Rate of new trade restrictions from G20 economies doubles against previous period

The WTO’s nineteenth monitoring report on Group of 20 (G20) trade measures covering the period from mid-October 2017 to mid-May 2018, issued on 4 July, shows that new trade-restrictive measures from G20 economies have doubled compared to the previous review period. The report also shows that G20 economies continue to implement trade-facilitating measures, with the rate increasing slightly. The report’s findings should be of ‘real concern’ to the international community, according to Director-General Roberto Azevêdo.

- Summary and Status of G-20 trade and trade-related measures since October 2008 ([https://www.wto.org/english/news_e/news18_e/g20_annex_bis_july18_e.xls](https://www.wto.org/english/news_e/news18_e/g20_annex_bis_july18_e.xls)) (Excel Format)

A total of 39 new trade-restrictive measures were applied by G20 economies during the review period, including tariff increases, stricter customs procedures, imposition of taxes and export duties. This equates to an average of almost six restrictive measures per month, which is significantly higher than the three measures recorded during the previous review period (see chart).

G20 economies also implemented 47 measures aimed at facilitating trade during the review period, including eliminated or reduced tariffs, simplified import and export customs procedures and reduction of import taxes. At an average of almost seven trade-facilitating measures per month (see chart), this is marginally higher than the six measures recorded in the previous reporting period (mid-May to mid-October 2017).

It is notable that the estimated trade coverage of trade-facilitating measures implemented by G20 economies (US$82.7 billion) exceeded the estimated trade coverage of import-restrictive measures (US$74.1 billion), but is approximately half the trade coverage reported

More
- Implementation and monitoring ([https://www.wto.org/english/tratop_e/mnitor_e/mnitor_e.htm](https://www.wto.org/english/tratop_e/mnitor_e/mnitor_e.htm))
- Trade monitoring ([https://www.wto.org/english/tratop_e/trp_e/trade_monitoring_e.htm](https://www.wto.org/english/tratop_e/trp_e/trade_monitoring_e.htm))
- WTO and other organizations ([https://www.wto.org/english/thewto_e/cohe_r_e/cohe_r_e.html](https://www.wto.org/english/thewto_e/cohe_r_e/cohe_r_e.html))
- Director-General ([https://www.wto.org/english/thewto_e/dg_e/dg_e.html](https://www.wto.org/english/thewto_e/dg_e/dg_e.html))
for these measures during the same period in 2016-17. The trade coverage of import-restrictive measures is more than one-and-a-half times larger than that during the same period in 2016-17.

Commenting on the report, Director-General Roberto Azevêdo said:

"The marked increase in new trade restrictive measