have become the most pervasive trade distortions in the world trading system since the Global Financial Crisis. Meaningful monitoring of the world trading system requires active tracking of General Economic Support measures.

A final concluding remark relates to the capacities of governments and firms to process and interpret information obtained from the monitoring of commercial policies. As more and more information comes to light on policy interventions affecting global commerce, organisations that use this information ought to invest in the talent and information systems to make the most of this growing pool of policy intelligence.

Governments interested in defending their nation's commercial interests in foreign markets cannot rely primarily on their companies to highlight the non-tariff barriers that they encounter in overseas markets. In an era of pervasive subsidisation, a nation's exporters may not realise that a key determinant of their poor performance in an overseas market is due to rivals receiving state largesse and undercutting them. This statement does not diminish the importance of non-tariff barriers, rather it implies that government serious about defending their commercial interests abroad should not rely on companies alone to report on those foreign trade distortions that matter.

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SECTION 2

GLOBAL POLICY DEVELOPMENTS

CHAPTER 4

SPILLOVERS GALORE: UNEVEN FALLOUT FROM PANDEMIC-ERA POLICY OVERDRIVE

As the policy tracking initiatives of the [International Monetary Fund](#), the [International Labour Organization](#), and the [Organisation for Economic Co-operation and Development](#) amply demonstrate, governments around the world have been very active this year, taking many measures to protect public health and limit the domestic economic fallout from the COVID-19 pandemic. Some governments have already introduced multiple stimulus packages, involving a combination of fiscal policy measures, monetary policy easing, and financial support for workers, families, and companies. Given the scale of the perceived societal threat posed by COVID-19, overdrive in policymaking was expected.

What has been overlooked in many reports of pandemic-era policy response is the cross-border fallout resulting from that overdrive. This lacuna could be significant for at least two reasons. First, the COVID-19 pandemic follows years of raw trade tensions between several of the largest trading powers. Two flashpoints have been the degree to which states drive national economic outcomes and the resort to sector- and firm-specific subsidies as part of national industrial and development strategies. Spats over these matters in the recent years may colour how governments evaluate the pandemic policy responses of trading partners. Some governments may not give their counterparts the benefit of the doubt.

The second reason also has historical antecedents. Analysts and officials have observed that public policy initiatives introduced during fraught times which were designed to be temporary have a tendency to become permanent. The concern here is that national and global crises result in a long-lasting ratcheting up of policy intervention. Temporary policy interventions—including those that harm trading partners—may not be reversed or unwound as the domestic interests that have benefited from state favouritism lobby to keep their privileged position.

This is not a hypothetical concern. Recently, Evenett and Baldwin (2020) reported that, in terms of trade covered, by 2020 few of the export incentives implemented in 2009 had been unwound, whereas there was more progress in unwinding import tariff increases that year. The most progress came in reducing the share of world trade covered by subsidies to import-competing firms awarded in 2009. Even so, Evenett and Baldwin (2020) estimate that in 2020 over 32% of world trade was still affected by trade distortions introduced in 2009 that had not been reversed or unwound 12 years later.

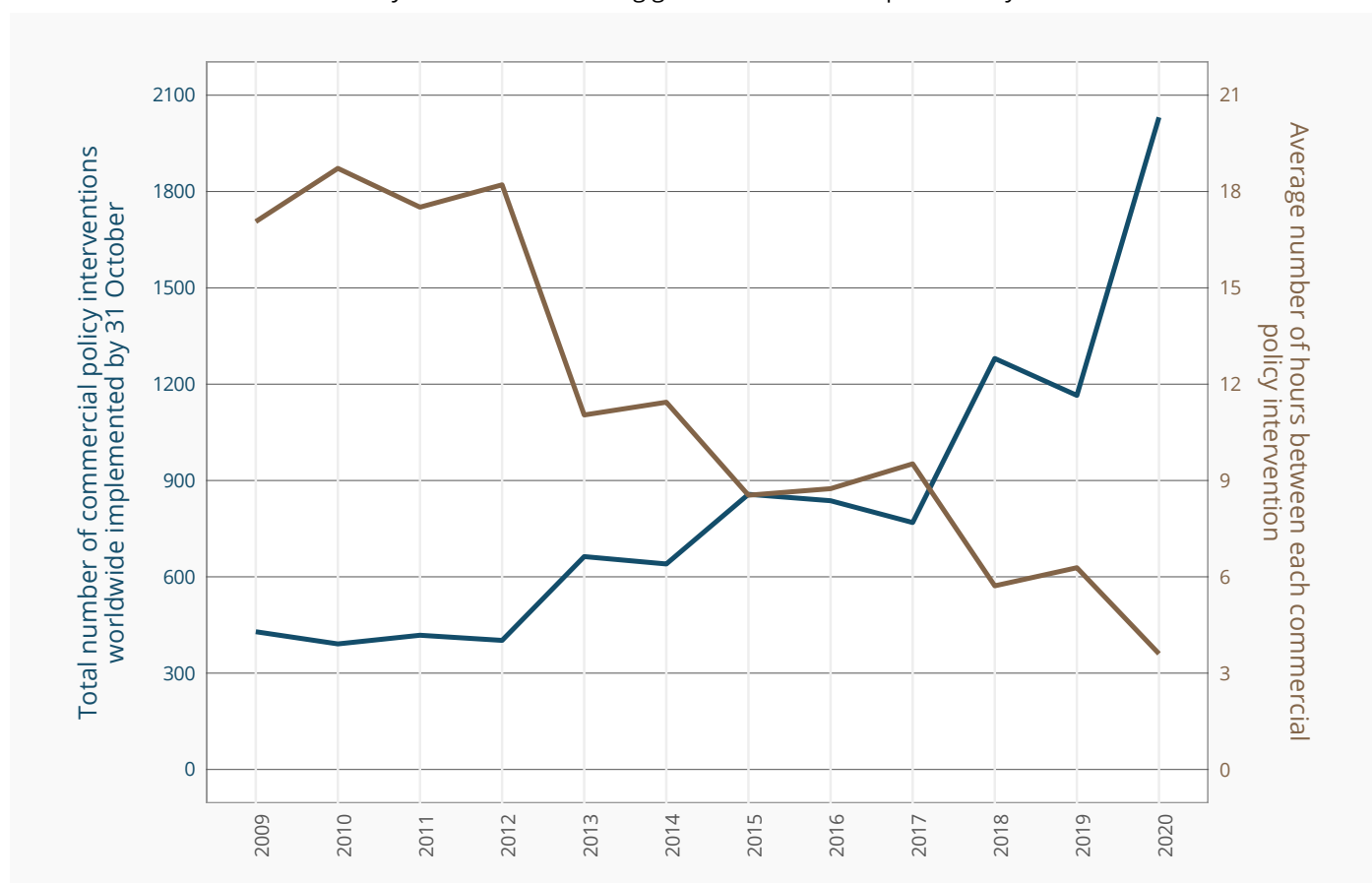
Some commentators have discussed whether the COVID-19 will permanently scar national economies. The question for analysts of the world trading system is whether the cross-border spillovers from this year's policy overdrive will scar global commercial flows. History does not offer much comfort in this regard.

It is important to recognise, however, that a government's pandemic-era policy response can generate positive as well as negative cross-border spillovers for its trading partners. As a result, in this chapter we present evidence on both and, of course, are interested which type of spillover is more prevalent. We are also interested in the distribution of the cross-border spillovers across nations. Was the fallout uneven?

Assessing whether a policy intervention generates a cross-border spillover using the Relative Treatment Test mentioned in chapter 1 requires looking into the specifics of a government intervention. In some cases, such as traditional trade policy instruments like import tariffs and export bans, there is a direct change in the treatment of foreign commercial interests vis-à-vis domestic rivals. In other cases, an apparently benign policy intervention may discriminate against foreign commercial interests. For example, some nations have introduced limits this year on the ability of foreign firms to bid for state contracts. Consequently, not every fiscal stimulus is implemented in a way that is nationality blind.

FIGURE 7

Policy intervention affecting global commerce is up 74% this year



Source: Global Trade Alert.

The remainder of this chapter is organised as follows. In the next section, evidence on the quantum of policy intervention this year that implicated the commercial interests of trading partners is presented to support the conclusion that policymaking has been in overdrive. Then, evidence is presented that the cross-border fallout from pandemic-era policy response is uneven and, for the great majority of nations, skewed towards more harm than benefits.

No year comes close to 2020 in terms of policy intervention that create commercial spillovers

By 31 October 2020, a total of 2,031 policy interventions had been implemented by governments worldwide that had knock-on effects for the commercial interests of their trading partners (see Figure 7). That quantum of policy intervention is 74% larger than the comparable total recorded for government measures taken in 2019.⁹ That

quantum is 58% higher than the comparable total in 2018, the year in the past decade with the highest recorded total of policy intervention that generated cross-border spillovers.

As is evident in Figure 7, policy activism was elevated in 2018 and 2019 before the COVID-19 pandemic came upon us. Compared to the average for the years 2015-2017, a relatively quieter period for the world trading system, the quantum of policy intervention recorded this year is 147% higher.

This year, on average, a government somewhere around the world implemented a measure that implicated the commercial interests of trading partners every three hours and forty minutes. To put that statistic in perspective, in 2009 such a policy intervention was introduced every 17 hours. This is an indication that, seen from a trade policy perspective, the scale of the response this year is of a different order to that witnessed in the darkest days of the Global Financial Crisis.

⁹ To make a clean apples-for-apples comparison we compared the total number of policy interventions implemented in 2019 and documented by the Global Trade Alert team by 31 October 2019 with the 2,031 total reported in the main text for 2020. We follow the same reporting period-corrected calculations for all of the other statistics reported in this section.

Of the 2,031 policy interventions implemented by 31 October 2020, 27% (or 554) happened to benefit foreign commercial interests. It would be wrong to assert that there was only “bad news” this year. Indeed, the total number of government measures implemented this year that benefit foreign commercial interests is more than double the number witnessed at the same time last year (229).

Nevertheless, an implication is that, whether intended or not, the vast majority of policy intervention this year had negative consequences for foreign commercial interests. The approximate three-to-one ratio is in line with findings for previous years, implying that it is the quantum of policy intervention that makes this year so noteworthy.

The fallout is uneven across nations and skewed towards more harm than good

Our goal here is to highlight the frequency of, and trade covered by, the cross-border spillovers created by this year’s pandemic-induced policymaking overdrive. The maps referred to in this section are identical in design to those used in chapter 1 to reveal the nature and extent of spillovers in the first full year (2009) of the Global Financial Crisis.

Figure 8 shows the global reach of the cross-border spillovers created by the over 2,000 public policy interventions implemented between 1 January and 31 October 2020 and documented by the latter date. As noted in the last chapter, the total number of policy interventions implemented during that time frame will almost certainly be revised up markedly, in which case the maps presented in Figure 8 (and Figure 9 for that matter) understate the true state of affairs. Nevertheless, we will discuss the implications of what has already been documented.

Chinese commercial interests have suffered collateral damage the most often from the pandemic-era policy responses of its trading partners (Figure 8). On 426 occasions Chinese commercial interests have been hit this year. Of the top 10 most hit trading nations, all but one (the Netherlands) is a G20 member. In the next ten are four G20 members plus Belgium, Czechia, Poland, Sweden, Switzerland, and Thailand. A total of 58 nations saw their commercial interests hit 100 times or more as a result of the pandemic policy responses of their trading partners. Forty-one economies, including Taiwan, saw their commercial interests hit fewer than 10 times.

Not all cross-border spillovers are negative. The bottom panel of Figure 8 indicates the frequency with which each nation’s commercial interests benefited from foreign measures that liberalised markets. American exporters, overseas affiliates, and other commercial interests benefited the most often, 283 times. Of the ten nations whose interests benefited most often, all but one (Malaysia) was a G20 member. A total of 37 nations saw their commercial interests benefit 100 times or more. Meanwhile, 61 nations benefited from fewer than 10 policy changes in trading partners.

The relatively larger number of policy interventions which harmed trading partners this year resulted in more negative cross-border spillovers. In fact, counted in the same way as in Chapter 1, between 1 January 2020 and 31 October 2020, a total of 10,546 positive spillovers from pandemic policy responses were identified. So were 17,252 negative spillovers. There are indeed some countries that benefited from more positive spillovers than negative ones. Bangladesh is an example—it gained from 80 spillovers and lost from 52.¹⁰ However, such cases are the exception, not the rule.

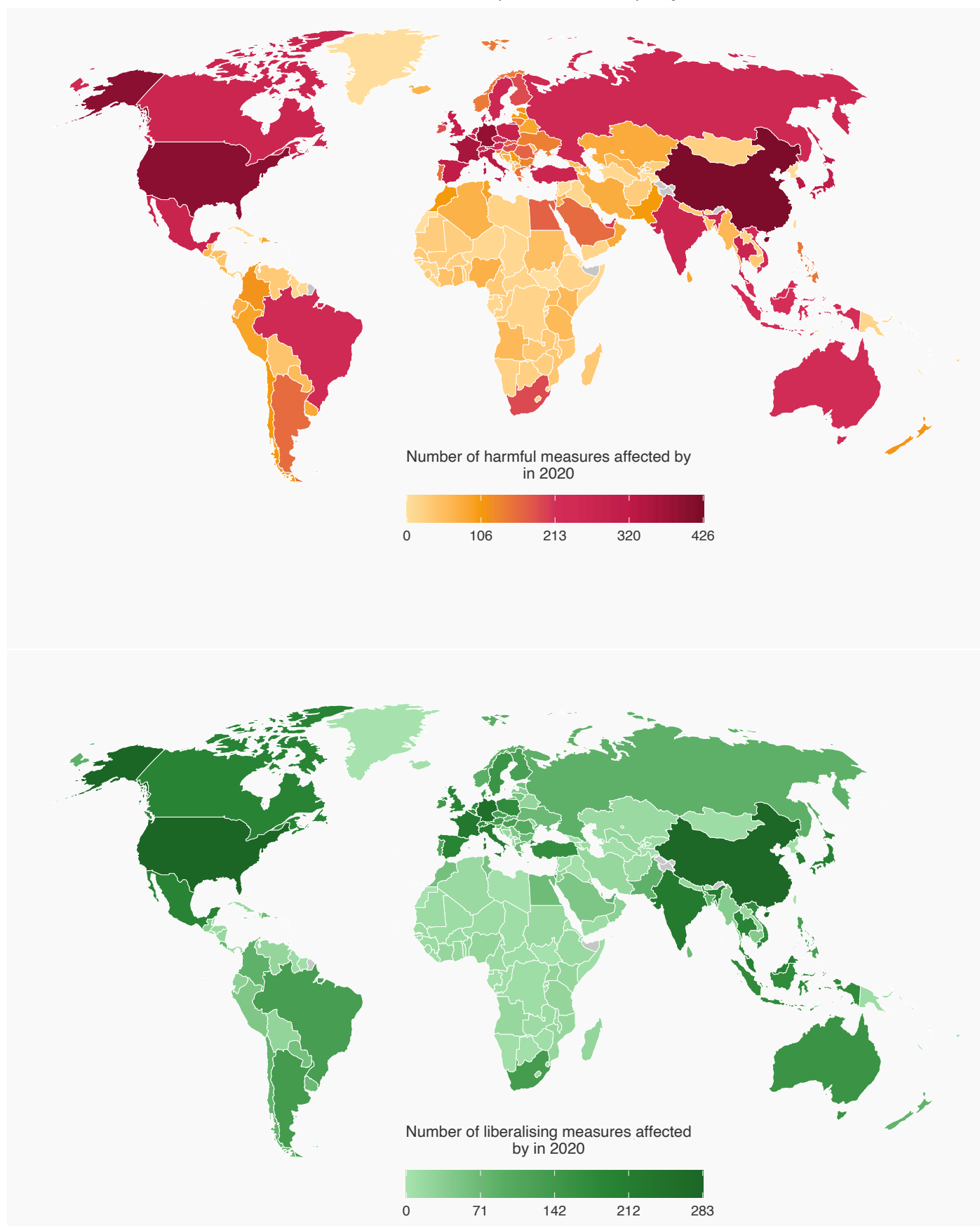
The two panels in Figure 9 reveal the extent to which a nation’s goods exports confront changes in market access on account of the policy interventions implemented abroad between 1 January 2020 and 31 October 2020. Again, the pattern revealed is highly uneven. In the case of negative cross-border spillovers, a total of 43 nations saw 10% or more of their goods exports face worse market access conditions. The highest export exposure to worse trading conditions abroad was found in the Middle East and North Africa. Over 38% of Saudi Arabia’s exports faced worse market access conditions abroad this year.

The lower panel in Figure 9 shows there is less exposure of goods exports to policy changes abroad that benefited foreign commercial interests (compare the scales of the legends in the top and bottom panels of Figure 9). So far this year, just seven nations saw 10% or more of their exports exposed to beneficial foreign state intervention. Japan and Korea stand out as 14% and 15% of their goods exports, respectively, so benefited. Such are the products shipped by the Philippines and their export destinations, that over a quarter of that nation’s exports benefited this year from policy intervention implemented by trading partners.

10 Of course, further analysis would be necessary to ascertain whether on net Bangladesh’s exports and welfare rose this year on account of foreign state measures.

FIGURE 8

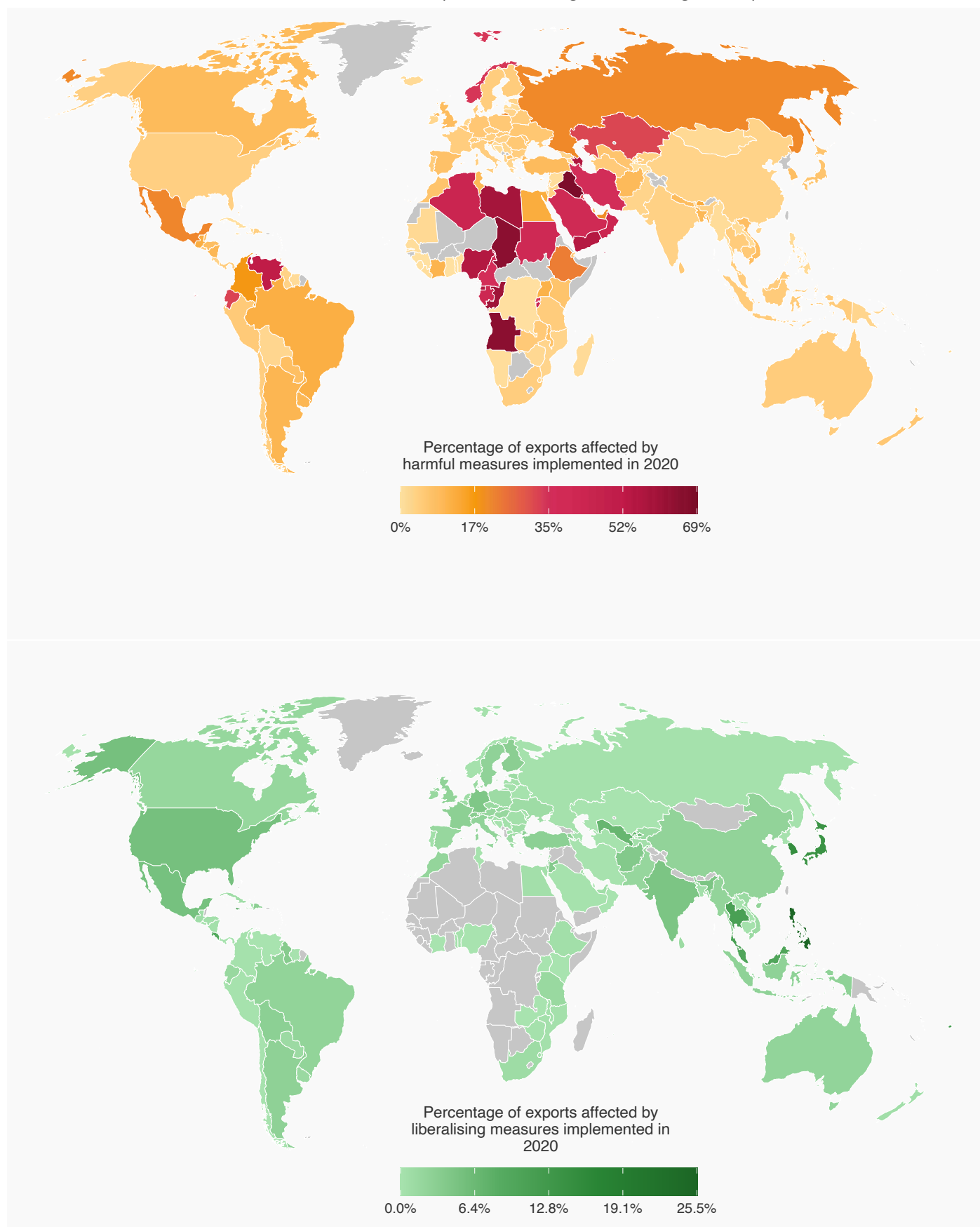
Global fallout from the 2020 crisis response: Counts of policy interventions



Source: Global Trade Alert. Countries marked in grey had zero export exposure to reforms implemented during 2020.

FIGURE 9

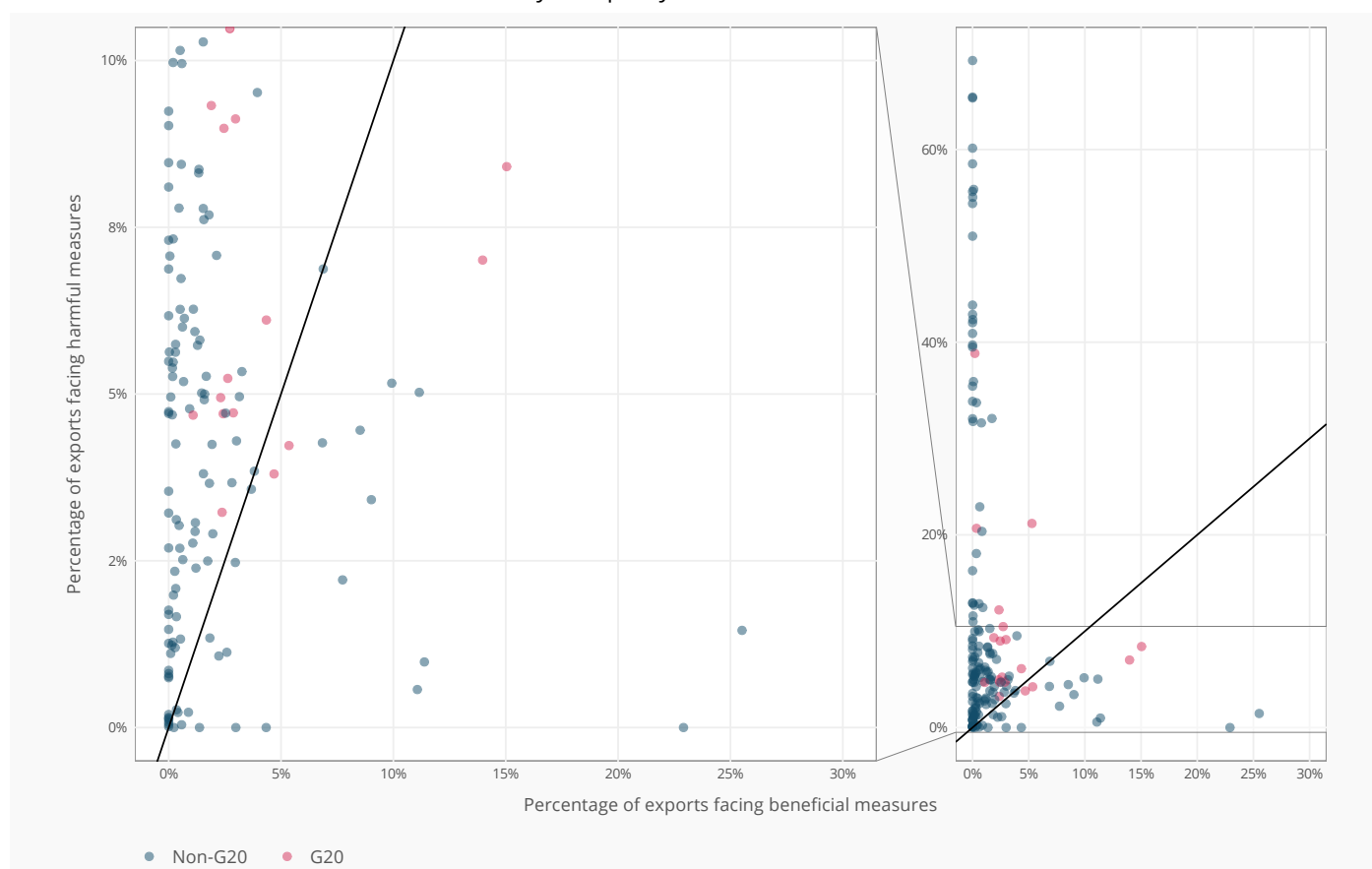
Global fallout from the 2020 crisis response: Percentage of national goods exports at risk



Source: Global Trade Alert. Countries marked in grey had zero export exposure to trading partners' policies implemented during 2020

FIGURE 10

Fallout from this year's policy overdrive is skewed toward harm



Source: Global Trade Alert. Source of GDP data: World Bank.

That 26 economies saw more of their goods exports exposed to foreign state acts that benefited their exporters than to harmful state acts reinforces the finding of uneven cross-border fallout from the policymaking overdrive witnessed so far this year (see Figure 10). In general, that fallout is skewed more towards harm to foreign commercial interests than to benefits.¹¹

Further analysis of the national exposure of goods exports to harmful and to beneficial policy interventions by trading partners revealed no strong relationship with either the total value of a nation's exports or to its income per capita. Nations that had integrated less into the world economy did not escape the cross-border fallout of this year's frenzied policy response. Nor did nations with higher living standards.

Concluding remarks

As in 2009, the impact of government responses to a systemic crisis spilled across national borders. In a world where markets have been integrating for decades this

is not terribly surprising. Still, the spillovers created by national measures taken in response to the COVID-19 pandemic, their implications for the proper functioning of the world trading system, and for the state of cooperation between governments, have not received the attention they deserve.

That the balance of those spillovers harmed the commercial interests of trading partners is a major source of concern, in particular if there are reasons to expect that the policy initiatives in question are neither temporary nor likely to be unwound. That the quantum of government intervention taken this year almost certainly exceeds that documented to date should give us further pause.

Reference

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¹¹ We also plotted kernel distributions of the share of goods exports benefiting from and harmed by the state acts undertaken by trading partners. The estimated distributions confirm the skew towards exposure to harmful foreign state acts—with the distribution of the latter having fatter upper tails than that for beneficial foreign state acts. More of the density of the latter distribution was concentrated at, or just above, zero. These kernel distributions are available upon request.

CHAPTER 5

COMMERCIAL POLICIES TOWARDS ESSENTIAL GOODS

While plenty of policy intervention with cross-border ramifications remained under the radar screen this year, that was certainly not the case for the wave of trade policy actions witnessed in the first half of 2020 towards so-called Essential Goods. Ordinarily, food and agri-food products are deemed essential (as evidenced by ongoing discussions in some countries about food security). However, in a pandemic medical equipment, medical consumables (such as masks and other forms of personal protective equipment), and medicines enter the category of essential goods. The purpose of this chapter is to summarise the latest information on commercial policy changes towards essential goods taken this year by governments around the world.

Two factors that predate the COVID-19 pandemic proved to be significant. The first is that many governments taxed the importation of medical supplies that were needed in subsequent national public health policy responses. According to the WTO's Tariff Download Facility, before the pandemic 157 nations taxed the importation of soap, for example. In fact, 78 governments imposed ad valorem taxes on imported soap of 15% or more. At a time when medical experts are recommending frequent handwashing, a tax on soap is a tax on health. Moreover, other needed medical goods were subject to import taxes or to technical requirements that departed from global standards (Evenett 2020a, WTO 2020).

The second contextual factor relates to the pervasive international supply chains deployed before the pandemic in the production and distribution of medical goods and medicines. When the pandemic hit demand surged for such items, resulting in shortages and bidding wars for available supplies. These shortages were larger in nations

whose governments were tardy in implementing public health responses (thereby resulting in more persons hospitalised and more demand for medical supplies) and where rationing of certain types of medical kit such as masks was not implemented (here such rationing limits demand).^{12,13}

In many trading powers, senior policymakers sought unconvincingly to shift the blame on to the inability of supply chains to meet this demand surge, as if this was a realistic expectation given the pressures many firms are under from shareholders to limit little used production capacity. Some policymakers went further, contending that globalisation had gone too far and that their nations were too dependent on supplies from China (Evenett 2020b). This is not the place to present a detailed critique of these claims but they are certainly part of this year's trade policy narrative.¹⁴

In this chapter evidence on the frequency and form of commercial policy initiatives in the medical goods, medicines, and food sectors is presented. We draw upon the information contained in the Global Trade Alert database and that collected as part of a six month-long joint monitoring initiative conducted in collaboration with the European University Institute and the World Bank.¹⁵ The latter initiative involved scanning a wide range of official, media, and other sources to provide weekly updates¹⁶ on changes in policies towards the import and exports of essential goods. At the end of the first phase of that initiative in October 2020, over 700 distinct policy interventions had been identified¹⁷ and, where credible additional information was found, these were written up into full reports for the GTA database.

12 Taiwan rationed the number of new masks each person could have per week, thereby reducing the overall demand for masks and the scale of any shortage for that medical item. From the statistics on subsequent medical outcomes in Taiwan it is far from apparent that such rationing resulted in adverse public health outcomes.

13 Another mistake made by certain governments was selling off their stockpiles of personal protective equipment before the pandemic on the flawed assumption that such an event would not happen.

14 For such critiques see Evenett (2020b), Gereffi (2020), Guinea and Forsthuber (2020), and Mirodout (2020).

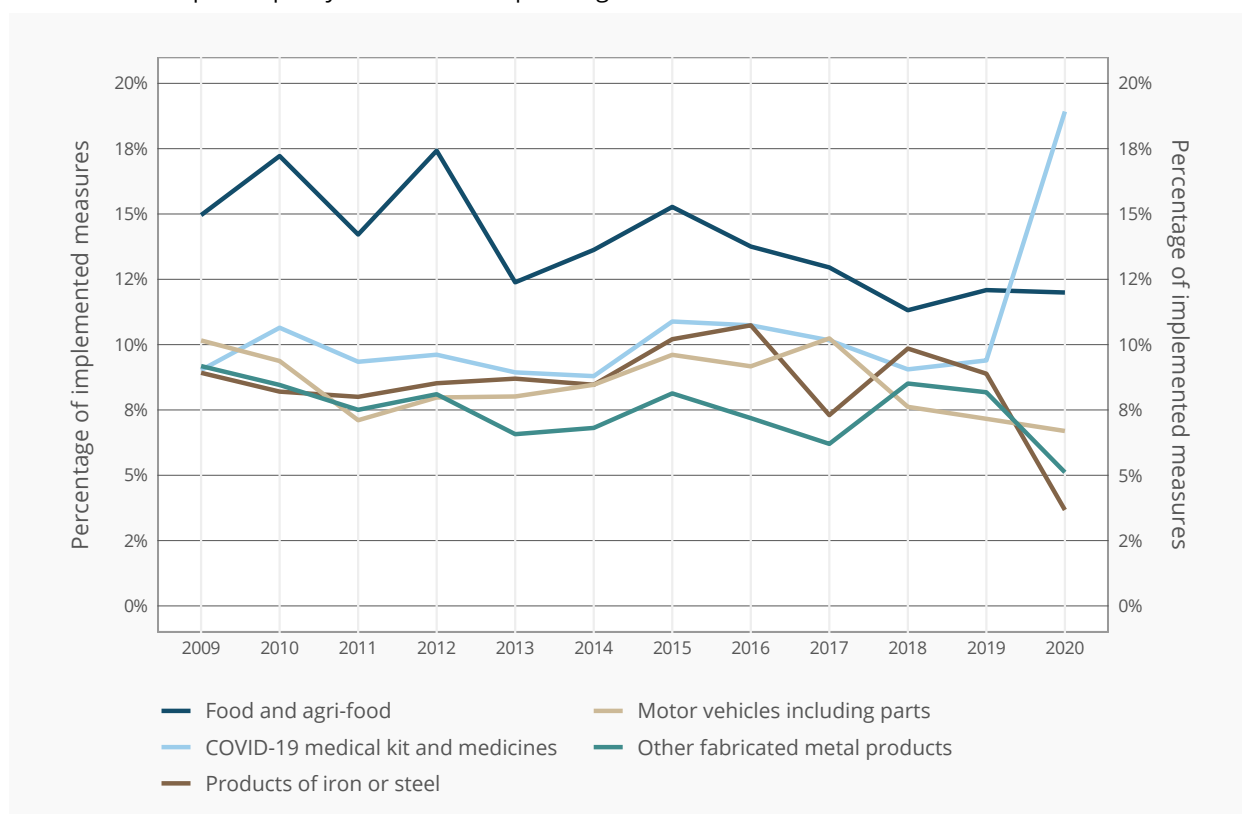
15 For a description and overview of the results of this joint initiative please see Evenett et al. (2020).

16 Those updates are available here: <https://www.globaltradealert.org/reports/54>.

17 To put the fruit of this particular data collection initiative in perspective the total number of policy interventions documented was more than double that of the biggest sample of such information assembled by a public sector international organisation, in this case, the International Trade Commission (ITC) in Geneva.

FIGURE 11

A spike in policy intervention implicating COVID-19-related medical kit and medicines



Source: Global Trade Alert.

Notes: The three non-essential goods sectors in this Figure were the three sectors most often affected by state intervention in the Global Trade Alert database. Their inclusion here was to provide comparators to the two essential goods sectors.

Nearly a fifth of trade-related policy intervention this year implicated the medical goods and medicines sector

We begin by highlighting just how prevalent trade-related policy intervention was this year in essential goods sectors. Recall that worldwide there were 74% more policy interventions with cross-border effects this year than at the same point in time in 2019. Under these circumstances, the share of intervention implicating the food, medical goods, and medicines sectors could have fallen. However, as Figure 11 makes plain, that was not the case. The share of policy intervention implicating the food sector remained stable (around 12%). The share affecting medical goods and medicines needed to tackle COVID-19 rose from 9.3% in 2019 to 18.9% in 2020.¹⁸

Interestingly, the shares of intervention affecting the three sectors most frequently implicated by trade-related policy measures documented in the GTA database fell, notably

for the sectors involving the production of metals. The share implicating the motor vehicles sector fell by less, a reflection of the state support for a sector directly affected by the government lockdowns of economic activity seen this year.

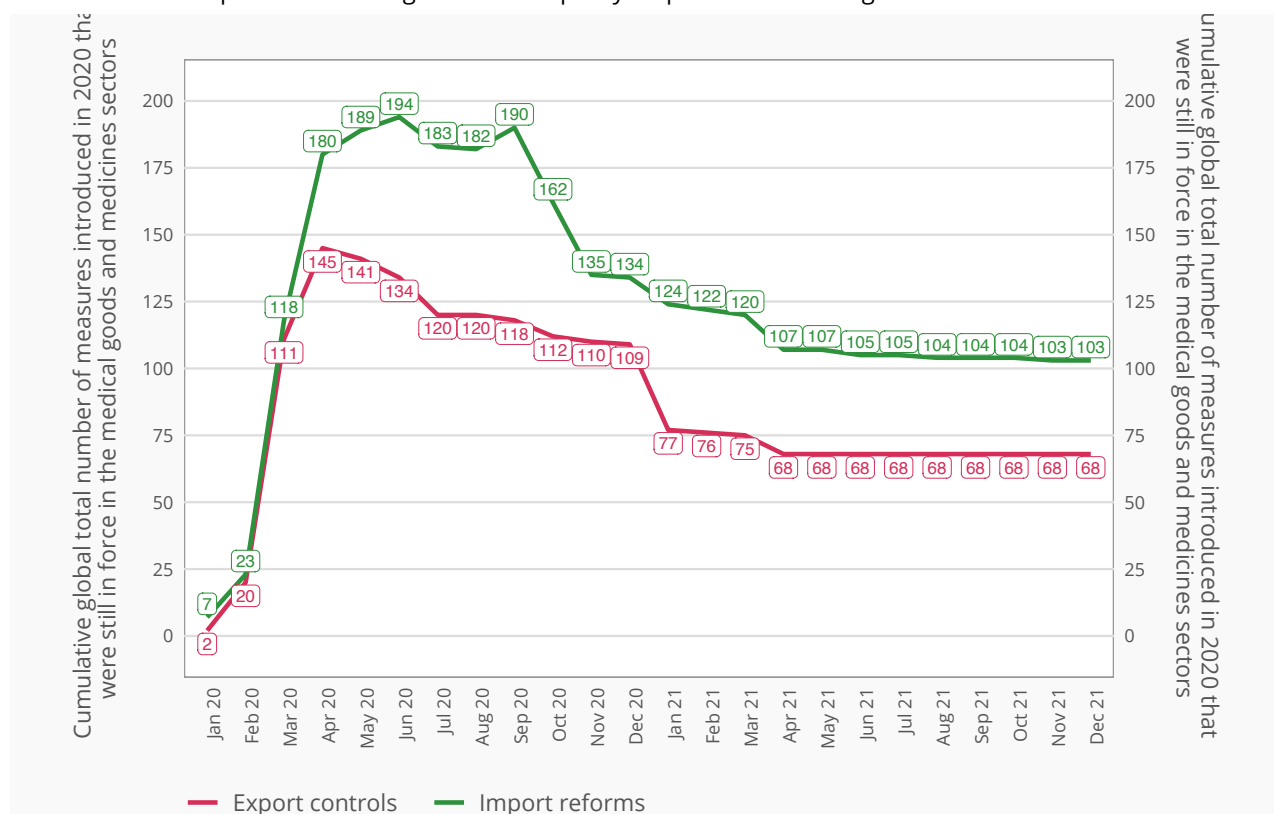
A frenzy of trade policymaking in essential goods has only been partially reversed

As COVID-19 spread to more and more countries, shortages of medical kit arose. Furthermore, some concerns about the availability of sufficient amounts of food were raised during the first half of this year. The reflexive response of many governments was to curb exports of these products, although many more such steps were taken in the case of medical goods and medicines (Figure 12) than in food and agri-food (Figure 13).

¹⁸ Notice this statistic relates only to those medical goods and medicines implicated by the COVID-19 pandemic. The "market share" of all medical goods and medicines would be ever larger. For the list of medical goods and medicines used in these calculations see the annex of the methodology note available here: <https://www.globaltradealert.org/reports/54>. That list was based on the products identified by the World Health Organization and includes salient products such as soap.

FIGURE 12

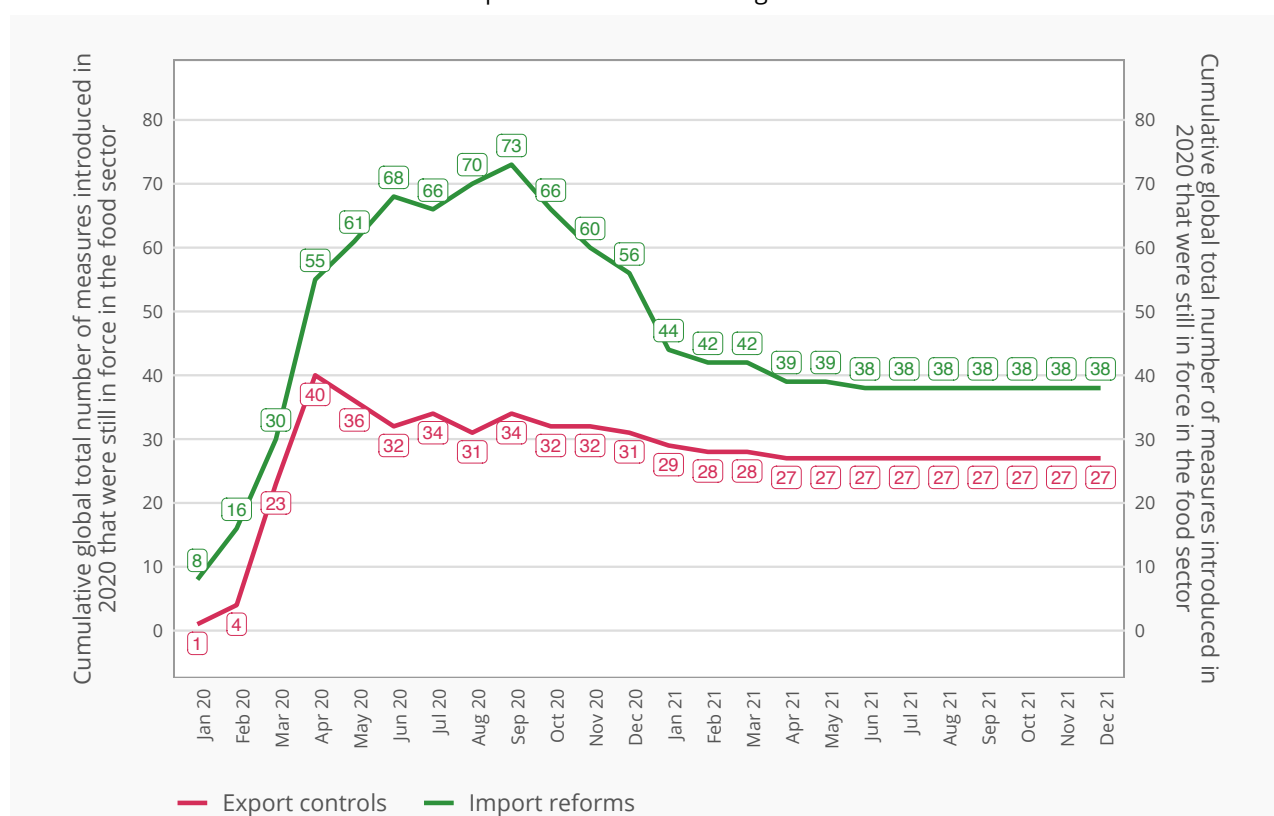
A partial unwinding of the trade policy response in medical goods and medicines



Source: Global Trade Alert.

FIGURE 13

At this time a fifth of export curbs in food and agri-food have been removed



Source: Global Trade Alert.

Those export curbs took many different forms: some were outright bans, some required firms to seek approval to export, and some involved commitments to retain a certain share of production for the domestic market. In other cases, governments simply requisitioned all domestic production, essentially frustrating export.

During a pandemic denying trading partners access to medical supplies, in some cases after they had already been paid for, is tantamount to a policy of sickening thy neighbour (Bown 2020, Evenett 2020a). The ensuing disruption to cross-border supply chains has now been well documented (see, for example, Forini, Hoekman, and Yildirim, 2020). That these export curbs were counter-productive and failed to eliminate shortages probably accounts for their removal by many governments.

The number of export controls on medical goods and medicines in force peaked in April 2020 (at 145) and then some were phased out. If announced phase-out dates can be relied upon, by the end of 2020 a total of 109 export controls will remain in effect. Of those, 68 will not have been phased out by the end of 2021. This partial phase out implies that there is a risk that pandemic-era policy responses will scar international trade in the vital medical goods and medicines over the medium- to longer-term.

Again, it is worth emphasising that governments had a choice and they chose differently. Not every G20 member, for example, imposed export controls on medical goods and medicines. To the best of our knowledge, Canada and Japan did not. Furthermore, Australia may have restricted some exports of medical kit but not those by its manufacturers. COVID-19 reached these three nations yet they did not avail themselves of the relevant “flexibilities” in multilateral trade accords, calling into question any presumption that governments must restrict trade in emergencies such as these. Properly prepared governments have no or little need to resort to export controls on medical goods and medicines.

When it comes to trade policies towards essential goods, encouragingly many governments took steps to remove, even if only temporarily, import barriers. As Figure 12 shows, the pattern of import reforms differs from that of export controls. The former peaked at 194 measures in force in May 2020 exceeding the peak of the latter (145 mentioned above). The former also plateaus and the unwinding of import reforms only really began in September 2020. Not every import reform is scheduled to be phased out. By the end of 2021, on current announced plans, a total of 103 import reforms will remain in effect.

Figure 13 shows that similar dynamics unfolded in the global market for food and agri-food, however to a lesser degree. The number of harmful export curbs in force peaked at 40 in April 2020; the number of import reforms in effect peaked in September 2020 (at 73).

An interesting feature evident in news reports from some nations that imposed food export curbs is the resistance from farmers, who remain in many developing countries a sizeable fraction of national workforces.¹⁹ Like most trade policies, export curbs redistribute income within the implementing nation and those interests that are worse off as a result know it, and make themselves heard.

The amount of international trade covered by these policy interventions is of interest but is not so straightforward to estimate accurately during a pandemic. Trade coverage calculations typically use a prior year’s global trade flows as the basis for the calculation, on the argument that such trade flows are representative of what trade would have been in the absence of the policy intervention in question. Unfortunately, at least for medical goods and medicines, this year’s trade policy intervention was implemented precisely because demand surged, thereby departing from previous patterns.

Nevertheless, for what it is worth, using the latest finest-grained global trade data available from the United Nations, we estimate that the export curbs in medical goods and medicines covered international trade worth \$135 billion. Whereas the many import reforms in the same sector covered \$165 billion of trade. In the case of food and agri-food products, the comparable totals are more balanced: \$39 billion and \$42 billion, respectively. It is worth bearing in mind that these statistics provide no indication of the human suffering and relief from such suffering that trade policy intervention in essential goods might have had this year.

Concluding remarks

Given the salience of export curbs in medical goods and medicines earlier this year and the associated fears that similar curbs may be applied to trade in food, no account of commercial policy developments this year would be complete without a discussion of the frequency of such intervention, the potential permanence of such measures, and their consequences.

On the basis of the evidence presented here, there was far more trade policy intervention in the medical goods and medicines sectors than in the food and agri-food sectors.

19 The imposition and reversal of Vietnam’s ban on rice exports this year is a case in point. Given that Vietnam is a significant exporter of rice, this case is of systemic importance. See, for example, the protests and arguments advanced by officials from two Vietnamese provinces against the national government’s export ban, described here <https://www.thestar.com.my/news/regional/2020/03/30/two-vietnam-provinces-want-rice-export-ban-lifted>.

Moreover, while there were many attempts to curb trade, it must be acknowledged that governments took even more steps to liberalise trade, if only temporarily.

There are concerns that a significant fraction of the export curbs implemented earlier this year will not be temporary and will alter scar this sector over the medium term. This will be compounded by the effects of state-financed expansions of domestic production capacity undertaken with an eye to reducing imports (Evenett 2020c). This a recipe for a future round of trade tensions, which may come into sharper focus when successful vaccines for COVID-19 become available. Such vaccines will almost certainly be deemed essential goods as well.

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CHAPTER 6

THE PANDEMIC-ERA POLICY MIX: MORE IMPORT REFORMS, MORE TRADE-DISTORTING SUBSIDIES, BUT LESS TRADE COVERAGE

We have already established that there was a significant break in the quantum of trade-related policy intervention undertaken so far this year. But what of the mix of policy instruments deployed by governments? And did the larger volume of trade-related policy intervention translate into unusually high shares of world trade covered? The purpose of this chapter is to answer these questions, thereby rounding out our assessment of the trade-related fallout from pandemic-era policy intervention.

Shifts in the policy mix can be important as policies differ in the cross-border spillovers they induce. The economic and welfare impact of tariff increases differ from those of subsidising domestic production or exports. The public finance implications are different too—subsidies are a call on the state's coffers whereas higher import tariffs can add to them. Policies also differ in their degree of transparency and salience—a tariff increase may be reported widely in the media whereas a complicated loan guarantee may only be known to specialists.

The total value of foreign trade implicated by a government's pandemic-era crisis response can differ markedly across policy instruments. A tariff increase may influence conditions of competition in the relevant domestic market of the importing nation. Whereas a tax-based exporter incentive offered by a government to a sector's exporters can influence conditions of competition in all of the overseas markets where those exporters compete.

We begin our discussion by examining counts of policy intervention from 1 January to 31 October for the years 2015 to 2020. That is followed by an overview of the estimates of trade covered by state measures harmful and beneficial to foreign commercial interests.

A muddled picture for 2020: more openness but also more trade-distorting subsidies

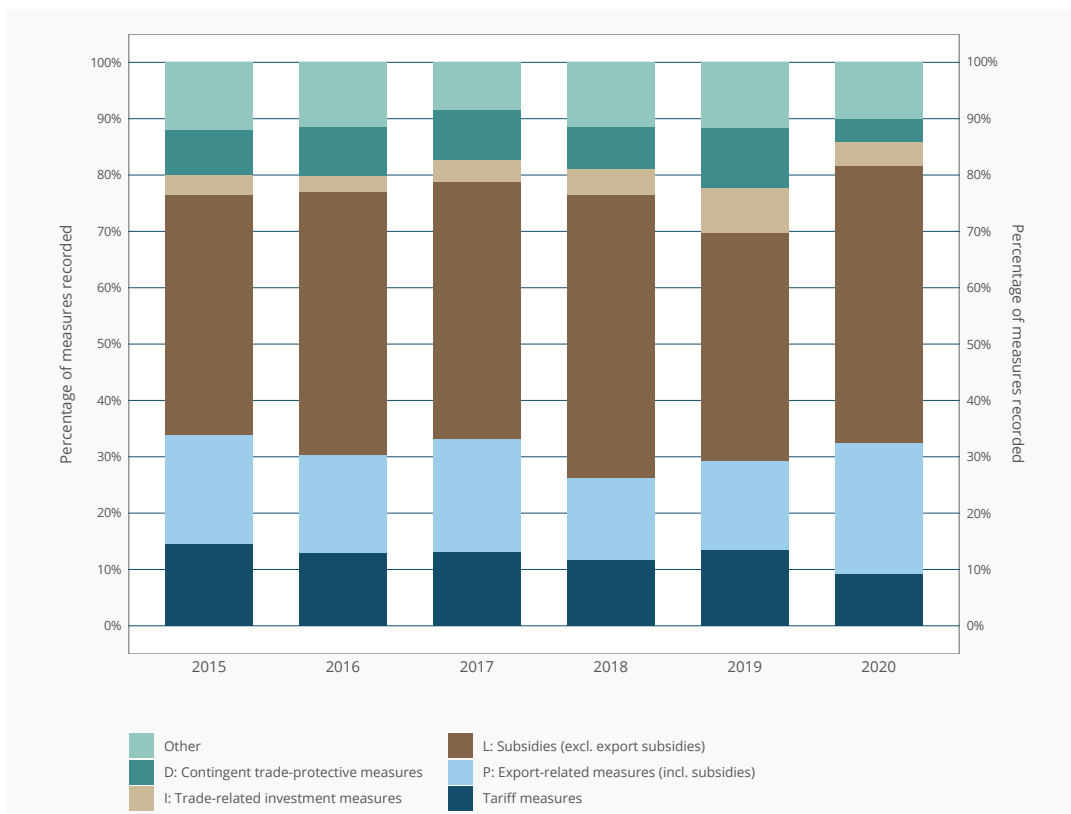
With respect to state measures that generate negative cross-border spillovers, our starting point was to identify the five types of policy most frequently used by governments during 2015-2019. These were: contingent protection (UN MAST chapter D), trade-related investment measures (UN MAST chapter I), subsidies to import competing firms (UN MAST chapter L), export-related measures (UN MAST category P), and import tariff increases. Along with a residual "other" category to pick up the remaining policy interventions, it was possible to plot for each year the distribution of harmful policy intervention across these six categories (see Figure 14). Doing so permits benchmarking the policy mix adopted this year against recent years.

As far as the mix of policies that harmed trading partners' commercial interests is concerned, there is a clear finding: resort to import tariff increases and to contingent protection measures fell this year when compared to the recent past. In contrast, resort to export measures during 2020 is much higher than in preceding years and resort to subsidies for import-competing firms is significant (but shy of the maximum share it established during 2018). A clear shift towards trade-distorting state largesse can be discerned.

This analysis was repeated for the policy interventions implemented this year that benefit foreign commercial interests, benchmarking these against the five most used liberalising policies from 2015 to 2019. The latter five include non-automatic import licences, import quotas (including tariff-rate quotas), and import bans (UN MAST chapter E), measures to liberalise foreign direct investment (FDI), subsidies to import-competing firms, export-related measures, and import tariff cuts. Figure 15 allows the mix

FIGURE 14

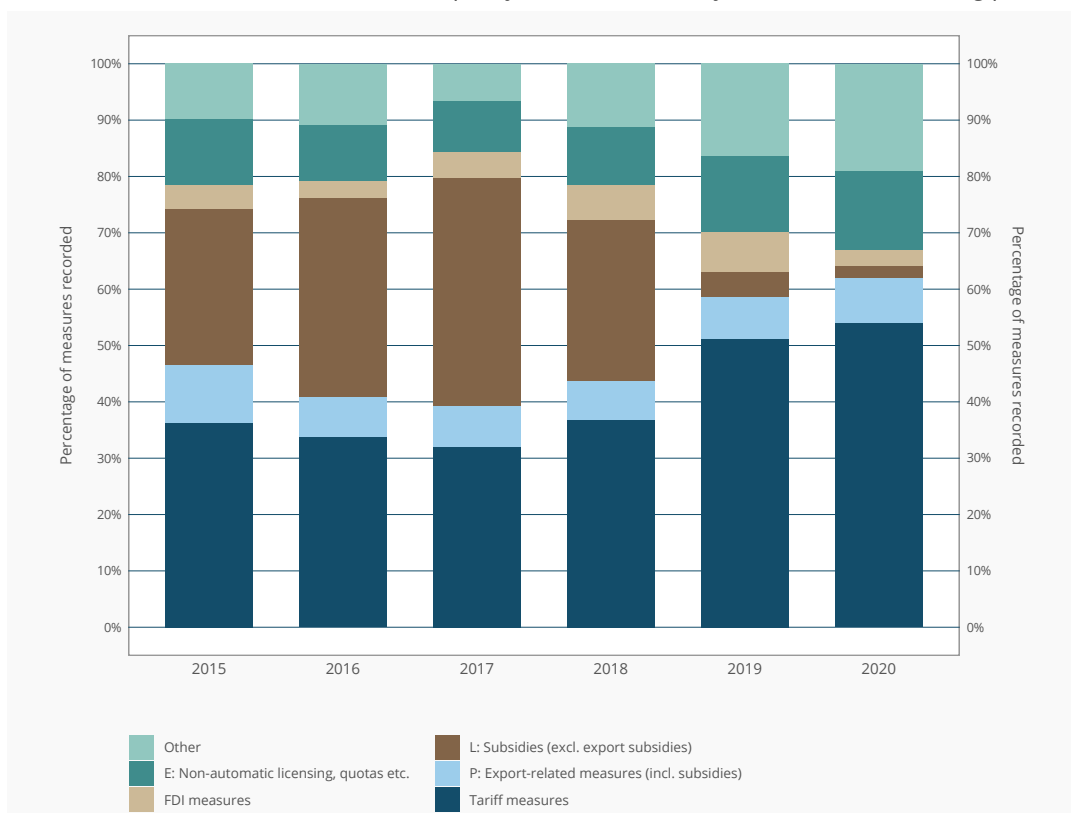
A marked shift towards state largesse in the policies implemented this year that harm foreign commercial interests



Source: Global Trade Alert.

FIGURE 15

Tariff cuts account for more than half of policy intervention this year that benefit trading partners



Source: Global Trade Alert.

of policies taken during the first 10 months of 2020 that generated positive spillovers to be compared to the five preceding years.

Worldwide this year's mix of policies that benefit foreign commercial interests is skewed towards import tariff cuts and reductions in non-tariff import barriers (UN MAST chapter E) and away from subsidy cuts to import-competing firms and reforms towards FDI. Policy shifted towards integrating goods markets faster in world markets but slowed down on reforms to foreign direct investments, suggesting that the move towards opening is selective.

A bell-weather for more straightened economic times followed by some in trade policy circles is the overall resort to contingent protection measures. Figure 16 plots the resort to new anti-dumping, anti-subsidy, and safeguard investigations in the first 10 months of each year from 2009 to 2020. In this case, there is a payoff to going back to 2009 as a distinct V-shaped pattern emerges. There were over 300 investigations into unfair trade and import surges started in 2009, a level not seen since. The totals fell through to 2015 and have steadily climbed since.

However, the total number of new investigations started this year fell well short of that witnessed in 2009 and, in fact, is still below levels seen as recently as 2013.

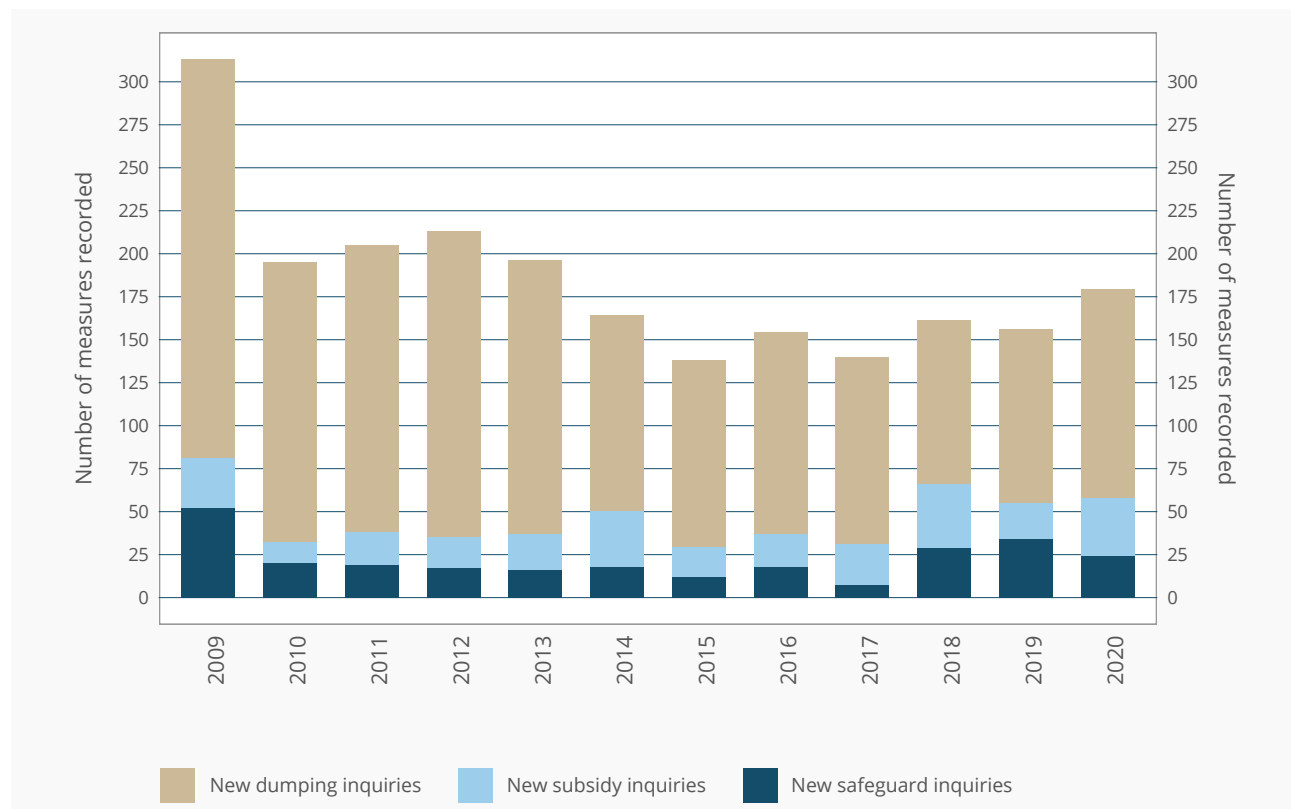
More cross-border spillovers did not translate this year into record trade coverage

A striking finding is that the larger quantum of policy intervention observed this year has translated into lower levels of total trade coverage when compared to recent years.²⁰ This is true whether the focus is on policies whose implementation harmed foreign trading partners or on policies that benefited them (see Figures 17 and 18).

Even so, using detailed product-level trade data, we estimate that 13.5% of world goods trade has been implicated by policy interventions harmful to trading partners. The percentage of world goods exports affected by export incentives (4.4%) implemented this year is below that of recent years; in contrast the trade coverage of export barriers (1.3%) is higher than during 2015 to 2019. The percentage of world goods trade implicated

FIGURE 16

Contingent protection investigations are on the rise but have not reached levels seen during the Global Financial Crisis



Source: Global Trade Alert.

²⁰ All of the trade coverage estimates reported in this section were calculated using 2015 UN COMTRADE goods trade data as weights. Computations were undertaken on product level data at the six digit level of disaggregation. Like many of the estimates prepared during the discussion of the United States-China trade war, the estimates reported here are not duration adjusted. These estimates, therefore, indicate the scale of goods trade affected if the policy interventions in question were in force for an entire year.

FIGURE 17

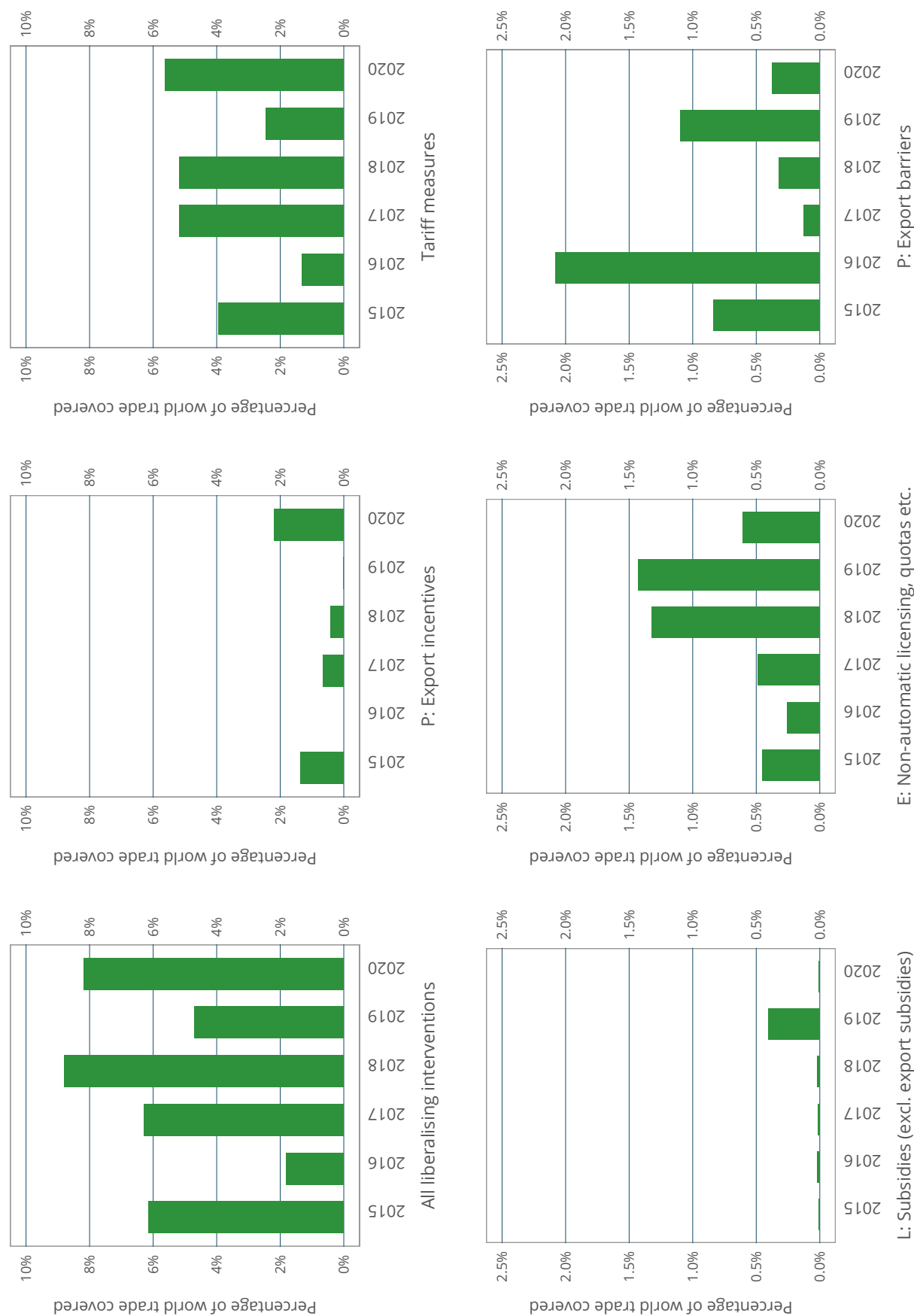
Jumps in the shares of world goods trade affected by export barriers and by financial support offered for foreign operations have been seen this year



Source: Global Trade Alert.

FIGURE 18

Import tariff cuts and the removal of some export incentives account for most of the world goods trade facing fewer trade distortions this year



Source: *Global Trade Alert*.

by subsidies issued this year to import-competing firms (2.4%) is in line with that witnessed in recent years. There has been a sizeable jump in the percentage of world goods trade implicated by numerous subsidies to firms to establish or purchase commercial operations in foreign markets (up to 3.6%). This year's import restrictions cover less goods trade than in the recent past (see Figure 17).

This year's policy intervention that created positive spillovers for trading partners implicated in total 8.2% of world goods trade. This percentage exceeds that for every year since 2015 bar one (2018 when the trade covered was 8.8%). Tariff cuts this year cover 5.6% of world goods trade, a level exceeding that for every year from 2015 to 2019. Likewise, for reductions in export incentives (where the world goods trade covered this year was 2.1%).

Overall, the percentage of world goods trade covered by policies implemented this year that distorted trade is double the percentage associated with policies that eased trade. That is step backwards for the world trading system.

Concluding remarks

Policy intervention this year has pulled the world trading system in opposite directions. There was an unusually large number of steps to lower import barriers which have strengthened ties between national markets. However, this year also saw many more trade-distorting subsidies offered to import-competing firms, to firms establishing or purchasing operations abroad, and to exporting firms. Together those trade-distorting subsidies accounted for 72.5% of all harmful policy interventions implemented this year.

This year the world trading system became at the same time freer (in the sense of facing fewer border restrictions) as well as more distorted by state largesse. Unfortunately, the share of world goods trade affected by the former is less than implicated by the latter.

SECTION 3

G20 FOCUS

CHAPTER 7

MARKED DIFFERENCES IN G20 MEMBERS POLICY STANCE DURING 2020

In this section of the report we turn our attention to the policy choices of the largest economies on Earth—that of the G20 members. The upcoming G20 Leaders Summit affords an excellent opportunity to assess the track record of this group as whole and to examine whether there are differences in the policy stance across its members. No assumption is made here that this group coordinated their responses to the pandemic. However, their trade ministers declared on [30 March 2020](#) that their government's responses to the COVID-19 pandemic would adhere to the following precepts:

"We agree that emergency measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent, and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains, and are consistent with WTO rules."

This formulation was repeated in the [G20 Actions to Support World Trade and Investment in Response to COVID-19](#) promulgated by the G20's Trade and Investment Working Group in May 2020 and in the [Communiqué](#) of the G20 Trade and Investment Ministerial meeting issued on 22 September 2020. The latter statement also noted that G20 commercial policy would make a contribution to the recovery from the pandemic:

"We will continue to work to realize the goal of a free, fair, inclusive, non-discriminatory, transparent, predictable and stable trade and investment environment and to keep our markets open, including to assist in the recovery from the economic and social impacts of the pandemic."

So much for words, what about deeds? Readers may recall that in Figure 1 of Chapter 1 there was considerable variation across the G20 membership in the degree to which the measures they implemented during the first 10 months of this year created cross-border spillovers for trading partners. Our goal in this chapter is to present more information on aggregate and individual

policy responses of G20 members. This should facilitate comparisons between G20 members, which will beg the critical question: Why is the policy stance of some G20 members less harmful to trading partners than others? This is related to one of the questions that we opened this report with, namely: Must an activist, effective state harm its trading partners?

Between 1 January and 31 October 2020, as a group the G20 were responsible for a total of 1,371 policy interventions that had implications for global commercial flows. This amounts to two-thirds of all policy intervention documented worldwide this year. Furthermore, G20 policy intervention implemented this year created altogether 7,937 beneficial spillovers for trading partners and 12,782 harmful spillovers that worsened trading conditions of the commercial interests of trading partners.²¹ In both cases, the G20 was responsible for about three-quarters of the worldwide spillovers witnessed this year. Consequently, the policy stance of this group deserves special scrutiny.

Harmful G20 policy intervention rose 24% this year

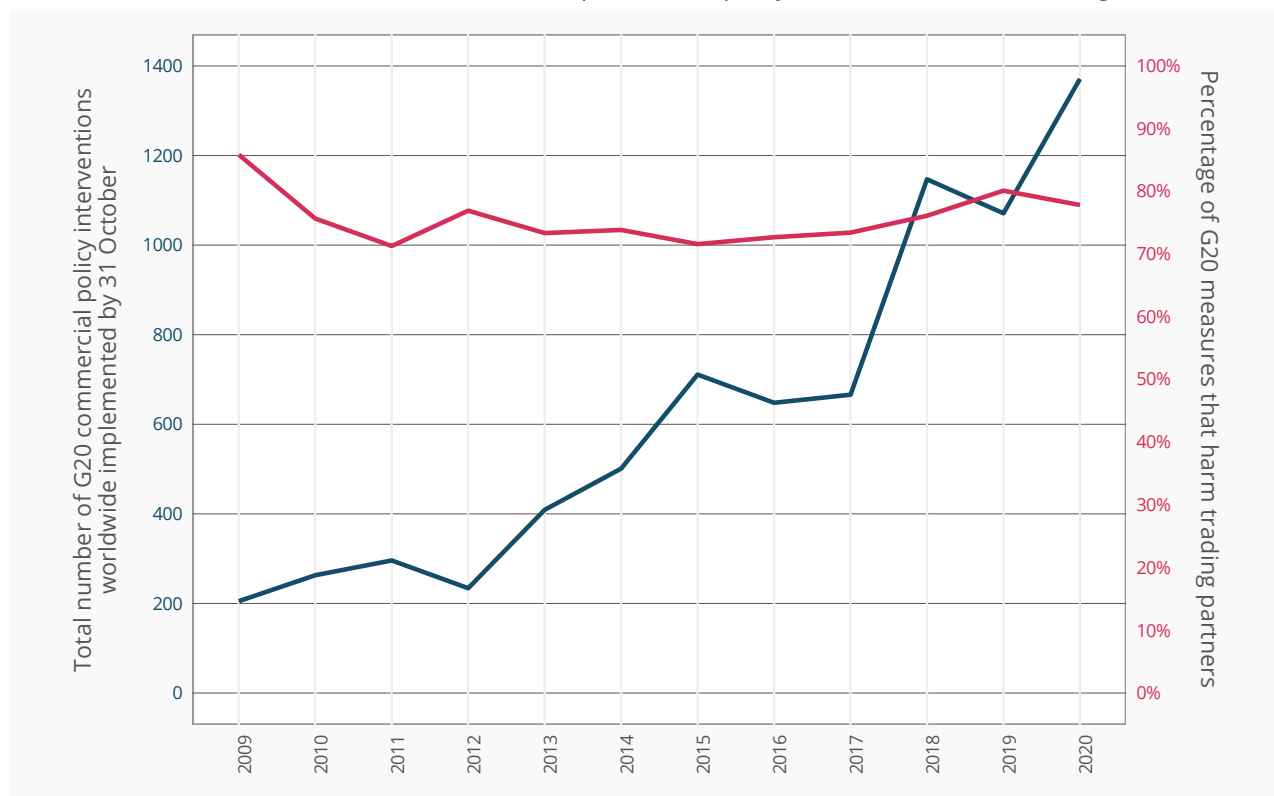
Figure 19 plots the total number of policy interventions that the G20 members implemented between 1 January and 31 October of each year from 2009 to 2020. Between 2009 and 2019 the annual average growth rate of new harmful measures implemented by the G20 was 17% per annum. That helps put this year's 24% increase over the comparable 2019 total in perspective: G20 behaviour marked a sharp break with previous years, at least in terms of the number of new harmful interventions.

But that increase has not altered one aspect of the G20's policy stance. As Figure 19 also makes clear, the percentage of all G20 intervention that created harmful spillovers has not changed much in 2020 and lies within the range established in earlier years.

21 These totals include cases where a G20 member's policy intervention affects the commercial interests of another G20 member.

FIGURE 19

In the first 10 months of 2020 the G20 members imposed 1,371 policy interventions that affected global commerce



Source: Global Trade Alert.

Significant differences in G20 policy mix are evident this year

To demonstrate the significant variation across G20 members in the quantum and mix of policy intervention, Figure 20 was constructed. This ranks the G20 members in terms of the total number of policy interventions announced or implemented between 1 January and 31 October 2020 and provides a breakdown between implemented measures that harm trading partners, implemented measures that happen to benefit trading partners, and the launching of new investigations into dumped imports, subsidised imports, or import surges.

With the information available at 31 October 2020, three classes of G20 member can be identified: three that intervened relatively less often (33 or fewer policy interventions each), four that went definitely into policy overdrive (responsible each for at least 125 policy initiatives), and the remainder somewhere in between. Brazil, India, the UK, and the USA were the most active and together were responsible for 38% of all of this year's G20 policy intervention that had trade implications.

Degree of activism, however, does not necessarily imply a more harmful policy mix was adopted. Here a comparison between the track records of Brazil and the UK is instructive. Brazil undertook a total of 156 policy initiatives

this year, of which 47% created negative spillovers for trading partners. The UK, by contrast, undertook 155 measures 80% of which harmed trading partners.

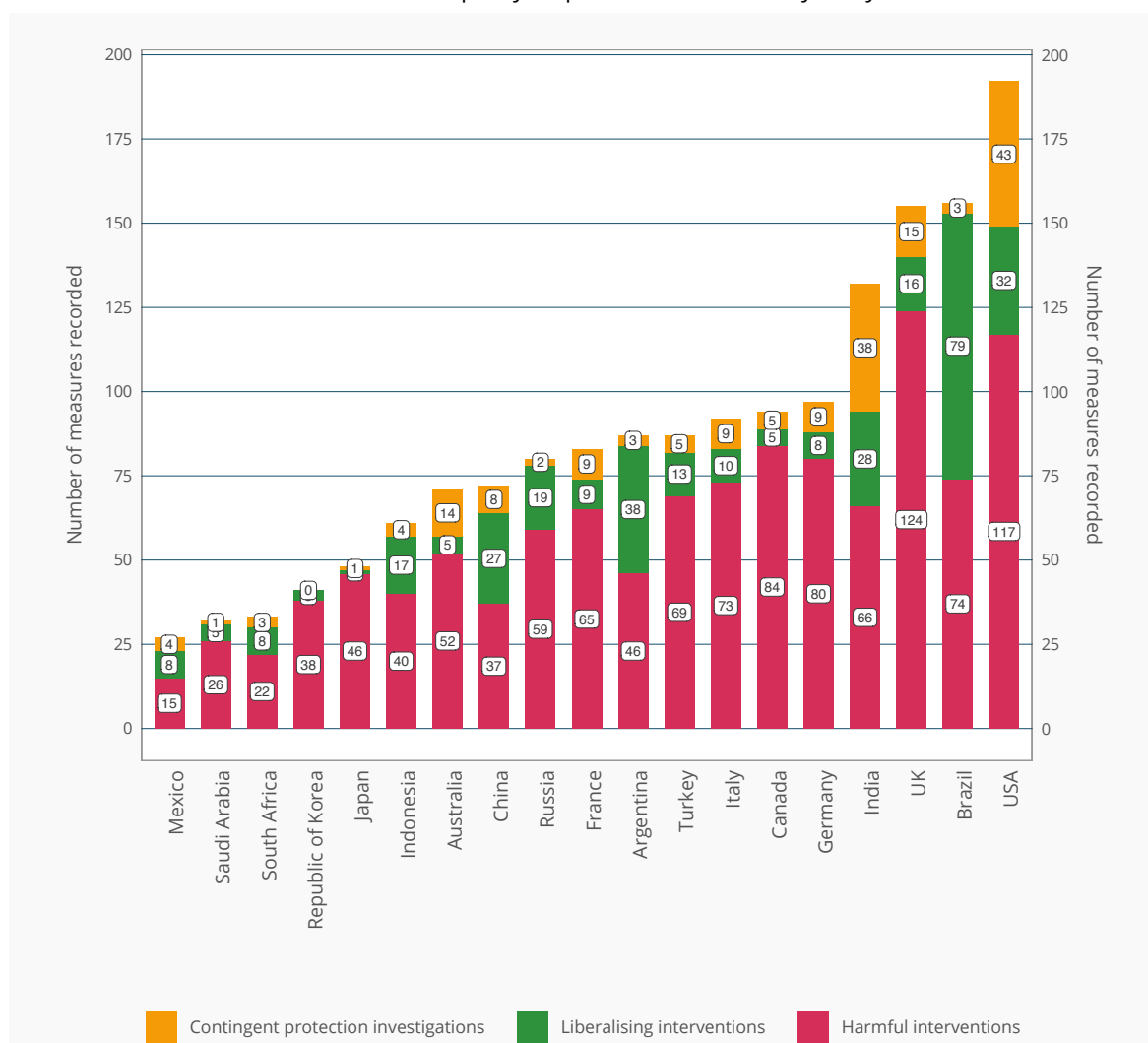
Remarkably, five other G20 members deployed policy mixes this year that were more harmful than the UK's: Japan, Korea, Canada, Germany, and Saudi Arabia, listed in descending order of harm. In contrast, along with Brazil mentioned above, around half of the policy measures taken by Argentina, China, and India harmed trading partners. If the governments of four medium-sized or large emerging markets don't need to resort to such harmful policy mixes, why can't other G20 members with higher per capita incomes do likewise? Brazil, China, and India each have track records of offering state largesse to local firms, so it cannot merely be a matter of which governments have deeper pockets.

How much G20 policy intervention is temporary?

Temporary resort to harmful policy intervention during crises is seen by some as one way to reconcile a government's commitments to its citizens and to the multilateral trade rule book, as was noted in Chapter 2. By collecting information on when, if at all, policy intervention taken this year is due to lapse or to be phased out, and by gathering information on the earlier than expected

FIGURE 20

G20 trade-related policy response varies markedly this year



Source: Global Trade Alert.

unwinding of policy intervention, it is possible to gauge how much of each G20 member's policy intervention was, or is scheduled to be, temporary.

For each G20 member's policy interventions this year that created negative spillovers for trading partners, Figure 21 shows the proportions that (a) had lapsed by 31 October 2020, (b) are due to lapse by the end of 2020, (c) will lapse in 2021, (d) will lapse after 2021, and (e) where no date announcing the removal of a policy has been made.

Twenty percent of Russia's harmful policy intervention this year has already been phased out, the best performance among the G20 members. This is followed by India and Korea, both of which have phased out 18% of their harmful measures. In the last two months of 2020, China is scheduled to phase out 29% of its harmful measures, Italy 32%, and Mexico 26%. It cannot be denied that some G20 members have resorted to short-term measures,

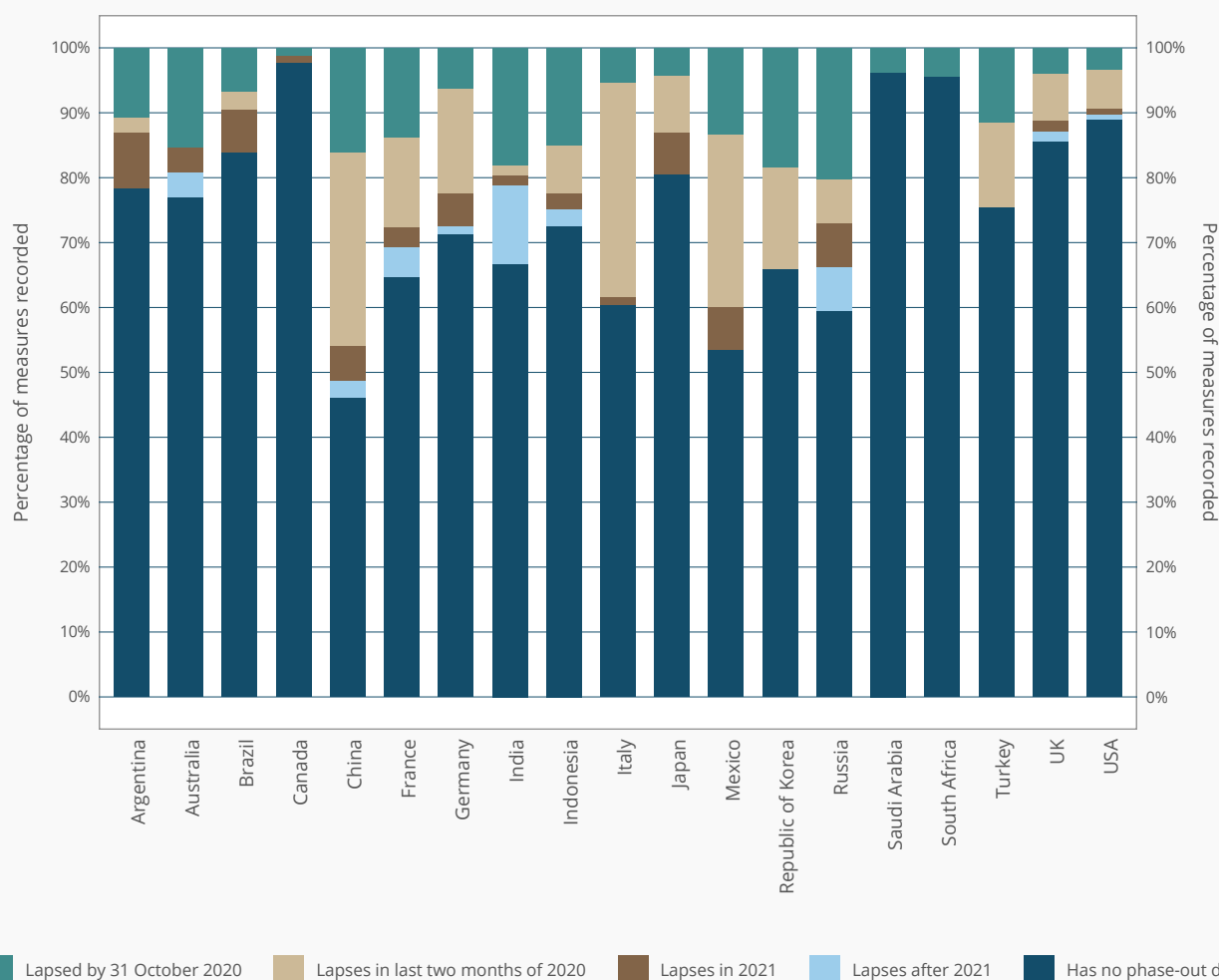
although this conclusion does come with the caveat that the phase outs could be postponed or replaced with equivalent measures.

Another way to look at this matter is to focus on the share of harmful measures for which there are no phase out dates (see the base of the columns of Figure 21). Such measures are candidates for being permanent sources of distortion to the world economy. Again, there is significant variation across the G20 members in their resort to harmful policy intervention that is not time-bound.

From the perspective of encouraging time-bound intervention during crises, the information available at the end of October 2020 implies that China and Mexico performed best. Fifty-four percent of Chinese policy intervention enacted this year that harmed trading partners is time-bound. For Mexico the comparable percentage is 47%.

FIGURE 21

Temporary, time-bound policy intervention? The G20 record in 2020



Source: Global Trade Alert.

Three G20 members have implemented policies harming trading partners were 90% or more were not time-bound. Canada has the largest percentage (97%) followed by Saudi Arabia (96%) and South Africa (95%). That percentage ranges between 80% and 90% for four more G20 members: Brazil, Japan, the UK, and the USA.

Concluding remarks

No matter how one cuts the data, there are significant differences across G20 members in their policy stance this year. This is an important finding—for, if we had found the opposite, it could have been argued that there is a blueprint by which responsible governments tackle crises,

such as that presented by COVID-19. That there is so much variation across G20 members raises the important question as whether it is possible to be an effective, active state while minimising as much as is possible the harm done to trading partners.

In a world where (a) there are extensive cross-border linkages (that admittedly may wax and wane over time) and (b) systemic crises occur more often, then the time has come to revisit the presumption that external stability can be immediately jettisoned the moment a threat to internal stability looms into view. The right place to start is to examine the track records of governments that have done a good job tackling COVID-19 without unduly impairing foreign commercial interests.

CHAPTER 8

AWASH WITH SUBSIDIES: G20 GENERAL ECONOMIC SUPPORT MEASURES

It has long been recognised that policies inside-the-border can affect cross-border flows of goods, services, investments, intellectual property, and data. This remains true during a pandemic. So it is appropriate that an account of the trade-related fallout from public policy intervention this year considers those General Economic Support measures that alter the relative treatment of domestic firms vis-à-vis their foreign rivals.

Not all government measures taken to counter the economic slump brought on by the COVID-19 pandemic conferred an advantage on domestic firms over their foreign rivals, but some did. The goal of this chapter is to summarise what is known about G20 members' resort to such support measures between 1 January 2020 and 31 October 2020 that conferred a commercial advantage on domestic firms. Here, the term General Economic Support measures includes the following categories of public policy:

- Subsidies to local firms unrelated to exporting.
- State-provided export support.
- Financial support to national firms relating to their operations, mergers, or acquisitions in foreign markets.
- State measures that encourage the localisation of economic activity.
- Government procurement measures.

For the purposes of the discussion in this chapter, whether or not it was the intention of governments to confer a commercial advantage is treated as irrelevant—the impact on trading partners is the same. Having written this, foreign governments may interpret a measure differently if the stated intention of the implementing state is blatantly discriminatory. Providing financial incentives to national firms to move their factories out of another country could be a case in point.

Readers are reminded of the arguments made earlier in this report, in particular in Chapter 3, concerning the tardiness with which governments tend to publish information on the state largesse they confer on firms.

This means that the statistics presented in this chapter will likely understate, possibly by a large margin, the true extent of subsidisation to local firms operating at home or in foreign markets.

Subsidies galore

So far a total of 770 General Economic Support measures implemented this year by the G20 members have been documented in the Global Trade Alert database. Three-quarters of those measures are subsidies to firms operating locally that are unrelated to exporting (see Table 1). In total, G20 members have instituted 159 loan schemes to national firms or loaned money to specific firms. On top 70 loan guarantees or loan guarantee schemes have been implemented.

In addition, G20 governments have given 135 financial grants to firms operating inside their borders. Tax and social insurance relief has been awarded 50 times. A total of 29 capital injections associated with bailouts have been documented as well. Canada, Italy, and the United States have each implemented more than 50 such non-export-related subsidies during the first 10 months of 2020.

Another major category of General Economic Support relates to helping national firms to secure contracts or assets in foreign markets (see column 3 of Table 1). A total of 98 such measures by G20 members have been documented in the first 10 months of this year. Canada and the United Kingdom have been particularly active in this regard.

Localisation and government procurement measures have been resorted to less often and only a few G20 members are responsible for them.

The final column in Table 1 reports, for each G20 member, the percentage of its General Economic Support measures that are time-limited. There is considerable variation across G20 members in this regard. Over 60% of China and Mexico's support measures are time-bound whereas less than 10% of Canada, South Africa, and Saudi Arabia's are.

TABLE 1

Subsidies to firms operating in home markets account for three-quarters of G20 Economic Support Measures this year

G20 member	Non-export-related subsidies	Export incentives and support to firms in foreign markets	Localisation measures	Government procurement measures	Total number of General Economic Support measures recorded so far this year	Share of General Economic Support measures that are time-limited
Argentina	18	2	2	0	22	0,18
Australia	34	6	3	0	43	0,28
Brazil	35	1	6	0	42	0,21
Canada	52	25	0	1	78	0,03
China	16	5	0	1	22	0,64
France	44	0	0	0	44	0,36
Germany	38	13	9	0	60	0,28
India	12	4	2	10	28	0,39
Indonesia	21	1	1	0	23	0,30
Italy	54	0	0	0	54	0,44
Japan	36	3	1	1	41	0,22
Mexico	10	0	0	1	11	0,64
Republic of Korea	26	2	2	0	30	0,27
Russia	29	4	10	2	45	0,36
Saudi Arabia	12	1	3	2	18	0,06
South Africa	10	0	0	0	10	0,00
Turkey	22	4	1	0	27	0,26
UK	46	27	25	0	98	0,13
USA	66	0	0	8	74	0,12
Total	581	98	65	26	770	

Source: Global Trade Alert. Table entries refer to General Economic Support measures implemented between 1 January 2020 and 31 October 2020 and documented by the latter date.

Such differences across the G20 should be interpreted cautiously. After all, a time-bound subsidy scheme that is scheduled to last 10 years may have a similar impact to a permanent subsidy scheme. Moreover, just because a government procurement measure favouring local firms does not have a termination date need not stop a government from unwinding it at some point in the future.

Still, if the purpose of public policy intervention is to counter the economic slump induced by the pandemic, then time-limited measures would seem in order—in particular if a government wants to signal to trading partners that it is not tempted to use the pandemic to permanently alter market access conditions facing foreign firms.

Sectoral coverage and form of General Economic Support varies markedly across the G20

This year's resort by G20 members to support measures that harm the commercial interests of trading partners differ along three dimensions. Each is discussed in turn.

The first dimension relates to sectoral coverage (see Table 2). A quarter of Turkish support measures target its agricultural sector, as do a fifth of Mexico's. Forty

percent or more of support measures by Canada, France, India, Russia, and South Africa benefit their respective manufacturing sectors. Meanwhile, 40% of Chinese, Indonesian, Korean, Russian, South African, and American support measures involve beneficiaries in service sectors.

Although these percentages do not convey a sense of the amounts of money involved, they do suggest that G20 members may have chosen to support different sectors as the COVID-19 pandemic unfolded. In turn, differential sector selection will affect the cross-border spillovers induced by these General Economic Support measures.

A second dimension along which G20 members differed is the degree to which they offered "horizontal" support to business, that is, to companies in all sectors. Over 40% of General Economic Support measures by Argentina, Italy, and Saudi Arabia were horizontal in application. In contrast, less than 10% of Canadian, Russian, and American measures were. The economic consequences of horizontal measures are likely to be different from targeted sector and firm-specific measures.

Moreover, the third dimension along which G20 members differed was in the resort to state-provided support to specific firms. Over 96% of Canadian support measures were firm-specific. The majority of German, South African, British, and American support measures benefited

TABLE 2

Temporary, targeted intervention? Evidence from G20 General Economic Support measures

G20 member	Percentage of harmful General Economic Support Measures that affect agricultural sectors	Percentage of harmful General Economic Support measures that affect manufacturing sectors	Percentage of harmful General Economic Support measures that affect service sectors	Percentage of harmful General Economic Support measures that are classified as 'horizontal'	Percentage of harmful General Economic Support measures that are classified as firm-specific
Argentina	4.55%	4.55%	27.27%	45.45%	0.00%
Australia	4.65%	23.26%	25.58%	27.91%	30.23%
Brazil	9.52%	42.86%	9.52%	16.67%	47.62%
Canada	2.56%	29.49%	29.49%	0.00%	96.15%
China	9.09%	13.64%	40.91%	36.36%	0.00%
France	2.27%	40.91%	22.73%	27.27%	40.91%
Germany	0.00%	31.67%	20.00%	28.33%	58.33%
India	0.00%	53.57%	0.00%	21.43%	10.71%
Indonesia	4.35%	13.04%	52.17%	26.09%	34.78%
Italy	1.85%	29.63%	12.96%	48.15%	25.93%
Japan	7.32%	31.71%	19.51%	31.71%	39.02%
Mexico	18.18%	18.18%	0.00%	27.27%	9.09%
Republic of Korea	0.00%	16.67%	46.67%	26.67%	16.67%
Russia	6.67%	44.44%	46.67%	2.22%	6.67%
Saudi Arabia	0.00%	16.67%	27.78%	44.44%	5.56%
South Africa	0.00%	40.00%	50.00%	10.00%	60.00%
Turkey	25.93%	29.63%	25.93%	14.81%	11.11%
UK	0.00%	26.53%	28.57%	14.29%	72.45%
USA	5.41%	9.46%	79.73%	8.11%	72.97%

Source: Source: Global Trade Alert. Table entries refer to General Economic Support measures implemented between 1 January 2020 and 31 October 2020 and documented by the latter date.

single firms. Other G20 members eschewed firm-specific support measures—Argentina and China being cases in point, at least on the information available at the end of October 2020.

Once again, significant differences can be found across G20 members in the characteristics of the General Economic Support measures. No doubt differences in the structure of their economies contributed to some of the observed differences in support chosen. Still, this is fertile ground for further analysis, in particular analysis that reveals how to design effective support programmes which limit harm done to trading partners.

Concluding remarks

G20 members have a mixed track record submitting information on their General Economic Support measures to the WTO secretariat. It is possible, however, to piece

together what support these governments have been giving to their private sectors from official national sources. The picture that emerges, at least as it relates to the 770 measures implemented in the first 10 months of 2020 and documented by the Global Trade Alert team, is one of extensive but uneven subsidisation by G20 members.

Moreover, G20 members differ markedly in their resort to temporary support measures and in whether those measures are firm-specific, sector-specific, or horizontal in application. In light of these findings, it is doubtful that every G20 member's general support measures are "targeted, proportionate, transparent, temporary," the standard G20 trade ministers decided this year to hold themselves to.²² Worse, conceivably the failure to unwind support measures will permanently alter the conditions of competition, raising the risk of further trade tensions between the world's largest economies.

22 See section 1.1.1. of the Annex to the Ministerial Statement issued on 14 May 2020, available at https://g20.org/en/media/Documents/G20SS_Statement_G20%20Second%20Trade%20&%20Investment%20Ministerial%20Meeting_EN.pdf.

CHAPTER 9

FALLOUT FROM G20 POLICY INTERVENTION DURING 2020

In this chapter we pay particular attention to the cross-border impact of the policy intervention taken by the G20 members during the first 10 months of this year. Our goal is to explore further the degree to which the largest trading nations on Earth have taken steps this year to fight the pandemic in ways that have left their trading partners harmed, unscathed or, potentially better off.

The number of spillovers generated by any G20 member will depend on a range of factors including the degree of pre-pandemic cross-border commercial linkages. For example, a subsidy to local cheese producers will worsen the commercial prospects of those trading partners whose firms already export cheese to the subsidizing nation, a negative spillover.

A bailout of a national airline will alter the conditions of competition on the international routes where that airline competes against other nations' airlines. New government procurement regulations, that allow for the first time foreign firms to sell certain medical equipment to public hospitals, create commercial opportunities for exporters of the goods in question.

Although one might expect that the number of spillovers created by a G20 member tends to be larger for those G20 members that have intervened more often, there are plenty of other intervening factors that could confound this relationship. Likewise, for any association between the size of a G20 member's economy and the number of times it is hit (benefits) from actions taken by trading partners.

We take advantage of the consistent application by the Global Trade Alert team of an evidence-based methodology to identify the trading partners affected by the implementation²³ of each public policy intervention.²⁴ First, we examine the spillovers between the G20 members and then we examine the spillovers created by G20 members for other nations.

Intra-G20 fallout: more harm than good

There is a marked difference between the positive and negative fallout from G20 members on each others' economies. There are 51% more negative spillovers—where a G20 member's actions harm the commercial interests of another G20 member—than positive spillovers.²⁵ To go beyond such totals, two heat maps were prepared for the pattern of intra-G20 bilateral trade spillovers, one for negative spillovers (Figure 22) and one for positive spillovers (Figure 23). In both cases, each implementing nation is represented by a row and each column indicates where a nation is an affected trading partner. Looking across a row reveals how often a G20 member's policy intervention this year has harmed or benefited the commercial interests of other members of the group.

Looking up and down the columns of Figure 22 it is apparent that China and the United States were adversely affected by many negative spillovers induced by the state acts of other G20 members taken this year. Indeed, the data bear out that China and the United States suffered from 349 and 306 negative spillovers, respectively. Germany comes in third, harmed 268 times by G20 partners. The column of results for Saudi Arabia imply that it has been hit relatively less often by the actions of other G20 members this year (in fact, its commercial interests have "only" been hit 90 times on account of steps taken by G20 trading partners).

Looking across the rows of Figure 22 reveals the G20 members whose policy actions this year have harmed many G20 partners. In this respect, Brazil, India, Turkey, the United Kingdom, and the United States stand out. Indeed, the underlying data reveal that there are five G20 members which harmed other G20 members between 341 times (the United States) and 487 times (India). In contrast, Mexico and Australia have inflicted the lowest number of negative spillovers on their G20 partners.

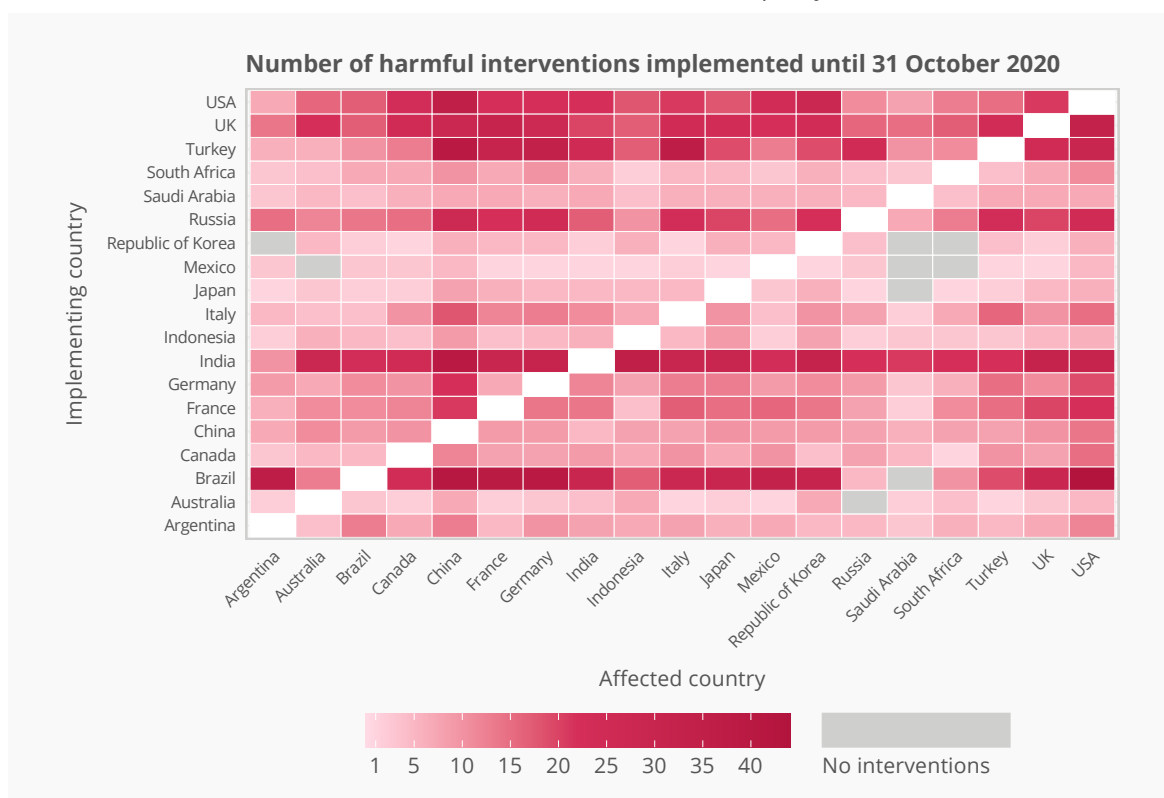
23 This methodology is not applied to policy interventions that have been announced but not yet implemented. Therefore, none of the statistics presented in this and other chapters on the number of cross-border spillovers are inflated by the inclusion of policy announcements where a government did not follow through.

24 This application of this methodology is conservative and there are cases where no affected trading partner could be identified with sufficient confidence. If anything, the conservative application results in an understatement of the number of spillovers.

25 The coefficients of variation across the G20 members relating to the number of positive and negative spillovers they have encountered this year are similar, around 0.3.

FIGURE 22

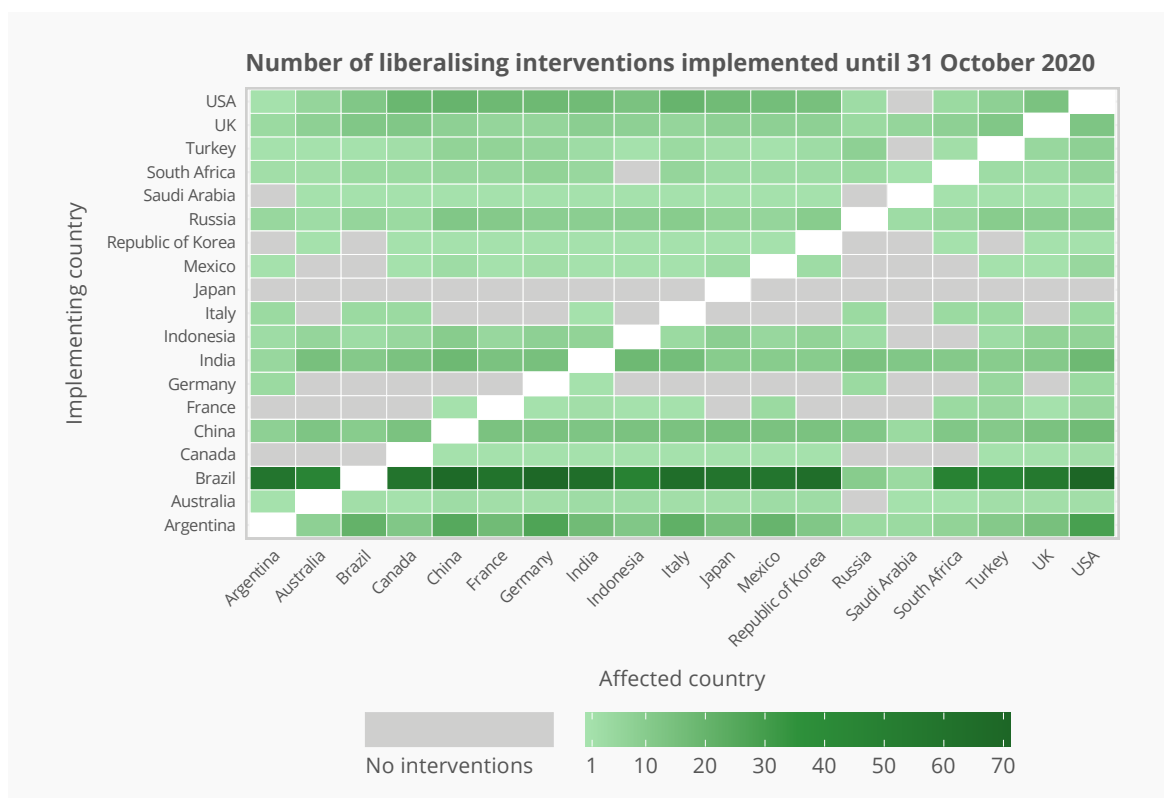
Intra-G20 fallout from 2020 trade-related policy intervention



Source: Global Trade Alert.

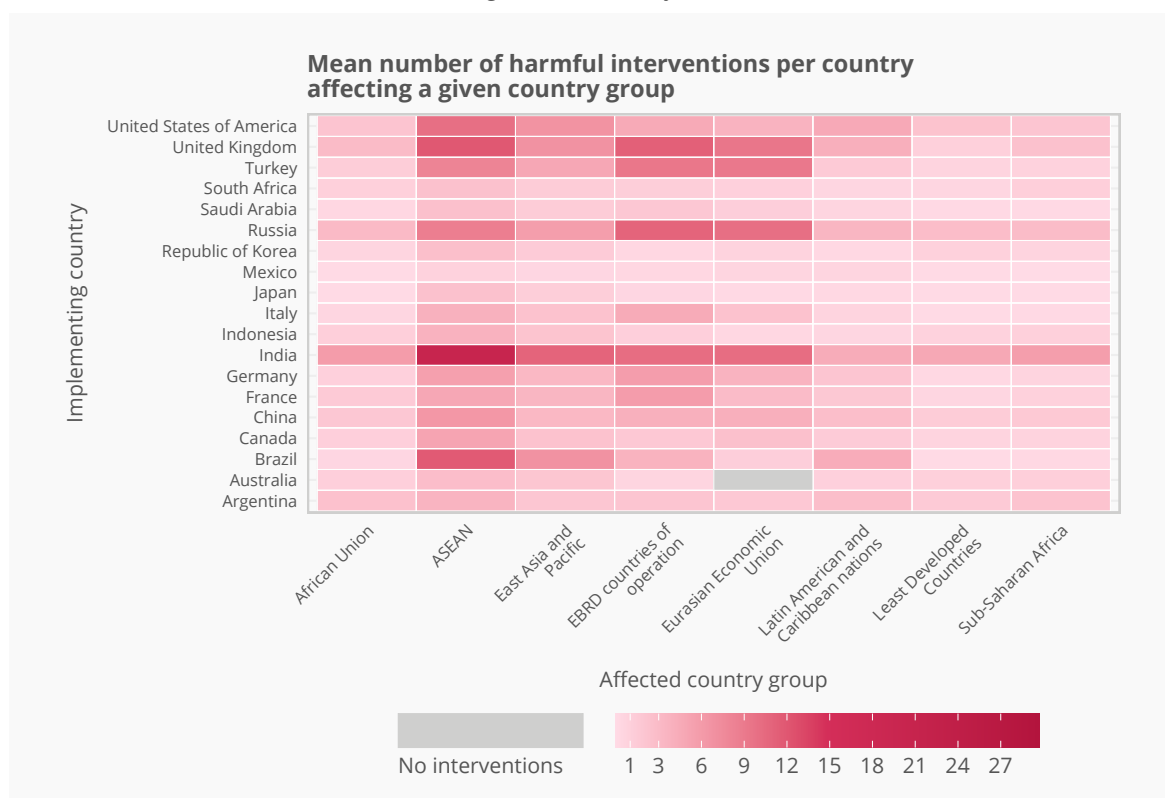
FIGURE 23

Brazil's numerous trade reforms benefit all but two G20 members



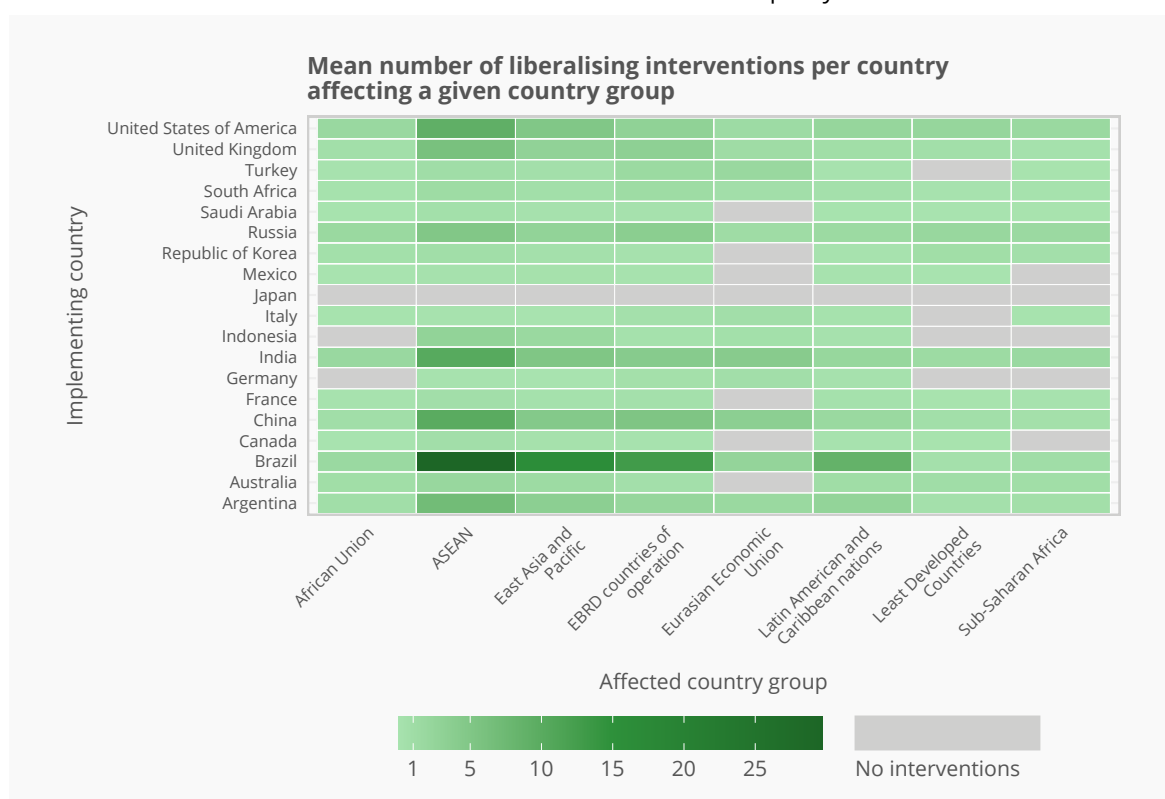
Source: Global Trade Alert.

FIGURE 24
Negative fallout beyond the G20



Source: Global Trade Alert.

FIGURE 25
More evidence of uneven fallout from G20 policy intervention



Source: Global Trade Alert.

The two cells in Figure 22 that capture the bilateral relationship between China and the United States do not reveal unusually high numbers of negative spillovers. There are eight bilateral trading relationships among the G20 where the number of negative spillovers recorded this year exceeds those in the Sino-U.S. trading relationship. There are nine bilateral relationships (out of 342) where there are no negative spillovers.

The pattern of positive spillovers within the G20 is revealed in Figure 23. The most striking aspect in this heatmap is the large number of positive spillovers created by Brazil's policy intervention. The underlying data bear this out: Brazilian measures taken during the first 10 months of 2020 created 952 positive spillovers for G20 partners. Argentina, China, India, and the United States created moderate numbers of positive spillovers as well (over 220 in each case). Seventy-three of the 342 bilateral trading relationships within the G20 did not experience any positive spillovers.

Given the G20 members constitute the world's largest economies, there are likely to be significant bilateral ties among this group. These heatmaps reveal the extent to which each G20 member has a stake in the policy decisions taken by other members of that group. It is evident that the cross-border fallout from the G20 policymaking this year has tended towards more harm than good.

Fallout beyond the G20

To explore the fallout beyond the G20, seven prominent groups of nations—comprised mainly of developing nations—were chosen. The number of times each G20 member's policy actions implicated the commercial interest of each of these seven groups was established. To correct for the fact that these seven groups comprise different numbers of nations, the total number of positive (negative) spillovers created by a G20 member affecting a particular group was divided by the number of members of that group. Such normalised figures were used to produce the heatmaps in Figures 24 and 25, the former relating to harmful spillovers and the latter to beneficial spillovers.

Looking up and down the columns of Figure 24, the ASEAN group of nations stand out as very frequently hit by policy measures taken by the G20 members. The underlying data bear this out—the ASEAN region's propensity to be hit is at least twice that of every other group represented in Figure 24. In contrast, the Least Developed nations and the two African groupings suffered much less collateral damage from G20 policy intervention.

The heat map in Figure 24 identified India, Russia, Turkey, the United Kingdom, and the United States as frequently harming multiple groups comprising many non-G20 members. Although Russia, Turkey, and the UK's policy interventions have frequently harmed ASEAN nations this year, they have also adversely affected the commercial interests of the members of the Eurasian Economic Union and the countries in the European Bank for Reconstruction and Development's area of operations.

The heat map in Figure 25 shows a pattern of positive spillovers that is concentrated around the ASEAN group and around Brazil (see the respective column for the former and row for the latter.) The underlying data reveal that each ASEAN member has benefited on average from just under 30 policy interventions by Brazil in the first 10 months of this year. In contrast, Japan has taken no steps this year that benefit any of the seven groups identified in Figure 25.

Concluding remarks

Despite G20 trade ministers committing themselves to certain principles that would govern their government's response to the COVID-19 pandemic, there has been considerable negative fallout for trading partners, both within and outside the G20. There have been some benefits too, created largely by the five of G20 members that each implemented over 25 reforms this year. Still, collectively, the G20 members harmed the commercial interests of their trading partners around the world 61% more often than they benefited them.

CHAPTER 10

WHAT'S NEW IN THE GTA DATABASE?

The COVID-19 pandemic has had important implications for the operations of the Global Trade Alert (GTA) team. Starting in March 2020, tracking began of government resort to export controls and import reforms affecting trade in food and agri-food as well as medical goods, medical equipment, and medicines, the so-called essential goods. These tallies were updated several times a week and used to produce maps that were shared widely on social media.

Such was the intense interest in export controls affecting medical goods (including consumables such as personal protective equipment), that the GTA teamed up with the European University Institute and the World Bank to create a weekly monitoring service for trade policy developments in essential goods. This particular monitoring was based on intensive searching of online media sources, government websites, and other relevant websites.

These [weekly tallies](#) amounted to a new service delivered by the GTA. Moreover, the policy developments flagged there were then sent to the GTA monitoring team for processing and, where sufficient additional information could be found, for potential submission for publication in the full GTA database. One important consequence of this increased, semi-automated flow of information on policy developments was that our coverage of trade-related government intervention beyond the G20 members increased substantially this year.

In the first 10 months of this year, 32.5% of the implemented policy interventions documented in the GTA database were undertaken by governments outside of the G20. Over the same timeframe last year, the comparable

percentage was 23.2%. The volume of entries into the GTA database from governments outside the G20 rose from 383 during the first 10 months in 2019 to 660 this year.

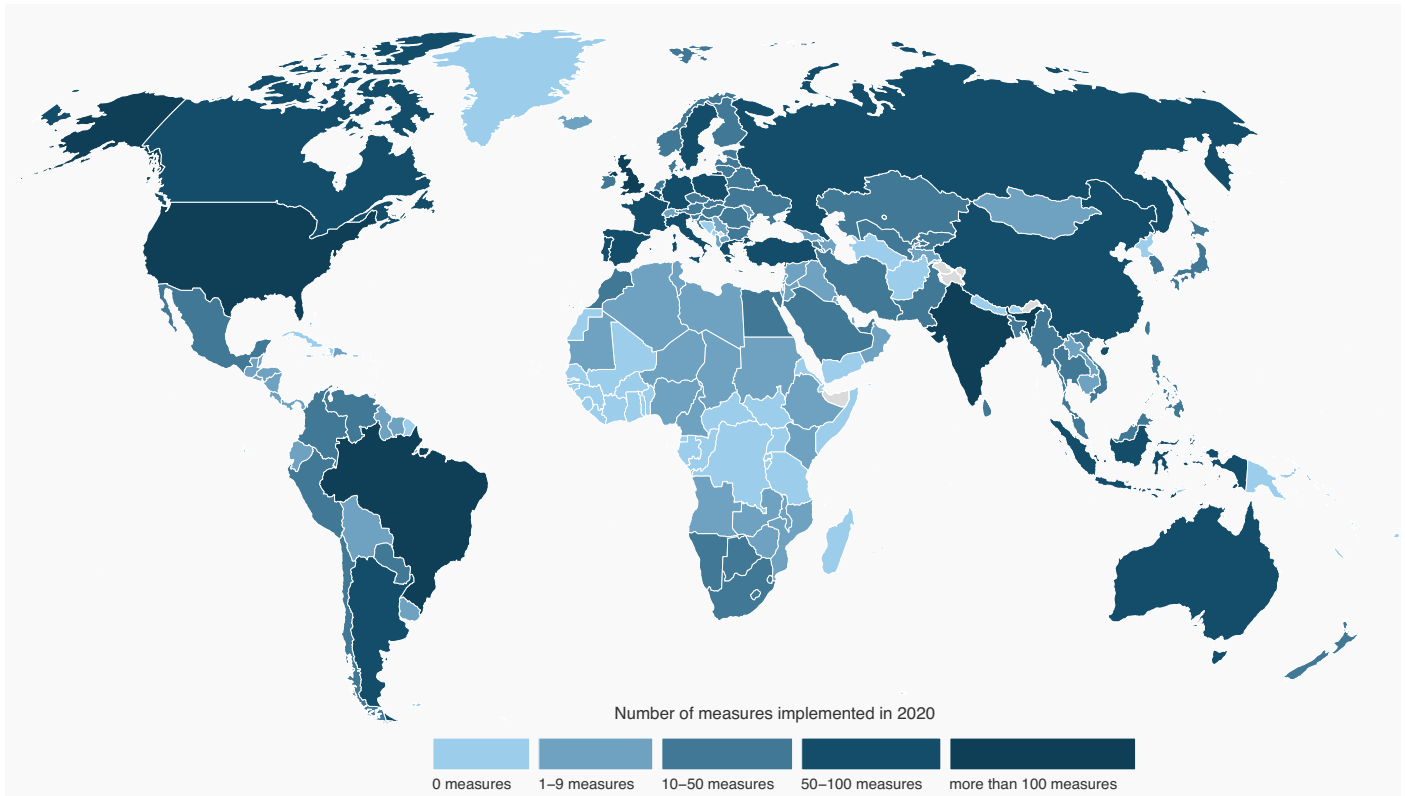
The map contained in Figure 26 reveals the scope of the GTA's reporting during the first 10 months of this year. Information on policy intervention by 137 customs territories has been collected so far this year. For 73 jurisdictions at least 10 policy interventions have been documented. For another 16 jurisdictions information on between five and nine policy interventions been collected, processed, and published in the GTA database.

- Further investments were made this year in developing the internal capabilities of the GTA, specifically the:
- Systematic automated capture of information on policy developments from online sources.
- Identification and capture of semi-structured datasets of government policy intervention.
- Processing and enrichment of both of the above forms of information so as to be readily accessible by users and to allow affected goods, sectors, and trading partners to be identified.

Where feasible, machine processes are replacing humans who, with the best of intentions, still make errors from time to time. These investments will result in further improvements in coverage, scope, and quality of the Global Trade Alert database. This database has supported the preparation of a growing stream of thought leadership on commercial policy and other matters, which can be found on our [reports](#) page.

FIGURE 26

Policy interventions by 137 jurisdictions have been recorded in Global Trade Alert database during the first 10 months of 2020



Source: Global Trade Alert.

Note: Map relates only to policy interventions announced or implemented from 1 January 2020 to 31 December 2020.

WHAT IS THE GLOBAL TRADE ALERT?

The Global Trade Alert (GTA) was launched in June 2009 when many feared that the global financial crisis would lead governments to adopt widespread 1930s-style beggar-thy-neighbour policies. Although global in scope, the GTA has given particular attention to the policy choices of the G20 governments ever since their leaders made a pledge of sorts on protectionism in Washington, DC in November 2008.

Initially conceived as a trade policy monitoring initiative, as thousands of policy announcements have been documented, the GTA has become a widely-used input for analysis and decision-making by firms, industry associations, journalists, researchers, international organisations, and governments.

As of 15 November 2020, the GTA has been mentioned or its data used in 2,240 entries in Google Scholar. This usage reflects the fact that, as the International Monetary Fund noted in 2016, the GTA “has the most comprehensive

coverage of all types of trade discriminatory and trade liberalizing measures.” Earlier this year, Mr. Alan Wolff, a Deputy Director-General of the World Trade Organization, referred to the Global Trade Alert as “extraordinarily valuable.” With reference to our website, Ambassador Wolff said “The site is unmatched for up to date information on trade-distorting measures.”

GTA is a policy-oriented and research initiative associated with the Centre for Economic Policy Research (CEPR), an independent academic and policy research think-tank based in London, UK. Simon J. Evenett, a Research Fellow of CEPR’s International Trade and Regional Economics Programme, founded the GTA.

The GTA is also an initiative linked to the Swiss Institute for International Economics at the University of St. Gallen, Switzerland. Most of the funding for the GTA comes from University of St. Gallen-related sources. For further information, visit www.GlobalTradeAlert.org/about.

ACKNOWLEDGEMENTS

As governments went into overdrive trying to tackle COVID-19 pandemic so did the monitoring team of the Global Trade Alert. The sheer volume of policy intervention documented in the first 10 months of this year was impressive. Let me take this opportunity to express my gratitude to Fiamma Angeles, Fandi Achmad, Callum Campbell, Gunther Errhalt, Alya Gharara, Craig vanGrasstek, Halit Harput, Chintan Jadwani, Josse Jakobsen, Piotr Lukaszuk, Anvar Rahmetov, and Ana Elena Sancho. In addition, much of the data extraction and preparation of the statistics and charts for this report was undertaken by Ruben Ernst. The technology supporting the continuous improvement of our monitoring effort is built and maintained by Patrick Buess, Liubomyr Gavryliv, Kamran Sattary and Robin Scherrer.

I owe a considerable debt to Johannes Fritz. He has managed the Global Trade Alert team calmly through what has been a demanding year. Many of the technical innovations introduced this year were conceived of and directed by Johannes. Piotr Lukaszuk took on responsibility for the processing and enrichment of unstructured datasets (“data dumps”) of policy intervention. His contributions are greatly appreciated as well.

I would like to take this opportunity to thank our partners at the European University Institute and the World Bank for their cooperation in the Essential Goods trade policy monitoring initiative. This proved to be a very rewarding and informative project that seeks to inform the debate over the appropriate commercial policies towards food, medical goods, and medicines. I thank in particular Caroline Freund, Bernard Hoekman, and Michele Ruta.

Once again, the production and editing of this report was expertly handled by Anil Shamdasani under tight time constraints. The Global Trade Alert started as an initiative of the Centre for Economic Policy Research (CEPR), whose leadership has offered fulsome support since we started this enterprise.

The funding from the Global Trade Alert comes principally from sources associated with the University of St. Gallen, whose leadership has backed this venture as well. The most important funding source is the Max Schmidheiny Foundation at the University of St. Gallen, whose continued financial support and practical advice is greatly appreciated.

Simon J. Evenett, Coordinator

HOLDING THEIR FEET TO THE FIRE: THE TRACK RECORD OF EACH G20 MEMBER

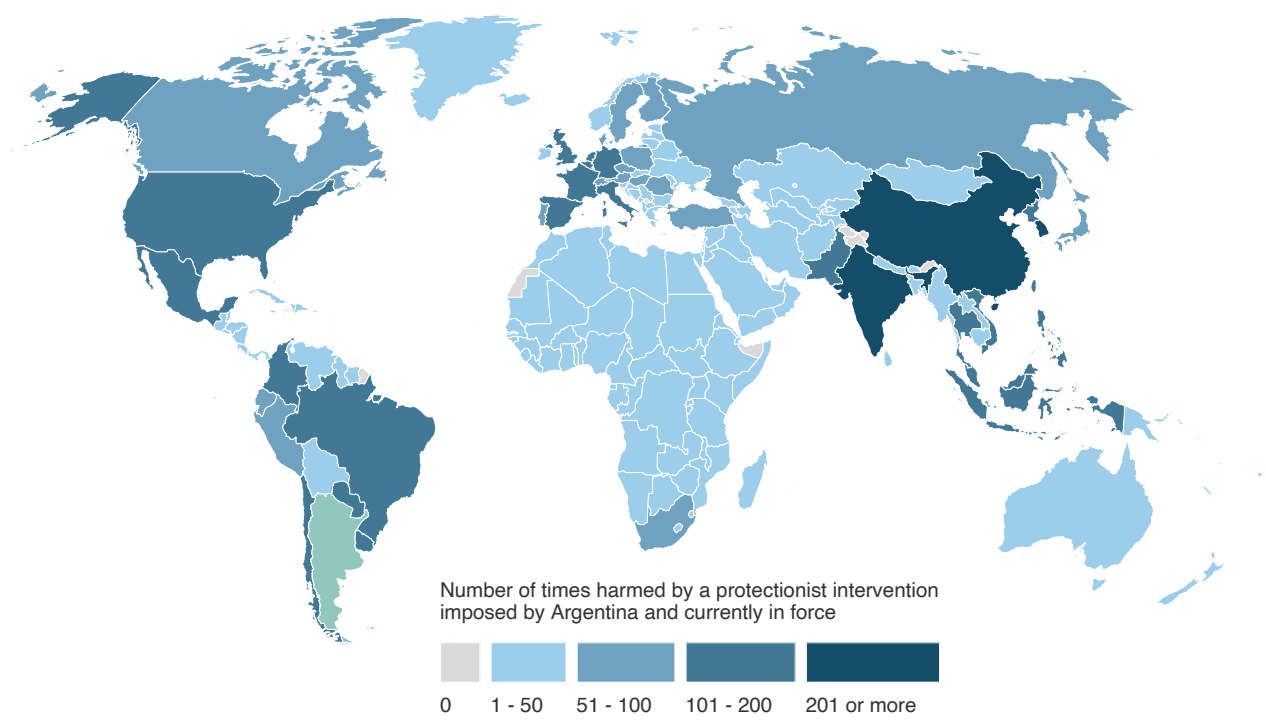
ARGENTINA

What is at stake for Argentina's exporters?

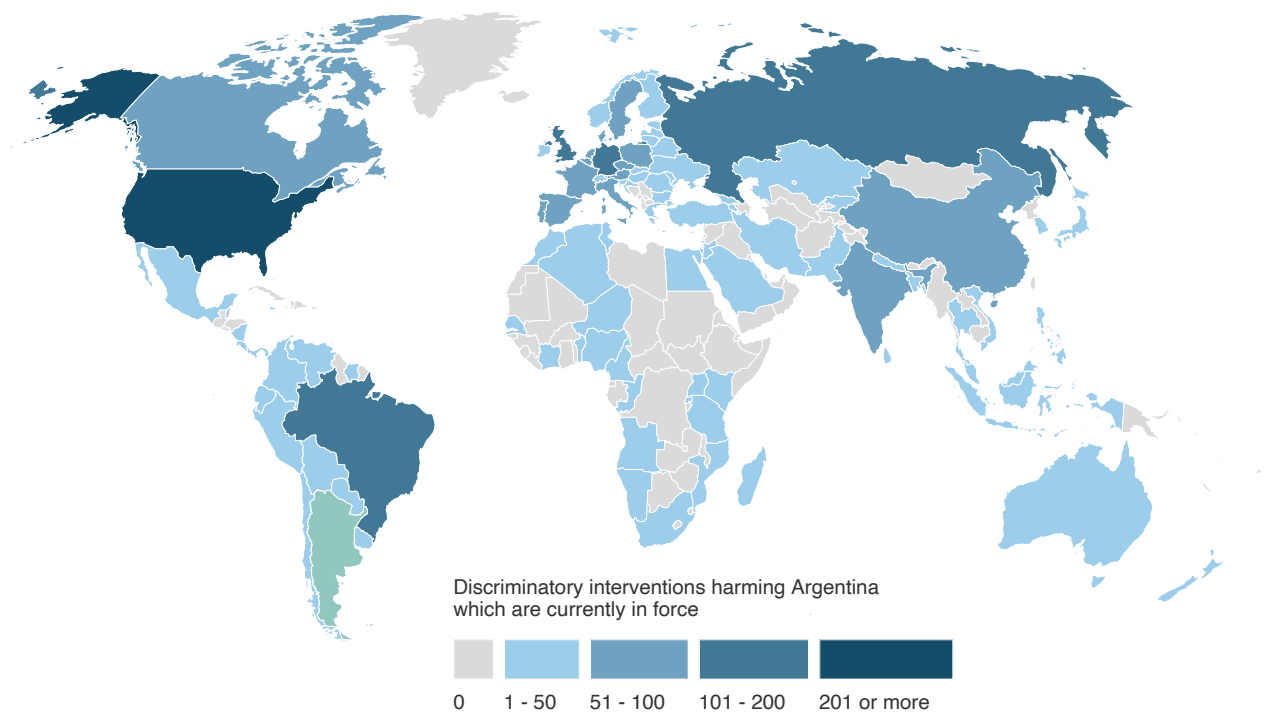
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	18.01	36.19	48.49	59.79	68.67	72.12	71.60	74.09	77.21	76.39	77.45	78.61
D	Contingent trade protection	0.30	0.35	0.36	0.07	0.30	0.44	0.44	0.57	0.61	0.84	0.86	0.89
E	Non-automatic licensing, quotas	1.77	1.52	4.10	9.37	9.19	9.87	10.06	12.55	13.21	13.42	13.34	13.31
F	Price control measures	0.17	0.17	1.21	3.57	0.41	3.46	4.62	5.19	5.19	6.60	6.73	6.73
G	Finance measures	0.32	1.38	1.72	1.72	1.72	1.72	1.73	1.74	1.74	1.74	1.74	1.74
I	Trade-related investment measures	0.26	0.54	1.01	3.11	2.42	4.53	6.98	6.11	5.15	2.71	2.62	2.60
L	Subsidies (excluding export subsidies)	4.09	4.53	7.63	7.82	22.35	24.29	22.50	18.67	25.94	27.37	35.11	39.73
M	Government procurement	0.27	0.30	0.27	0.78	1.85	2.58	2.82	1.39	1.50	1.64	1.89	1.75
P	Export measures	9.20	29.05	40.67	47.06	51.24	57.75	56.75	59.31	63.54	62.64	65.96	66.01
	Import tariff increases	3.61	4.83	5.91	17.66	19.51	19.80	20.25	20.76	22.30	21.48	22.47	23.67
	Instrument unclassified	0.05	0.10	0.10	0.39	0.39	0.57	1.23	1.41	1.47	1.51	1.54	1.54

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY ARGENTINA'S DISCRIMINATORY INTERVENTIONS

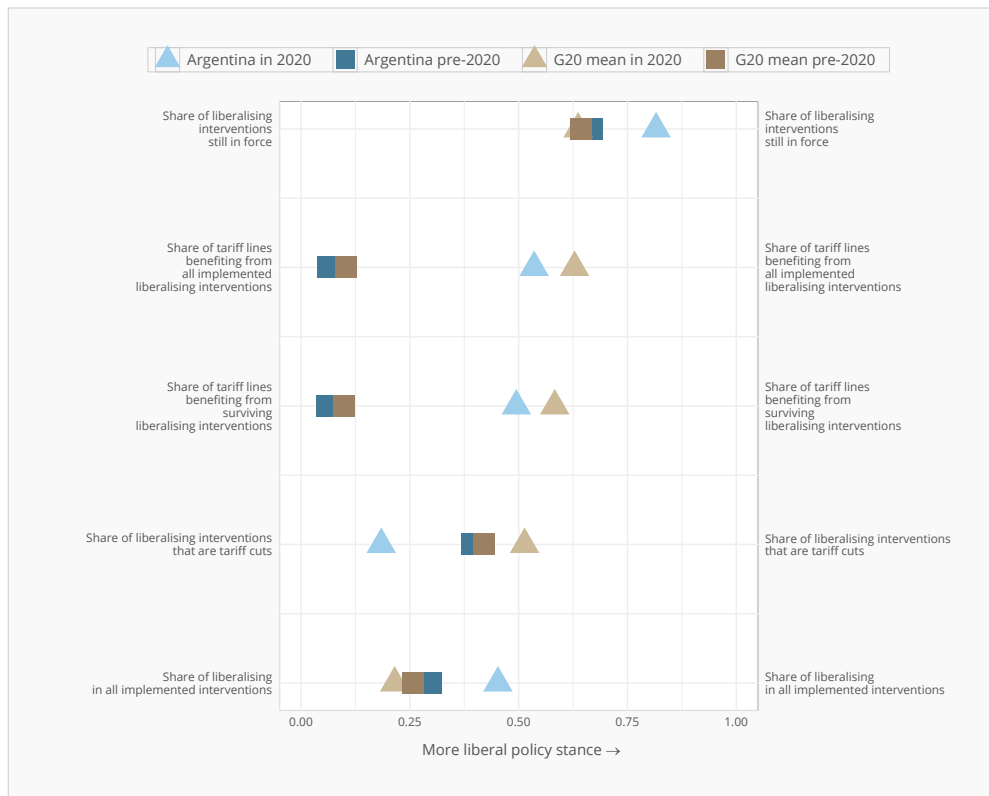


DISCRIMINATORY INTERVENTIONS HARMING ARGENTINA'S INTERESTS



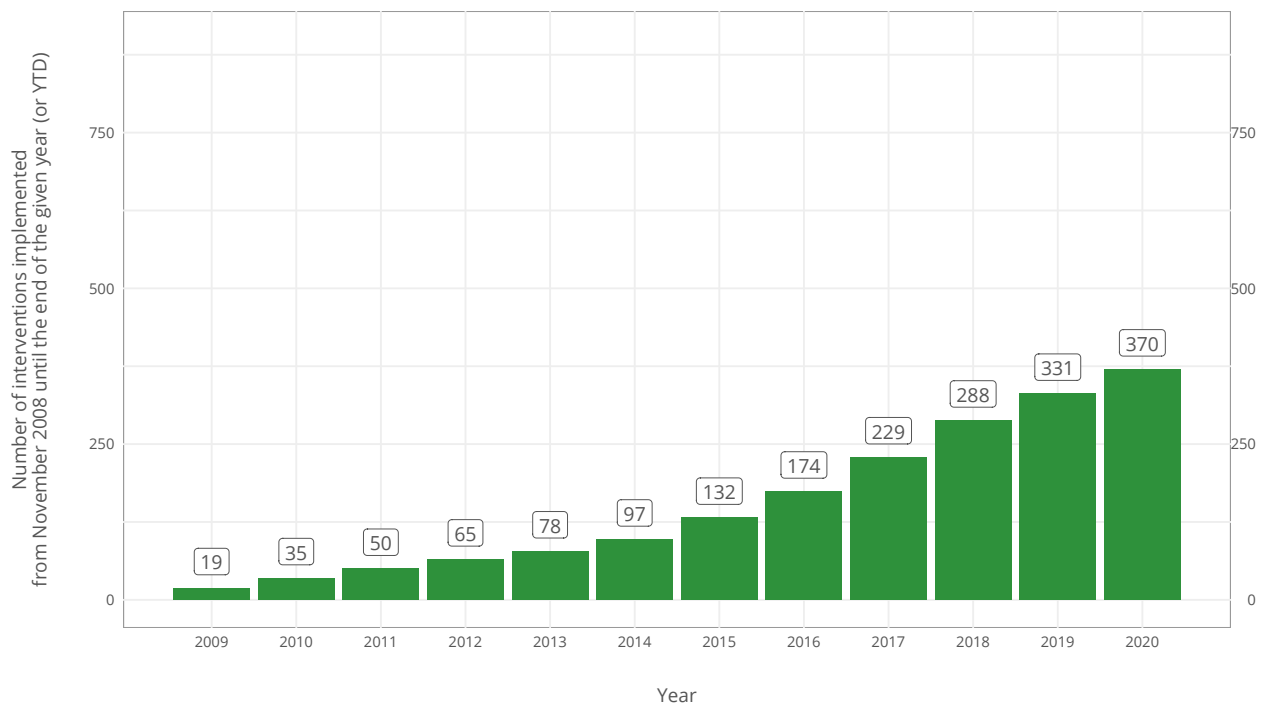
ARGENTINA

Track record of liberalisation



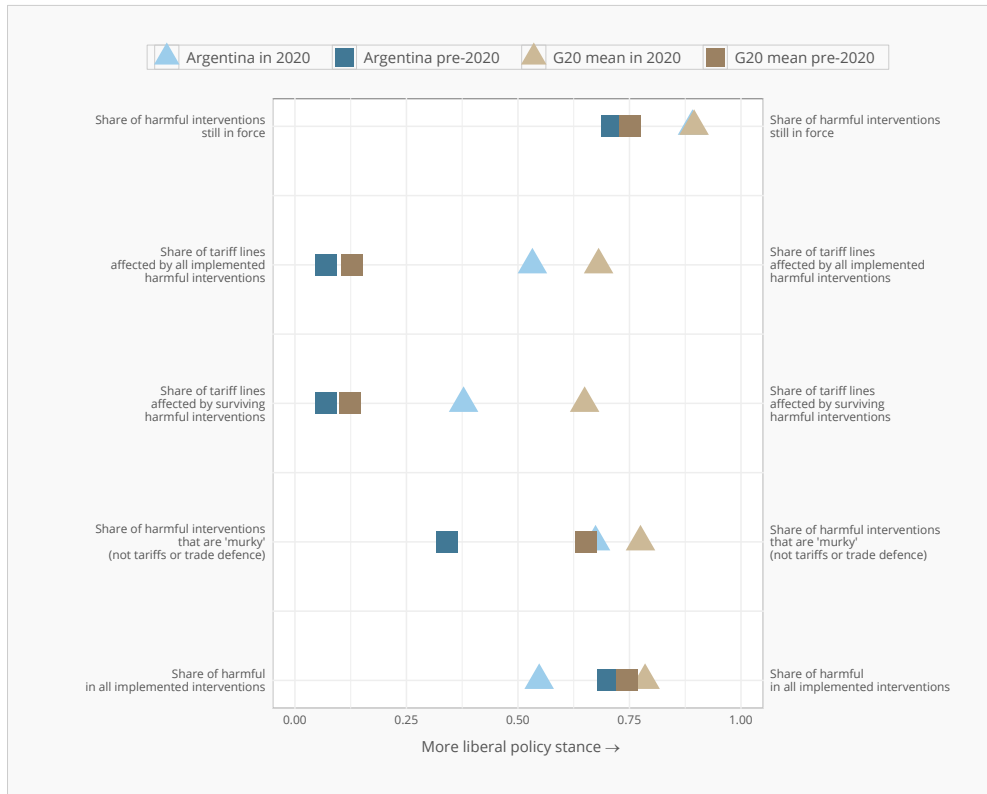
ARGENTINA

Number of liberalising interventions imposed since November 2008



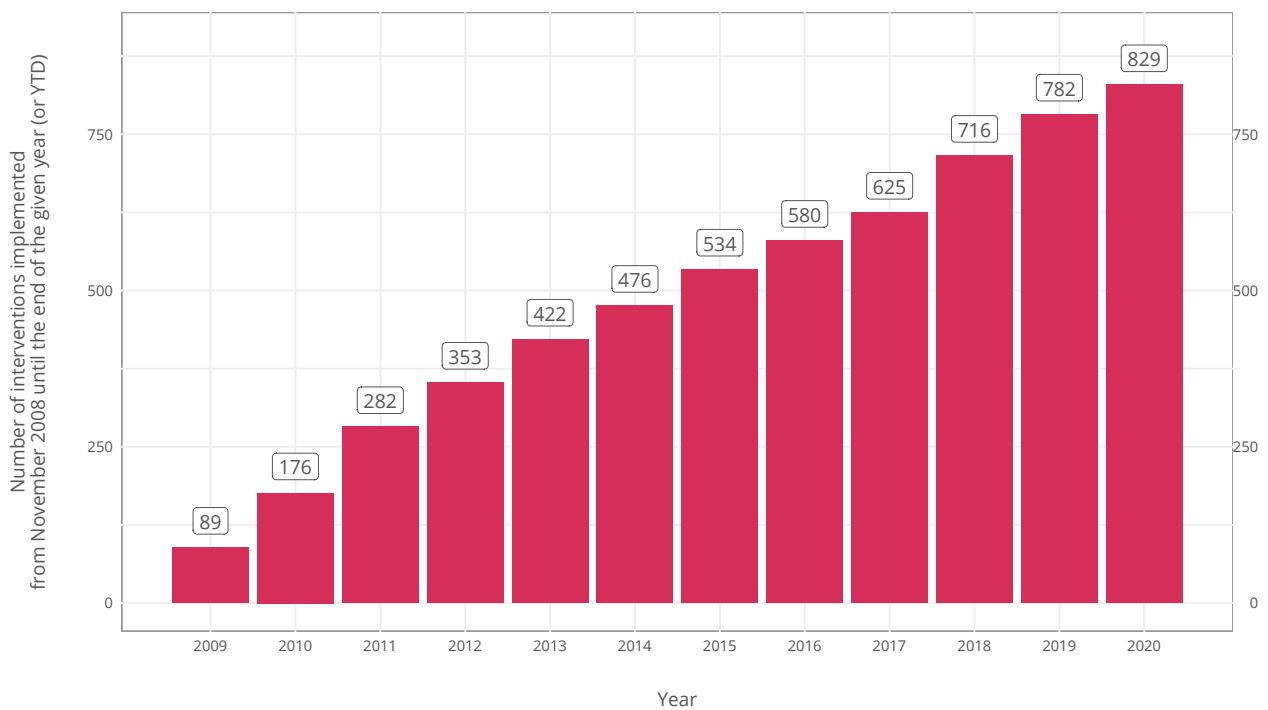
ARGENTINA

Track record of protectionism



ARGENTINA

Number of discriminatory interventions imposed since November 2008



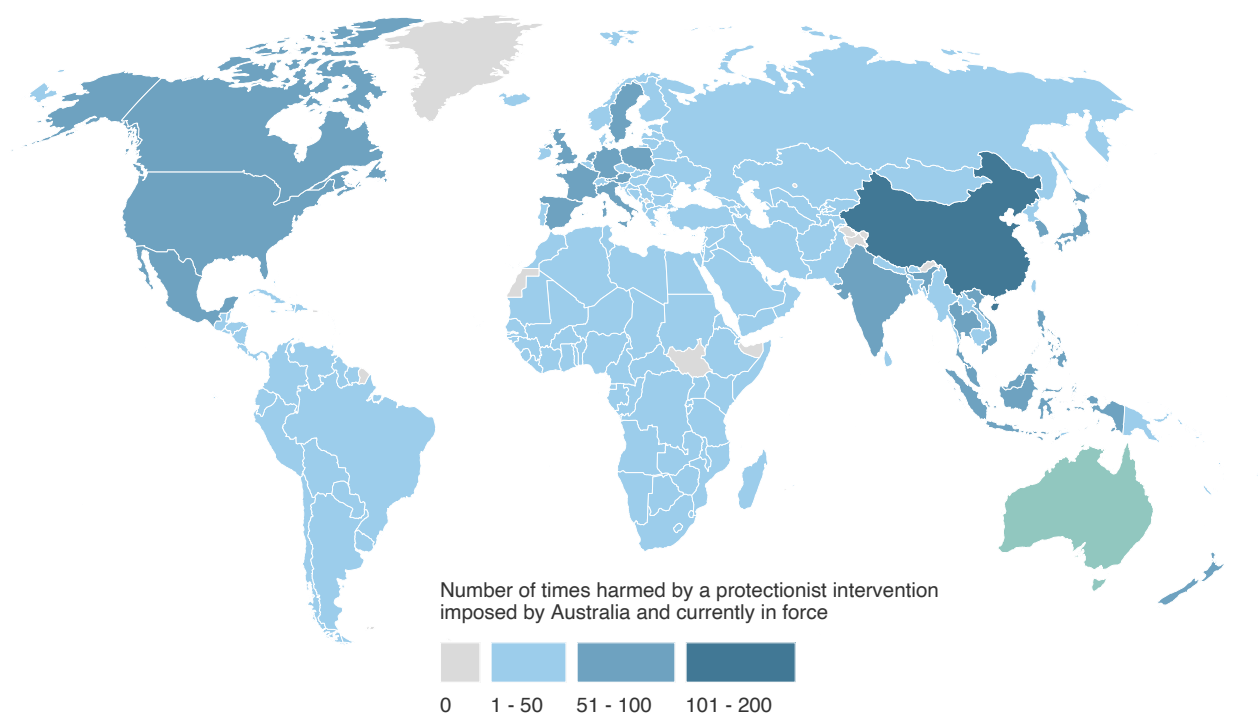
AUSTRALIA

What is at stake for Australia's exporters?

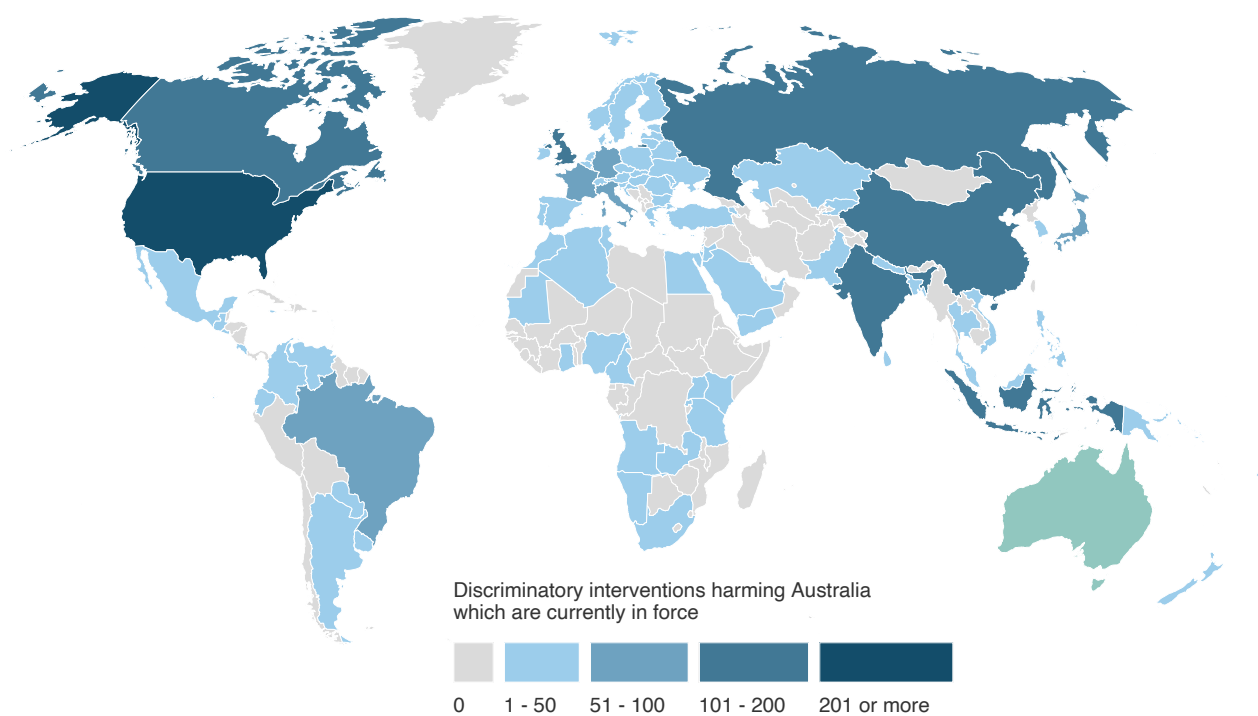
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	26.27	32.76	37.80	43.58	50.55	57.03	56.19	58.28	59.72	63.21	66.40	68.81
D	Contingent trade protection	0.06	0.04	0.04	0.05	0.07	0.10	0.14	0.34	0.42	0.46	0.48	0.54
E	Non-automatic licensing, quotas	2.19	8.01	12.36	13.46	14.51	14.61	15.02	15.26	15.32	15.76	15.89	15.88
F	Price control measures	9.06	9.06	9.10	9.13	9.12	10.09	11.05	11.05	11.05	14.59	14.96	14.97
G	Finance measures	0.06	0.30	0.69	0.69	0.69	0.69	1.07	1.19	1.19	1.19	1.19	1.19
I	Trade-related investment measures	0.00	0.02	0.03	0.04	0.04	0.33	0.48	0.49	0.49	0.49	0.38	0.27
L	Subsidies (excluding export subsidies)	3.38	4.58	13.73	14.04	21.88	22.94	20.17	15.09	23.80	25.79	18.60	20.88
M	Government procurement	0.58	0.90	0.70	0.82	0.92	1.04	1.11	1.12	1.26	1.83	2.76	2.41
P	Export measures	12.75	22.48	26.86	30.71	32.72	35.71	34.02	35.66	38.16	40.43	47.45	48.18
	Import tariff increases	3.42	4.62	5.02	10.72	12.18	13.57	14.25	14.44	15.88	16.58	16.60	16.99
	Instrument unclassified	0.20	0.39	0.40	0.96	2.42	3.16	1.26	1.21	1.59	2.46	2.60	2.62

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY AUSTRALIA'S DISCRIMINATORY INTERVENTIONS



DISCRIMINATORY INTERVENTIONS HARMING AUSTRALIA'S INTERESTS



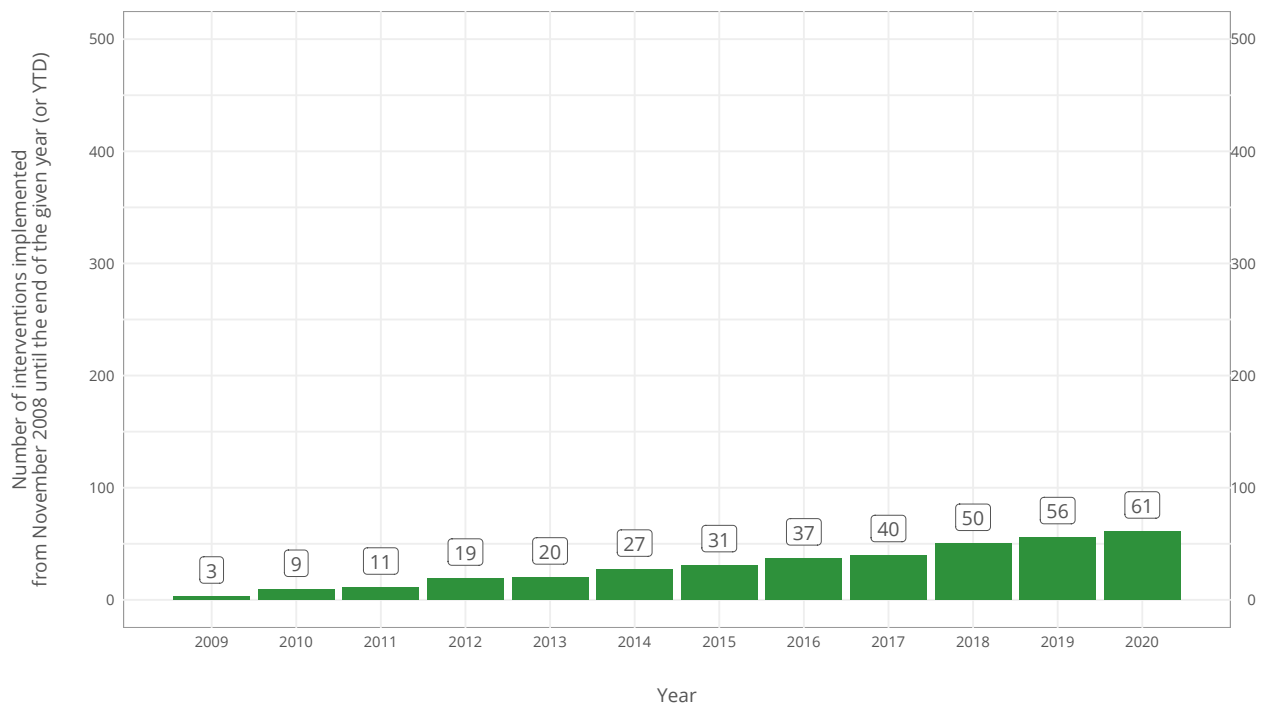
AUSTRALIA

Track record of liberalisation



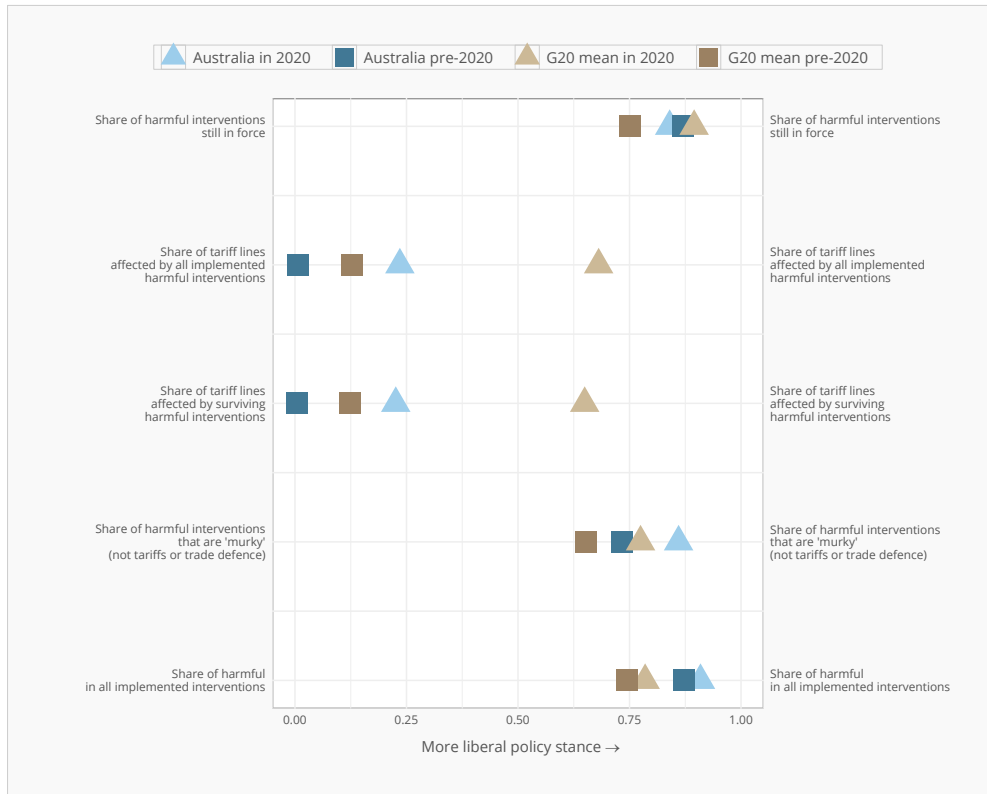
AUSTRALIA

Number of liberalising interventions imposed since November 2008



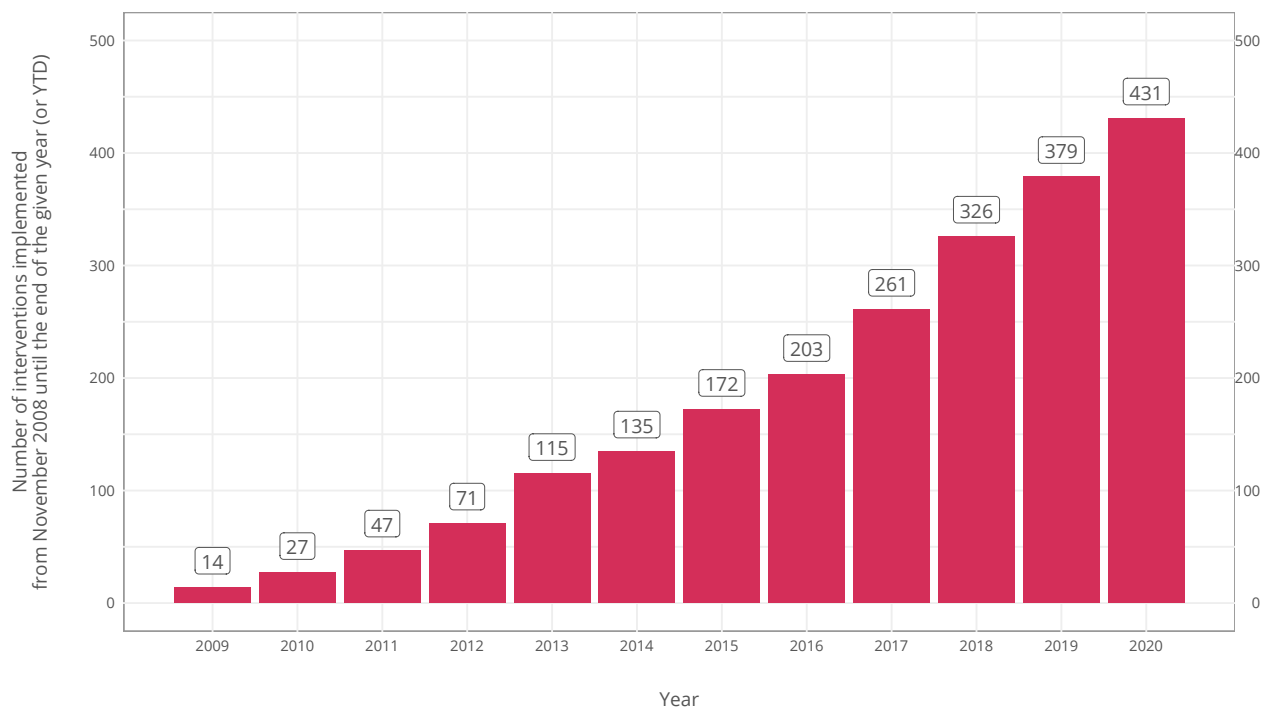
AUSTRALIA

Track record of protectionism



AUSTRALIA

Number of discriminatory interventions imposed since November 2008



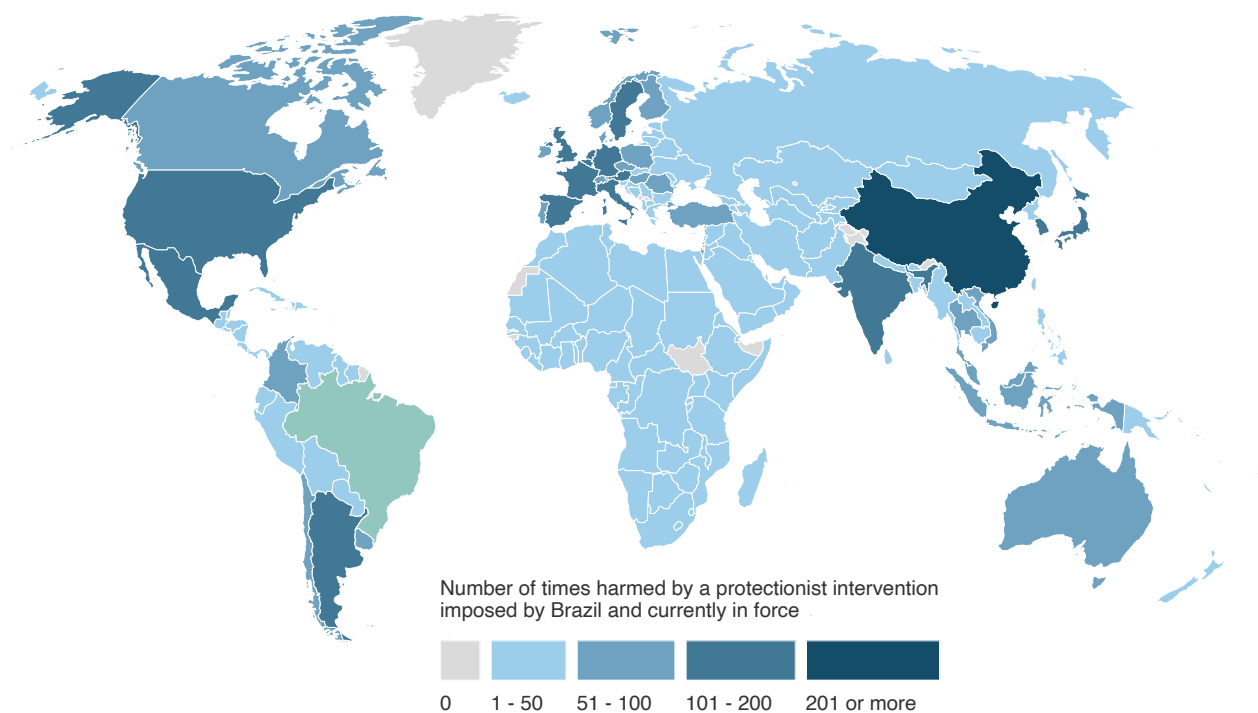
BRAZIL

What is at stake for Brazil's exporters?

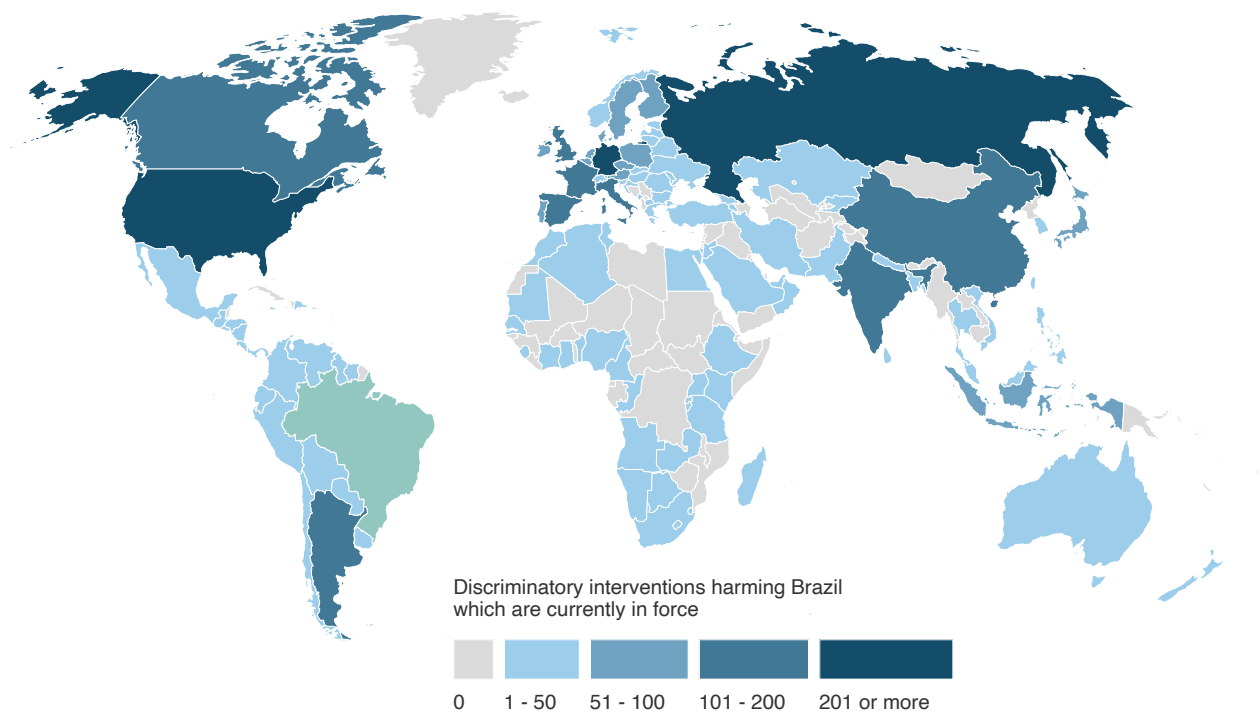
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	36.61	47.16	49.83	58.21	68.73	69.38	69.08	70.72	72.74	75.17	76.99	77.71
D	Contingent trade protection	0.04	0.09	0.17	0.26	0.25	0.25	0.26	0.74	0.92	1.80	2.22	1.87
E	Non-automatic licensing, quotas	2.43	6.83	11.46	16.80	18.31	18.50	17.39	14.92	15.06	15.25	15.69	17.65
F	Price control measures	4.70	4.72	4.74	4.75	4.75	4.76	4.76	4.76	4.76	5.16	5.20	5.21
G	Finance measures	0.39	1.48	1.57	1.57	1.57	1.57	1.61	1.63	1.63	1.63	1.63	1.63
I	Trade-related investment measures	0.52	1.15	2.08	2.54	2.56	3.71	5.48	6.16	6.17	6.24	6.09	6.05
L	Subsidies (excluding export subsidies)	4.53	9.61	14.64	16.08	29.92	32.04	31.11	26.73	33.71	36.06	32.41	35.64
M	Government procurement	2.71	2.73	2.27	3.53	4.95	5.98	6.71	7.04	7.49	7.56	7.89	7.96
P	Export measures	26.12	36.38	38.26	41.93	47.97	47.79	48.23	52.77	56.04	58.65	64.65	65.39
	Import tariff increases	2.77	3.58	4.62	10.89	11.68	12.59	13.65	14.41	16.67	17.64	18.72	19.54
	Instrument unclassified	0.02	1.30	1.44	1.48	3.81	4.48	6.08	6.25	5.99	5.56	5.66	5.66

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY BRAZIL'S DISCRIMINATORY INTERVENTIONS



DISCRIMINATORY INTERVENTIONS HARMING BRAZIL'S INTERESTS



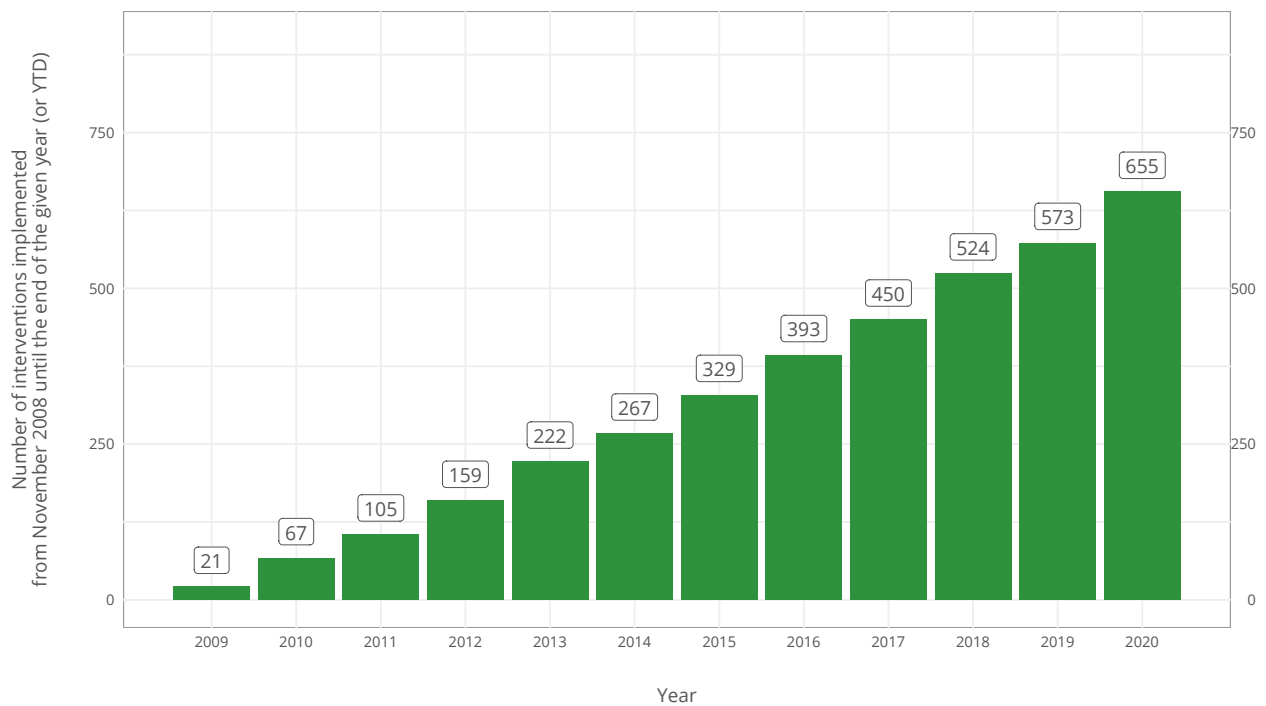
BRAZIL

Track record of liberalisation



BRAZIL

Number of liberalising interventions imposed since November 2008



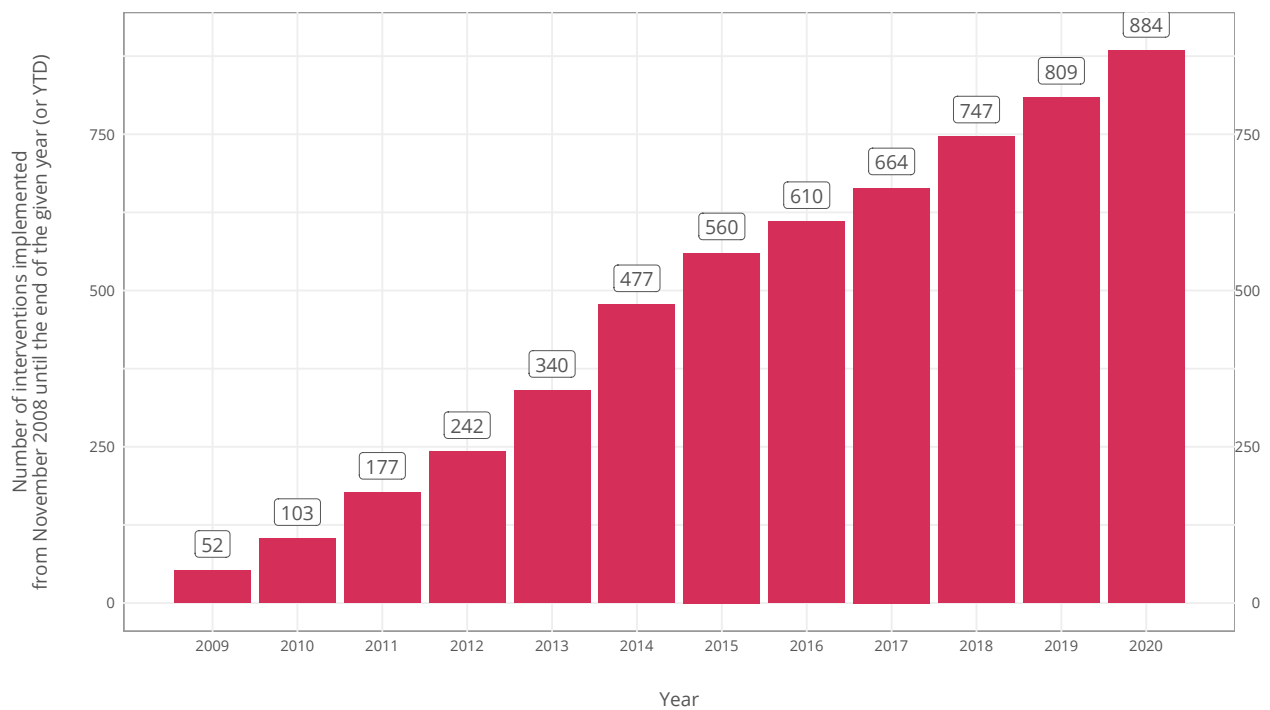
BRAZIL

Track record of protectionism



BRAZIL

Number of discriminatory interventions imposed since November 2008



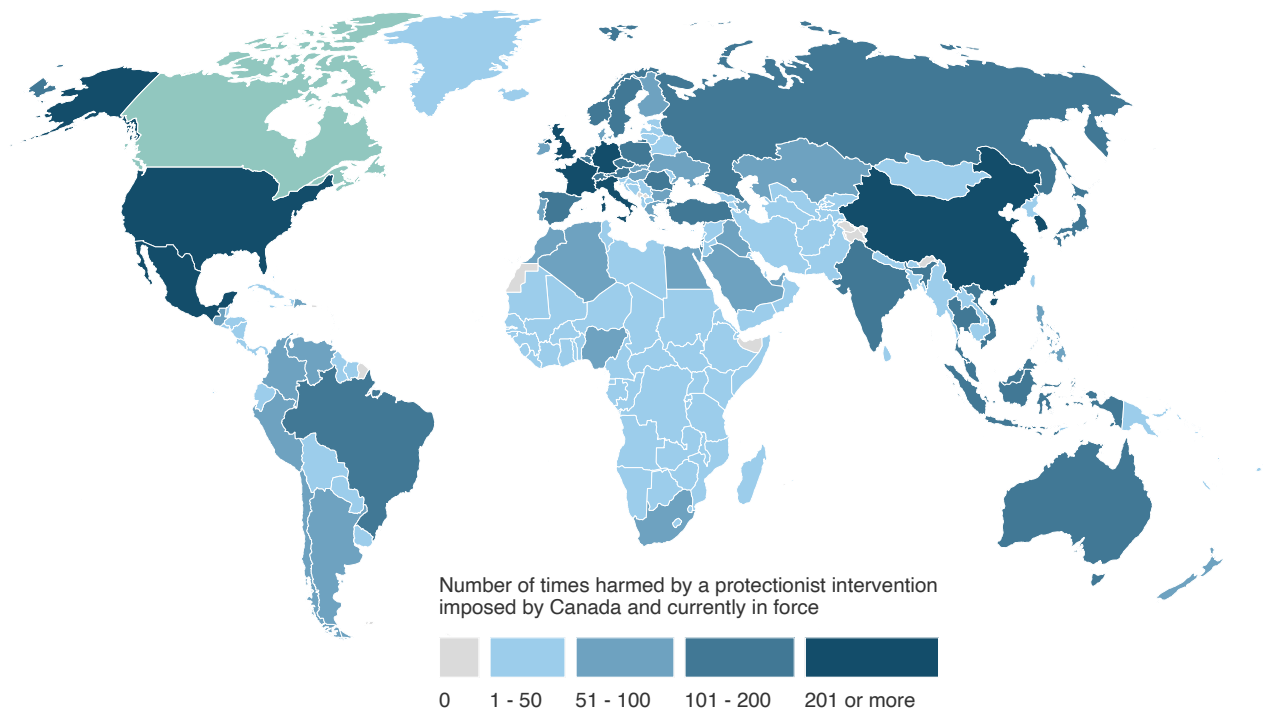
CANADA

What is at stake for Canada's exporters?

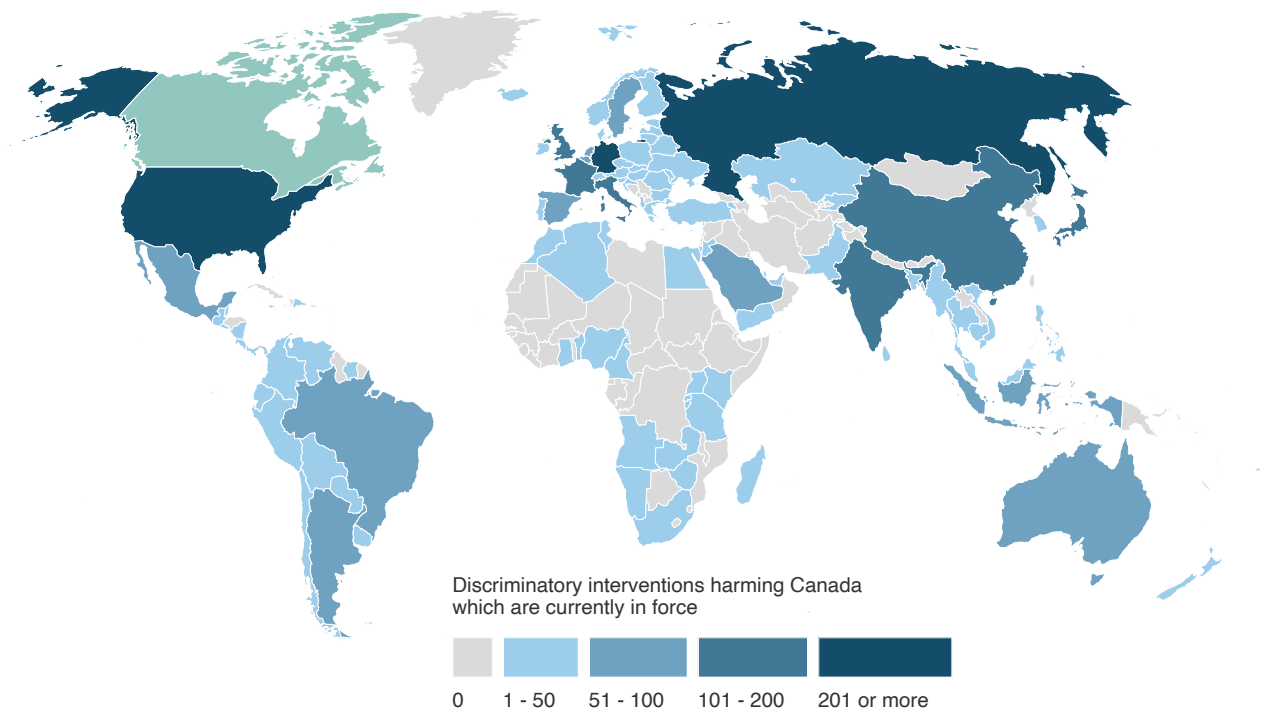
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	37.52	49.49	54.84	65.99	72.16	72.25	79.54	82.37	84.46	85.98	86.66	86.88
D	Contingent trade protection	0.11	0.12	0.13	0.13	0.13	0.14	0.43	2.07	2.57	4.41	4.53	4.50
E	Non-automatic licensing, quotas	0.19	0.33	0.66	0.72	0.95	0.98	1.08	1.19	1.55	2.30	2.40	2.52
F	Price control measures	0.31	0.31	0.33	0.34	0.34	0.42	0.56	0.65	0.66	0.88	0.90	0.90
G	Finance measures	0.03	0.09	0.10	0.10	0.10	0.10	0.11	0.11	0.11	0.11	0.11	0.11
I	Trade-related investment measures	0.14	0.41	0.21	0.23	0.24	1.65	3.00	3.41	3.96	3.93	3.86	3.85
L	Subsidies (excluding export subsidies)	12.72	17.62	22.09	31.54	39.85	40.67	39.48	41.74	43.49	48.59	49.00	49.48
M	Government procurement	2.19	2.62	2.89	3.16	3.21	3.61	4.23	4.23	4.73	5.35	6.58	7.56
P	Export measures	23.98	32.29	42.93	55.57	57.01	46.73	53.04	54.14	57.35	58.17	58.01	60.01
	Import tariff increases	0.43	0.73	0.85	1.80	2.09	1.96	2.19	2.60	4.35	7.20	8.85	10.02
	Instrument unclassified	0.01	0.14	0.03	0.13	1.10	1.67	1.93	2.34	2.62	2.99	2.99	3.03

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY CANADA'S DISCRIMINATORY INTERVENTIONS

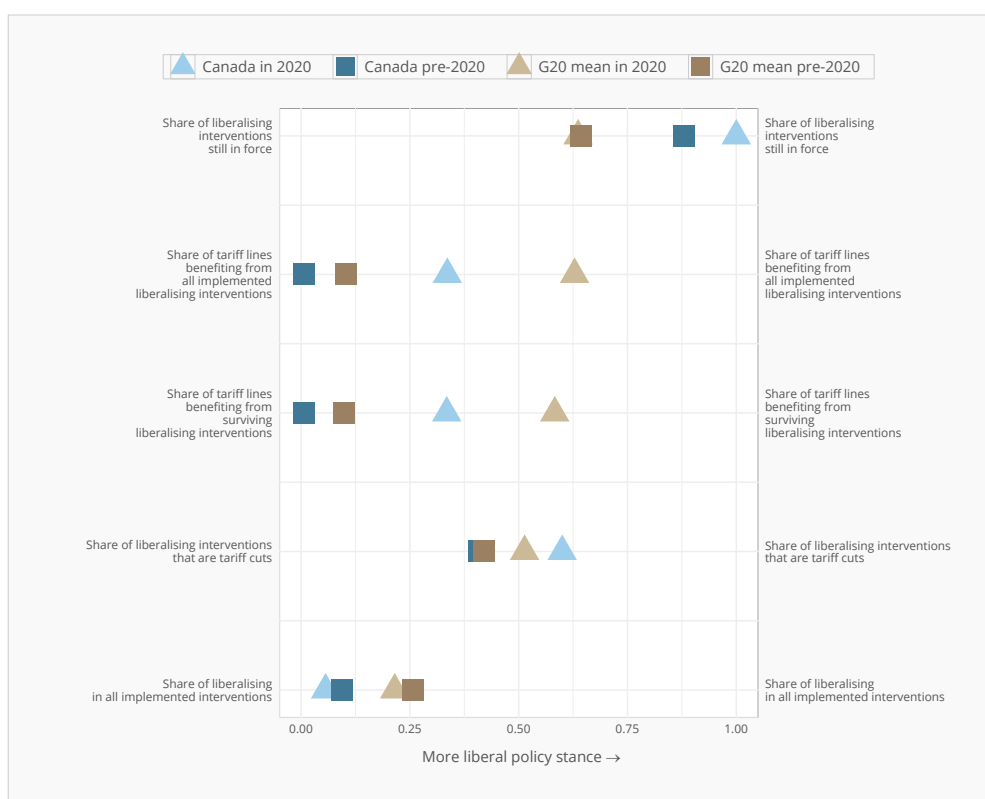


DISCRIMINATORY INTERVENTIONS HARMING CANADA'S INTERESTS



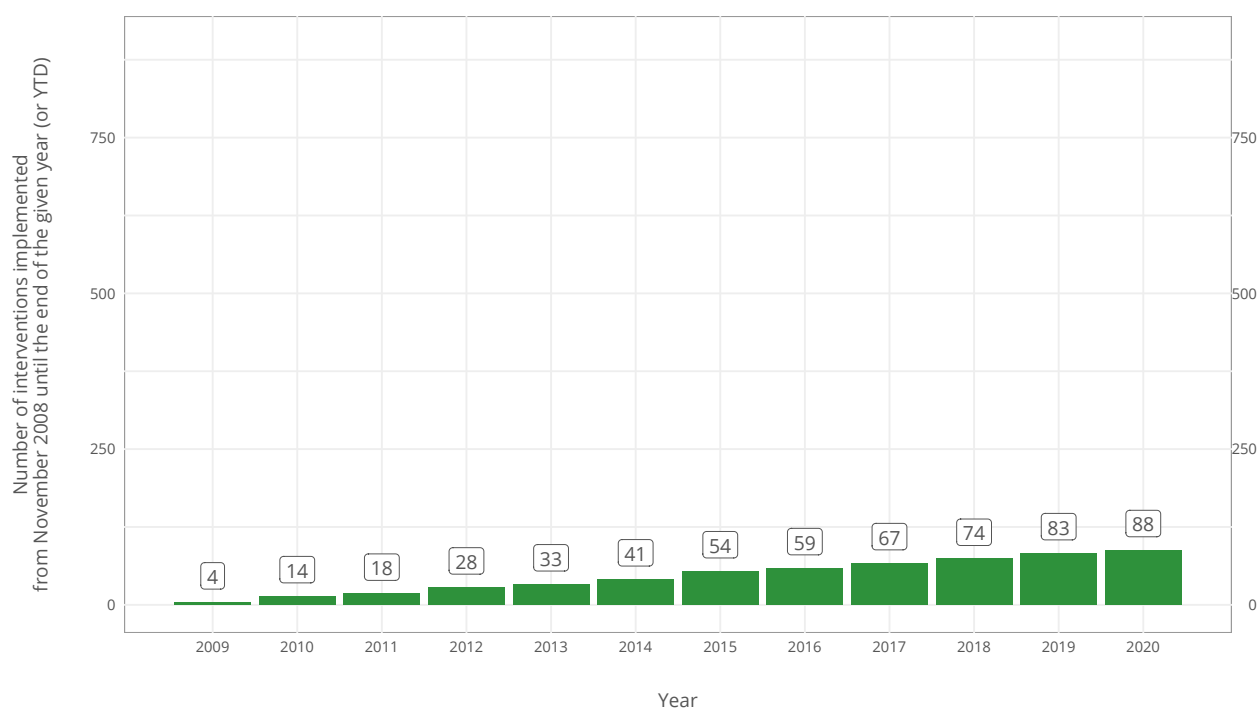
CANADA

Track record of liberalisation



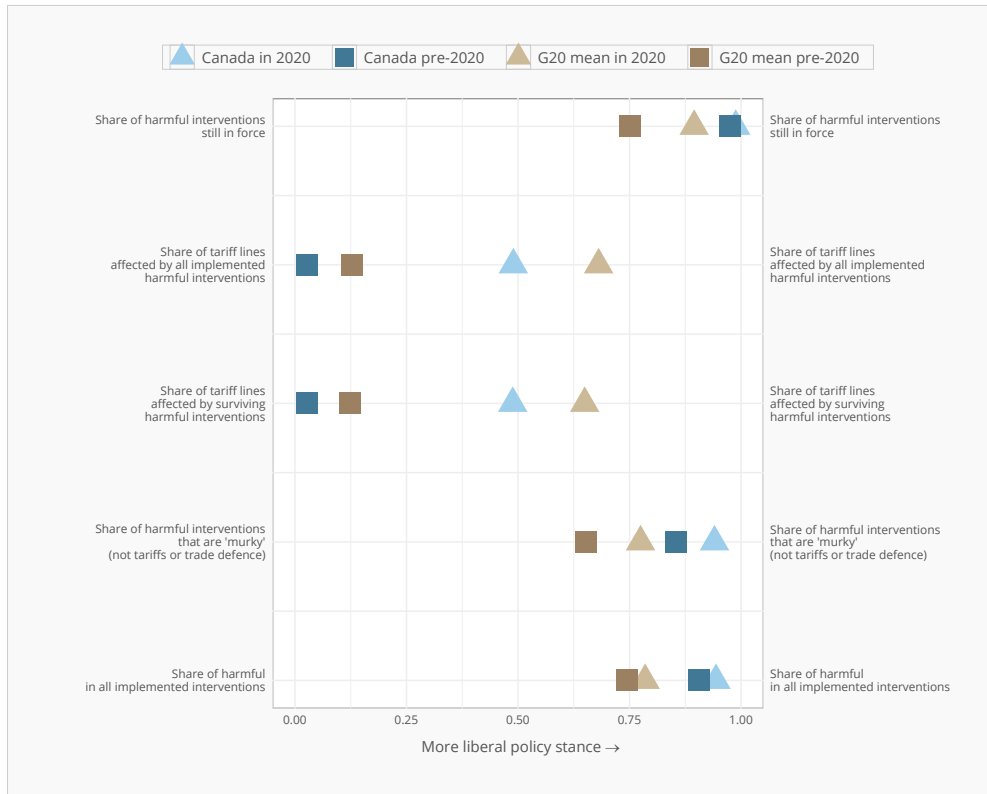
CANADA

Number of liberalising interventions imposed since November 2008



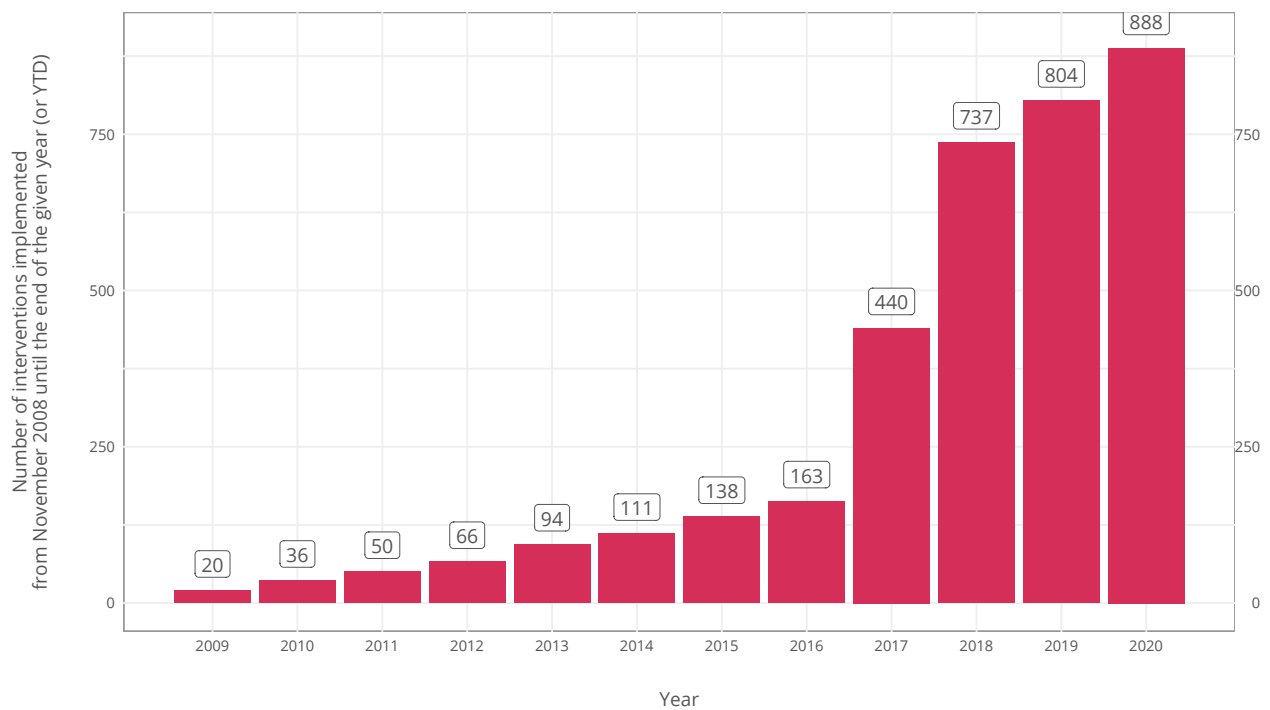
CANADA

Track record of protectionism



CANADA

Number of discriminatory interventions imposed since November 2008



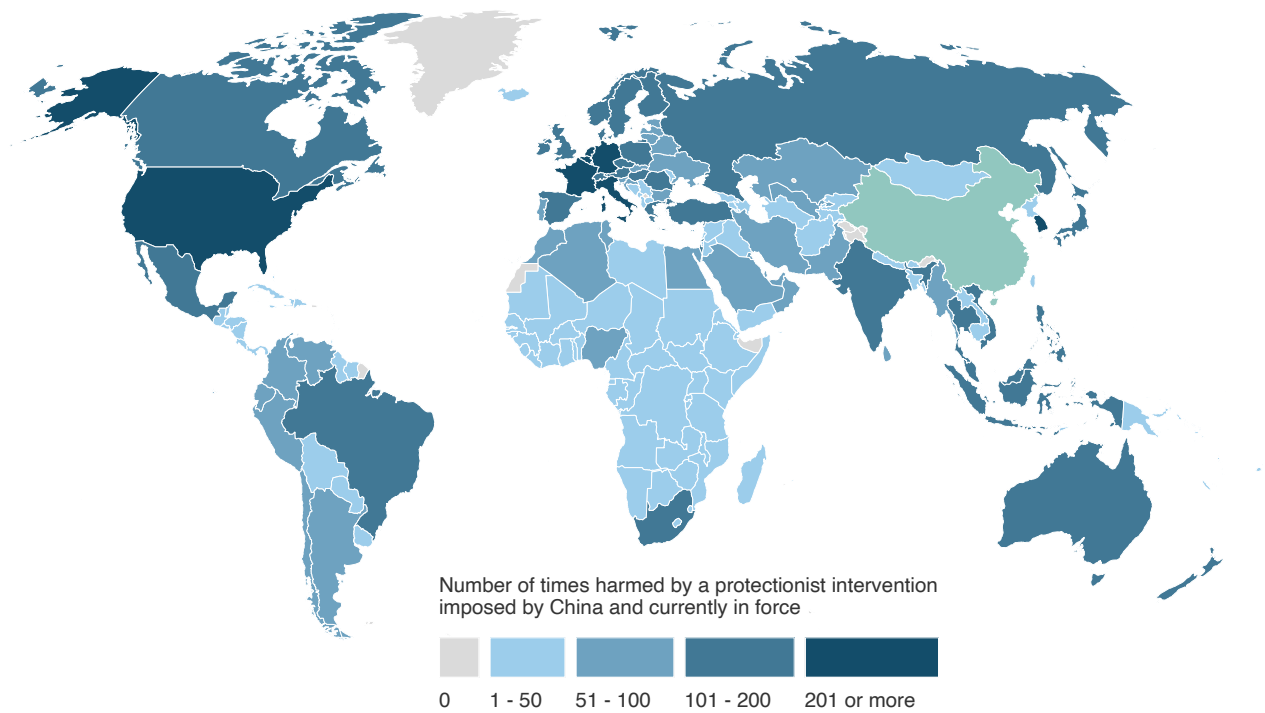
CHINA

What is at stake for China's exporters?

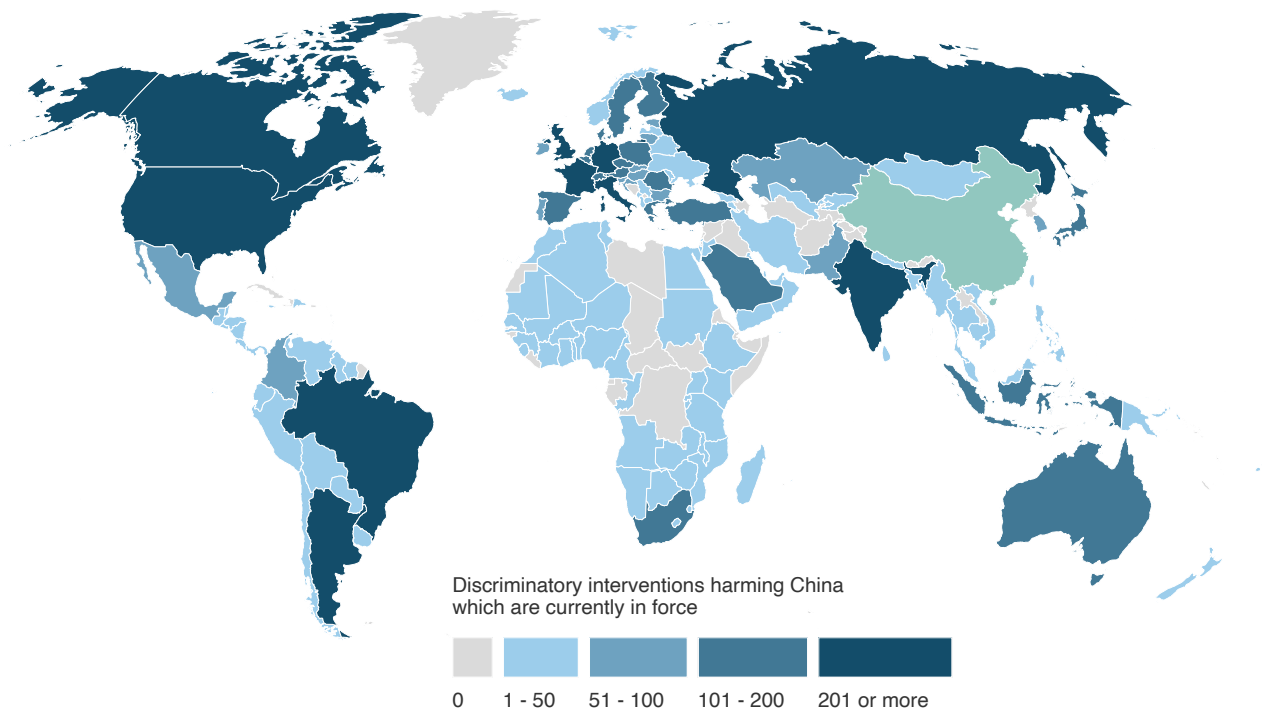
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	15.76	27.38	43.93	52.84	67.53	71.70	67.46	70.50	72.58	74.18	75.46	76.45
D	Contingent trade protection	0.55	1.89	2.70	2.92	3.21	3.57	3.80	4.07	4.42	4.81	5.21	5.48
E	Non-automatic licensing, quotas	0.31	0.25	0.42	0.52	0.71	0.70	0.84	1.21	1.44	1.50	1.78	1.98
F	Price control measures	0.04	0.07	0.13	0.16	0.17	0.29	0.40	0.43	0.43	1.00	1.10	1.12
G	Finance measures	0.28	0.61	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.02	1.02
I	Trade-related investment measures	0.04	0.19	0.37	0.49	0.54	1.06	1.64	1.82	1.94	1.96	1.94	1.98
L	Subsidies (excluding export subsidies)	1.81	2.73	7.80	11.72	31.64	32.38	22.62	23.71	24.28	25.76	26.94	27.72
M	Government procurement	0.83	0.87	1.06	1.33	3.41	4.56	4.98	4.94	5.09	5.15	5.42	7.00
P	Export measures	10.80	21.24	34.72	44.74	51.53	52.46	43.28	52.15	54.98	56.83	57.22	57.50
	Import tariff increases	1.61	2.06	2.97	4.27	5.07	25.33	24.02	25.43	28.56	32.95	39.36	47.00
	Instrument unclassified	0.15	0.34	0.39	0.41	0.55	0.94	1.02	1.09	1.08	2.16	2.29	2.28

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY CHINA'S DISCRIMINATORY INTERVENTIONS



DISCRIMINATORY INTERVENTIONS HARMING CHINA'S INTERESTS



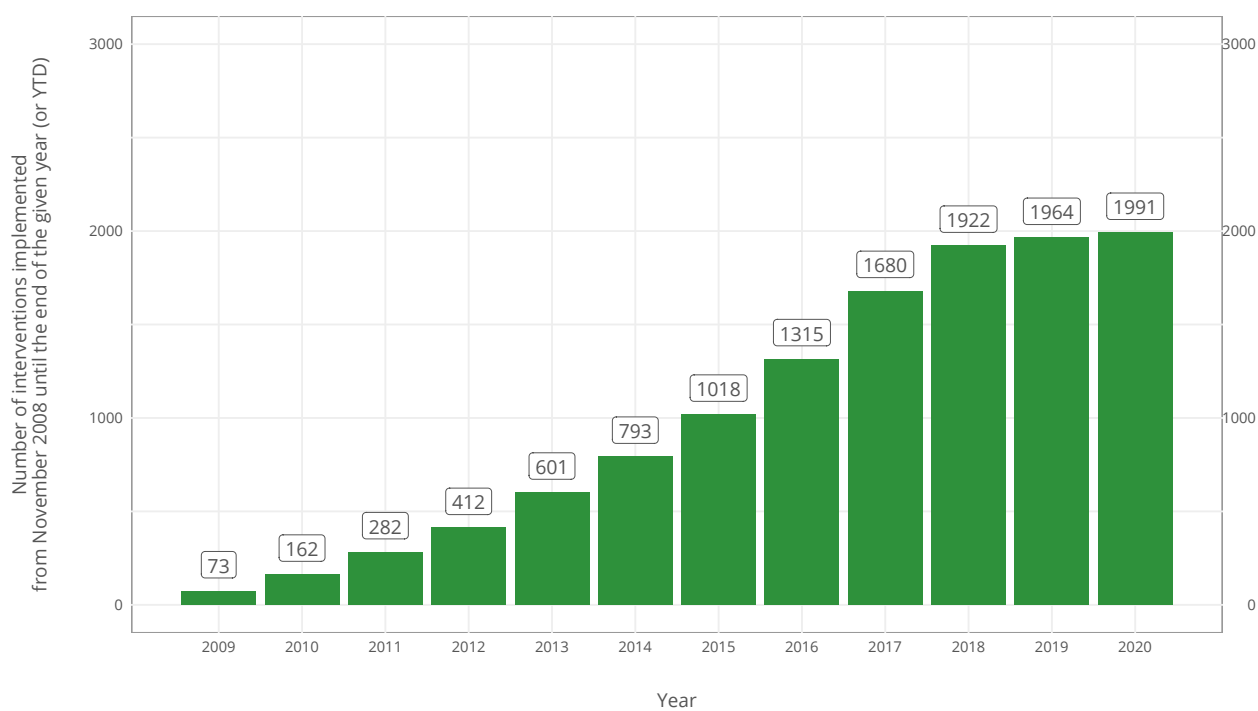
CHINA

Track record of liberalisation



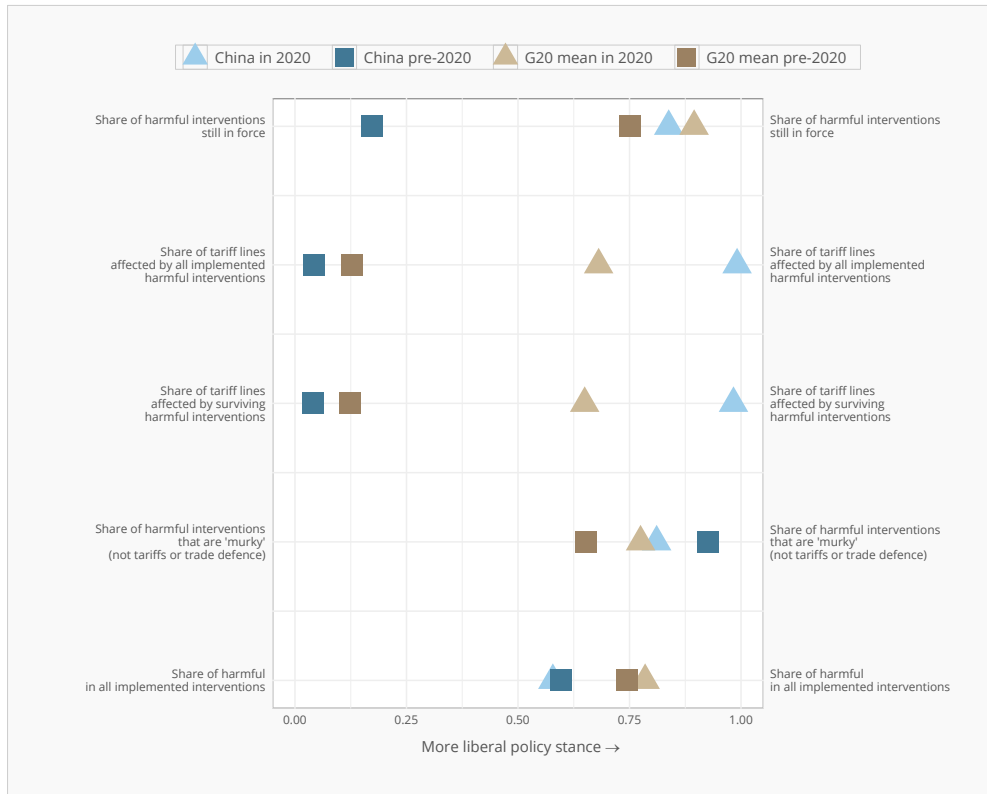
CHINA

Number of liberalising interventions imposed since November 2008



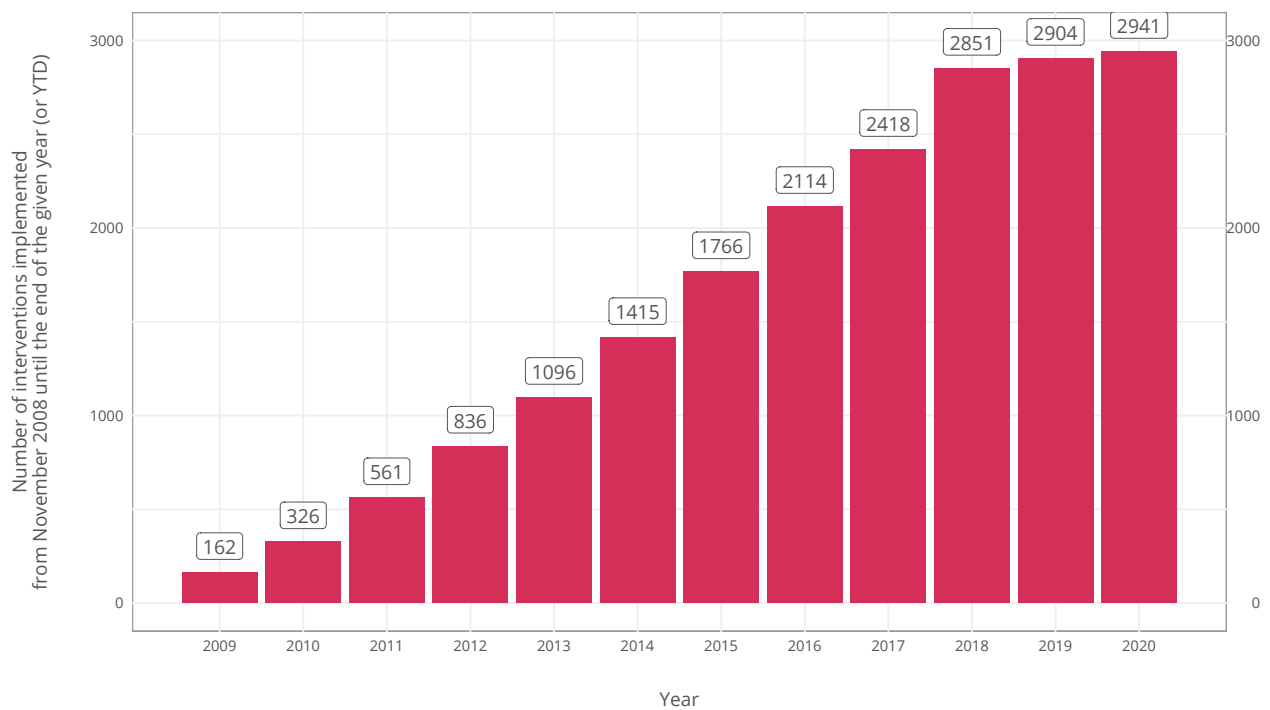
CHINA

Track record of protectionism



CHINA

Number of discriminatory interventions imposed since November 2008



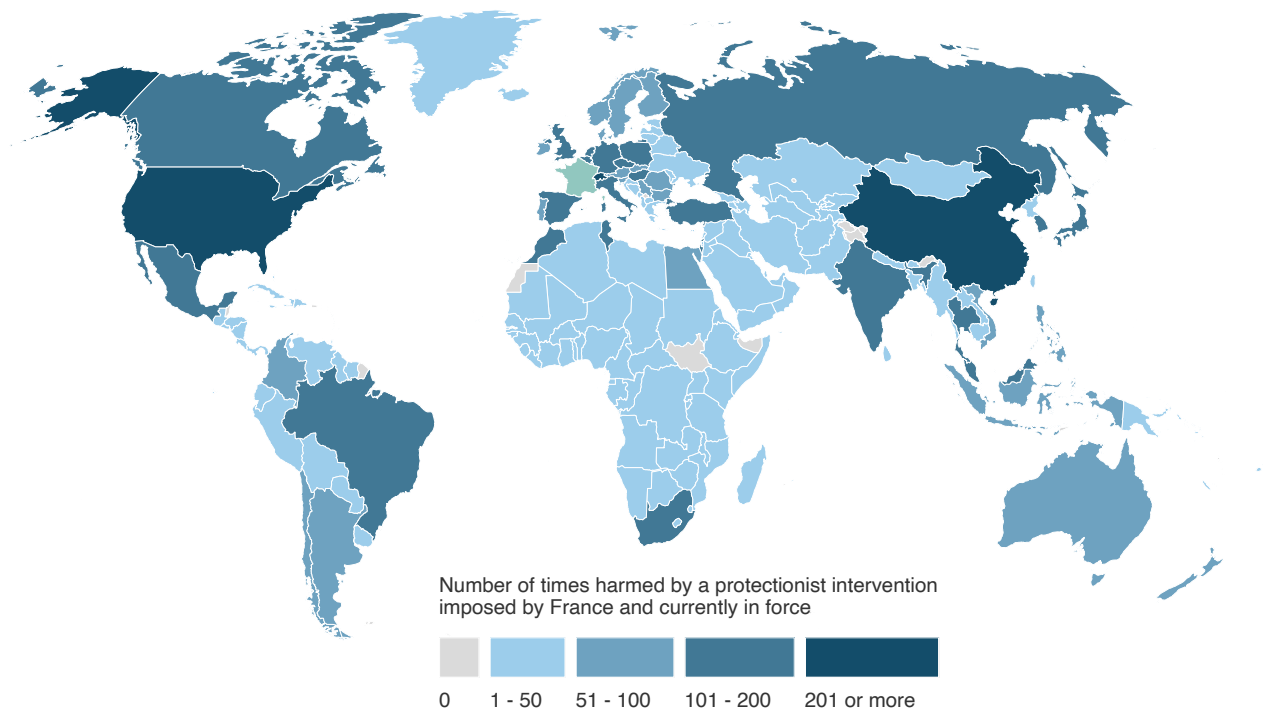
FRANCE

What is at stake for France's exporters?

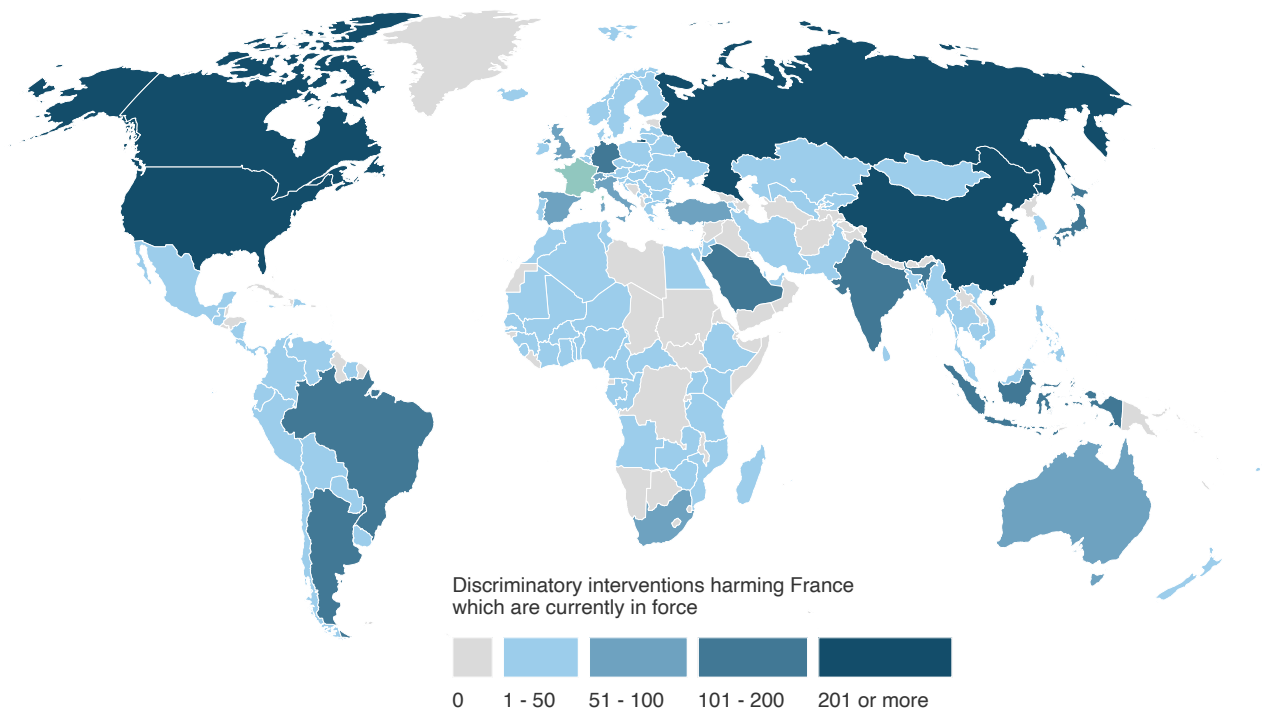
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	36.24	50.25	55.42	61.12	63.72	66.19	64.54	66.76	68.60	69.86	72.93	73.79
D	Contingent trade protection	0.01	0.03	0.03	0.04	0.07	0.17	0.16	0.26	0.28	0.32	0.39	0.41
E	Non-automatic licensing, quotas	0.12	0.17	1.10	1.22	1.33	1.50	1.58	1.56	1.91	2.53	2.55	2.54
F	Price control measures	0.01	0.02	0.06	0.08	0.29	0.82	0.97	1.05	1.09	1.25	1.27	1.27
G	Finance measures	0.17	0.24	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
I	Trade-related investment measures	0.11	0.17	0.21	0.23	0.25	0.46	0.68	0.98	1.53	1.47	1.47	1.39
L	Subsidies (excluding export subsidies)	6.44	10.57	8.32	10.78	10.75	14.90	14.09	16.23	17.89	21.77	24.04	25.81
M	Government procurement	0.34	0.43	0.31	0.48	0.63	0.82	1.10	1.22	1.28	1.38	1.60	1.62
P	Export measures	30.16	42.41	50.48	57.52	59.88	59.88	58.39	60.23	62.09	63.14	66.82	67.56
	Import tariff increases	1.27	1.65	2.00	2.47	3.02	2.87	3.07	3.64	4.38	4.81	5.57	6.57
	Instrument unclassified	0.15	0.28	0.31	0.33	0.95	1.25	1.36	1.43	1.52	1.64	1.60	1.58

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY FRANCE’S DISCRIMINATORY INTERVENTIONS

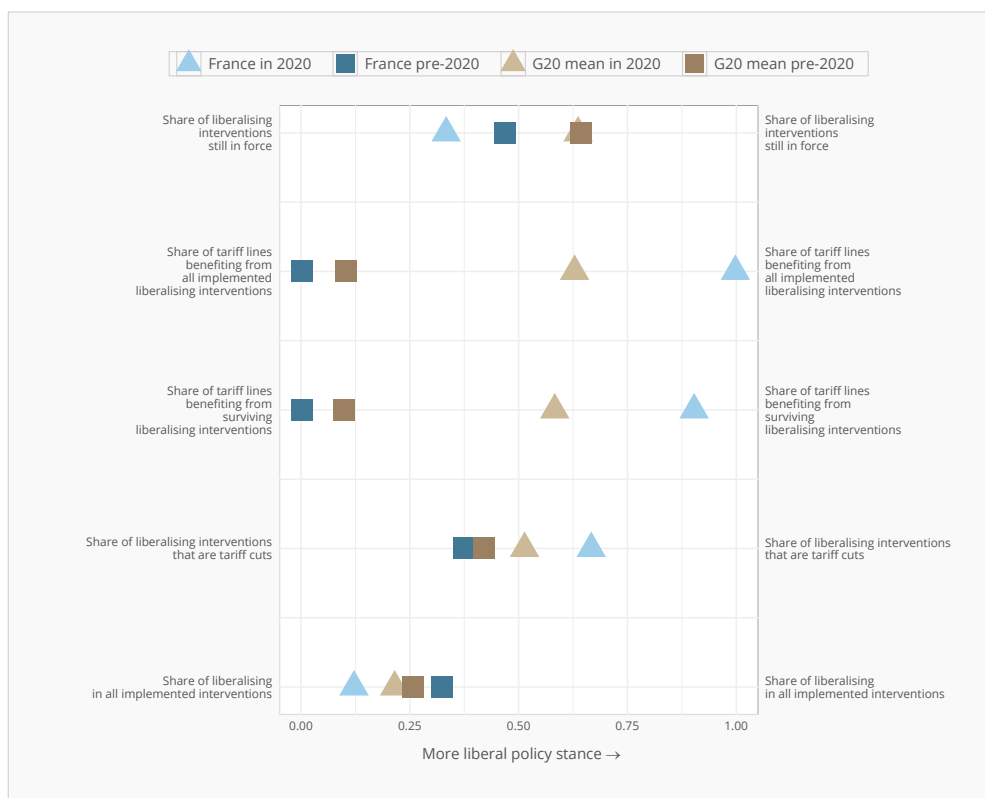


DISCRIMINATORY INTERVENTIONS HARMING FRANCE’S INTERESTS



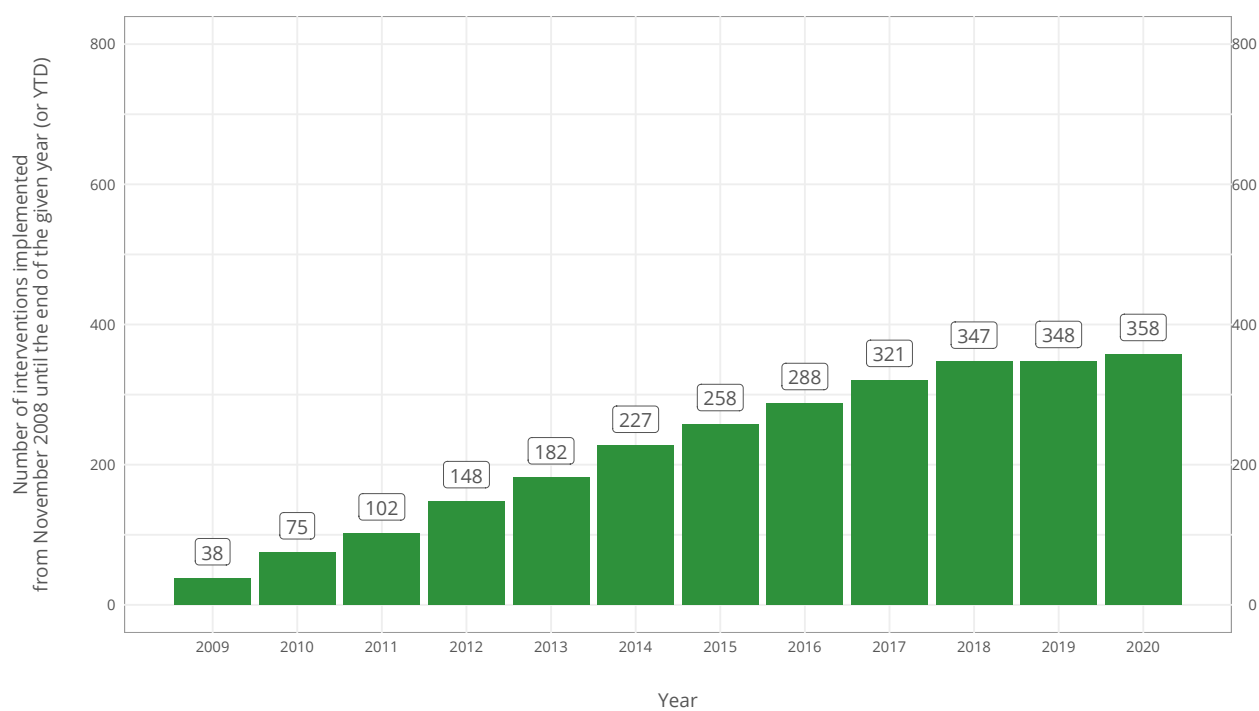
FRANCE

Track record of liberalisation



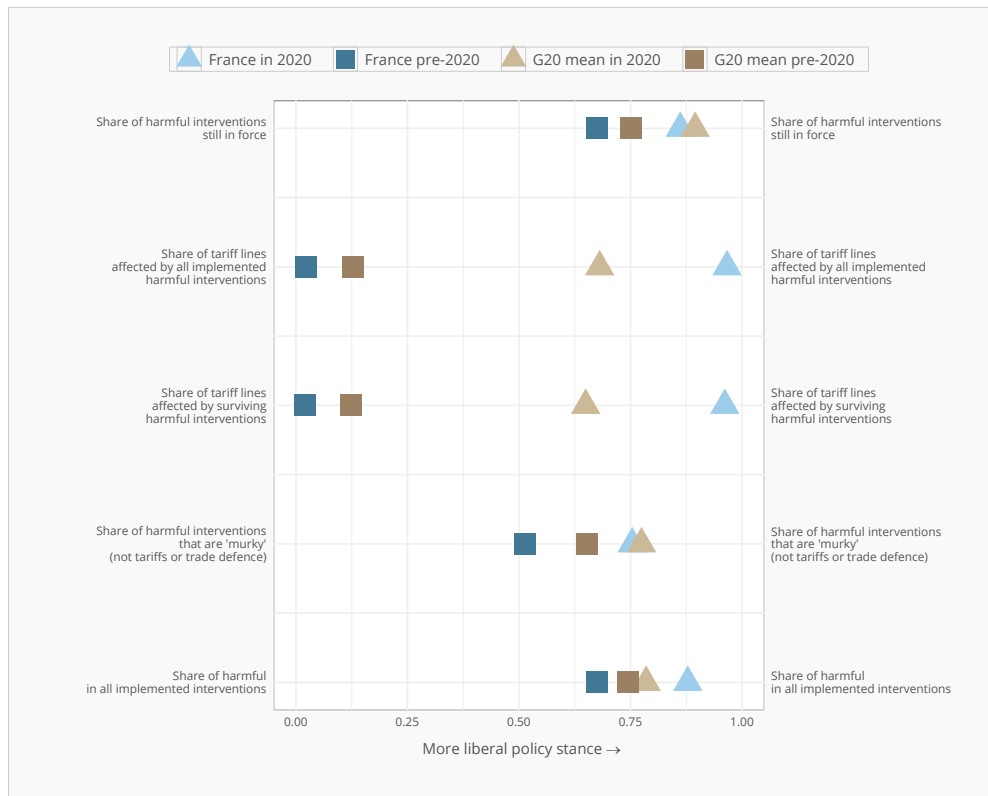
FRANCE

Number of liberalising interventions imposed since November 2008



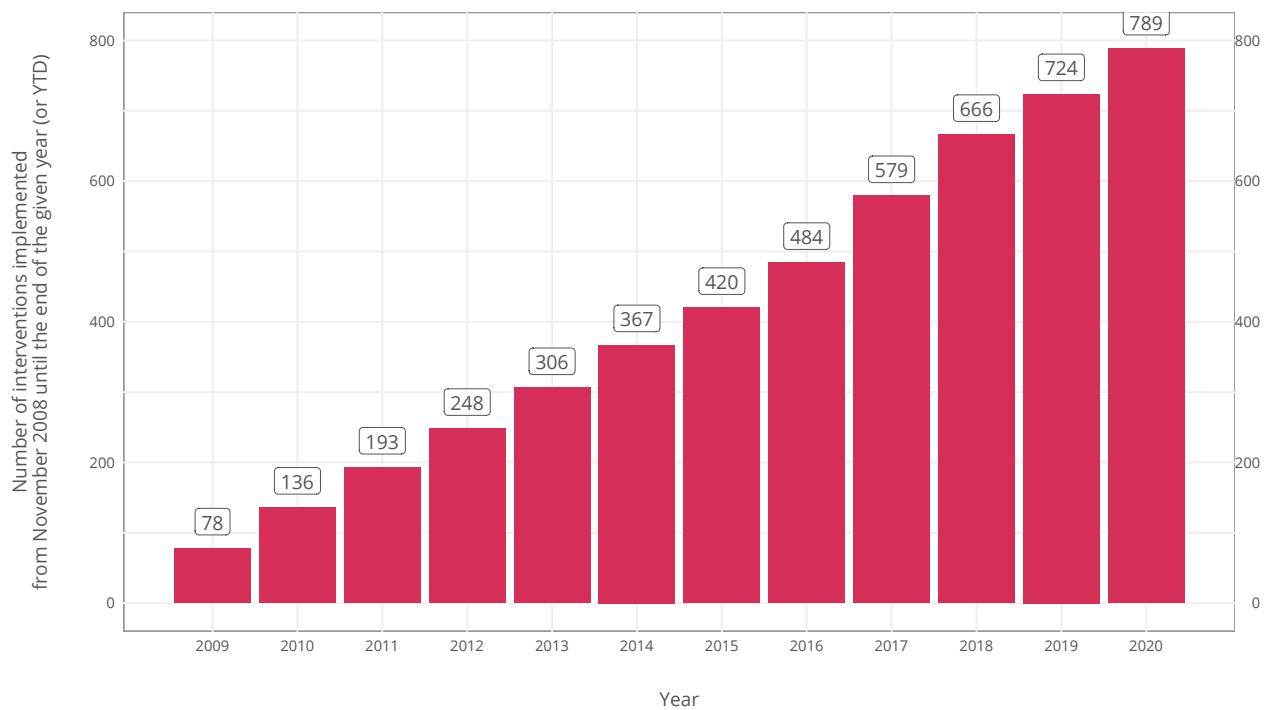
FRANCE

Track record of protectionism



FRANCE

Number of discriminatory interventions imposed since November 2008



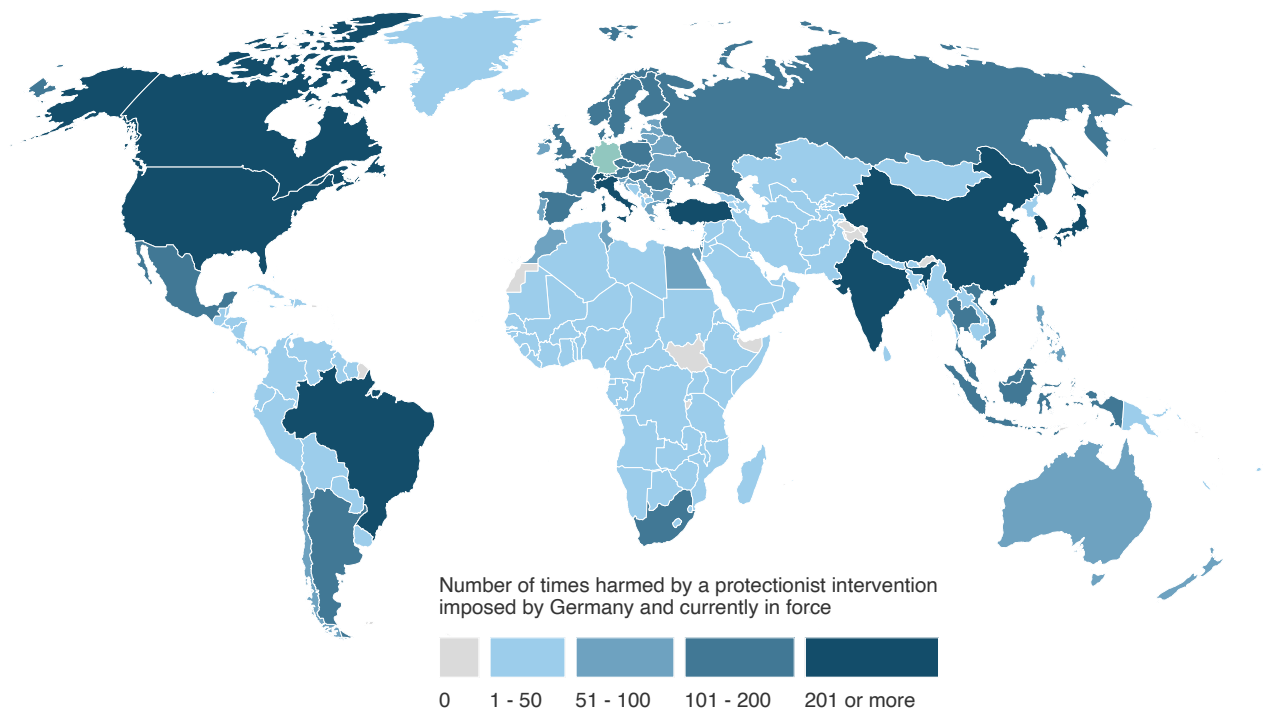
GERMANY

What is at stake for Germany's exporters?

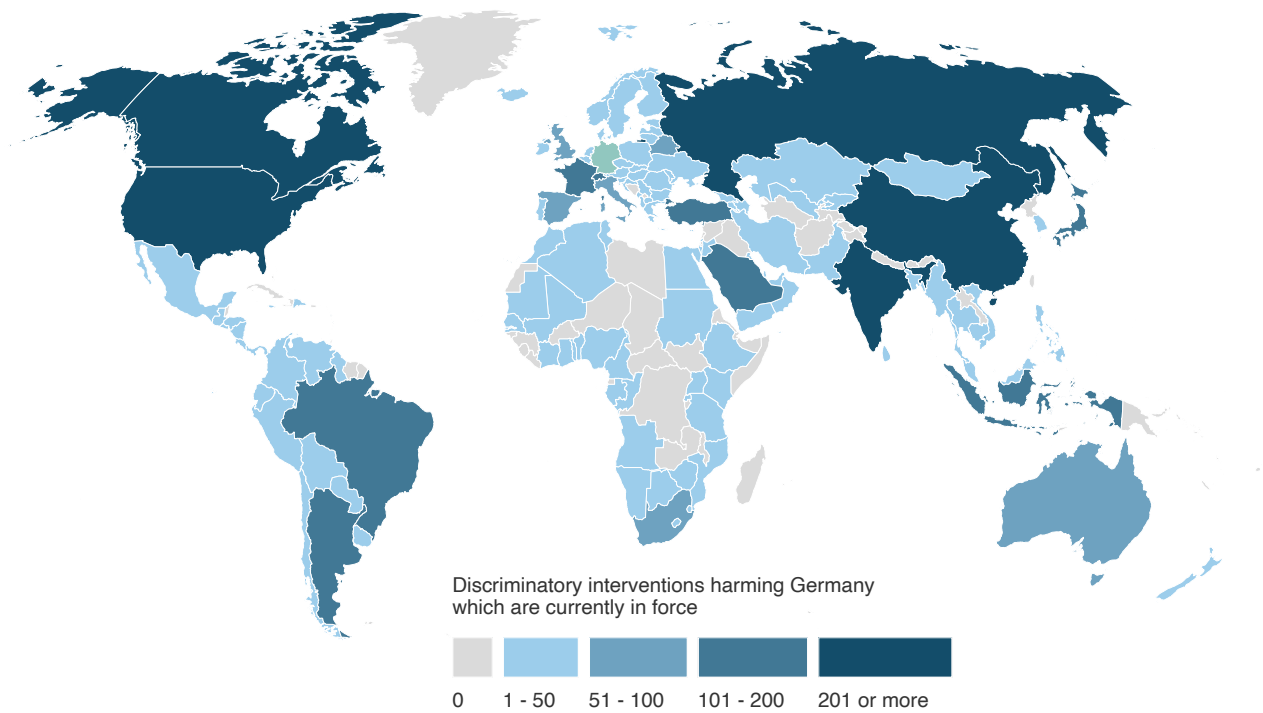
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	42.21	53.95	55.90	59.37	61.44	63.29	61.75	63.85	66.40	67.85	70.71	71.67
D	Contingent trade protection	0.04	0.08	0.09	0.13	0.21	0.23	0.24	0.32	0.33	0.41	0.47	0.54
E	Non-automatic licensing, quotas	0.26	0.37	1.50	1.59	1.99	1.69	1.76	1.76	1.97	2.38	2.42	2.47
F	Price control measures	0.01	0.05	0.07	0.11	0.14	0.28	0.44	0.54	0.83	1.21	1.25	1.31
G	Finance measures	0.20	0.26	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
I	Trade-related investment measures	0.25	1.61	1.81	1.85	1.88	2.05	2.39	2.56	2.64	2.59	2.62	2.60
L	Subsidies (excluding export subsidies)	10.45	13.97	10.33	12.15	12.60	15.63	14.80	16.92	19.37	21.73	22.86	24.65
M	Government procurement	0.33	0.54	0.54	0.81	0.90	1.33	1.76	1.85	1.92	1.97	2.07	2.47
P	Export measures	33.16	44.29	48.51	53.81	55.99	54.92	53.48	55.04	57.63	59.42	63.05	63.70
	Import tariff increases	1.04	1.53	1.66	2.72	3.46	3.02	3.19	3.76	4.77	5.01	5.67	6.34
	Instrument unclassified	0.05	0.24	0.32	0.34	0.48	0.57	0.78	0.80	0.94	1.03	1.00	0.98

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY GERMANY'S DISCRIMINATORY INTERVENTIONS



DISCRIMINATORY INTERVENTIONS HARMING GERMANY'S INTERESTS



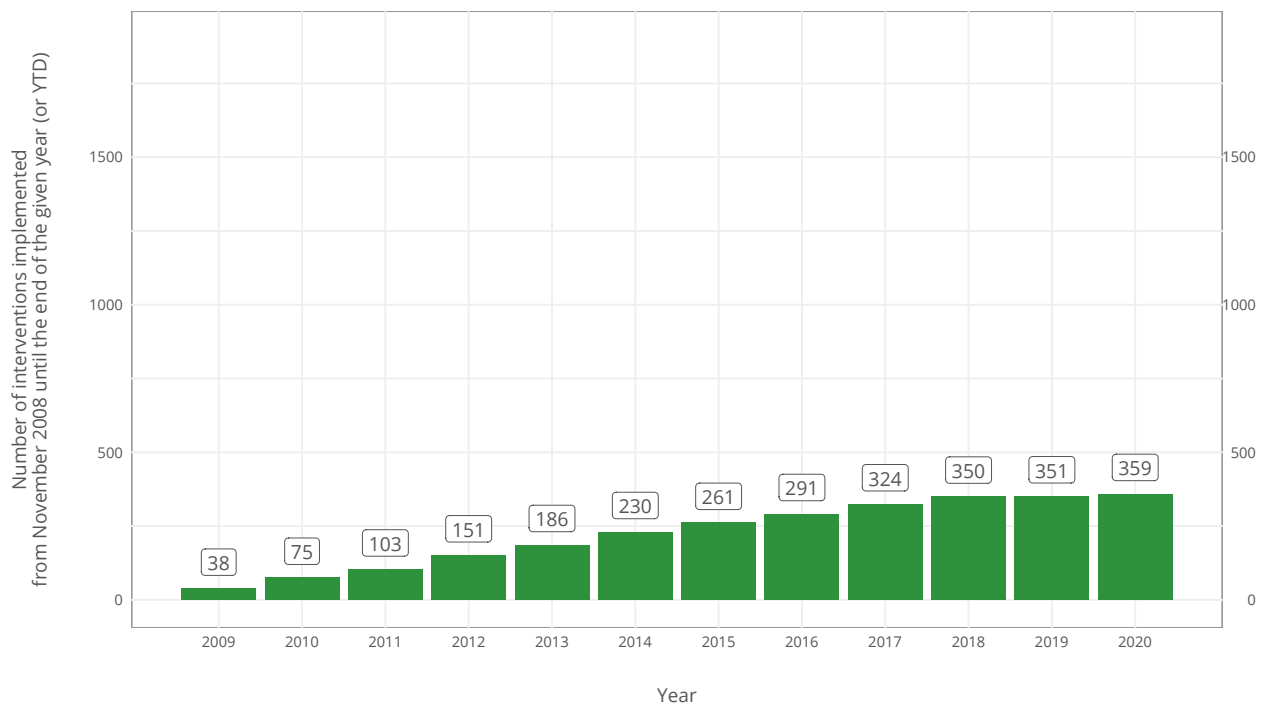
GERMANY

Track record of liberalisation



GERMANY

Number of liberalising interventions imposed since November 2008



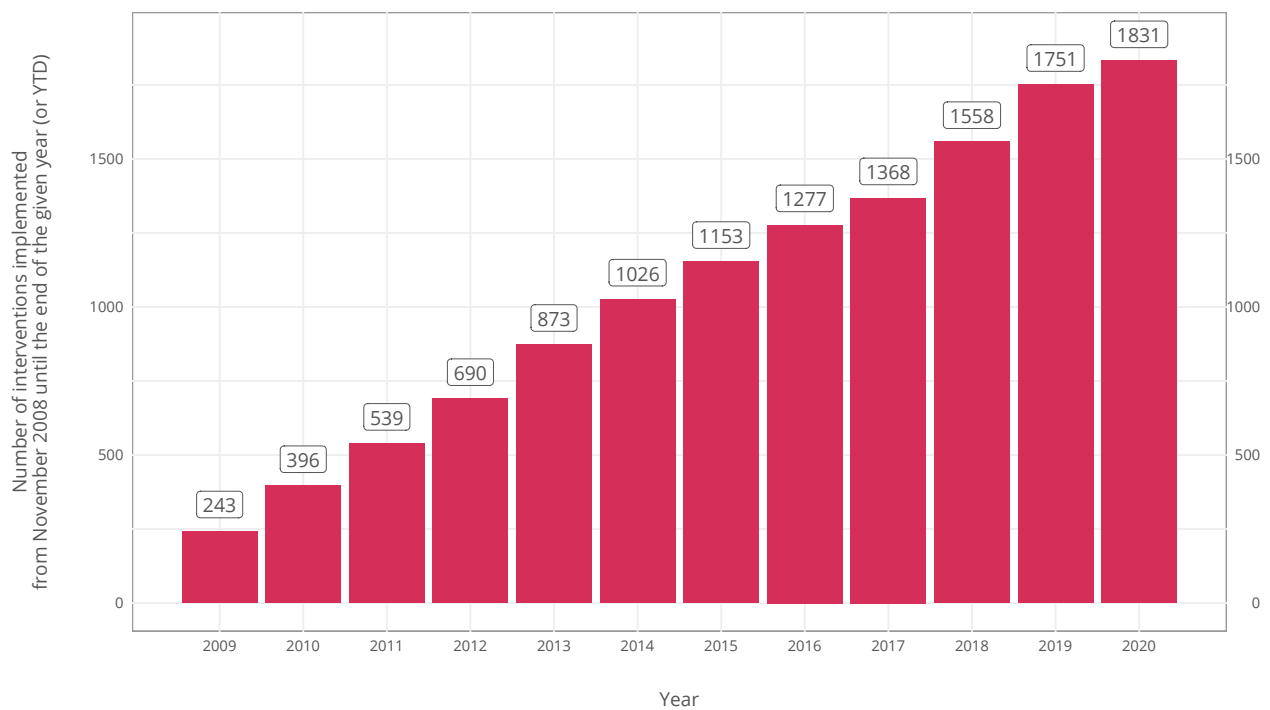
GERMANY

Track record of protectionism



GERMANY

Number of discriminatory interventions imposed since November 2008



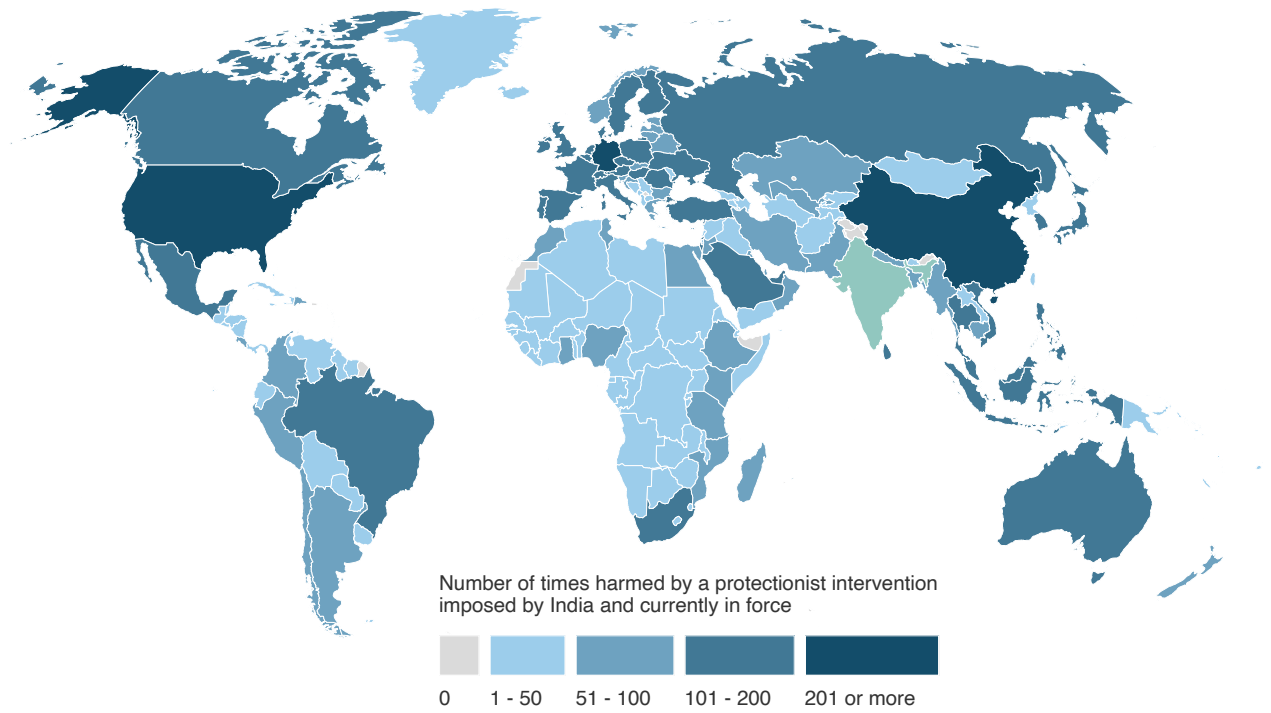
INDIA

What is at stake for India's exporters?

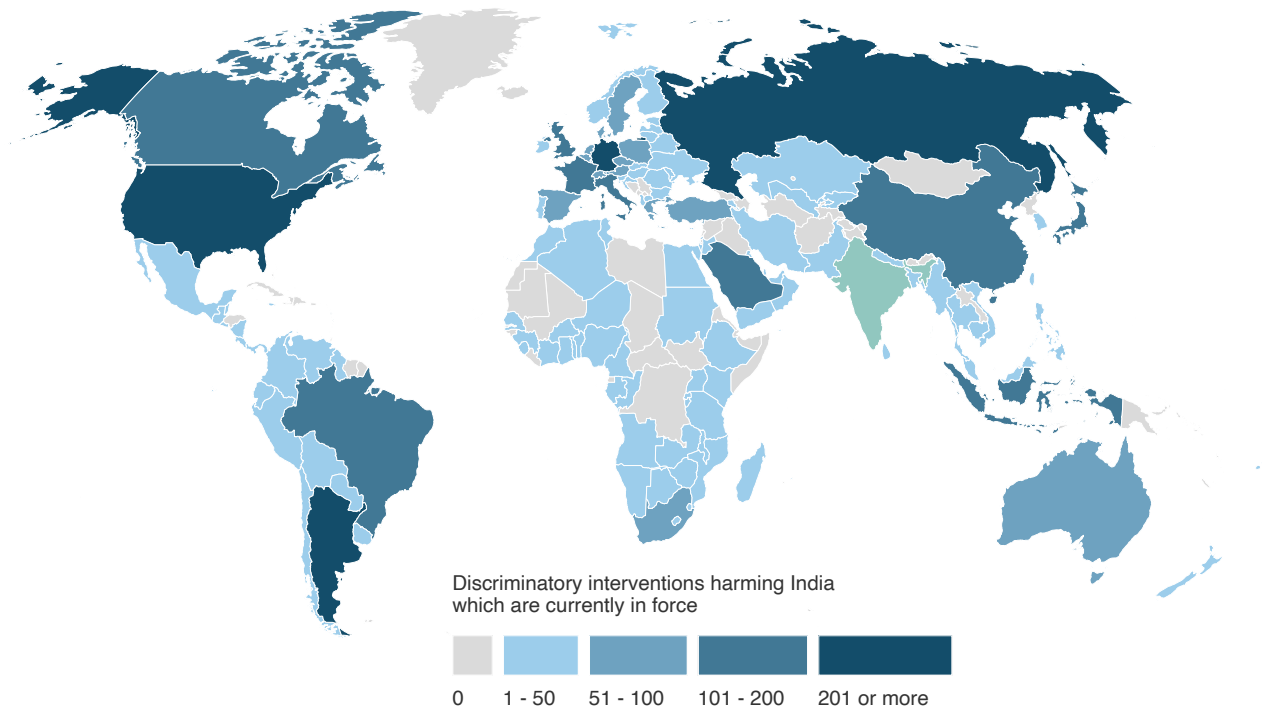
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	38.88	46.42	57.37	53.75	58.60	63.55	73.47	75.99	76.92	77.55	78.05	77.83
D	Contingent trade protection	0.16	0.23	0.62	0.83	0.86	1.04	1.08	1.61	1.77	2.47	3.05	3.05
E	Non-automatic licensing, quotas	0.20	4.18	6.00	7.57	7.11	7.46	7.72	8.70	9.44	9.76	9.61	8.96
F	Price control measures	5.35	5.37	5.37	5.37	5.37	5.53	5.59	5.62	5.62	5.63	5.67	5.68
G	Finance measures	0.60	0.89	1.28	1.28	1.36	1.28	1.31	1.31	1.31	1.36	1.48	1.48
I	Trade-related investment measures	0.04	0.18	0.22	0.28	0.33	1.23	2.36	1.95	1.76	1.67	1.65	1.64
L	Subsidies (excluding export subsidies)	1.94	3.78	9.28	11.34	28.91	30.60	21.07	17.15	24.81	27.65	21.94	22.73
M	Government procurement	1.10	1.22	1.26	1.54	1.62	1.78	2.14	2.33	2.25	2.29	2.46	2.55
P	Export measures	32.44	40.73	51.45	46.03	46.18	52.01	64.01	67.85	69.31	70.26	71.13	71.35
	Import tariff increases	1.48	2.11	2.88	5.57	6.25	24.52	12.86	15.65	17.24	18.70	23.19	21.80
	Instrument unclassified	0.10	0.26	0.17	0.20	0.25	0.43	0.55	0.72	0.82	0.88	0.94	0.94

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY INDIA'S DISCRIMINATORY INTERVENTIONS



DISCRIMINATORY INTERVENTIONS HARMING INDIA'S INTERESTS



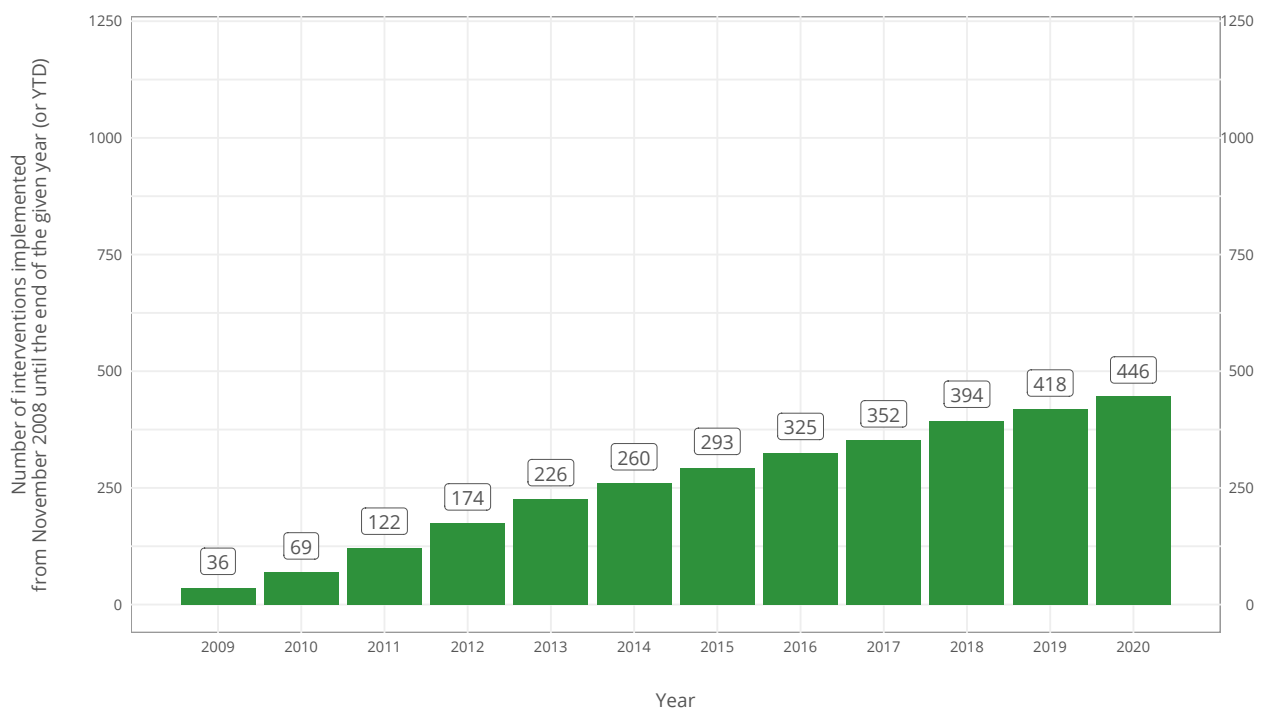
INDIA

Track record of liberalisation



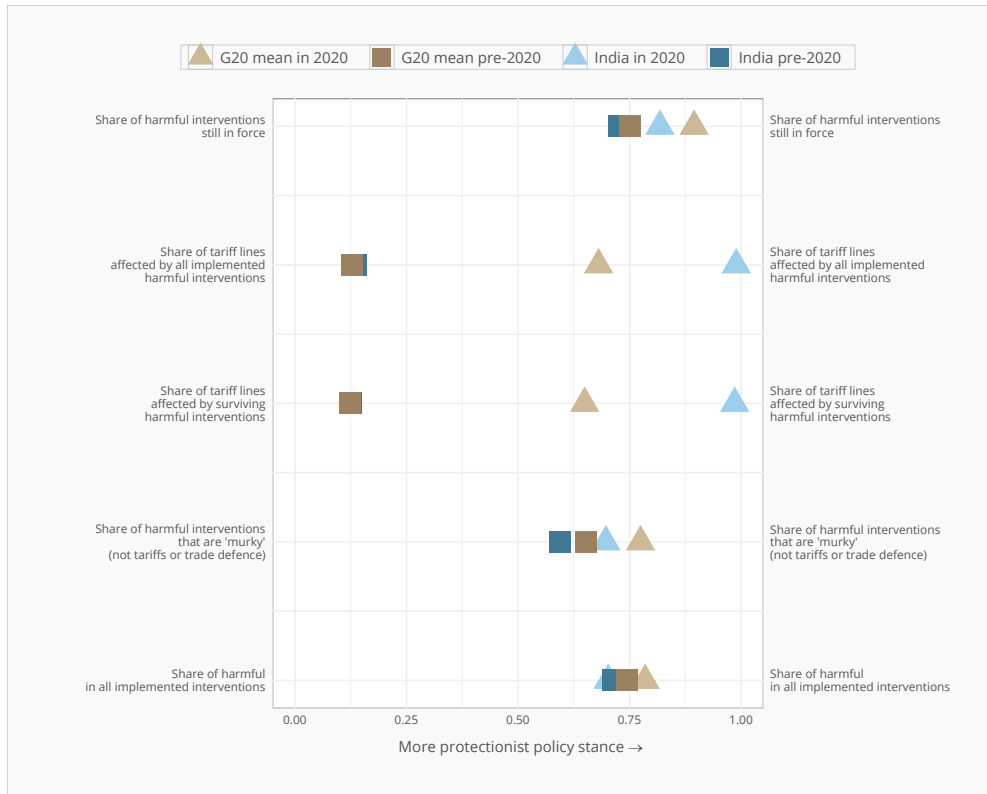
INDIA

Number of liberalising interventions imposed since November 2008



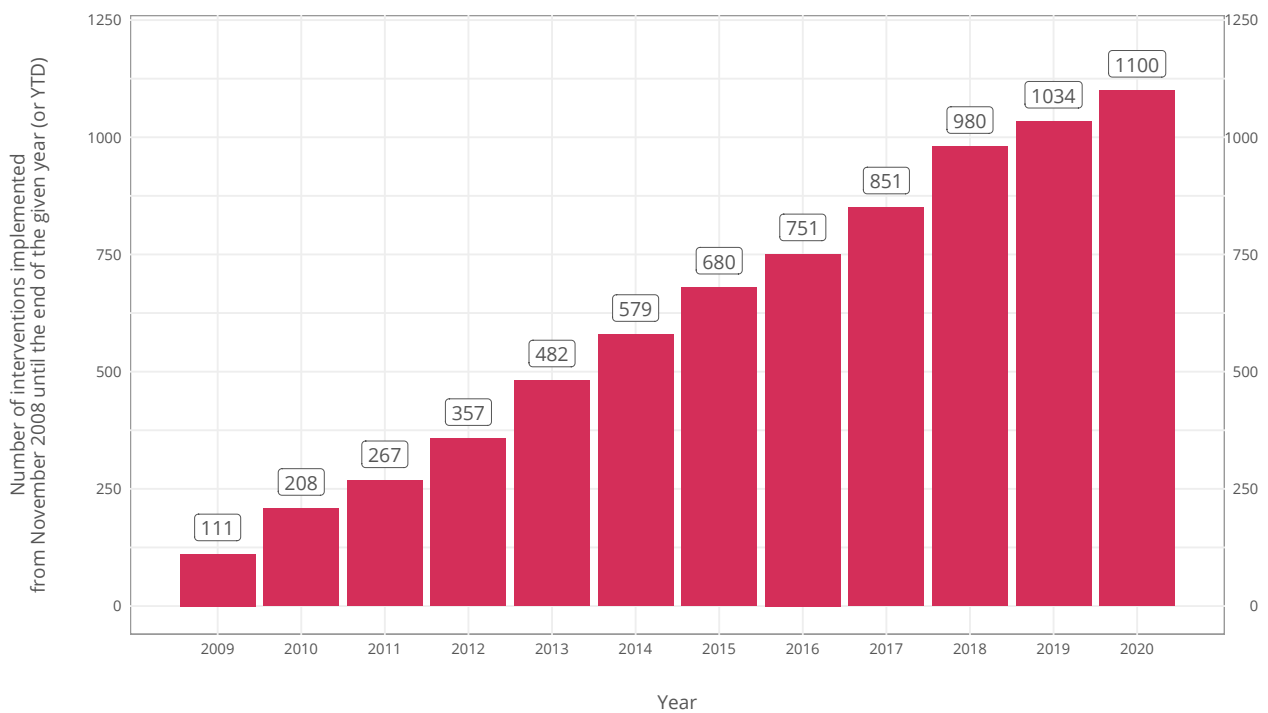
INDIA

Track record of protectionism



INDIA

Number of discriminatory interventions imposed since November 2008



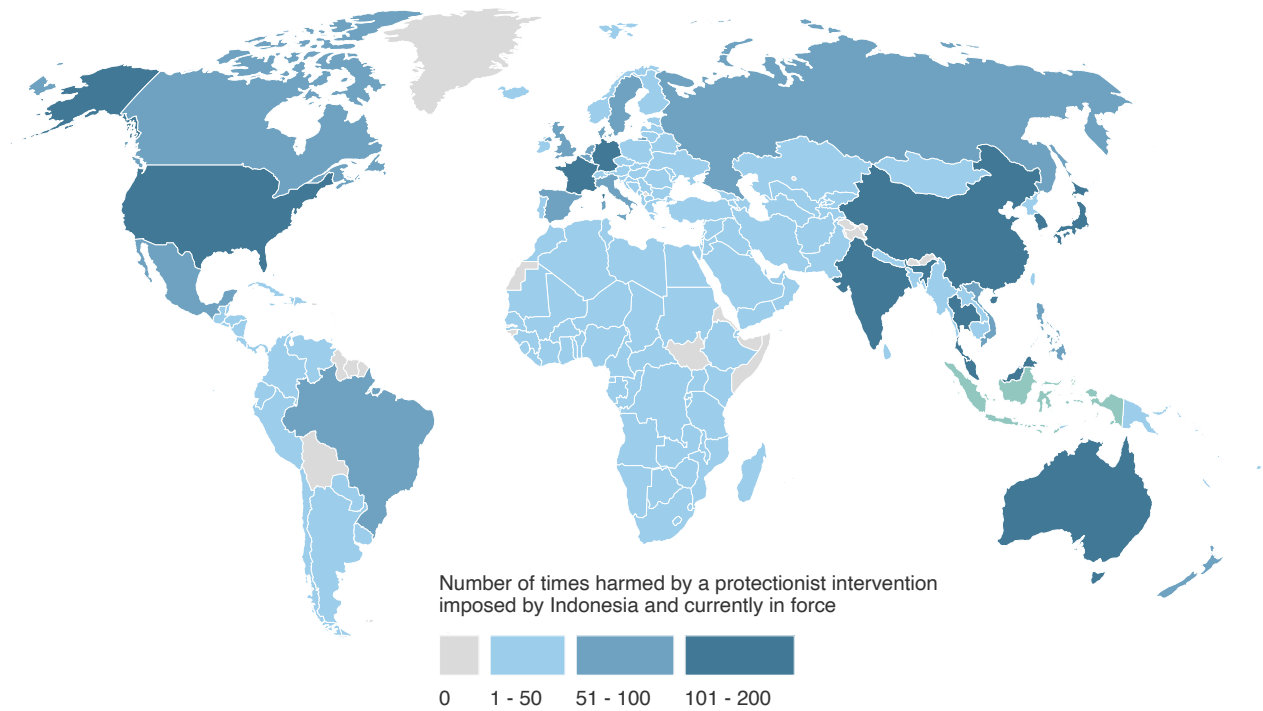
INDONESIA

What is at stake for Indonesia's exporters?

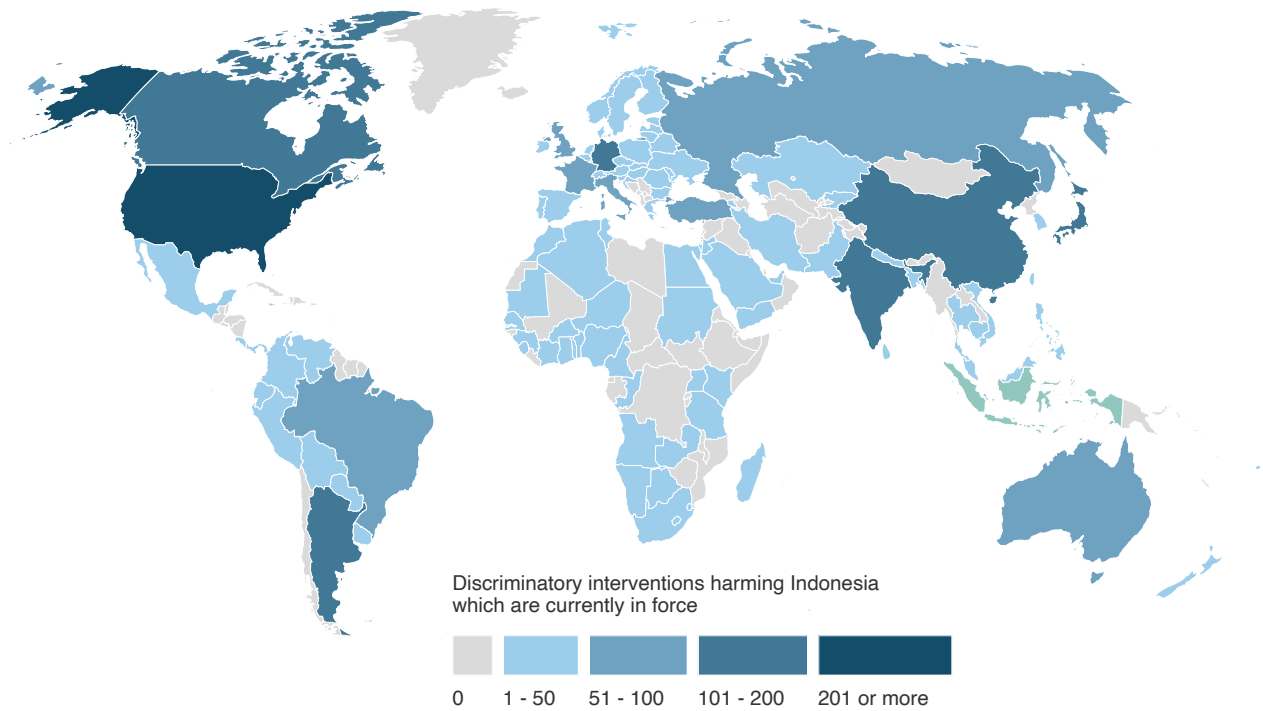
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	40.53	44.89	49.70	53.78	59.69	67.04	64.03	65.60	67.33	69.51	72.16	73.56
D	Contingent trade protection	0.20	0.30	0.34	0.40	0.46	0.48	0.48	0.55	0.60	1.26	1.30	1.33
E	Non-automatic licensing, quotas	1.21	0.99	3.00	3.41	3.18	3.22	3.54	4.66	4.79	4.81	4.81	5.00
F	Price control measures	1.20	1.20	1.26	1.30	1.30	2.02	2.53	2.54	2.54	5.05	5.32	5.33
G	Finance measures	0.06	0.31	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
I	Trade-related investment measures	0.00	0.03	0.14	0.29	0.41	0.52	0.57	0.63	0.66	0.66	0.65	0.66
L	Subsidies (excluding export subsidies)	3.76	3.69	6.96	7.60	17.01	17.47	13.88	14.35	15.35	20.05	19.36	21.81
M	Government procurement	0.32	1.70	1.56	1.59	1.62	1.69	1.90	1.90	1.94	1.99	2.27	2.27
P	Export measures	32.44	37.59	40.26	43.37	48.12	55.87	53.79	55.13	56.98	57.47	60.13	60.43
	Import tariff increases	3.66	4.91	5.68	7.64	8.32	17.81	11.26	13.21	16.12	16.01	16.89	16.60
	Instrument unclassified	0.01	0.21	0.05	0.05	0.19	0.32	0.47	0.85	1.13	1.20	1.21	1.21

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY INDONESIA'S DISCRIMINATORY INTERVENTIONS

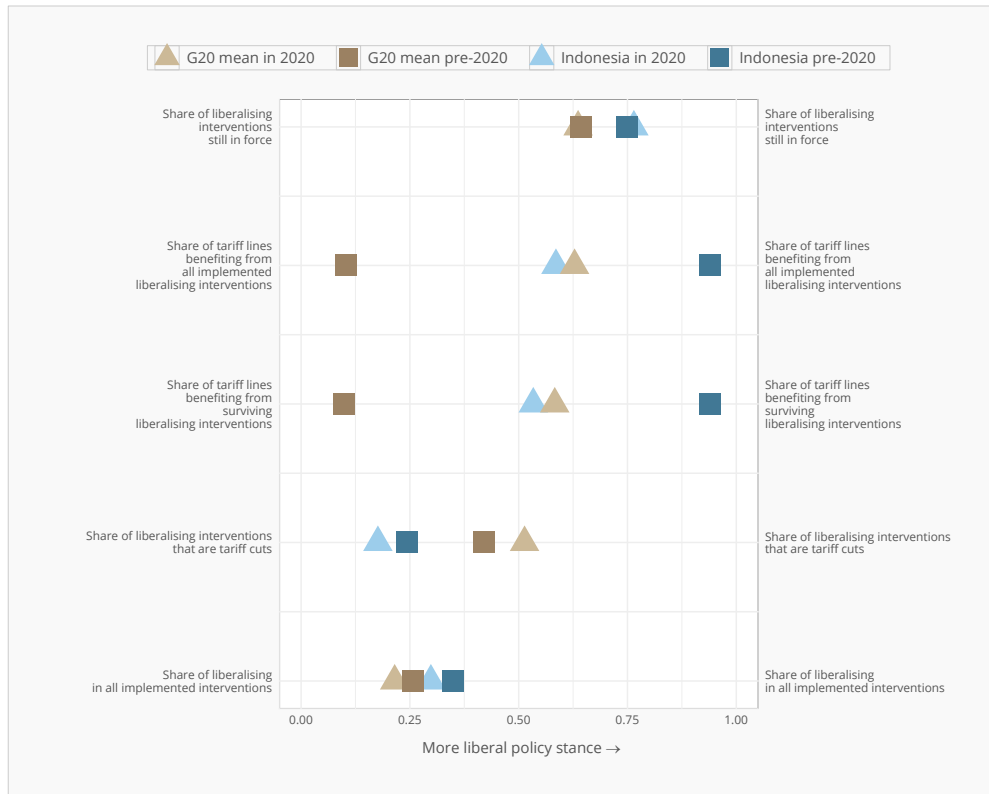


DISCRIMINATORY INTERVENTIONS HARMING INDONESIA'S INTERESTS



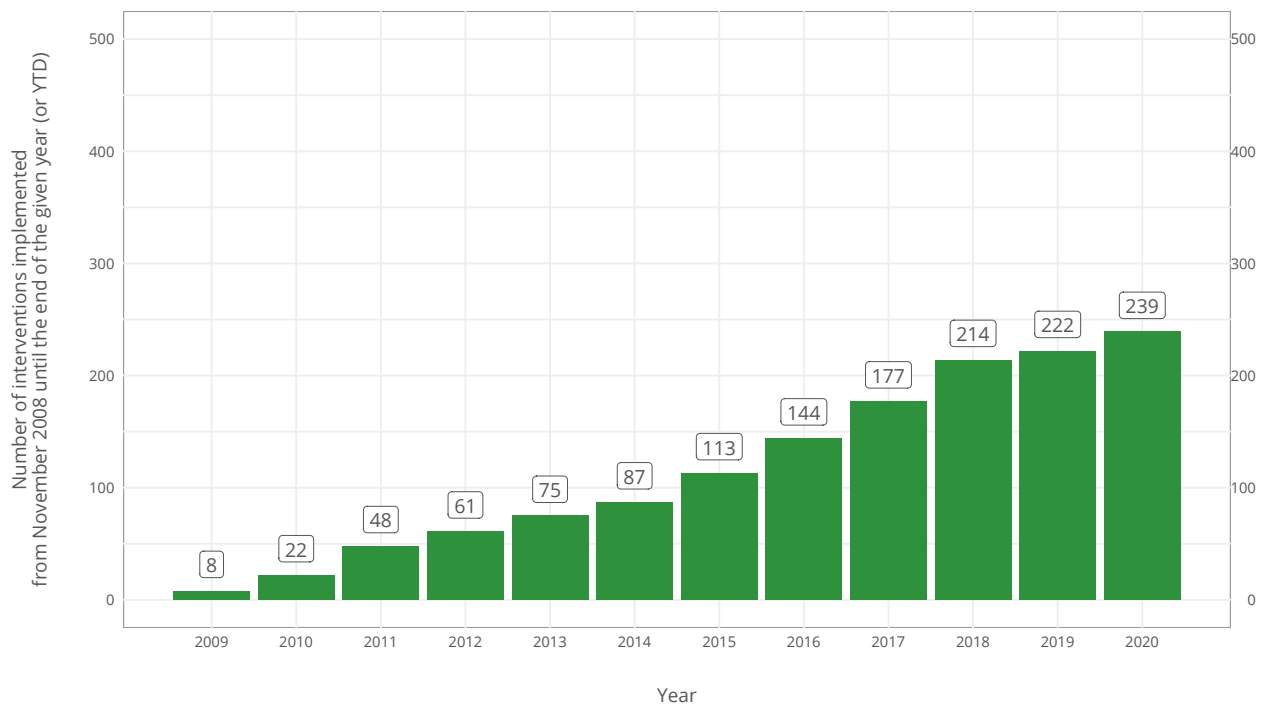
INDONESIA

Track record of liberalisation



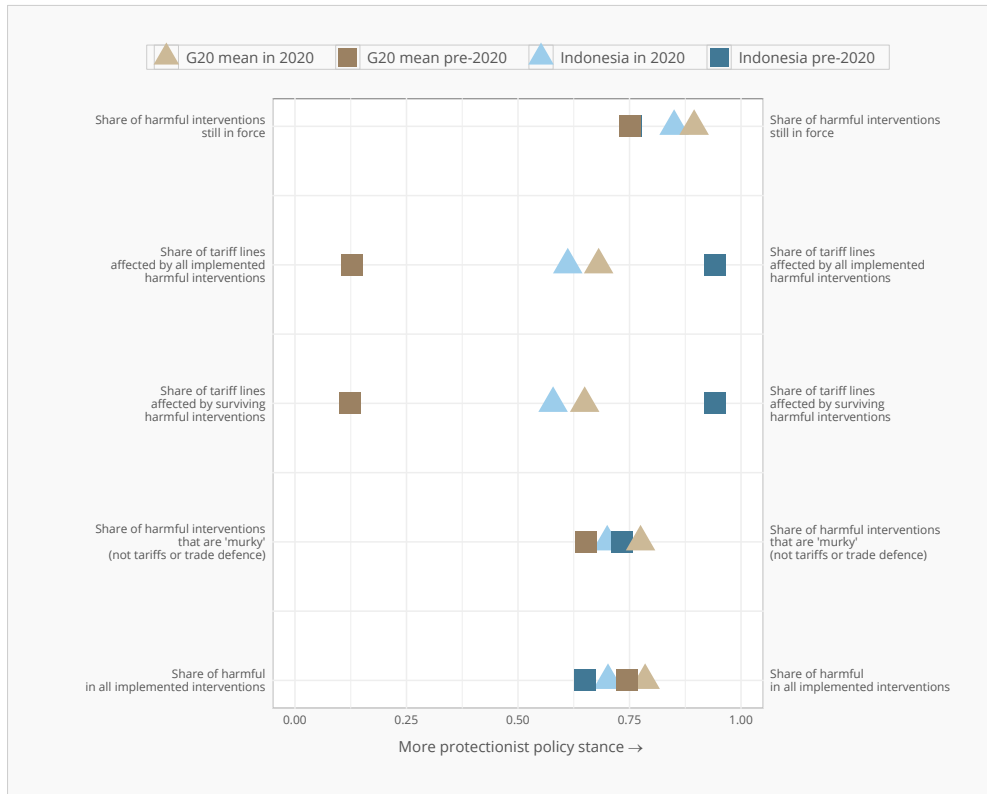
INDONESIA

Number of liberalising interventions imposed since November 2008



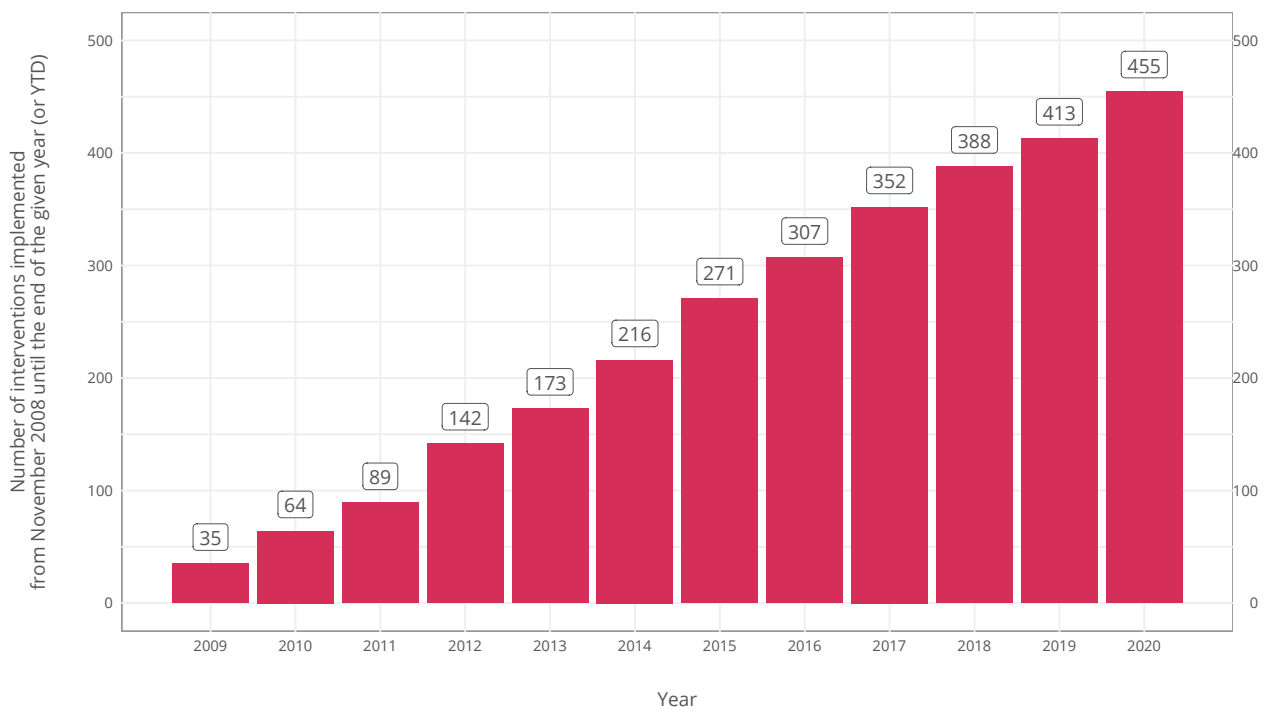
INDONESIA

Track record of protectionism



INDONESIA

Number of discriminatory interventions imposed since November 2008



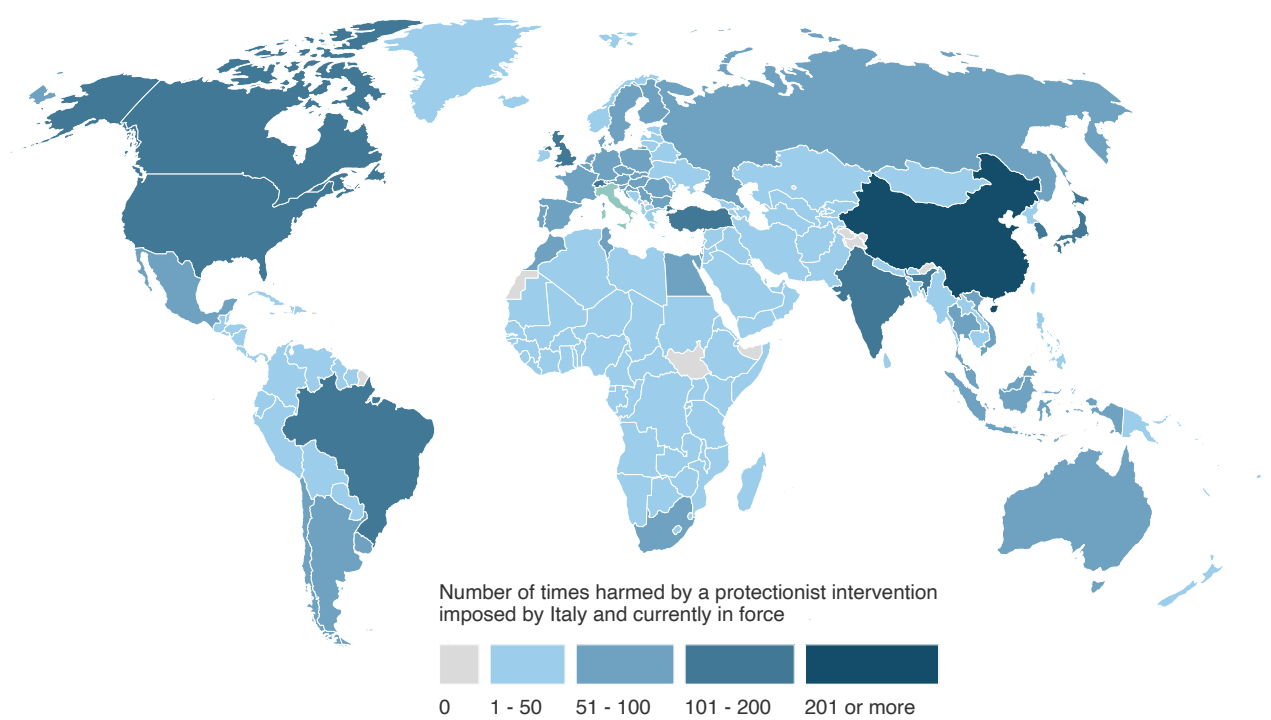
ITALY

What is at stake for Italy's exporters?

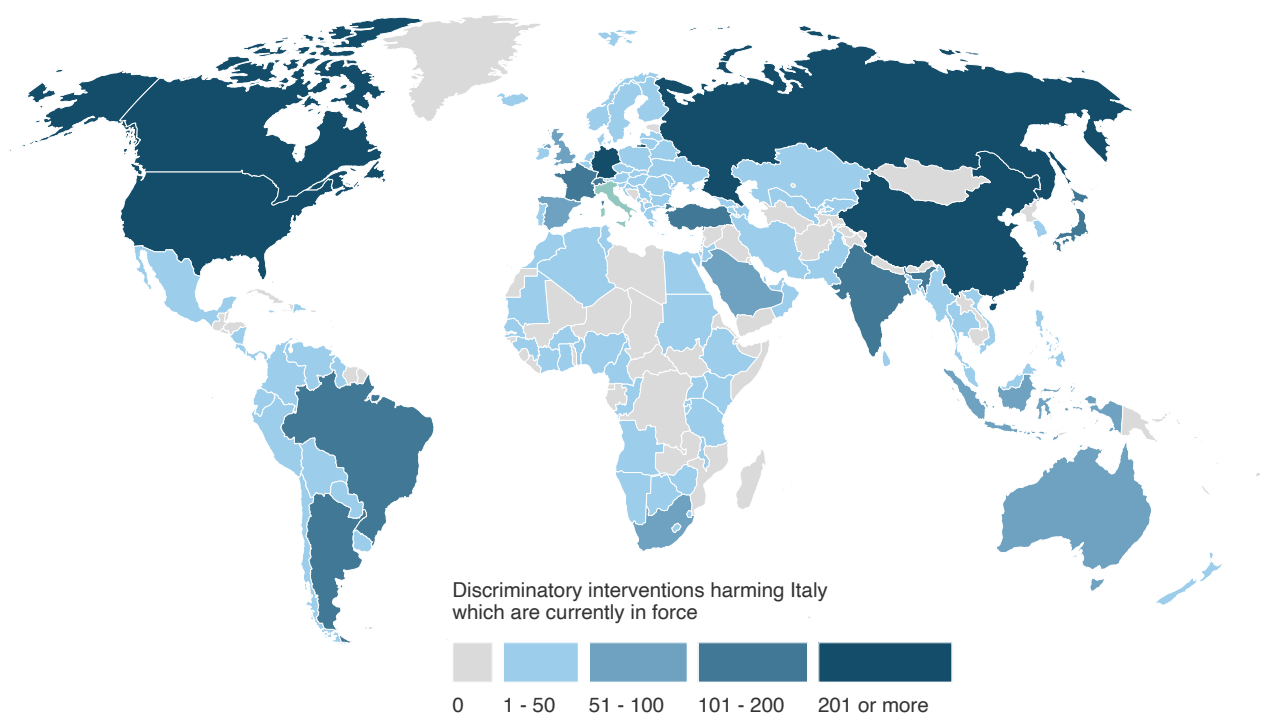
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	48.07	59.49	62.33	65.69	67.71	68.91	67.81	70.06	71.97	73.13	75.65	76.13
D	Contingent trade protection	0.02	0.05	0.07	0.11	0.14	0.19	0.18	0.29	0.32	0.37	0.48	0.57
E	Non-automatic licensing, quotas	0.23	0.22	0.63	0.75	0.80	0.82	1.09	1.09	1.23	1.51	1.55	1.59
F	Price control measures	0.00	0.03	0.12	0.19	0.19	0.21	0.35	0.41	0.43	0.77	0.81	0.82
G	Finance measures	0.24	0.35	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39	0.39
I	Trade-related investment measures	0.03	0.76	0.94	0.98	1.02	1.29	1.55	1.65	1.71	1.67	1.63	1.61
L	Subsidies (excluding export subsidies)	4.78	7.18	5.60	7.04	8.25	11.22	11.58	13.95	15.41	18.25	19.49	20.50
M	Government procurement	0.37	0.42	0.38	0.64	0.72	1.22	1.66	1.76	1.91	2.08	2.32	2.30
P	Export measures	44.37	55.05	58.69	62.52	64.80	64.46	62.81	64.62	66.06	66.93	70.22	70.66
	Import tariff increases	0.86	1.38	1.50	2.38	2.98	2.77	3.01	3.43	4.23	4.59	5.69	6.89
	Instrument unclassified	0.07	0.14	0.16	0.17	0.26	0.30	0.47	0.61	0.71	0.80	0.81	0.81

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY ITALY’S DISCRIMINATORY INTERVENTIONS

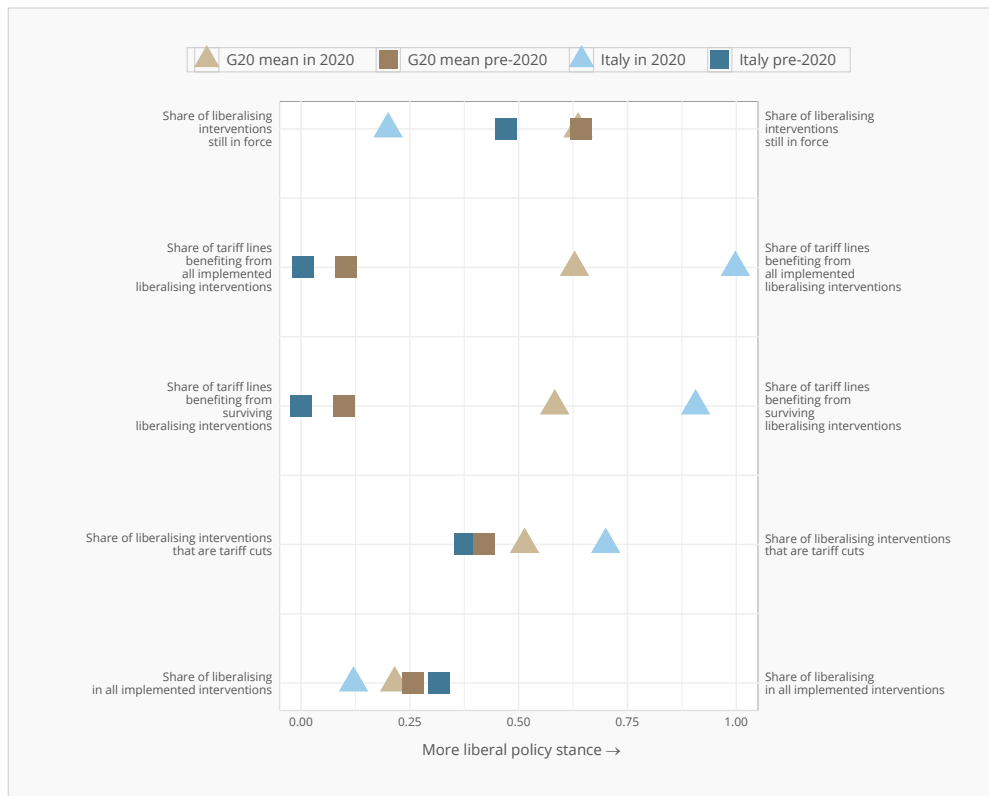


DISCRIMINATORY INTERVENTIONS HARMING ITALY’S INTERESTS



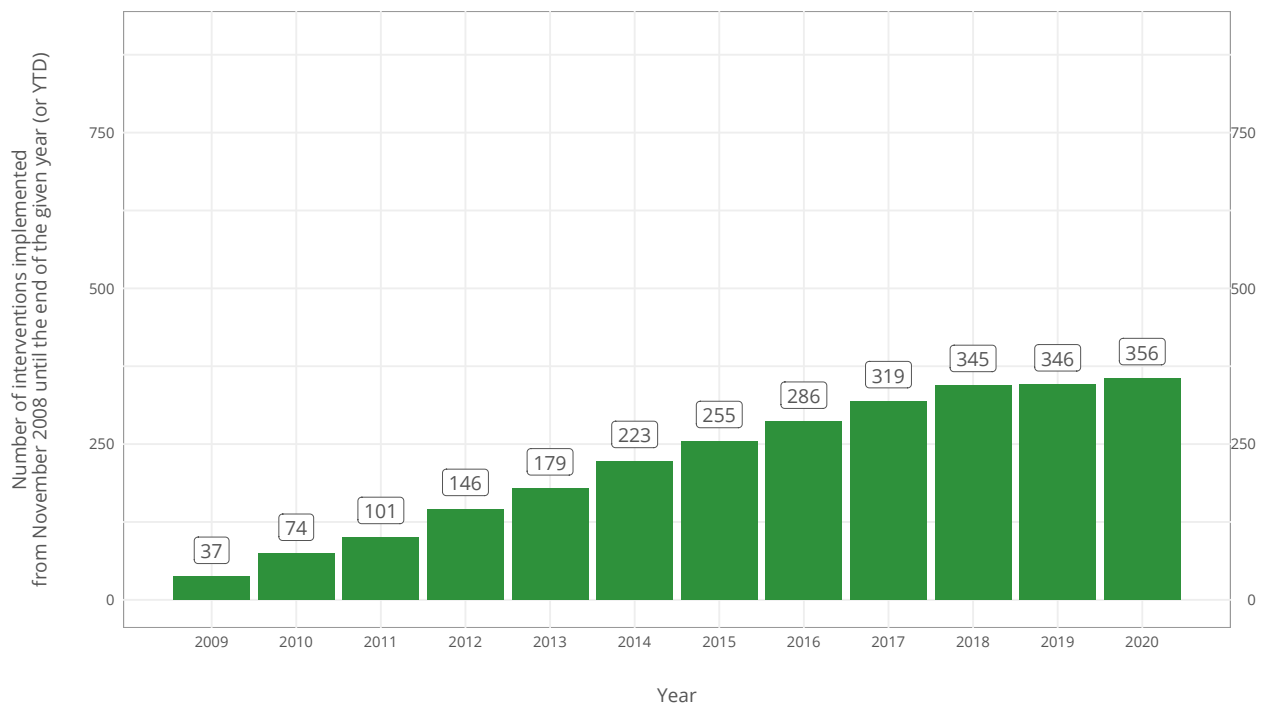
ITALY

Track record of liberalisation



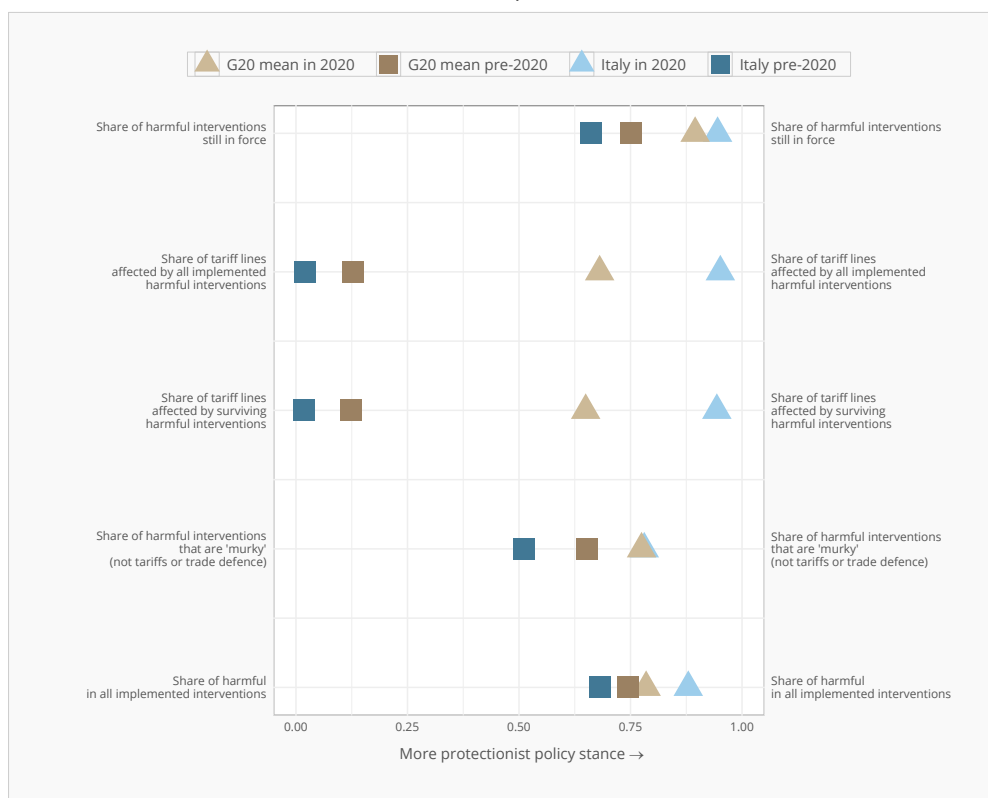
ITALY

Number of liberalising interventions imposed since November 2008



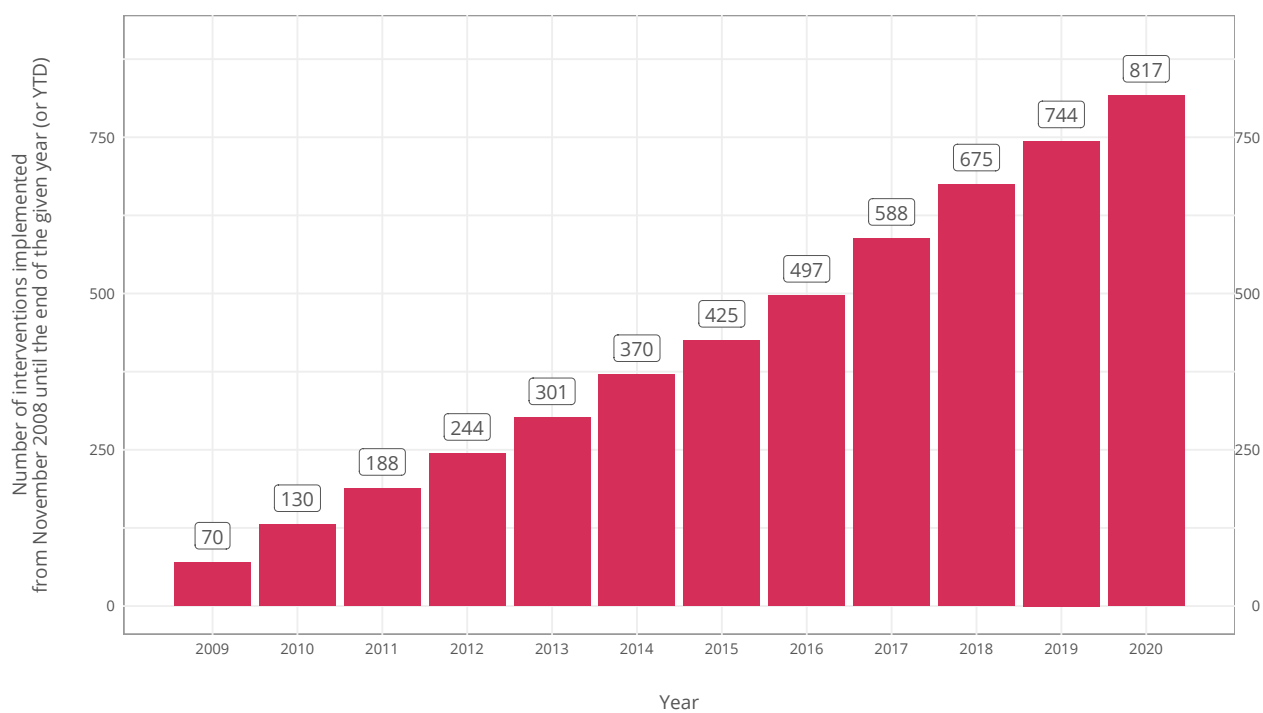
ITALY

Track record of protectionism



ITALY

Number of discriminatory interventions imposed since November 2008



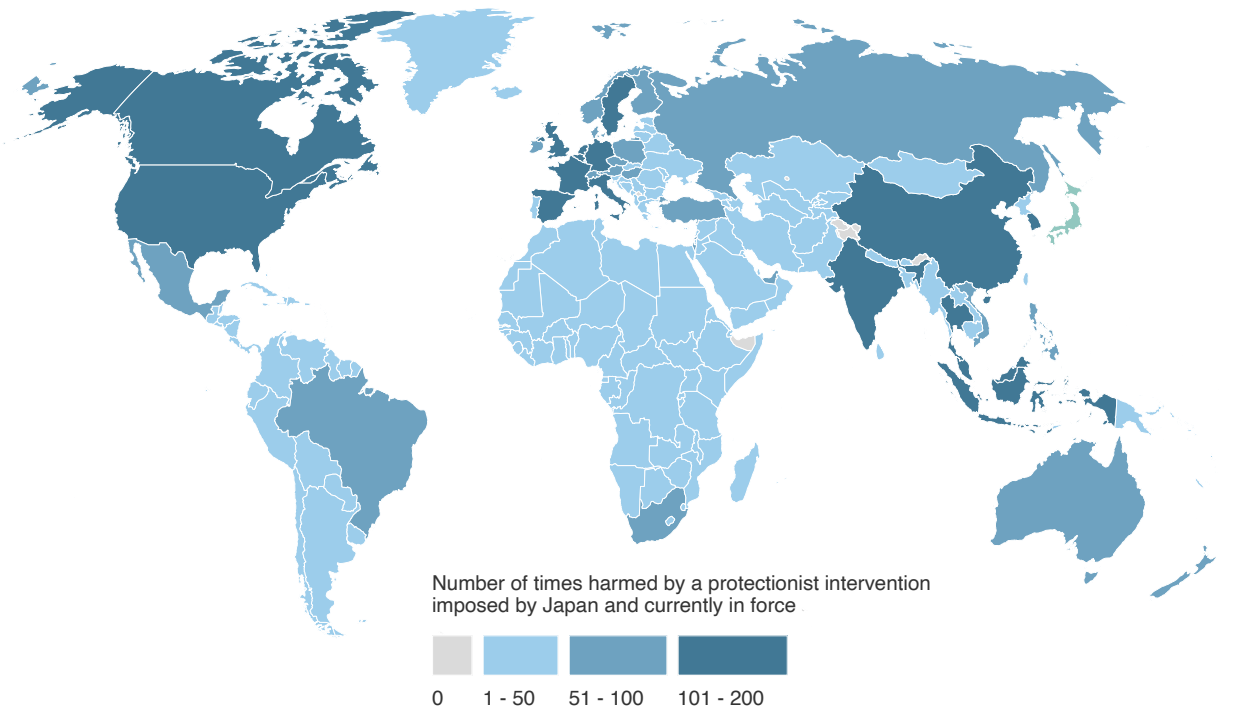
JAPAN

What is at stake for Japan's exporters?

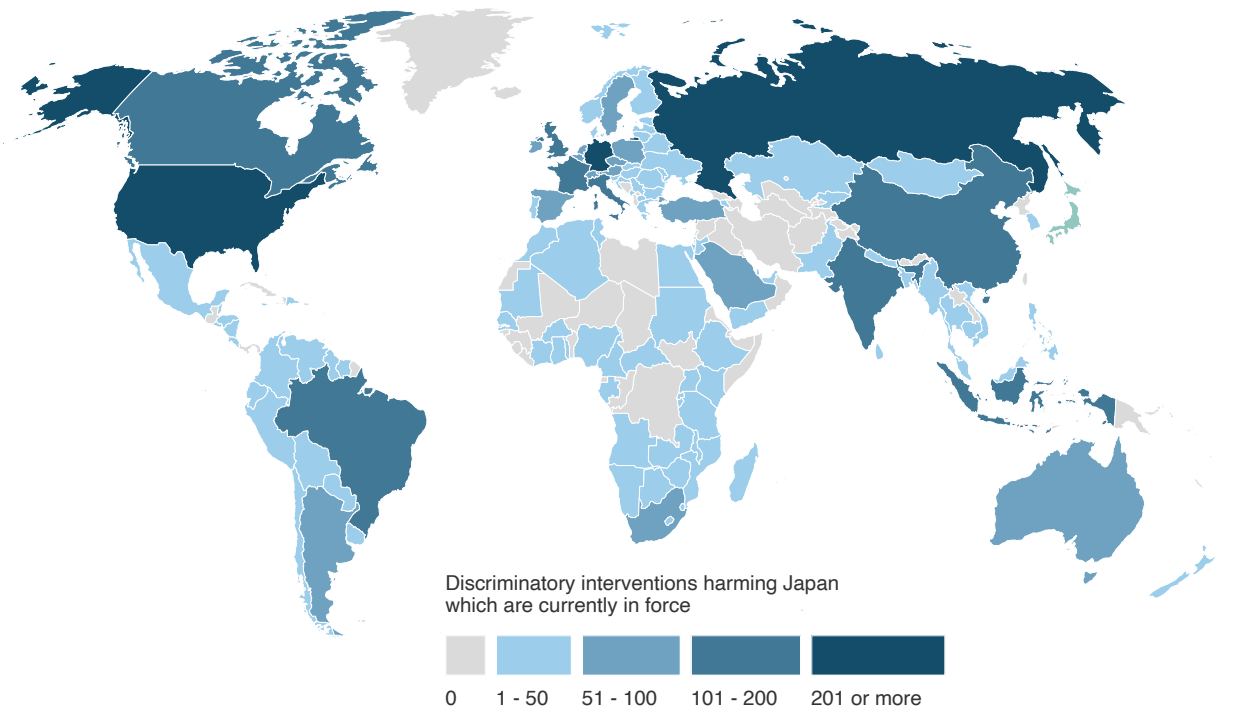
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	57.68	70.18	72.41	77.96	82.48	83.60	81.92	82.39	84.47	85.34	85.34	85.52
D	Contingent trade protection	0.14	0.30	0.58	0.94	1.09	1.15	1.14	1.37	1.43	1.59	1.70	1.72
E	Non-automatic licensing, quotas	0.86	1.38	4.30	4.65	6.72	5.20	6.04	6.40	6.56	6.87	6.98	7.04
F	Price control measures	0.04	0.06	0.08	0.10	0.09	0.46	0.93	1.05	1.33	1.65	1.72	1.99
G	Finance measures	0.17	0.46	0.83	0.83	0.84	0.83	0.83	0.83	0.83	0.84	0.86	0.86
I	Trade-related investment measures	0.76	1.56	1.49	1.57	1.59	1.88	2.54	2.80	2.71	2.67	2.57	2.44
L	Subsidies (excluding export subsidies)	18.55	23.63	24.75	28.83	39.37	40.21	34.72	34.75	35.78	38.19	32.89	33.54
M	Government procurement	0.47	1.47	1.75	1.99	2.07	2.49	3.56	3.57	3.64	3.68	3.76	4.12
P	Export measures	39.56	52.27	57.50	66.32	69.79	67.24	65.94	67.83	71.83	73.75	75.45	75.86
	Import tariff increases	3.86	5.33	6.36	11.13	14.39	11.99	13.26	17.16	22.19	22.49	23.09	24.04
	Instrument unclassified	0.27	0.95	1.37	1.41	1.48	1.94	1.92	1.80	1.93	2.31	2.38	2.38

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY JAPAN'S DISCRIMINATORY INTERVENTIONS

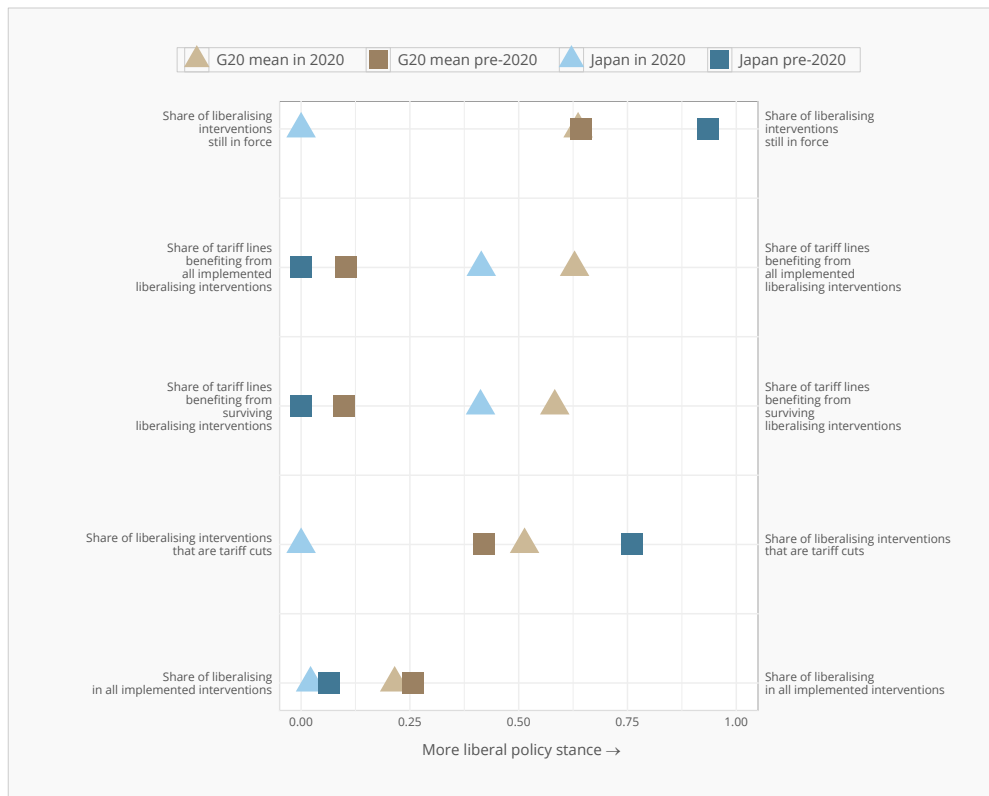


DISCRIMINATORY INTERVENTIONS HARMING JAPAN'S INTERESTS



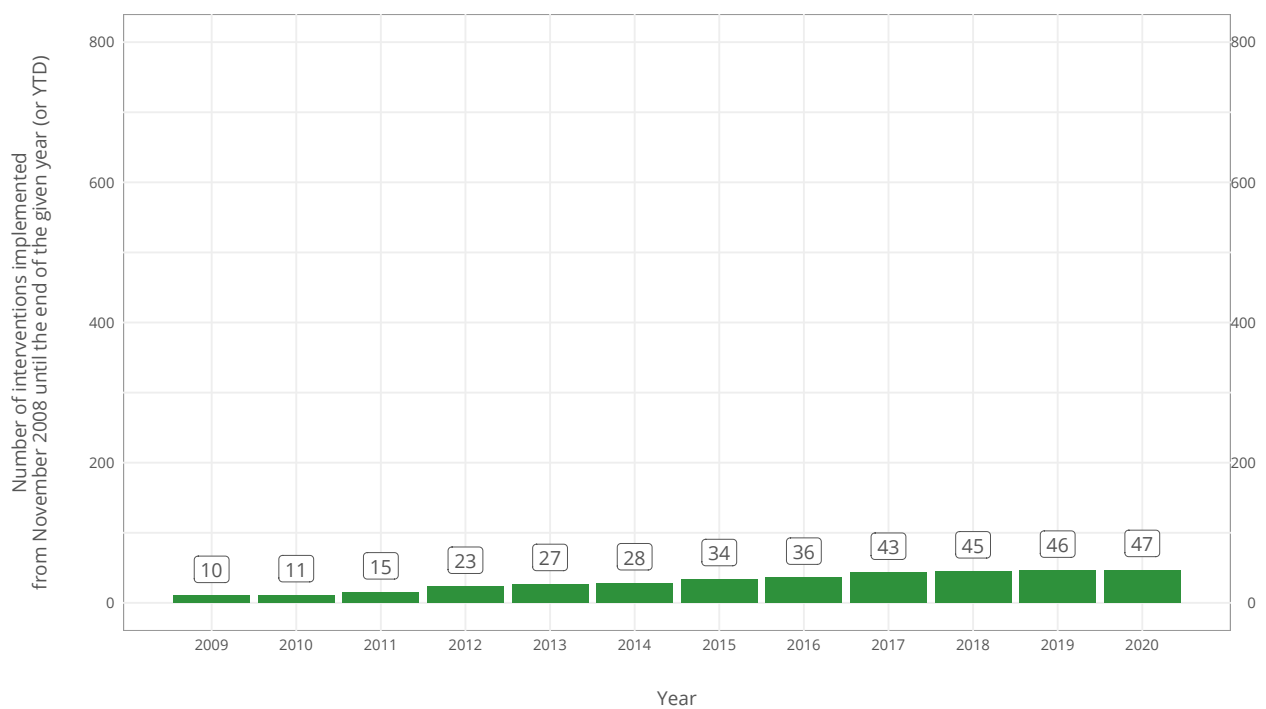
JAPAN

Track record of liberalisation



JAPAN

Number of liberalising interventions imposed since November 2008



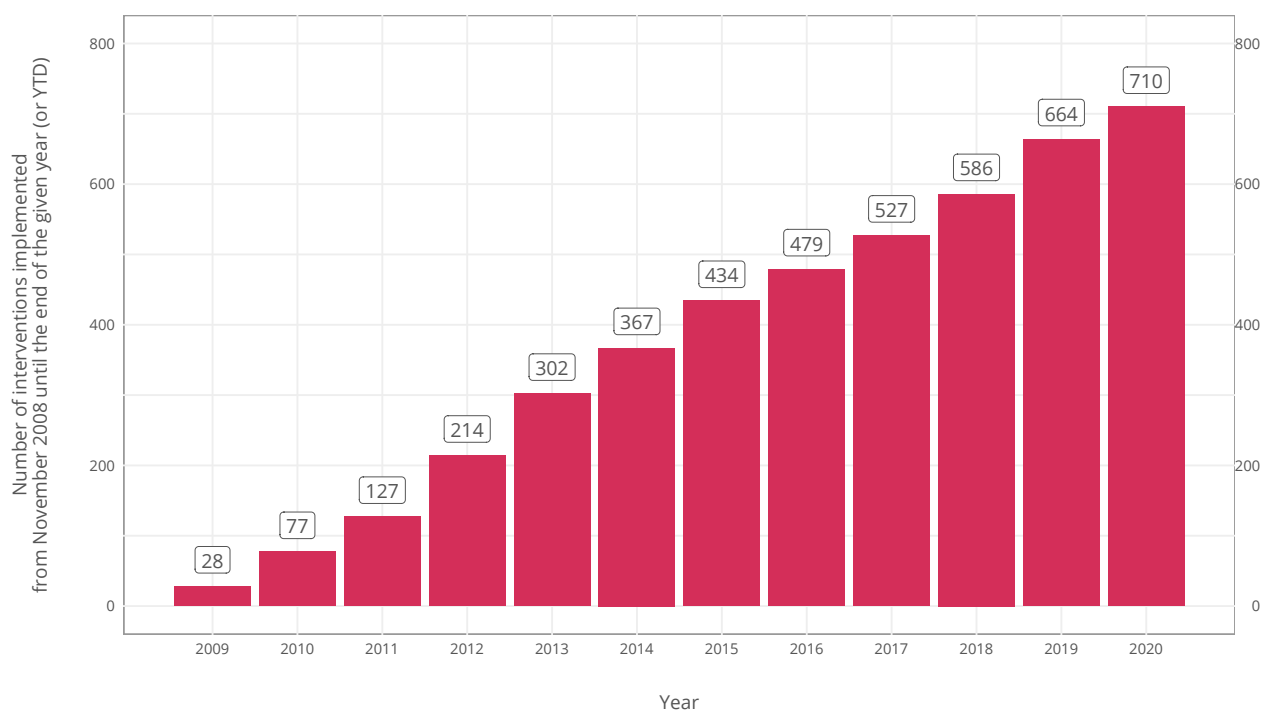
JAPAN

Track record of protectionism



JAPAN

Number of discriminatory interventions imposed since November 2008



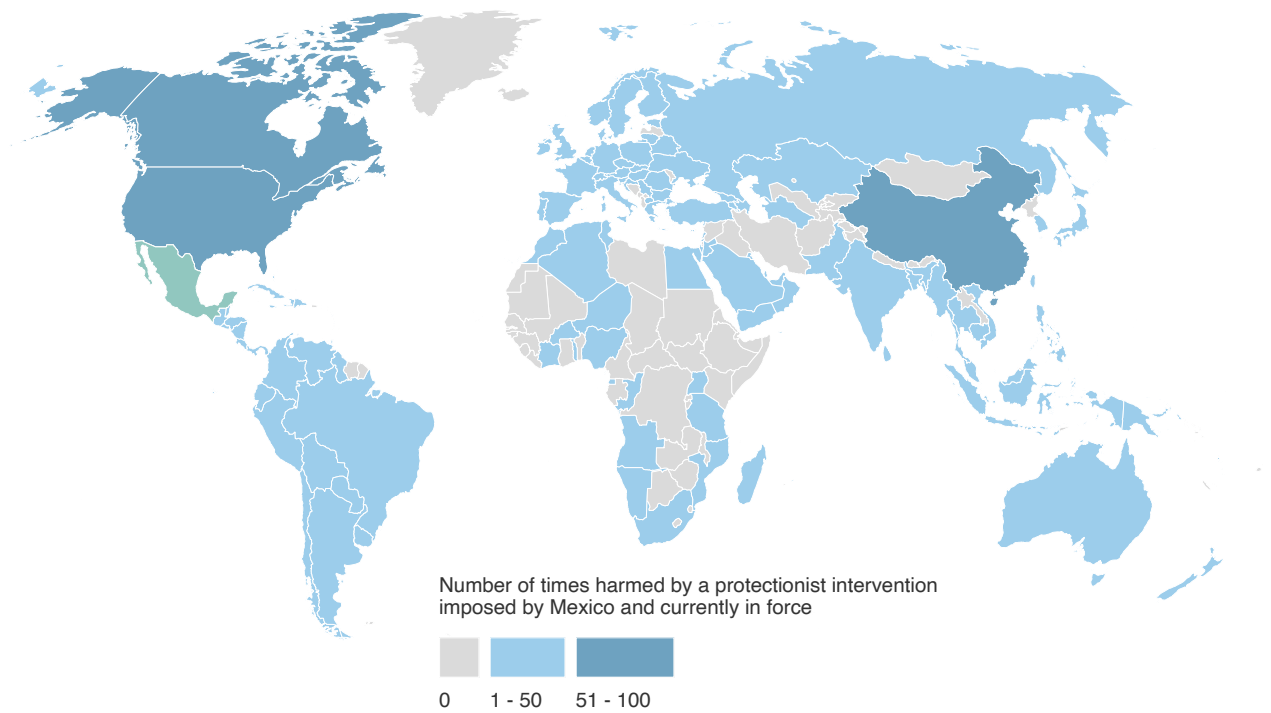
MEXICO

What is at stake for Mexico's exporters?

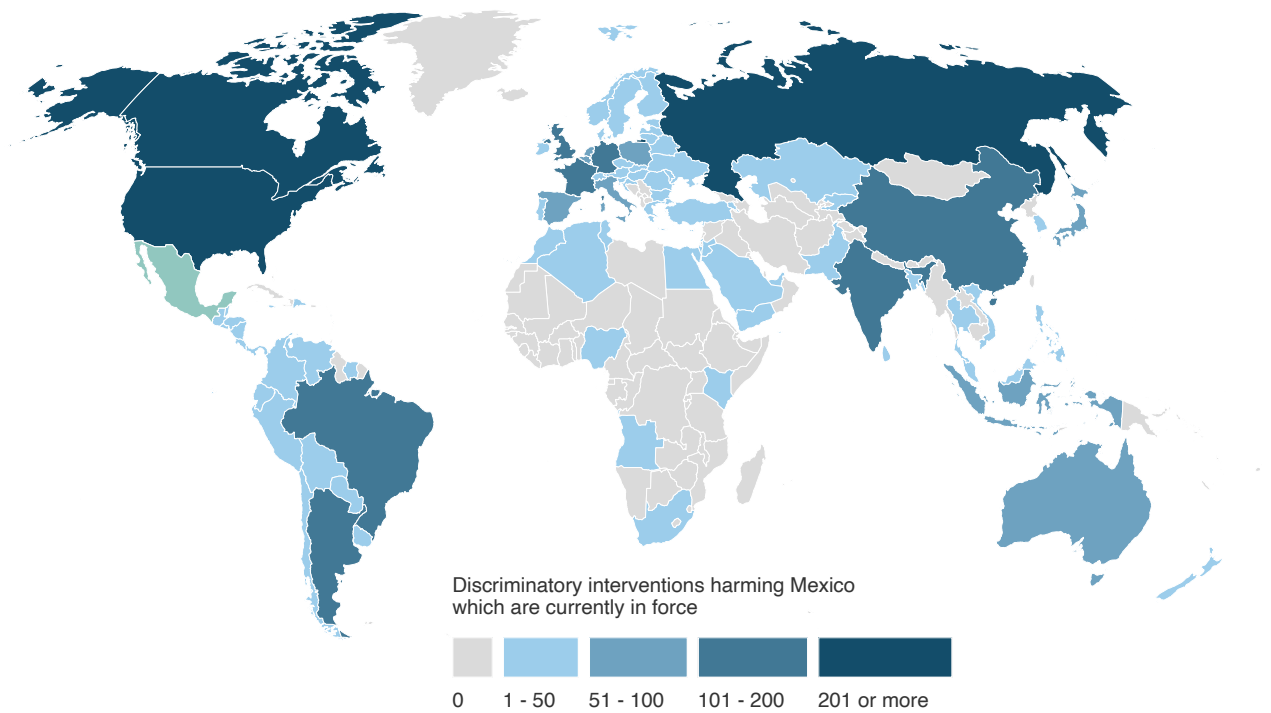
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	59.53	69.07	71.95	74.67	77.44	78.24	88.74	89.02	91.54	93.57	94.16	94.34
D	Contingent trade protection	0.00	0.33	0.65	1.40	1.80	1.96	2.02	2.74	2.89	3.30	3.24	3.49
E	Non-automatic licensing, quotas	0.13	0.23	0.59	0.81	0.91	0.98	0.99	0.95	0.86	1.00	0.99	1.79
F	Price control measures	0.11	0.11	0.16	0.26	0.14	0.27	0.33	0.40	0.42	0.58	0.60	0.88
G	Finance measures	0.02	0.41	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.42
I	Trade-related investment measures	0.05	0.40	0.55	0.73	0.77	1.98	2.94	2.98	2.99	2.90	2.87	2.87
L	Subsidies (excluding export subsidies)	8.88	13.29	26.95	32.56	37.02	37.88	37.31	38.53	39.29	47.57	49.75	60.51
M	Government procurement	1.81	2.13	2.50	2.94	3.06	3.71	6.41	6.38	7.19	8.65	10.43	12.17
P	Export measures	49.65	56.44	63.20	71.35	72.37	68.76	79.41	79.78	83.82	86.72	87.82	88.16
	Import tariff increases	0.19	0.31	0.42	1.38	1.85	1.87	2.07	2.85	4.63	6.55	7.62	8.89
	Instrument unclassified	0.00	0.13	0.08	0.09	0.31	0.66	0.67	0.77	0.88	0.95	1.12	1.12

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY MEXICO'S DISCRIMINATORY INTERVENTIONS

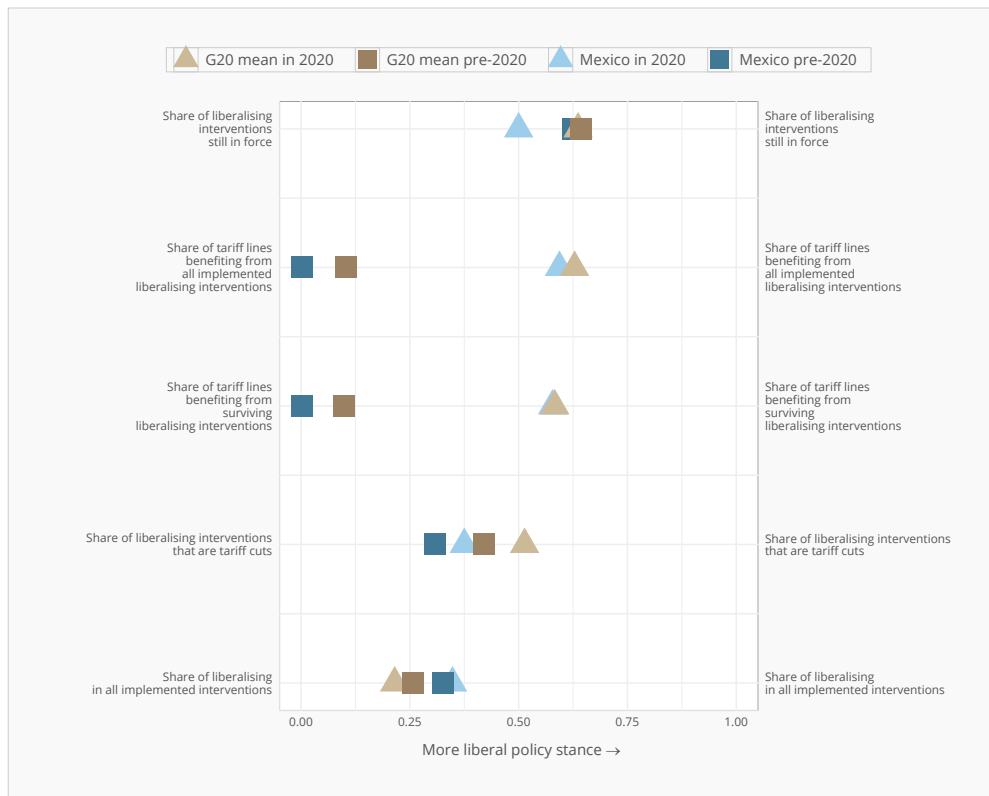


DISCRIMINATORY INTERVENTIONS HARMING MEXICO'S INTERESTS



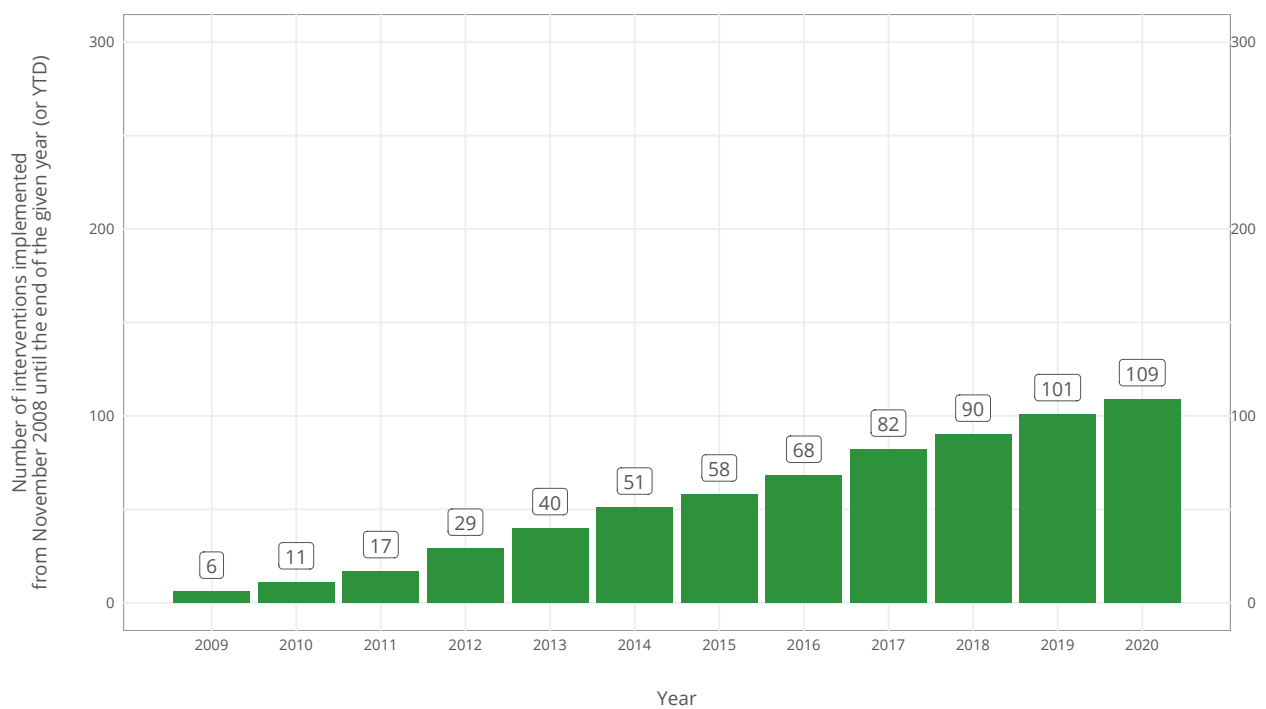
MEXICO

Track record of liberalisation



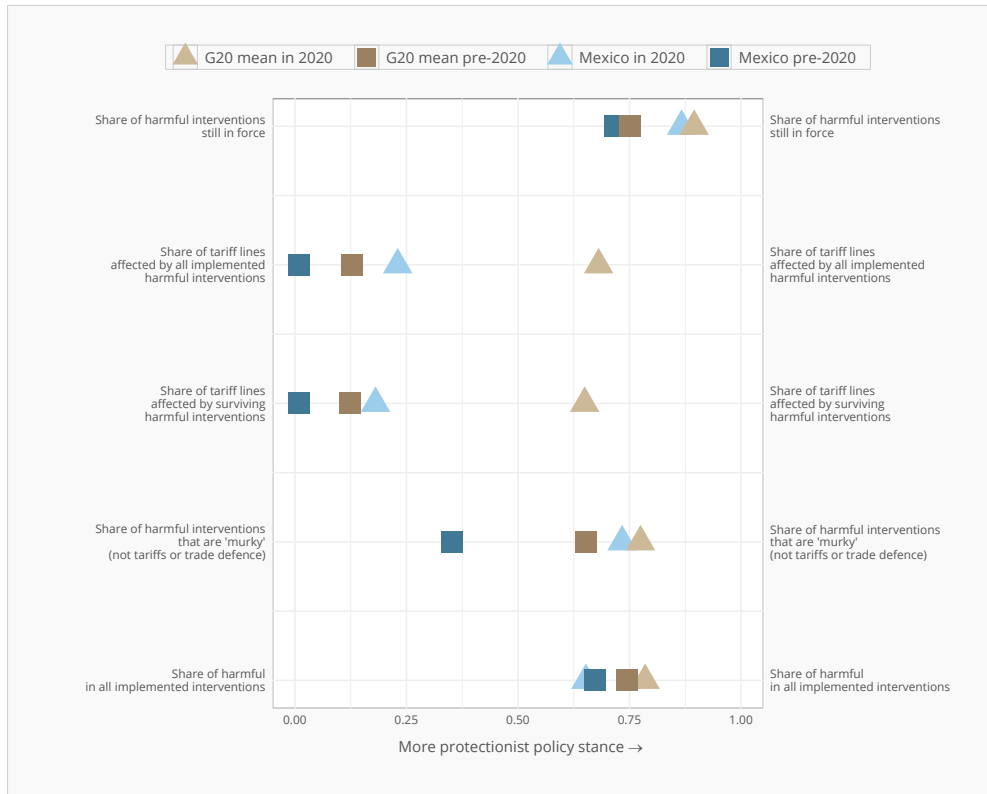
MEXICO

Number of liberalising interventions imposed since November 2008



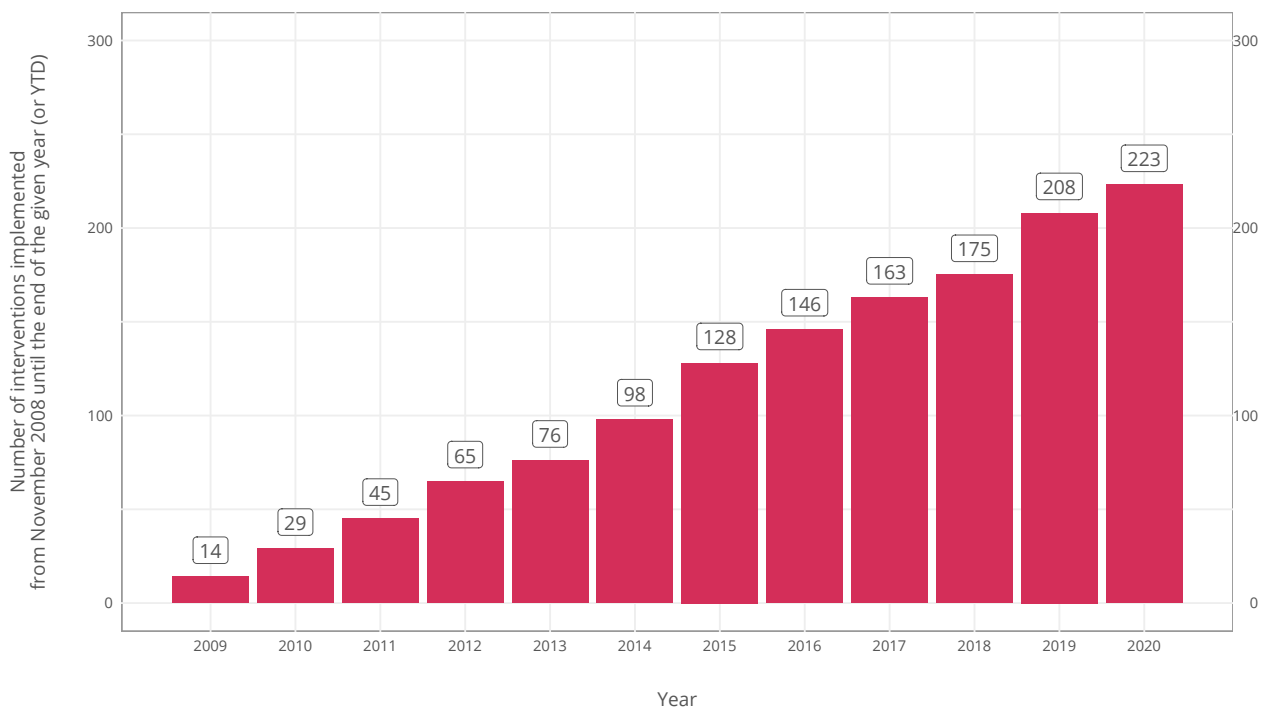
MEXICO

Track record of protectionism



MEXICO

Number of discriminatory interventions imposed since November 2008



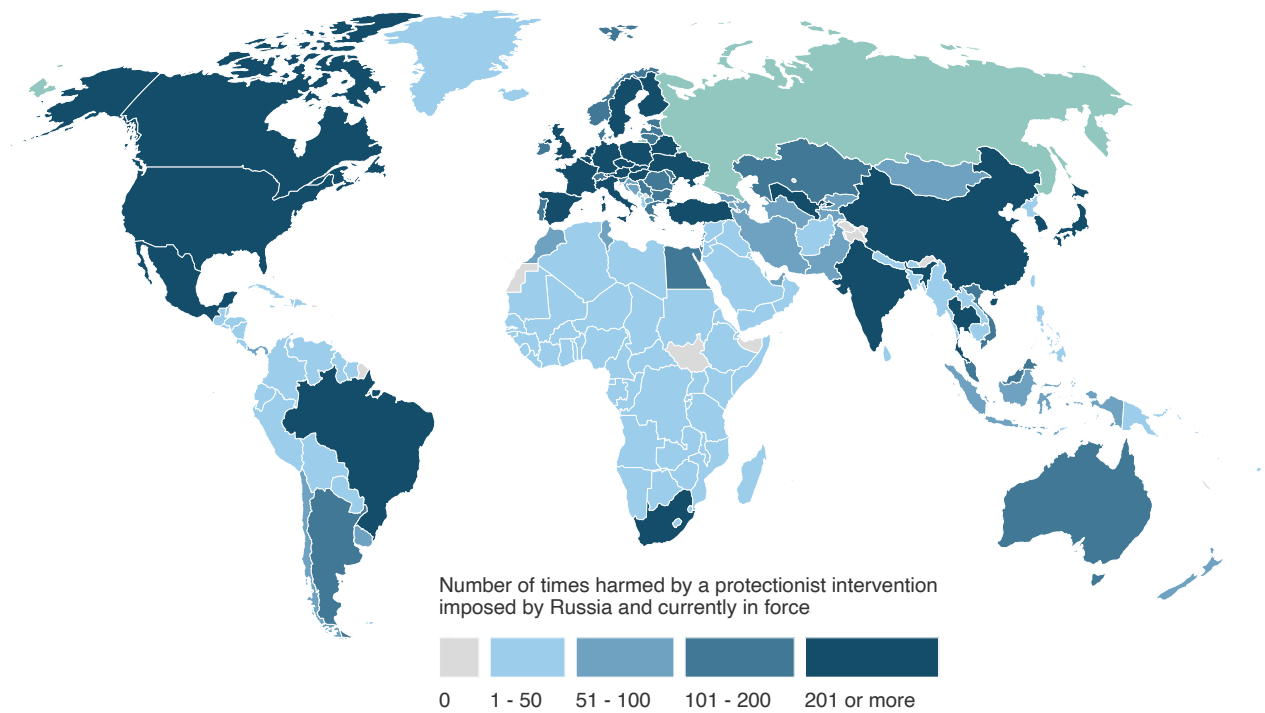
RUSSIA

What is at stake for Russia's exporters?

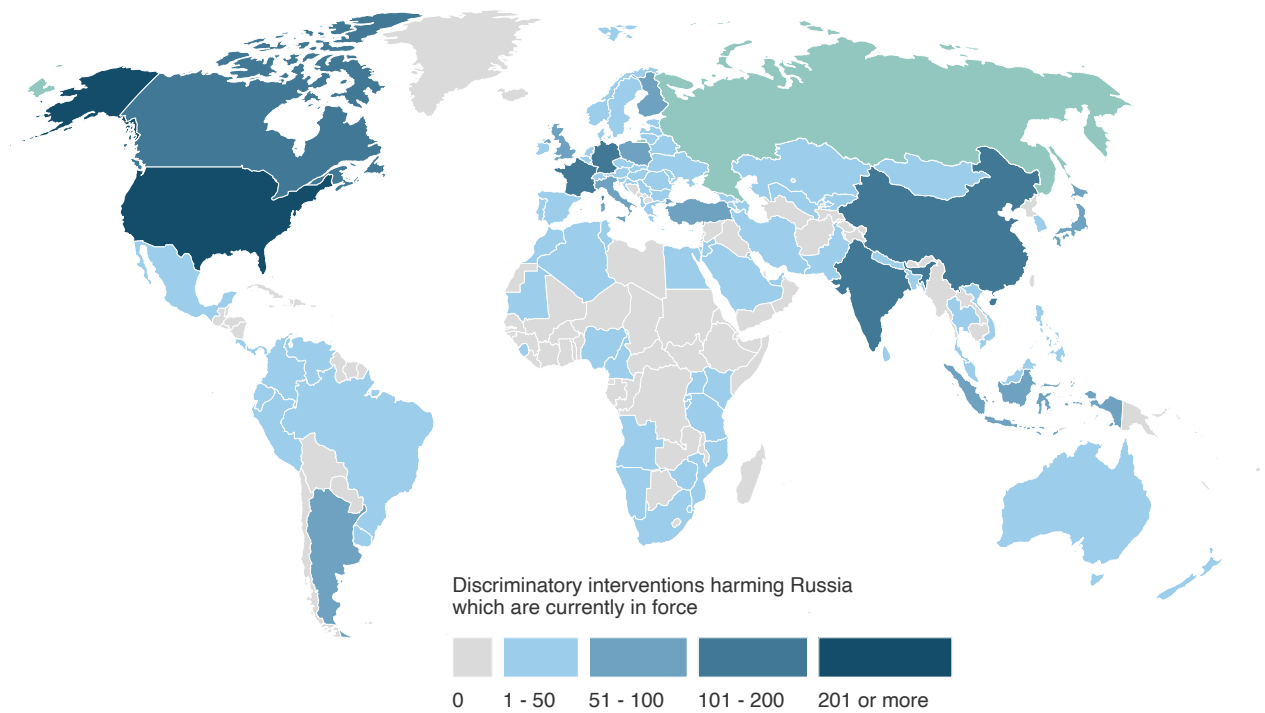
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	13.87	21.54	33.49	37.45	74.30	75.44	49.28	47.54	59.49	63.52	63.35	66.08
D	Contingent trade protection	0.03	0.15	0.18	0.51	0.69	0.79	0.87	1.11	1.26	2.28	3.17	2.71
E	Non-automatic licensing, quotas	0.44	0.14	3.77	4.03	4.76	4.64	4.63	5.14	5.47	5.58	5.56	5.16
F	Price control measures	0.22	0.22	0.23	0.24	0.25	1.02	1.21	1.49	1.49	2.02	2.08	2.08
G	Finance measures	2.80	3.19	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
I	Trade-related investment measures	0.02	1.03	1.03	1.01	1.11	1.49	1.72	1.70	1.70	1.70	1.74	1.75
L	Subsidies (excluding export subsidies)	4.35	7.03	11.94	10.43	57.77	57.66	28.05	29.07	29.39	30.63	29.97	44.58
M	Government procurement	0.51	0.72	0.83	0.84	0.87	0.88	0.93	1.00	1.13	1.17	1.23	1.23
P	Export measures	4.56	10.33	20.42	24.34	25.67	23.88	25.35	26.41	41.30	47.82	46.74	46.97
	Import tariff increases	2.08	3.00	3.18	4.06	6.08	9.66	14.37	12.32	12.89	13.21	13.48	13.51
	Instrument unclassified	0.00	0.06	0.00	0.08	0.19	2.21	3.57	3.68	3.82	3.76	3.87	3.87

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY RUSSIA'S DISCRIMINATORY INTERVENTIONS



DISCRIMINATORY INTERVENTIONS HARMING RUSSIA'S INTERESTS



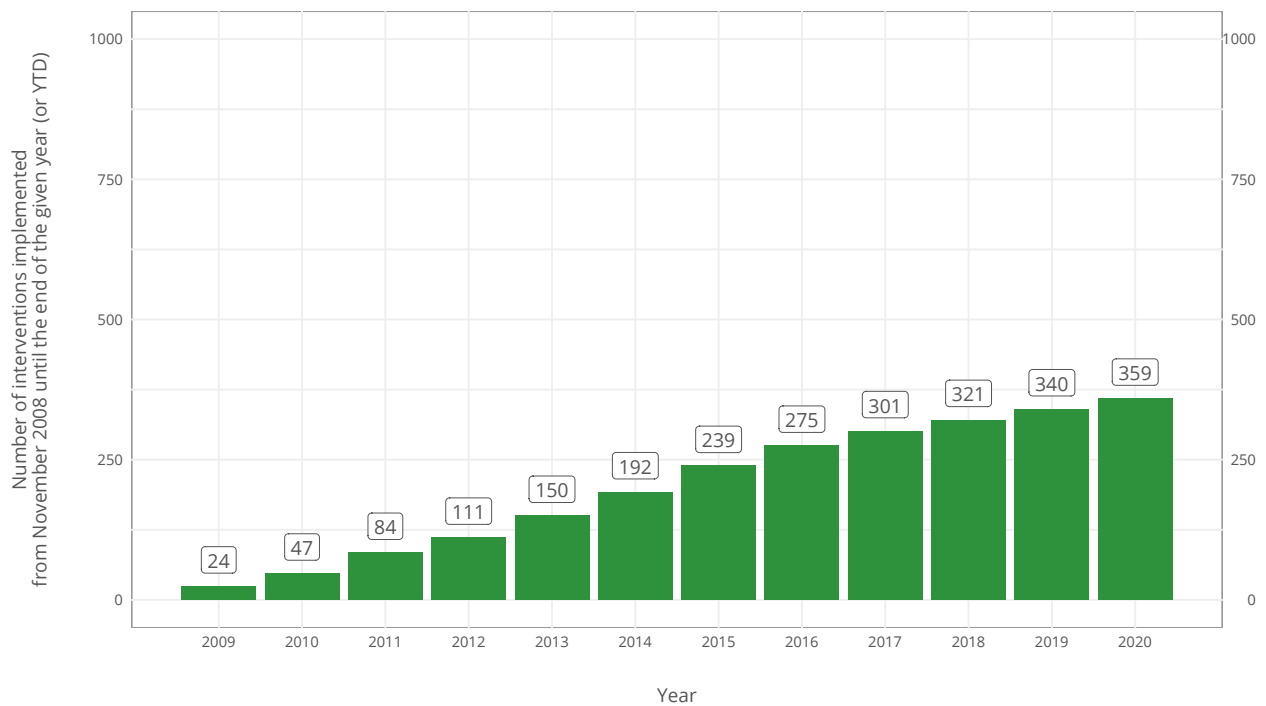
RUSSIA

Track record of liberalisation



RUSSIA

Number of liberalising interventions imposed since November 2008



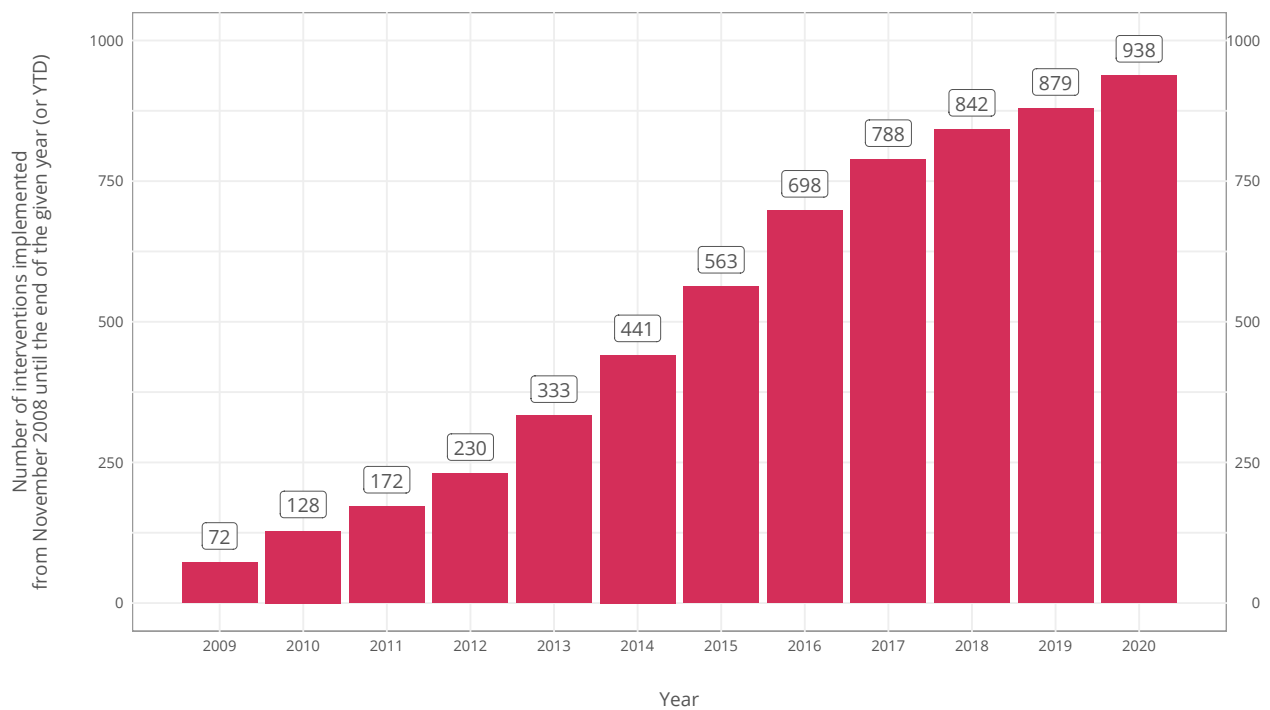
RUSSIA

Track record of protectionism



RUSSIA

Number of discriminatory interventions imposed since November 2008



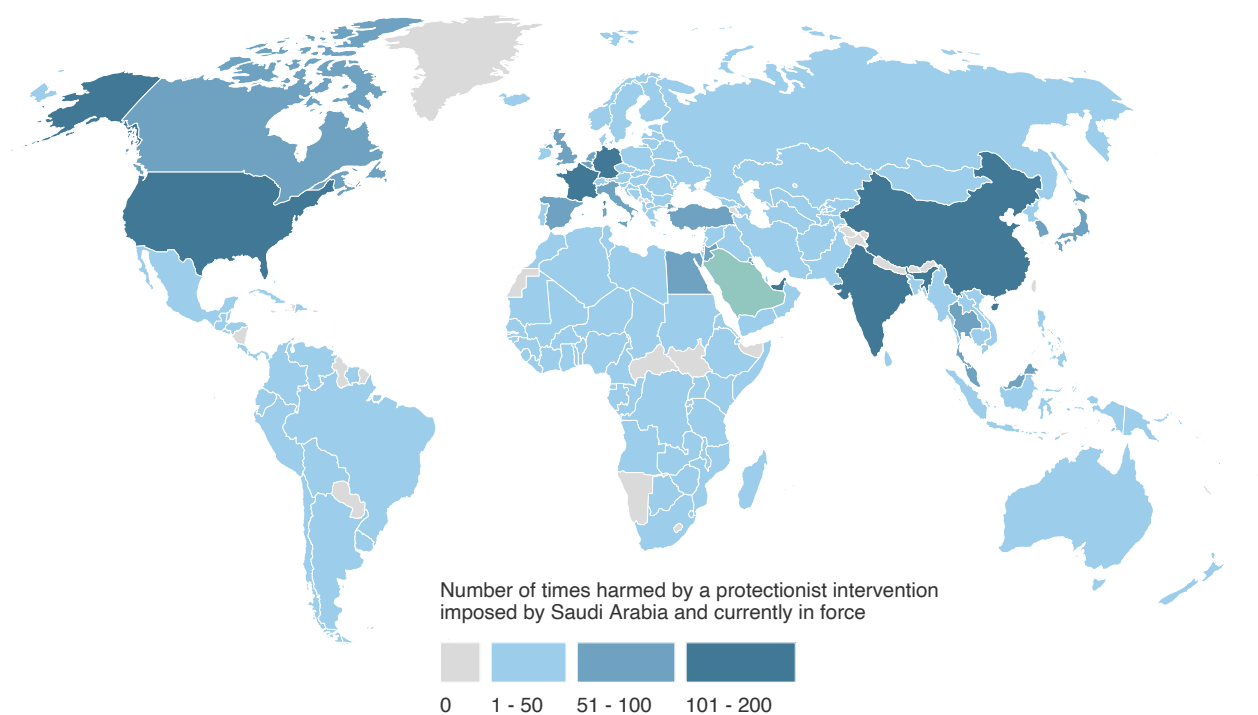
SAUDI ARABIA

What is at stake for Saudi Arabia's exporters?

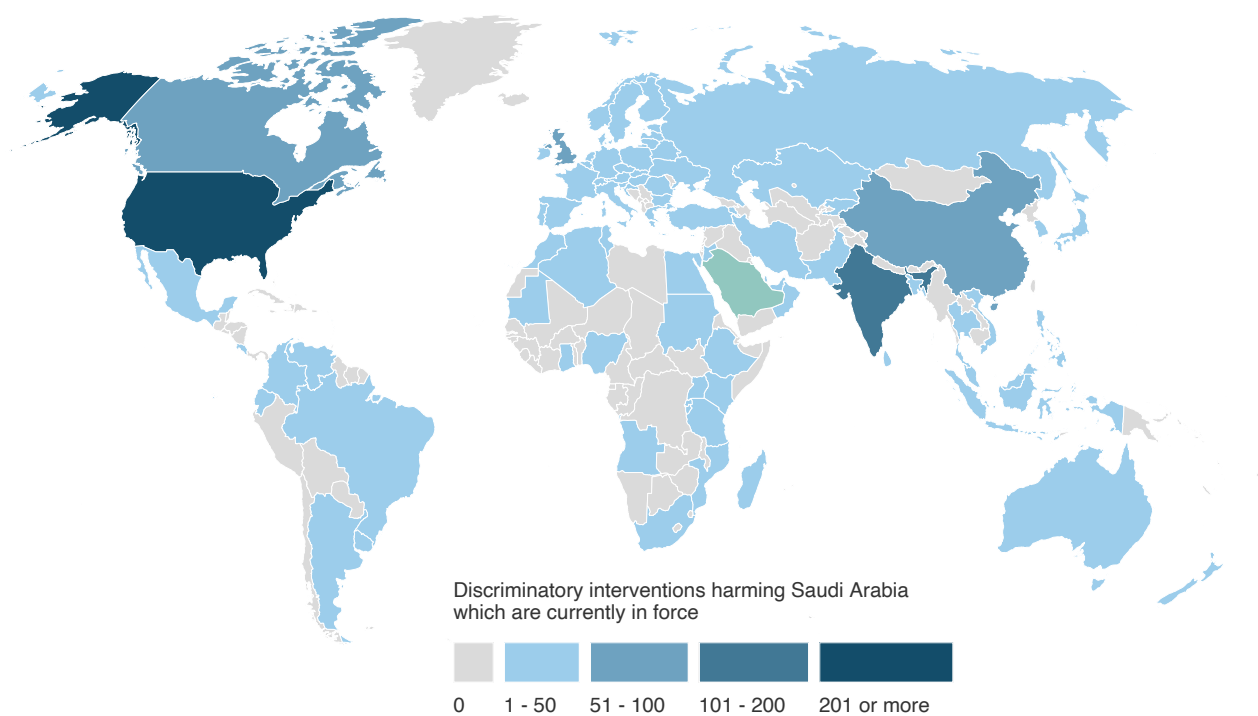
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	17.35	17.09	29.23	31.15	43.34	45.50	56.59	57.20	62.94	64.36	64.25	68.67
D	Contingent trade protection	0.01	0.04	0.08	0.10	0.08	0.08	0.05	0.00	0.00	0.00	0.00	0.02
E	Non-automatic licensing, quotas	4.55	0.04	5.97	6.73	6.02	6.04	7.31	7.87	7.96	8.00	8.47	8.35
F	Price control measures	0.07	0.07	0.16	0.28	0.28	0.40	0.41	0.41	0.41	4.86	5.29	5.29
G	Finance measures	0.05	0.07	0.10	0.10	0.10	0.10	1.17	1.53	1.53	1.53	1.53	1.53
I	Trade-related investment measures	0.00	0.00	0.00	0.00	0.00	0.01	0.03	0.01	0.00	0.00	0.00	0.00
L	Subsidies (excluding export subsidies)	6.65	1.80	10.14	5.09	25.43	25.73	14.87	14.96	17.07	18.46	17.02	49.57
M	Government procurement	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
P	Export measures	2.36	5.81	10.46	12.46	13.49	13.58	40.06	41.50	47.22	47.50	47.58	47.58
	Import tariff increases	8.32	9.93	10.21	10.85	11.34	12.98	15.22	17.05	19.07	23.17	23.17	24.13
	Instrument unclassified	0.00	0.00	0.00	0.00	0.04	0.87	0.89	0.89	0.89	1.48	6.18	6.18

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY SAUDI ARABIA'S DISCRIMINATORY INTERVENTIONS

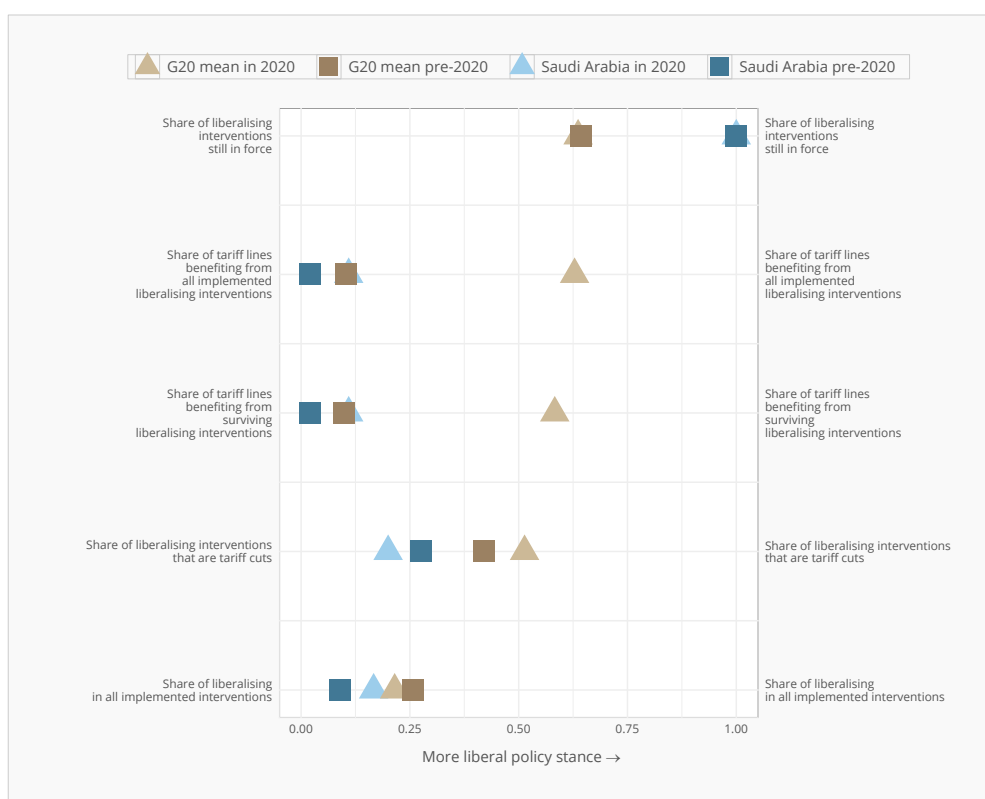


DISCRIMINATORY INTERVENTIONS HARMING SAUDI ARABIA'S INTERESTS



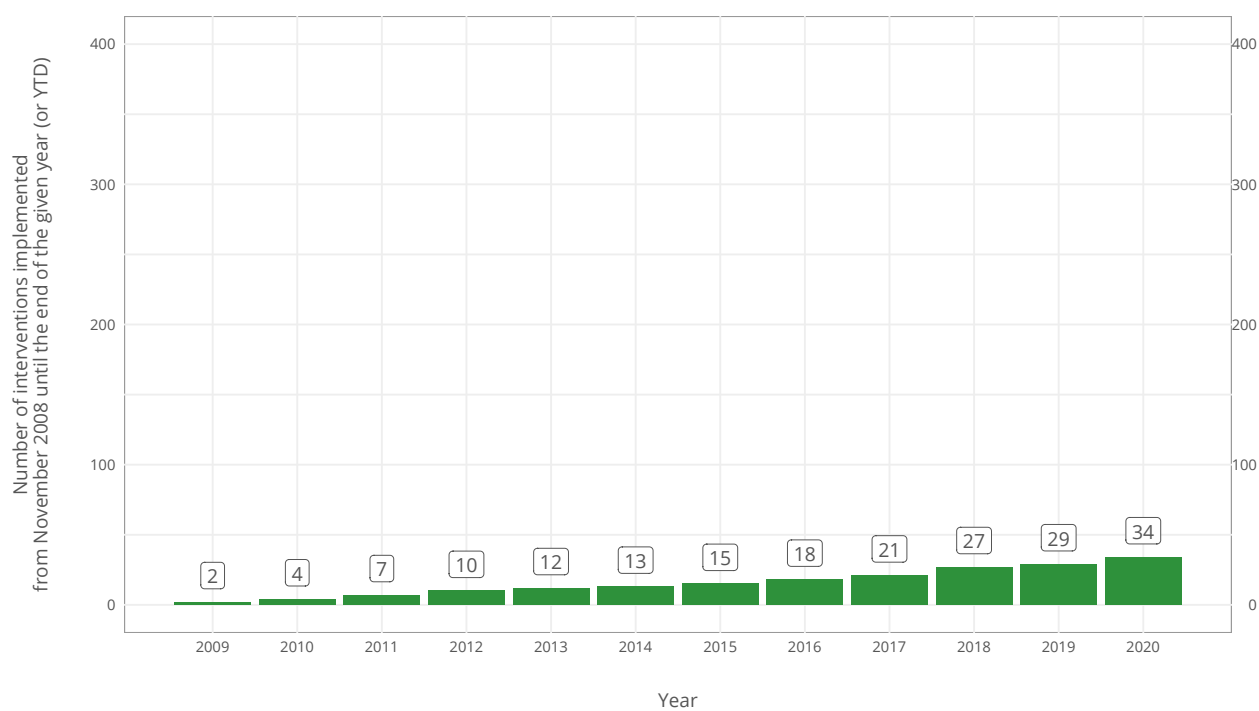
SAUDI ARABIA

Track record of liberalisation



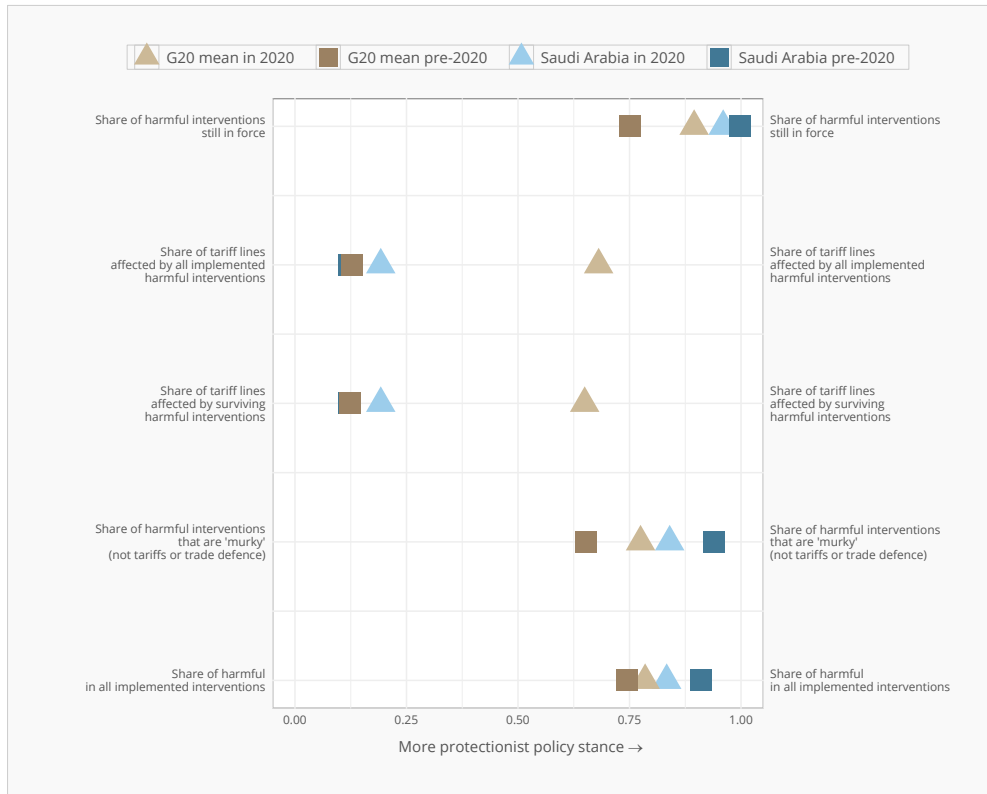
SAUDI ARABIA

Number of liberalising interventions imposed since November 2008



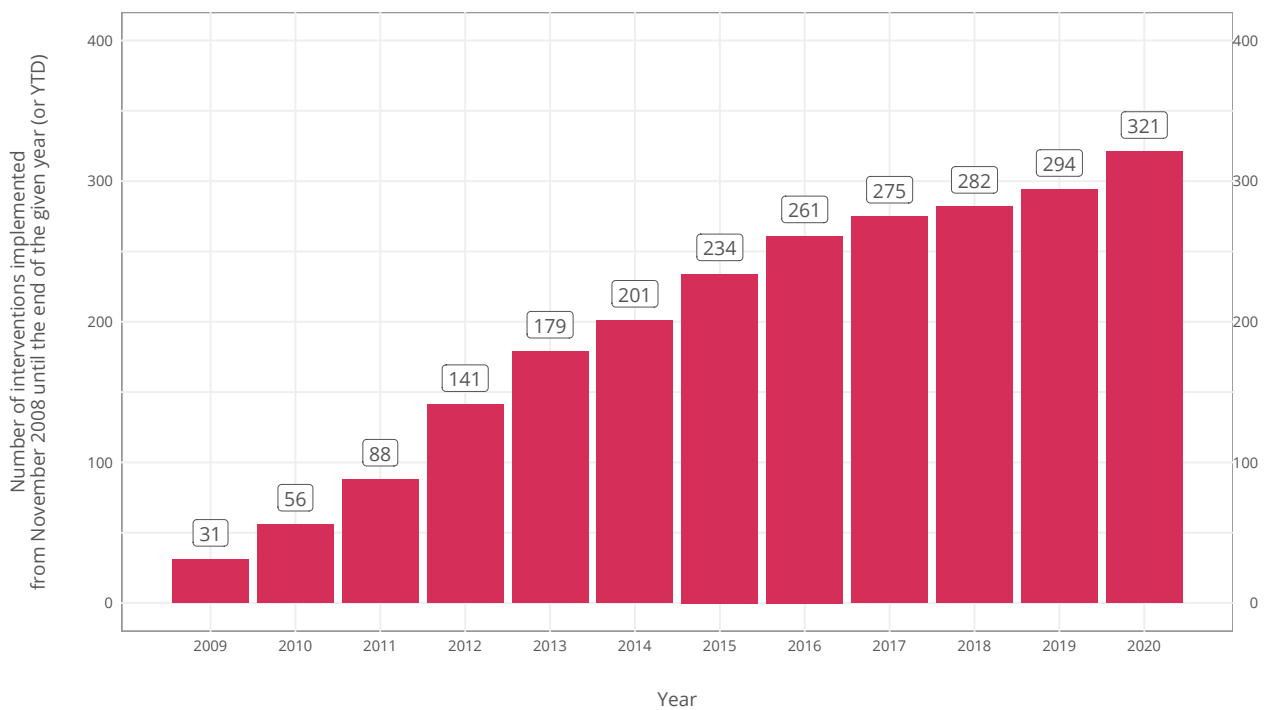
SAUDI ARABIA

Track record of protectionism



SAUDI ARABIA

Number of discriminatory interventions imposed since November 2008



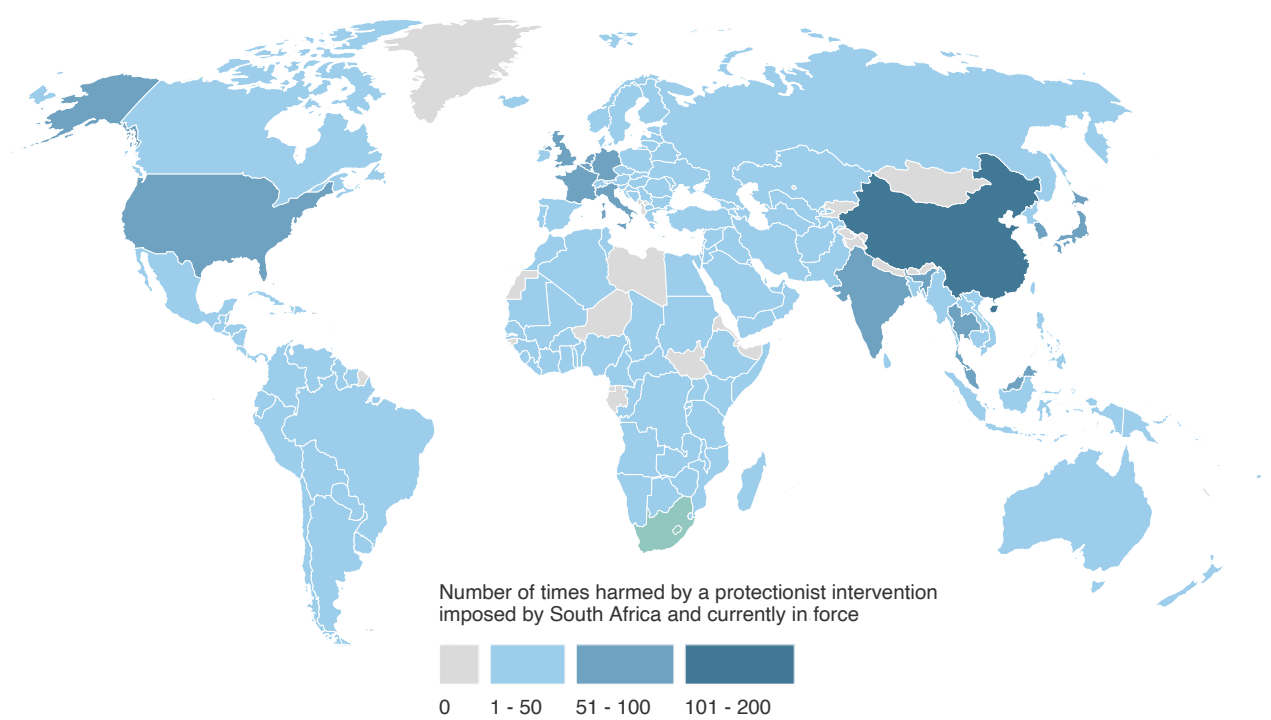
SOUTH AFRICA

What is at stake for South Africa's exporters?

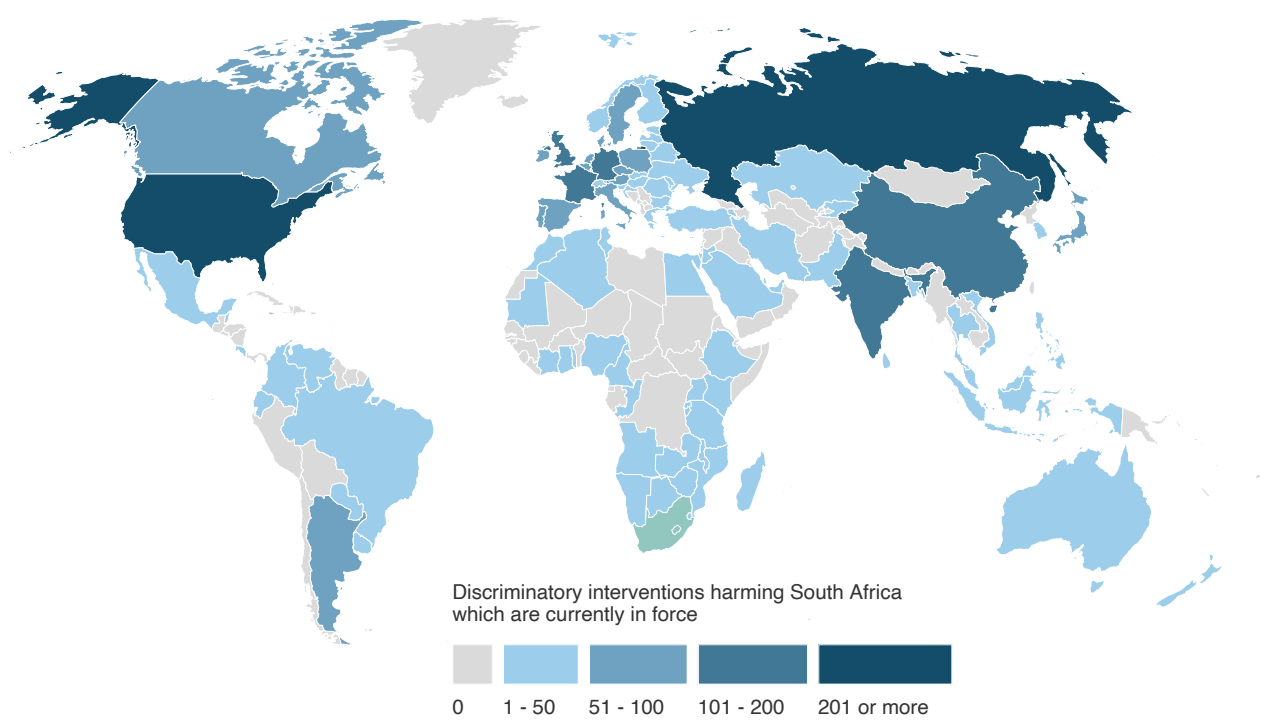
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	28.80	36.23	44.51	48.38	62.25	58.79	51.90	54.10	55.49	56.82	57.09	57.23
D	Contingent trade protection	0.03	0.05	0.06	0.06	0.06	0.11	0.13	0.53	0.62	1.02	1.31	1.12
E	Non-automatic licensing, quotas	0.63	1.95	3.98	4.61	4.79	5.26	5.00	5.61	5.78	6.02	5.95	5.66
F	Price control measures	2.12	2.12	2.15	2.22	2.22	2.23	2.25	2.25	2.25	4.87	5.12	5.12
G	Finance measures	0.44	0.47	0.52	0.52	0.52	0.52	0.53	0.53	0.53	0.53	0.53	0.53
I	Trade-related investment measures	0.00	0.15	0.19	0.19	0.22	0.85	1.30	1.32	1.34	1.32	1.28	1.25
L	Subsidies (excluding export subsidies)	5.62	6.98	7.89	8.54	33.76	33.58	22.25	22.76	24.64	25.20	23.68	23.81
M	Government procurement	0.90	0.86	1.06	1.15	1.20	1.29	1.45	1.52	1.50	1.58	1.68	1.68
P	Export measures	19.17	24.88	33.91	38.24	39.94	32.95	29.80	33.44	37.38	39.10	40.89	41.33
	Import tariff increases	1.77	5.03	6.46	8.41	10.09	10.36	11.22	11.82	12.39	13.80	14.14	14.09
	Instrument unclassified	0.05	0.70	0.69	0.70	1.78	2.66	0.32	0.44	1.09	2.39	2.42	2.42

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY SOUTH AFRICA'S DISCRIMINATORY INTERVENTIONS

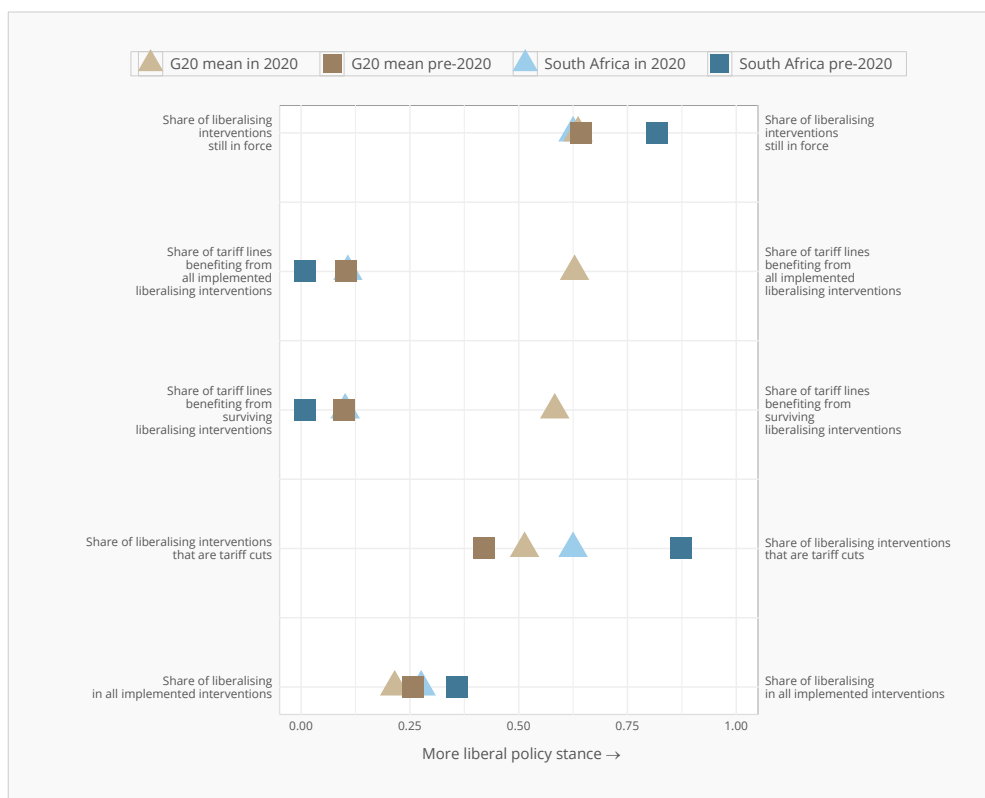


DISCRIMINATORY INTERVENTIONS HARMING SOUTH AFRICA'S INTERESTS



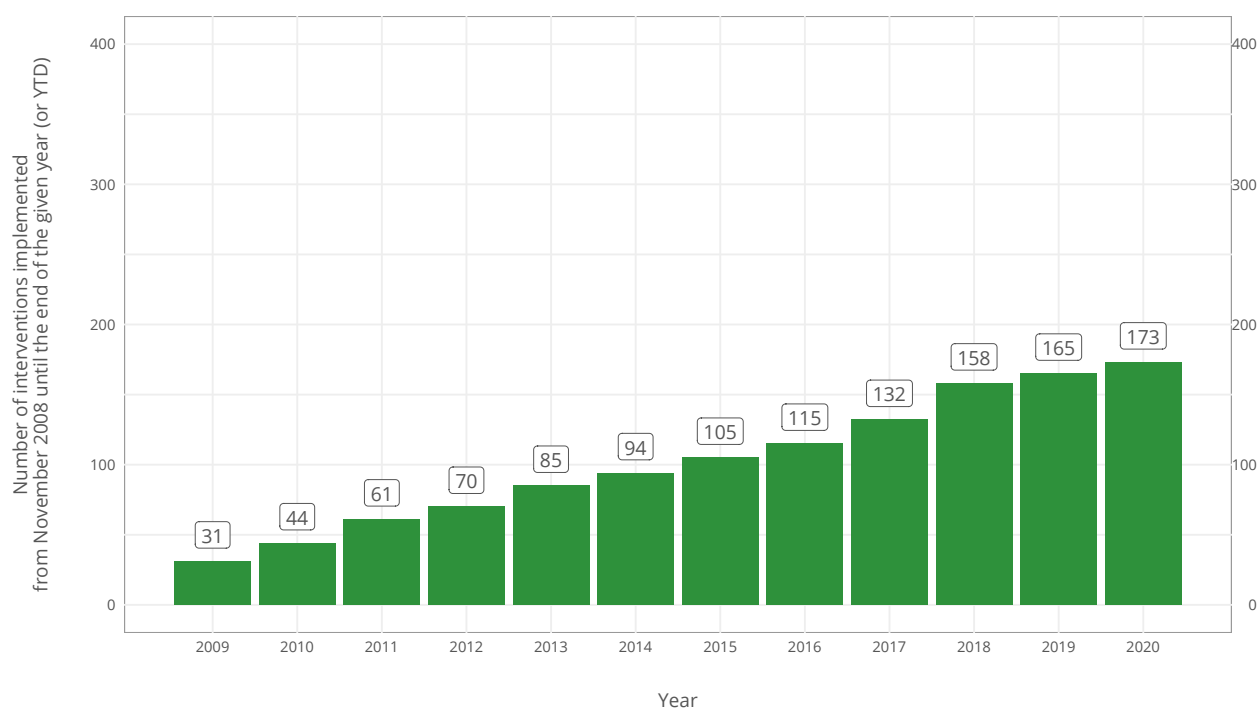
SOUTH AFRICA

Track record of liberalisation



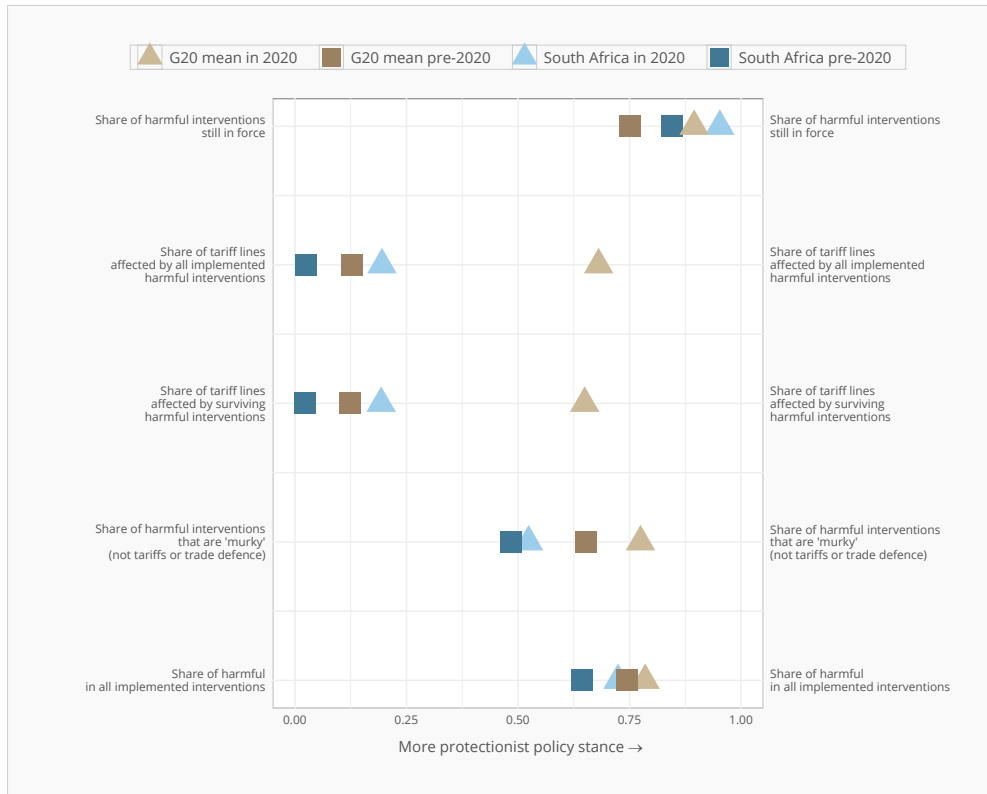
SOUTH AFRICA

Number of liberalising interventions imposed since November 2008



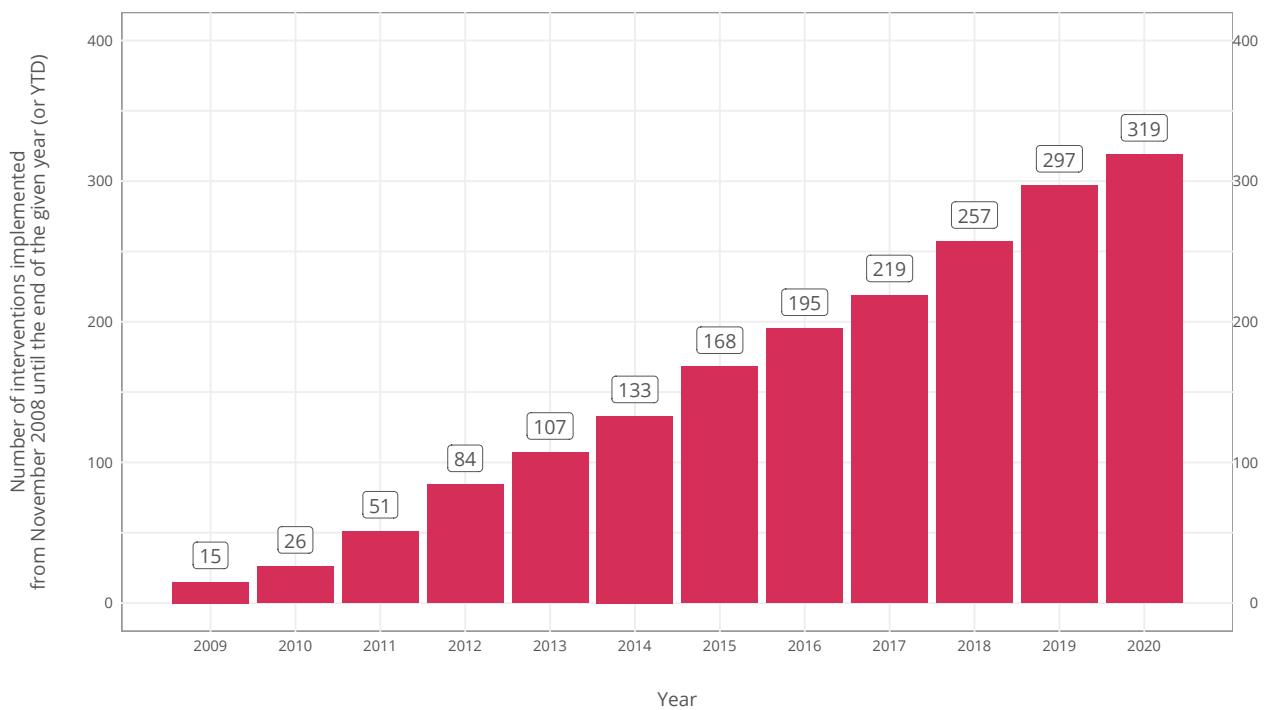
SOUTH AFRICA

Track record of protectionism



SOUTH AFRICA

Number of discriminatory interventions imposed since November 2008



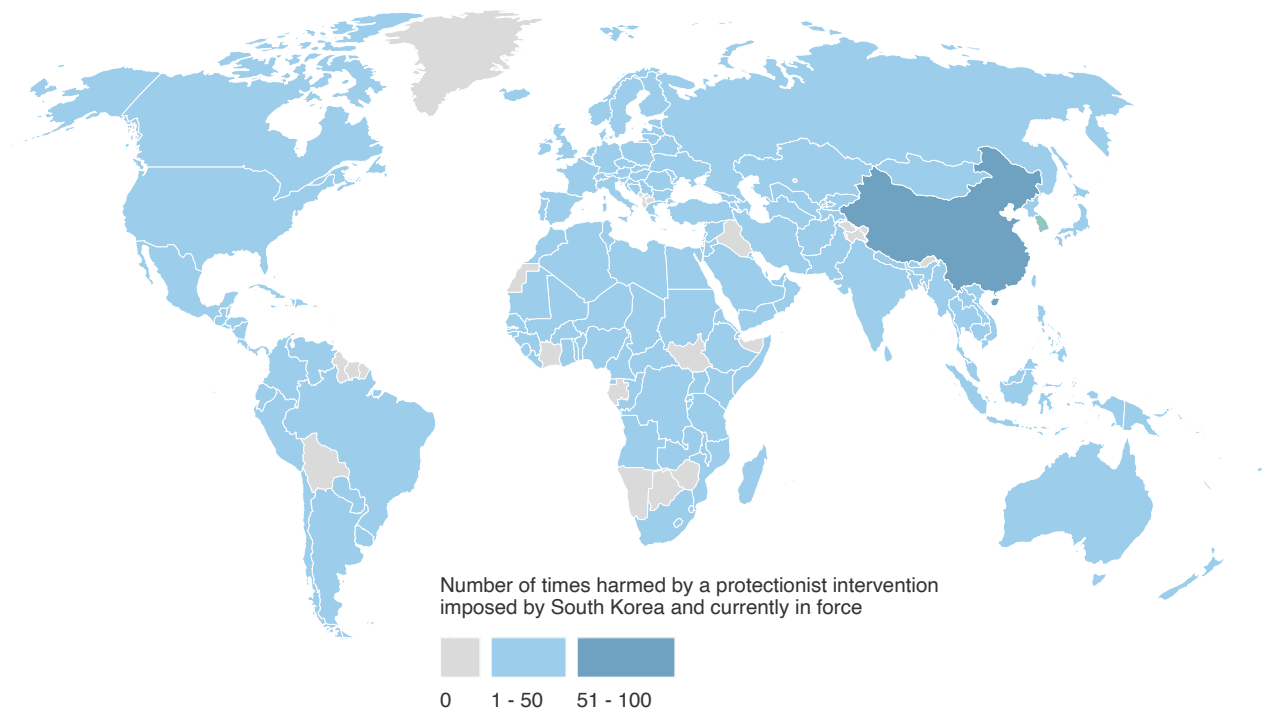
SOUTH KOREA

What is at stake for South Korea's exporters?

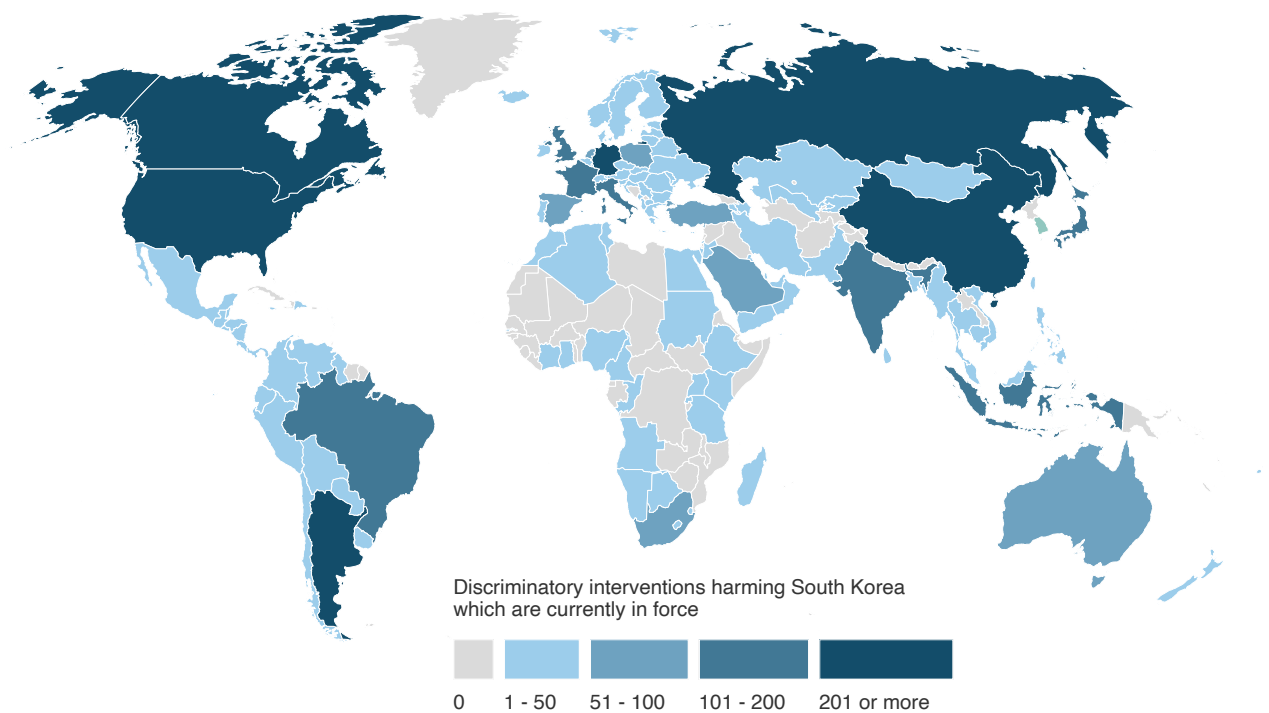
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	58.01	75.01	77.23	82.07	86.38	87.06	85.72	86.00	88.16	89.13	89.33	89.40
D	Contingent trade protection	0.23	1.17	1.31	1.73	1.95	2.01	1.99	2.37	2.58	3.21	3.65	3.81
E	Non-automatic licensing, quotas	0.56	0.92	5.00	5.22	5.51	5.76	6.70	7.53	7.57	7.91	8.18	8.09
F	Price control measures	0.06	0.13	0.14	0.12	0.08	1.53	1.97	2.04	2.24	3.05	3.28	3.50
G	Finance measures	0.19	0.66	1.37	1.37	1.37	1.37	1.38	1.38	1.38	1.38	1.38	1.38
I	Trade-related investment measures	0.38	0.78	0.94	1.04	1.05	1.51	2.24	2.45	2.51	2.57	2.54	2.39
L	Subsidies (excluding export subsidies)	19.09	27.38	31.77	35.42	46.91	47.51	44.30	43.85	44.84	48.83	42.96	43.64
M	Government procurement	0.85	2.19	2.33	2.48	2.79	3.23	3.69	3.70	3.92	4.01	4.14	6.22
P	Export measures	41.65	56.39	61.07	69.31	73.36	73.21	71.04	72.54	74.81	76.21	78.49	78.79
	Import tariff increases	4.46	10.20	10.95	13.67	18.47	14.97	15.20	18.98	27.63	28.17	29.45	29.38
	Instrument unclassified	0.12	0.56	0.80	0.84	0.76	0.82	0.85	0.96	0.96	1.42	1.59	1.59

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY SOUTH KOREA'S DISCRIMINATORY INTERVENTIONS



DISCRIMINATORY INTERVENTIONS HARMING SOUTH KOREA'S INTERESTS



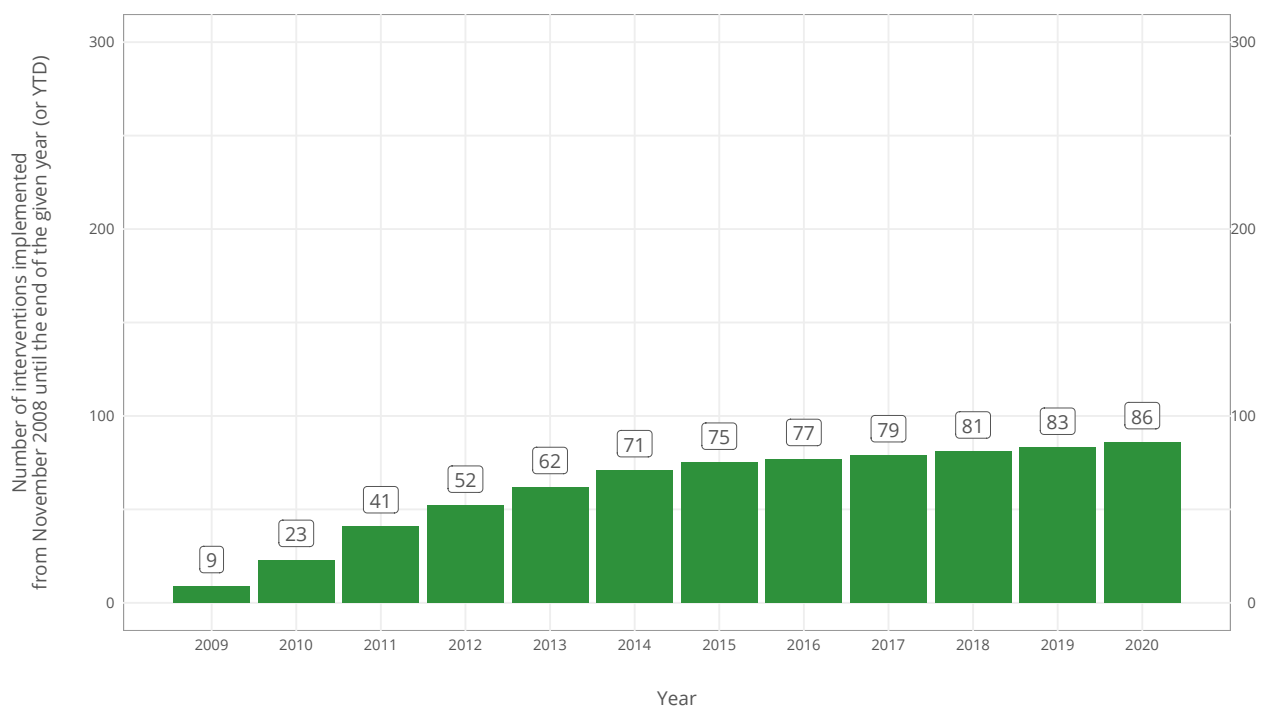
SOUTH KOREA

Track record of liberalisation



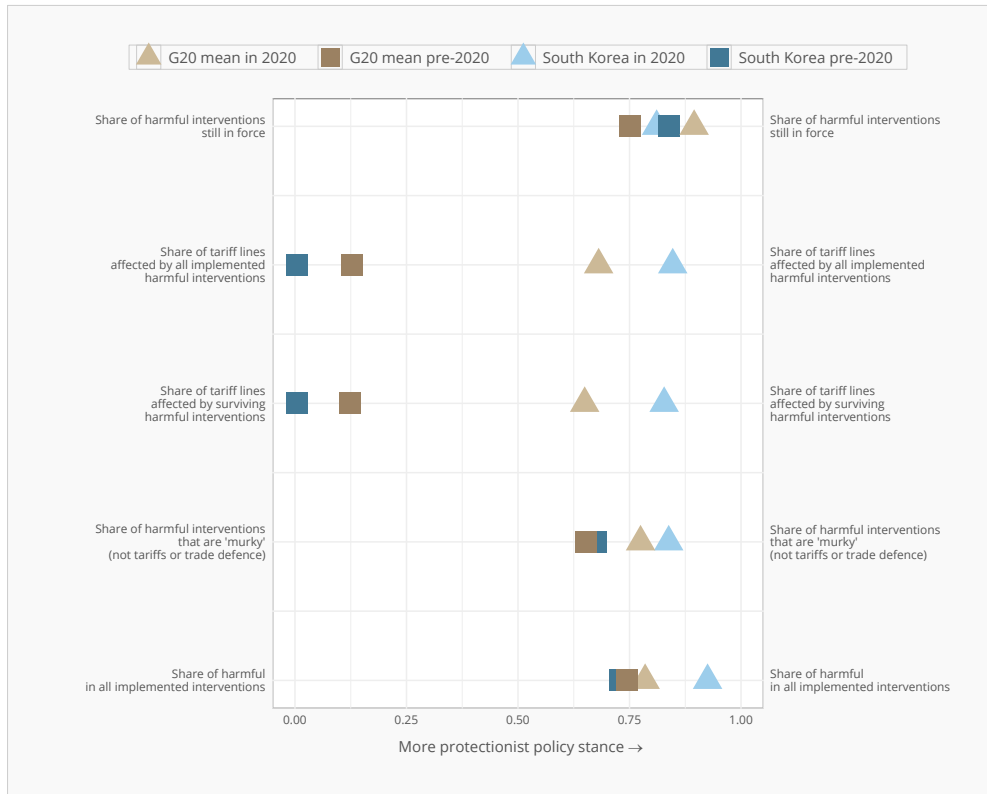
SOUTH KOREA

Number of liberalising interventions imposed since November 2008



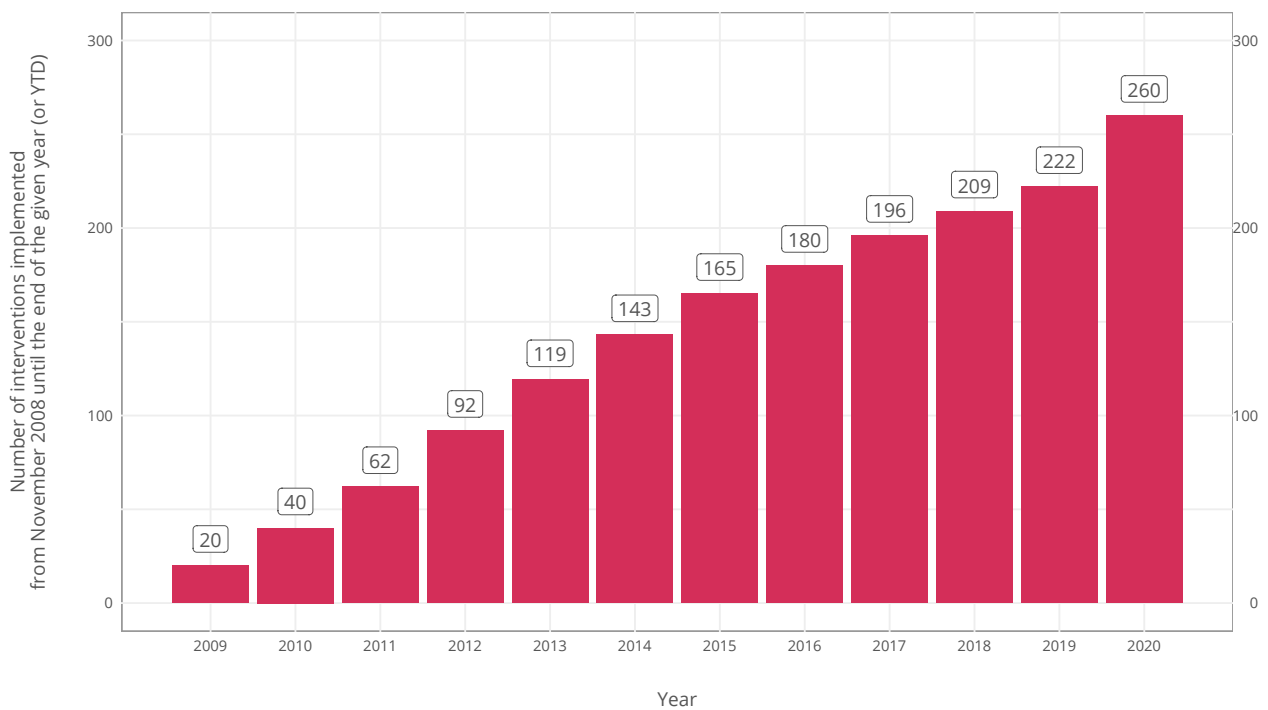
SOUTH KOREA

Track record of protectionism



SOUTH KOREA

Number of discriminatory interventions imposed since November 2008



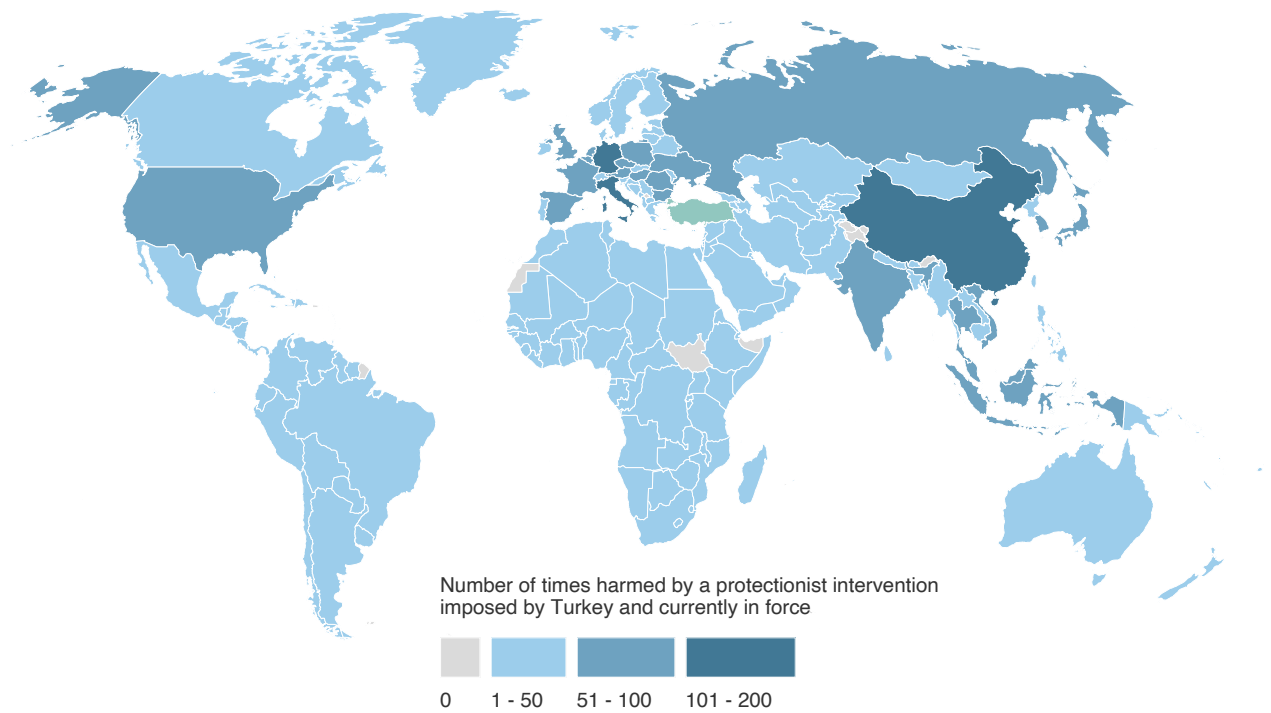
TURKEY

What is at stake for Turkey's exporters?

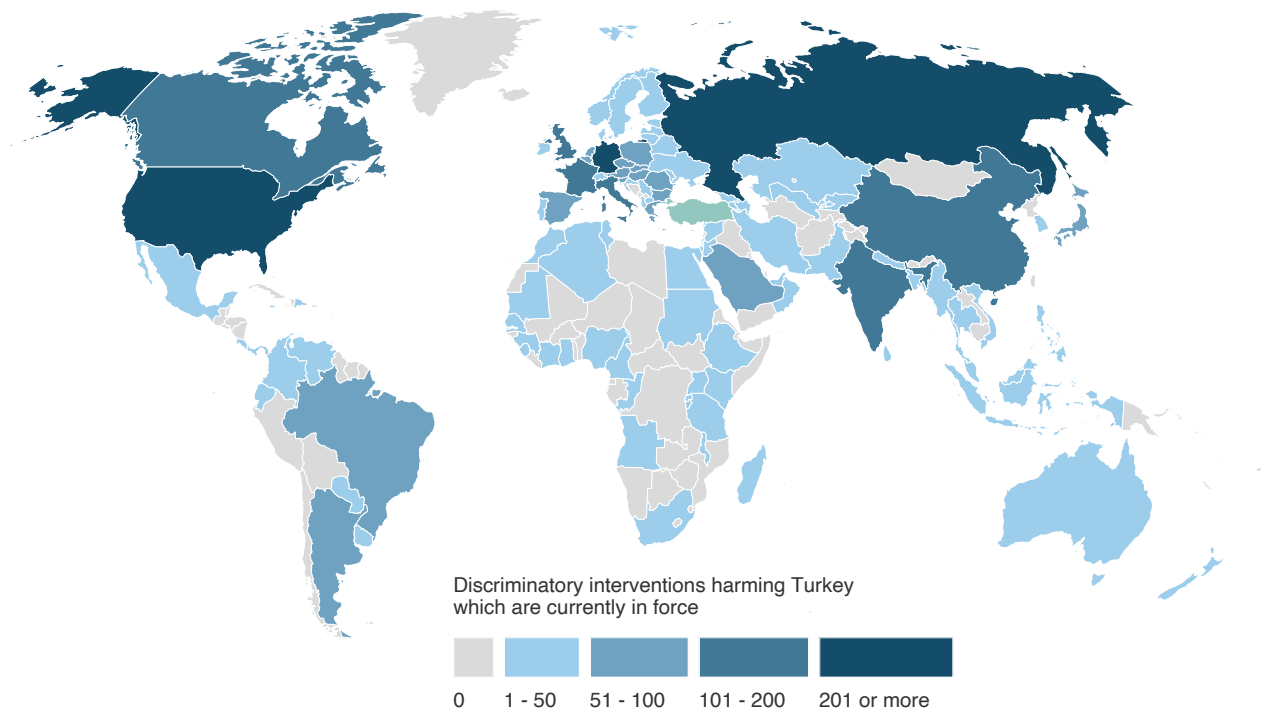
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	53.56	65.35	67.93	71.11	77.82	77.46	74.71	75.81	77.60	79.09	79.39	79.86
D	Contingent trade protection	0.08	0.02	0.11	0.13	0.26	0.68	0.87	1.00	1.07	2.86	4.88	4.48
E	Non-automatic licensing, quotas	0.08	0.17	0.72	0.93	0.96	1.00	1.21	2.81	3.50	3.67	3.67	2.39
F	Price control measures	0.43	0.46	0.46	0.47	0.47	0.57	0.60	0.61	0.61	1.00	1.04	1.04
G	Finance measures	0.53	0.50	0.51	0.51	0.51	0.51	0.72	0.79	0.79	0.79	0.79	0.79
I	Trade-related investment measures	0.48	2.14	2.39	2.42	2.46	2.99	3.47	3.48	3.49	3.46	3.46	3.52
L	Subsidies (excluding export subsidies)	7.30	10.12	7.50	9.11	48.54	49.53	23.21	23.93	24.98	27.90	29.26	33.31
M	Government procurement	0.94	1.38	1.36	1.41	1.46	1.95	2.46	2.69	2.79	2.82	2.83	3.14
P	Export measures	47.54	58.72	61.61	64.13	66.23	65.43	64.12	65.82	66.91	67.77	69.82	70.20
	Import tariff increases	1.31	2.05	2.57	3.90	4.63	4.64	8.05	8.56	9.35	11.49	13.51	14.45
	Instrument unclassified	0.00	0.46	0.66	0.70	0.71	0.75	0.81	0.90	0.92	1.09	1.65	1.65

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY TURKEY’S DISCRIMINATORY INTERVENTIONS

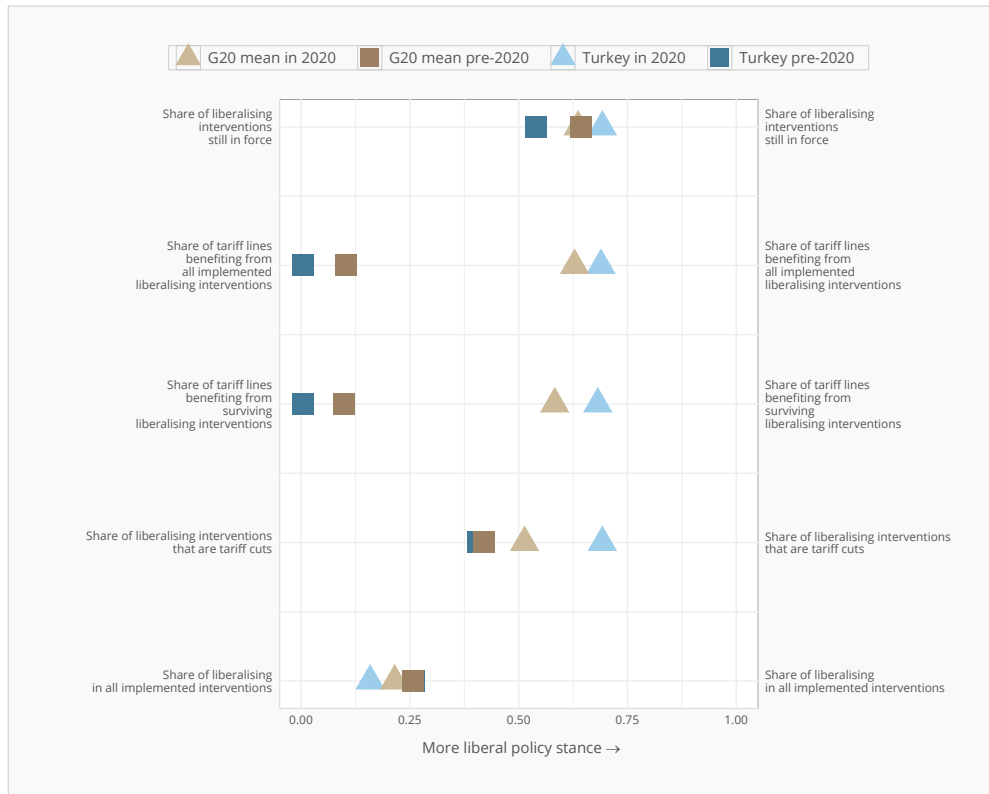


DISCRIMINATORY INTERVENTIONS HARMING TURKEY’S INTERESTS



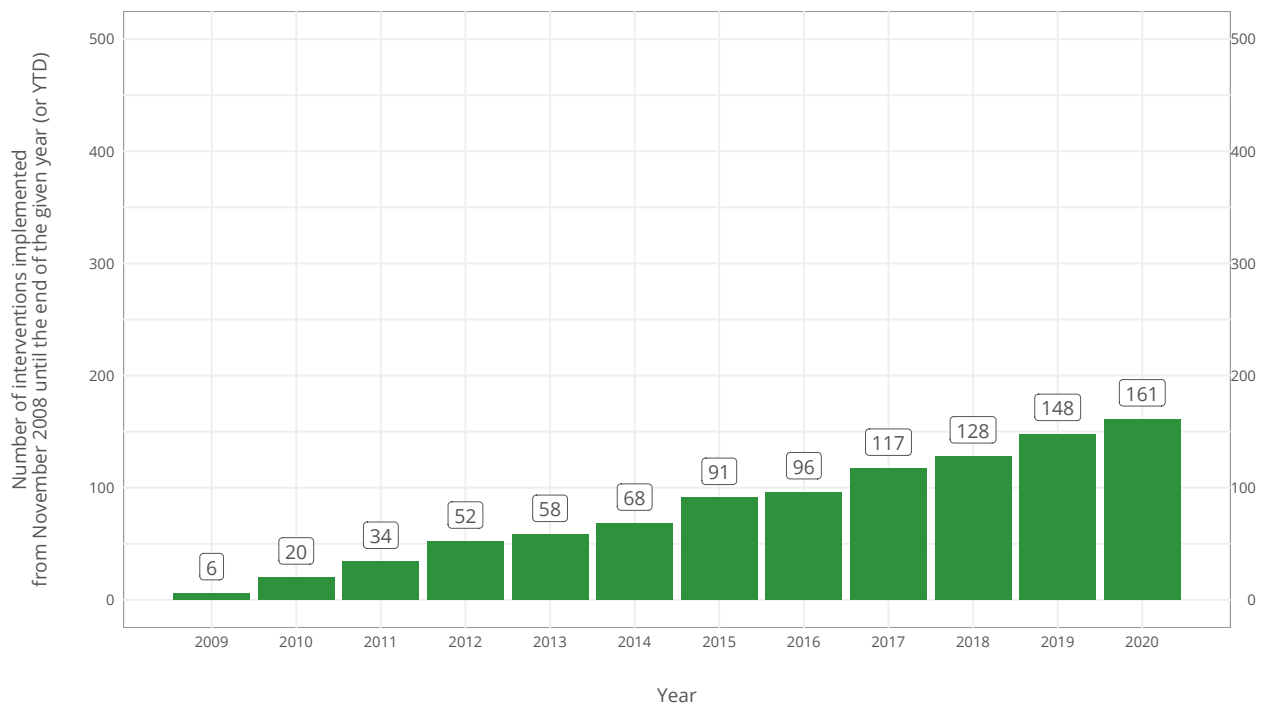
TURKEY

Track record of liberalisation



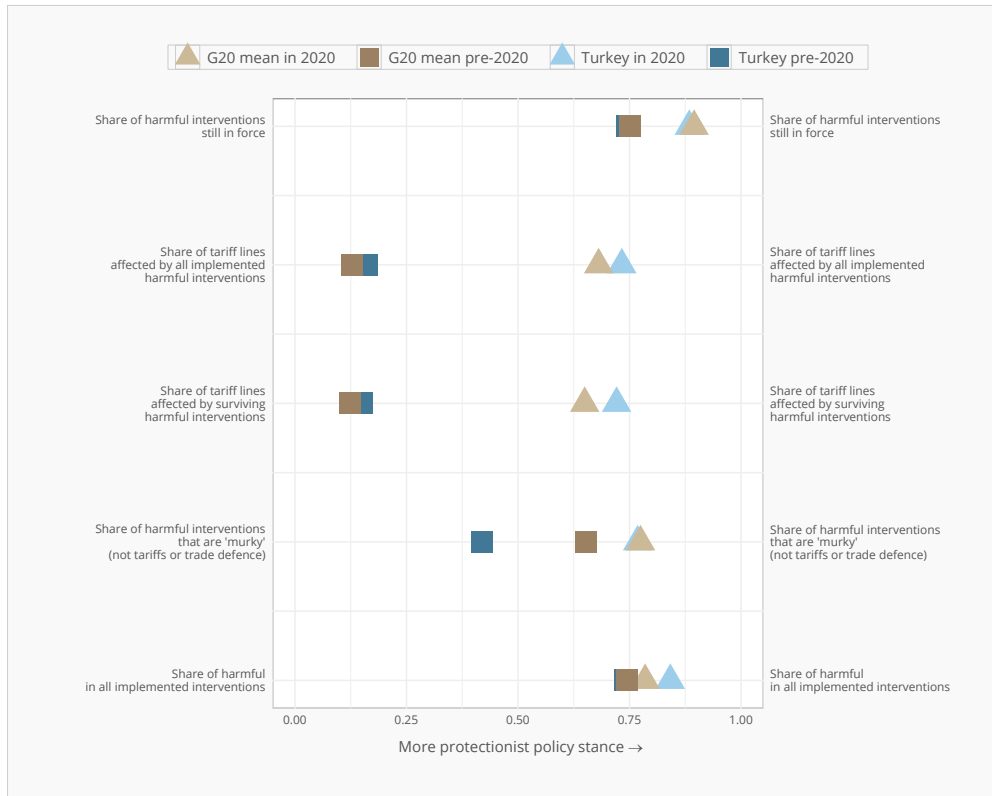
TURKEY

Number of liberalising interventions imposed since November 2008



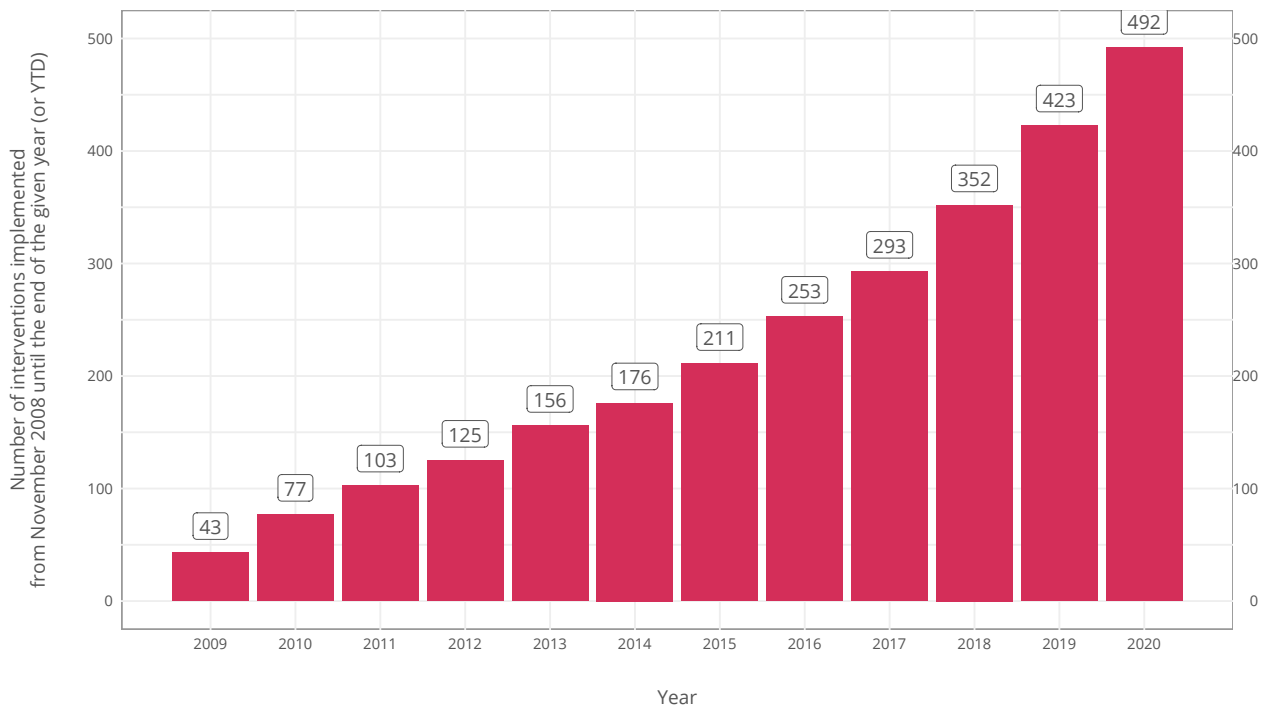
TURKEY

Track record of protectionism



TURKEY

Number of discriminatory interventions imposed since November 2008



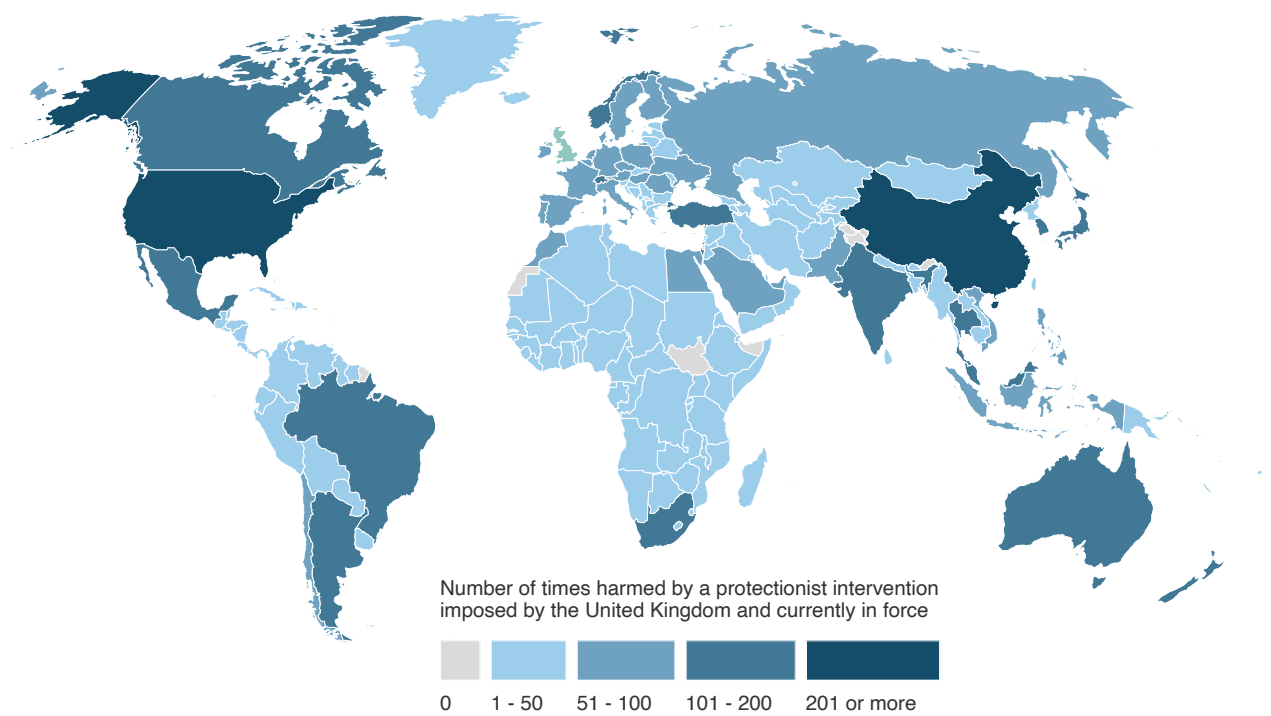
UNITED KINGDOM

What is at stake for the United Kingdom's exporters?

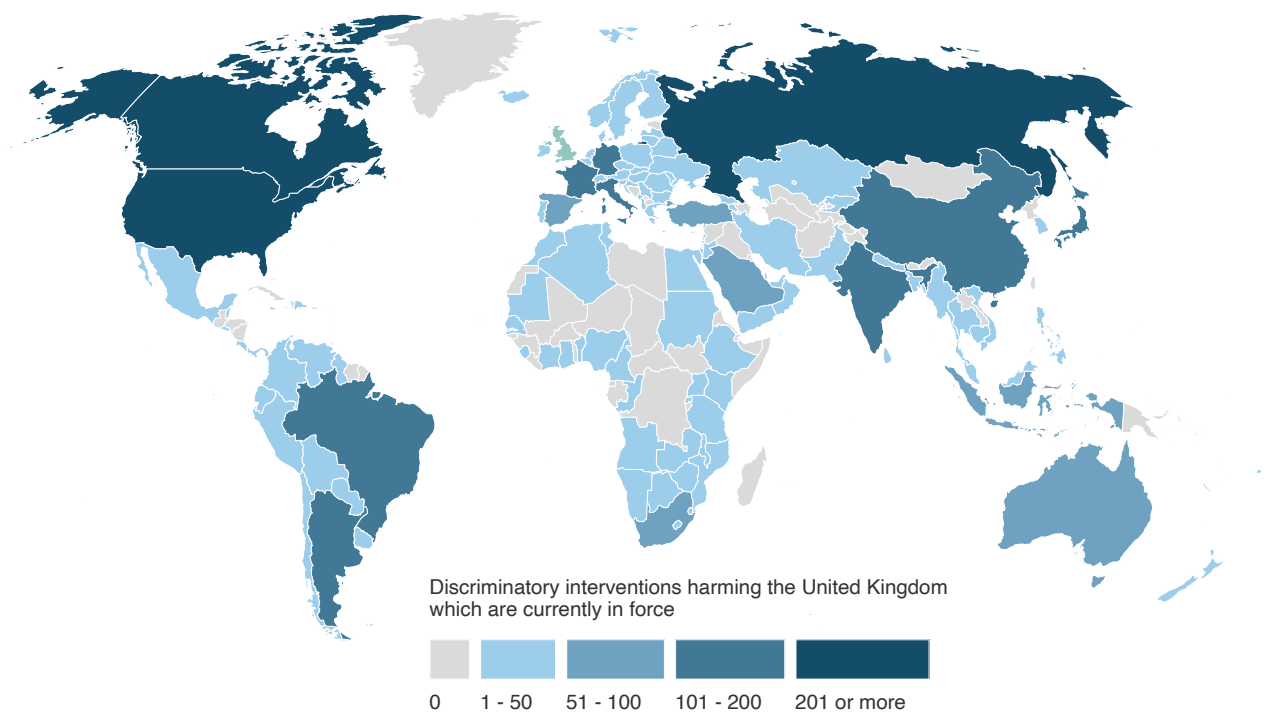
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	35.79	45.99	51.69	58.35	60.90	62.74	63.59	65.67	69.53	71.32	73.35	74.95
D	Contingent trade protection	0.01	0.02	0.07	0.12	0.14	0.15	0.16	0.21	0.23	0.28	0.33	0.38
E	Non-automatic licensing, quotas	0.11	0.17	0.46	0.53	0.63	0.66	0.83	0.80	1.28	2.17	2.20	2.27
F	Price control measures	0.01	0.04	0.06	0.08	0.07	0.09	0.17	0.22	0.33	1.10	1.18	1.21
G	Finance measures	0.40	0.46	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
I	Trade-related investment measures	0.33	1.17	1.29	1.31	1.32	1.52	1.75	1.83	1.85	1.83	1.86	1.86
L	Subsidies (excluding export subsidies)	4.51	7.31	9.14	12.38	13.59	18.05	17.64	19.14	20.83	23.72	25.45	30.85
M	Government procurement	0.36	0.70	0.78	0.99	1.06	1.27	1.67	1.70	1.72	1.77	1.89	2.19
P	Export measures	30.58	39.56	46.07	53.68	56.13	53.54	54.39	56.80	61.51	63.50	65.62	66.38
	Import tariff increases	1.33	1.65	1.71	2.42	2.99	2.93	3.13	3.50	4.20	4.52	4.99	5.60
	Instrument unclassified	0.02	0.29	0.41	0.42	0.50	1.79	2.06	2.14	2.25	2.39	2.39	2.39

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY THE UK'S DISCRIMINATORY INTERVENTIONS

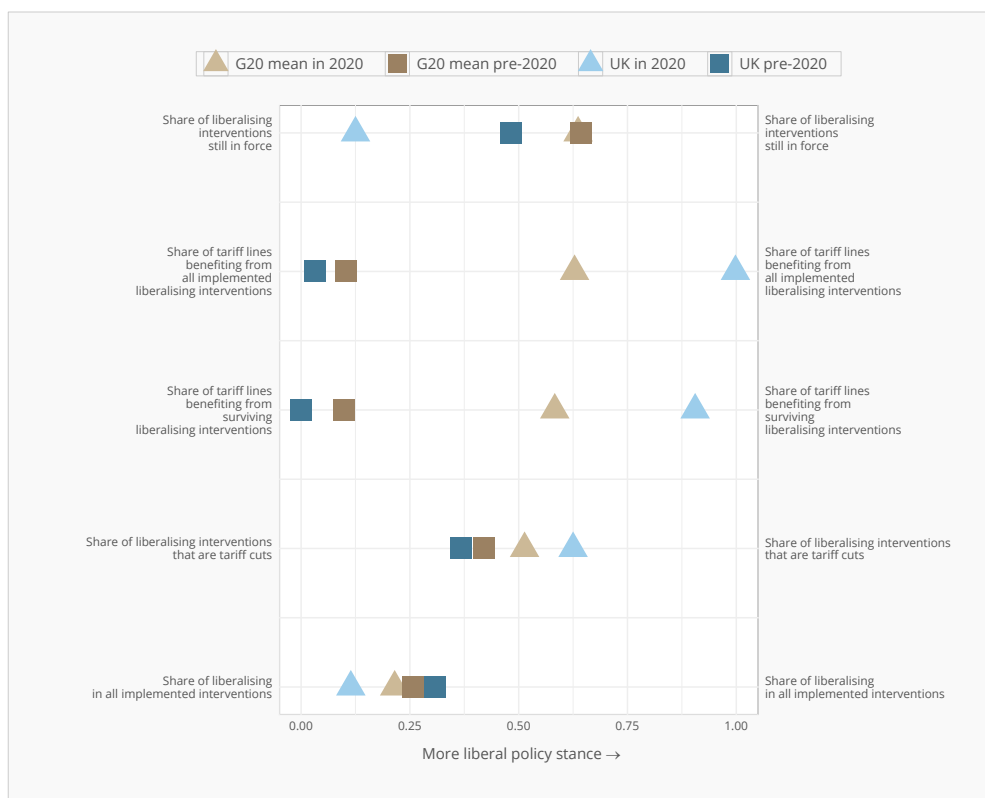


DISCRIMINATORY INTERVENTIONS HARMING THE UK'S INTERESTS



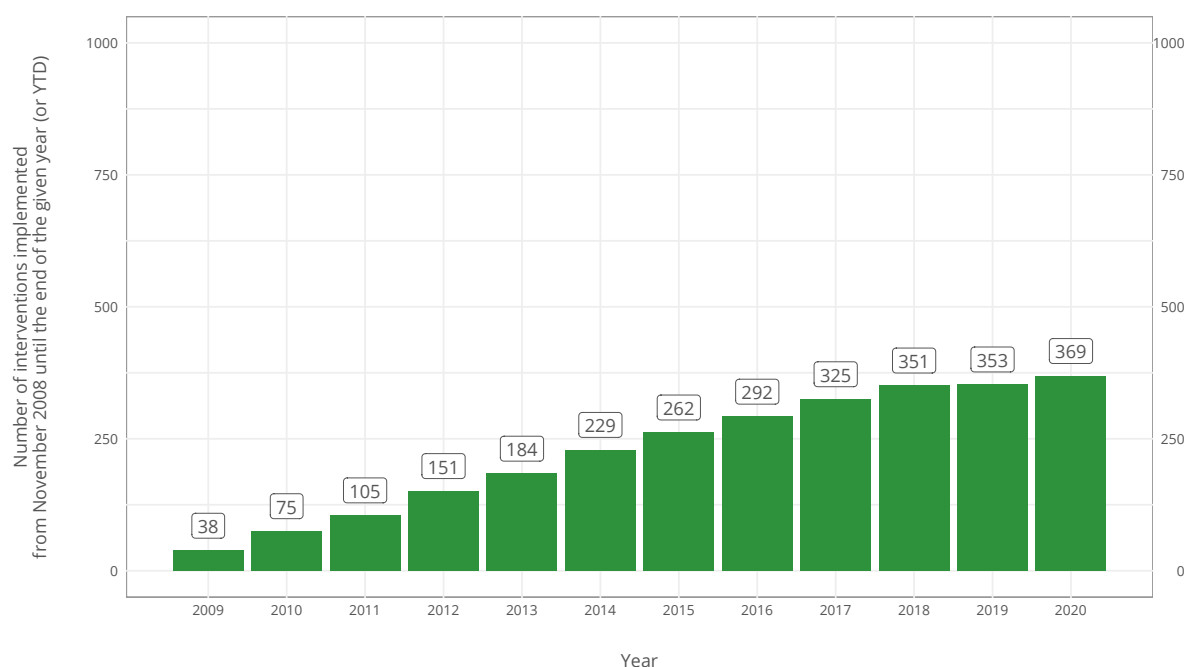
UNITED KINGDOM

Track record of liberalisation



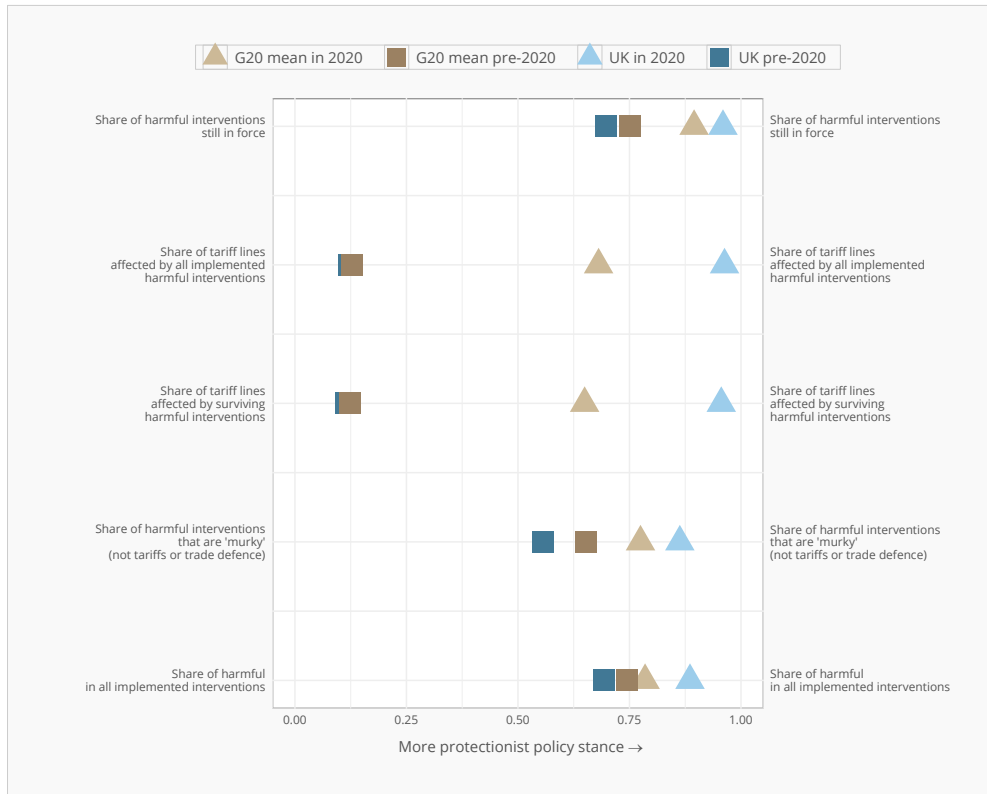
UNITED KINGDOM

Number of liberalising interventions imposed since November 2008



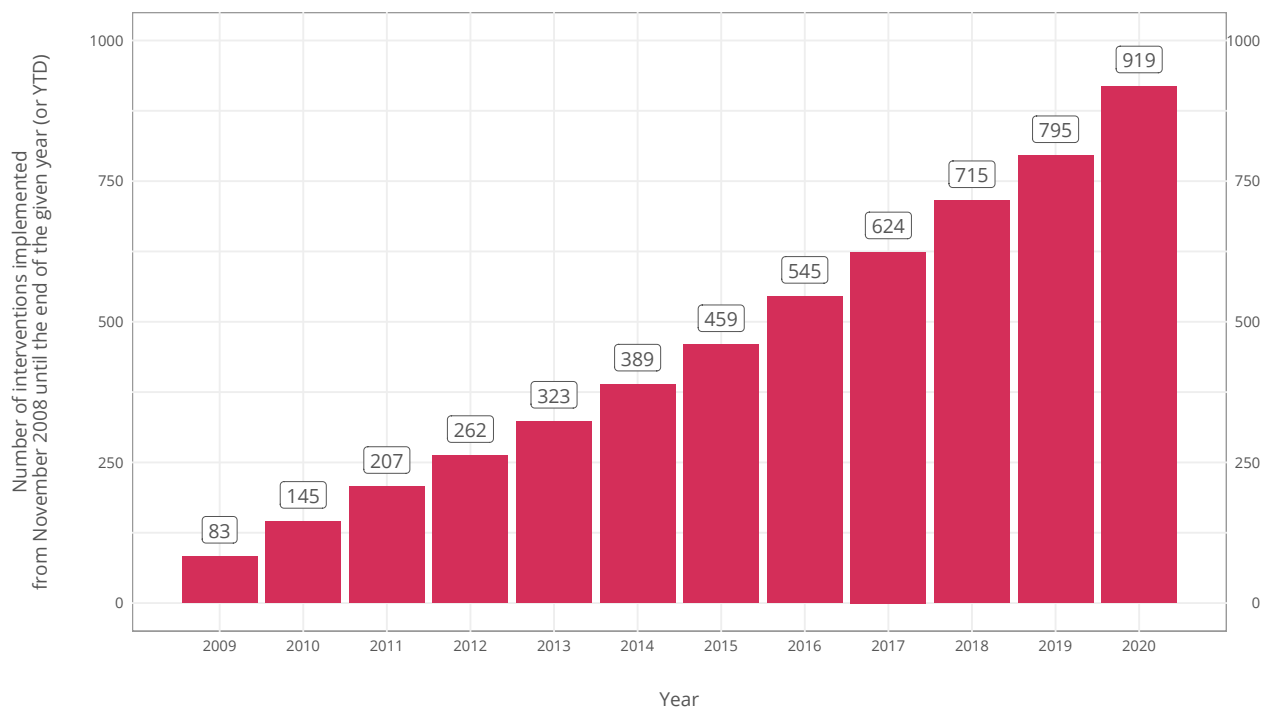
UNITED KINGDOM

Track record of protectionism



UNITED KINGDOM

Number of discriminatory interventions imposed since November 2008



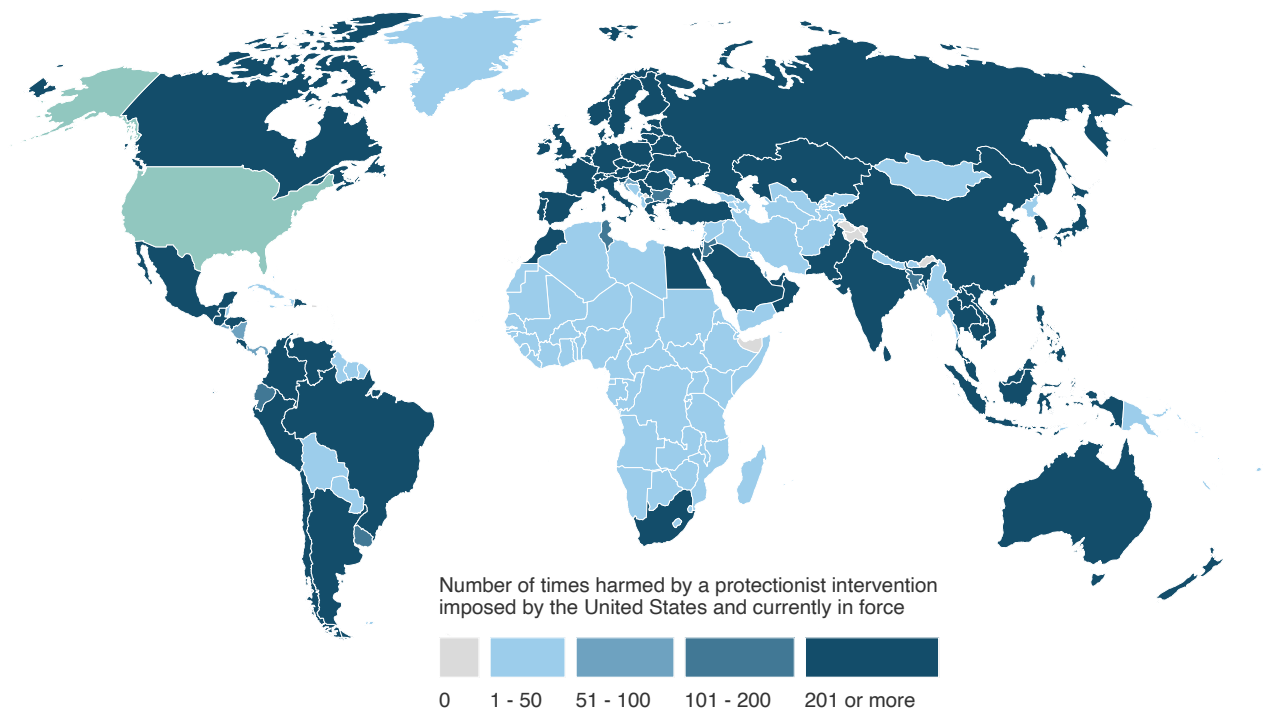
UNITED STATES

What is at stake for the United States' exporters?

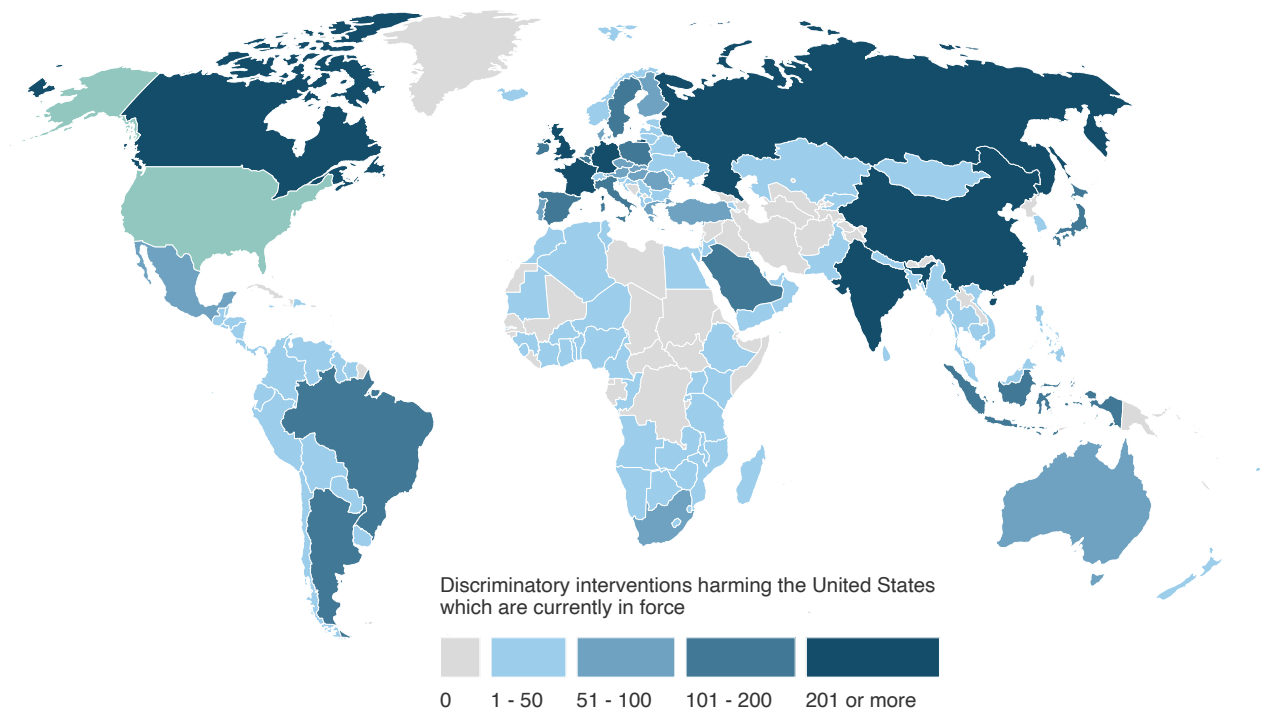
UN MAST chapter	Foreign discriminatory policy instrument	Percentage of this G20 member's exports at risk due to ...											
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	All instruments	43.22	53.33	60.13	66.21	73.65	76.13	75.16	76.52	78.74	80.96	82.64	82.99
D	Contingent trade protection	0.30	0.44	0.49	0.60	0.66	0.63	0.64	0.69	0.80	1.35	1.56	1.78
E	Non-automatic licensing, quotas	0.47	0.84	1.86	2.48	3.67	3.47	5.00	5.21	5.33	5.47	5.50	5.47
F	Price control measures	0.08	0.10	0.14	0.20	0.33	0.66	0.89	1.03	1.11	1.52	1.59	2.51
G	Finance measures	0.34	1.03	1.10	1.10	1.10	1.10	1.11	1.11	1.11	1.11	1.11	1.11
I	Trade-related investment measures	0.36	0.77	0.46	0.49	0.50	0.57	1.26	1.62	1.17	1.09	1.09	1.08
L	Subsidies (excluding export subsidies)	5.92	8.33	7.31	8.84	26.77	28.83	21.97	23.12	26.03	29.61	30.88	31.52
M	Government procurement	0.08	0.35	0.35	0.57	0.85	1.37	1.94	1.82	1.83	1.96	2.00	2.07
P	Export measures	36.54	44.99	52.47	58.43	61.29	62.77	62.30	64.30	66.91	68.13	70.23	70.88
	Import tariff increases	3.15	4.14	4.88	6.52	8.36	8.10	9.88	11.59	16.68	18.81	20.42	21.25
	Instrument unclassified	0.10	0.24	0.32	0.42	0.57	1.53	1.88	1.94	1.95	2.40	2.75	2.75

Note: This table presents estimates of the percentage of a nation's exports that face different harmful policy interventions in their export markets. Only those harmful interventions implemented after November 2008 count towards these totals—therefore, the estimates indicate the exposure of national exports to crisis-era policy intervention that favours domestic commercial interests. The trade data used in the estimation is taken from UN Comtrade and at the six-digit level of the Harmonised System product classification. For each product exported by a nation, the foreign markets accounted for in this estimate are those where bilateral exports exceeded \$1 million for the given product. De minimis trade flows are therefore excluded. To limit endogeneity problems (that is, the harmful policy interventions affecting the total value of exports observed) pre-crisis shares of world trade are employed in these calculations. The pre-crisis shares are computed as the mean weight for the years 2005-7. The calculations also take into account when a harmful policy intervention comes into force and, where relevant, lapses. When an intervention lasts for only part of a year, the trade flow is discounted by the fraction of the year the harmful measure is not in force.

COUNTRIES HARMED BY THE US' DISCRIMINATORY INTERVENTIONS

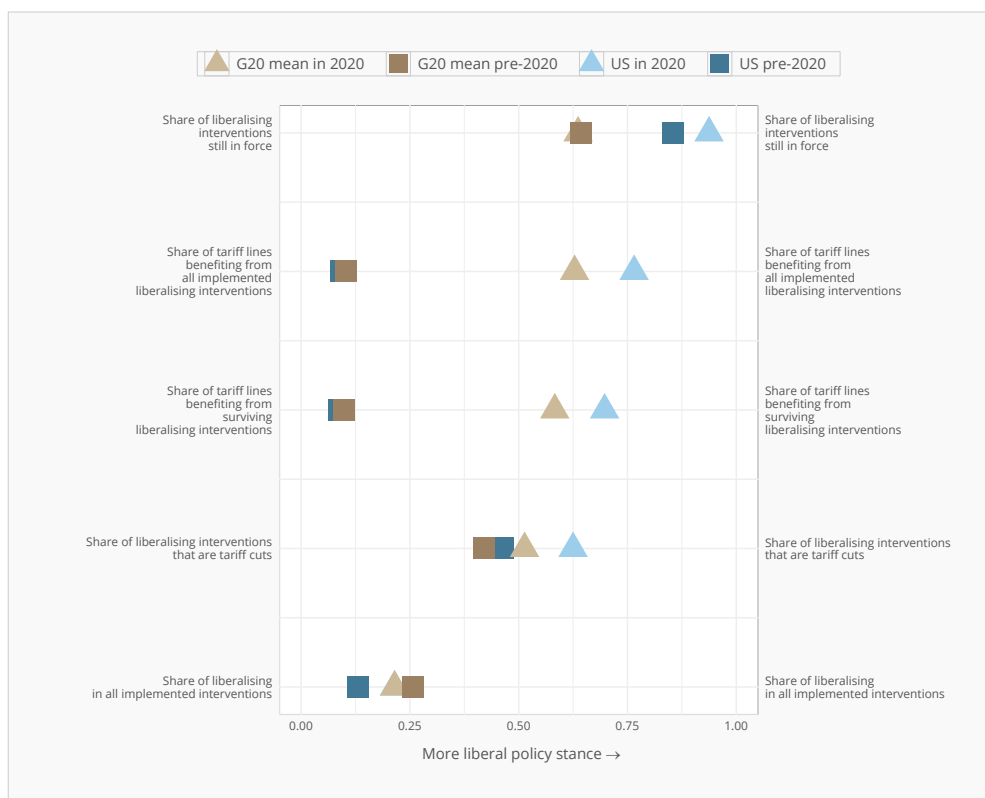


DISCRIMINATORY INTERVENTIONS HARMING THE US' INTERESTS



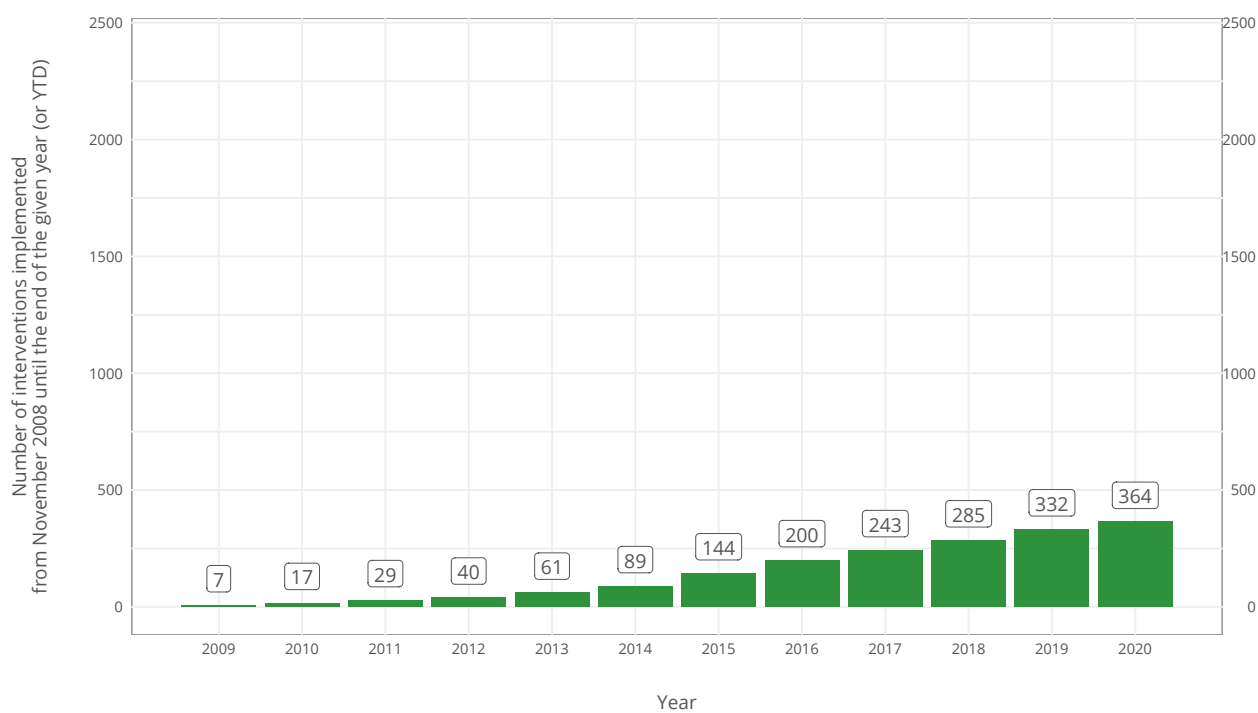
UNITED STATES

Track record of liberalisation



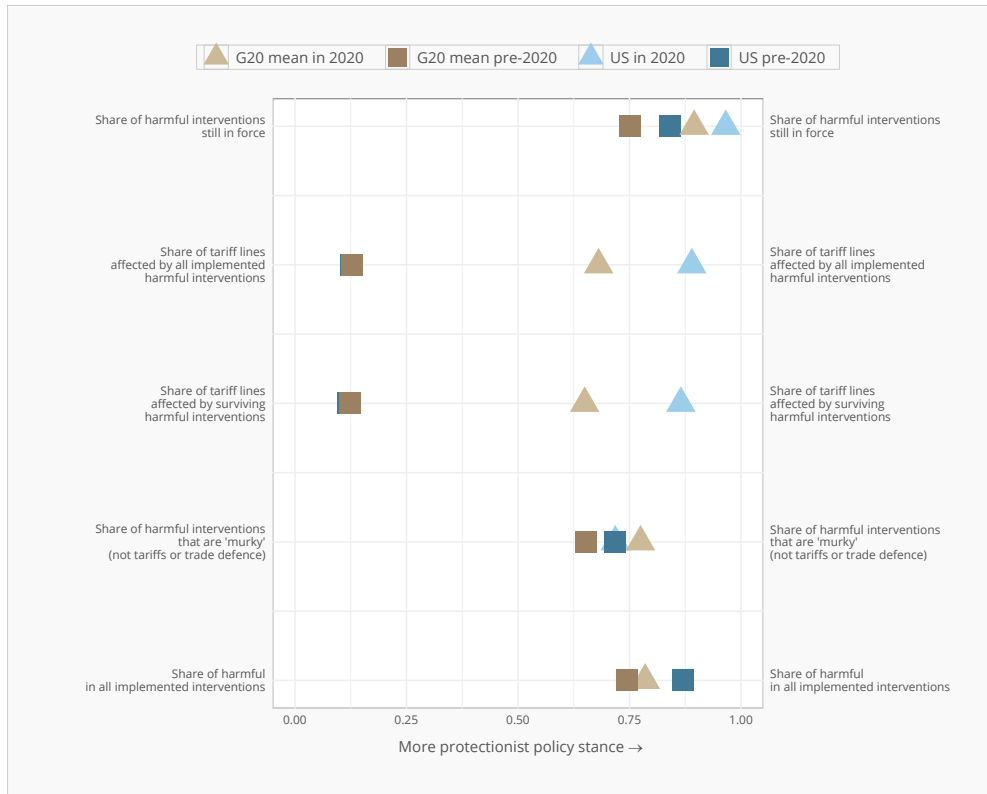
UNITED STATES

Number of liberalising interventions imposed since November 2008



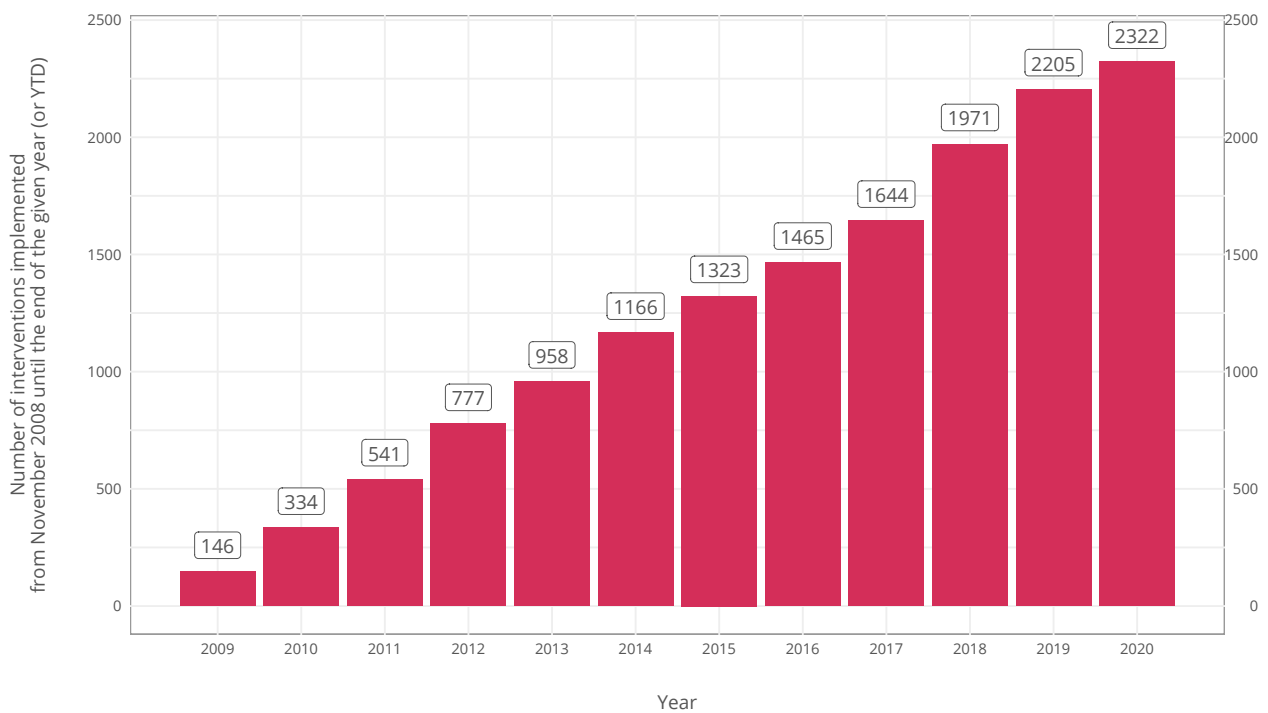
UNITED STATES

Track record of protectionism



UNITED STATES

Number of discriminatory interventions imposed since November 2008



This report provides the most comprehensive account to date of the cross-border commercial fallout from government measures taken to tackle the COVID-19 pandemic. Not every element of pandemic response had consequences for trading partners. Of those that did, not all were harmful. Governments may see themselves as responsible solely for the wellbeing of their own citizens but that doesn't negate the fact that their actions can harm the health as well as the livelihoods of citizens of trading partners.

Information on 2,031 policy interventions taken during the first 10 months of 2020 was documented and analysed in the preparation of this report. This year has witnessed policy interventions that sicken-thy-neighbour as well as those that beggar-thy-neighbour. There has also been a substantial amount of import reform. Policy response this year was also compared to that in 2009, during the darkest days of the Global Financial Crisis.

Evidence is marshalled to show that there is no single crisis playbook. Governments have a choice in how they respond to crises. Once again states made dissimilar choices with different repercussions for their trading partners. Significant collateral damage was not inevitable. In fact, we show the fallout across nations this year was very uneven. Given the prospects for a revival in multilateral trade cooperation are improving, this report advances three policy recommendations.

CEPR Press

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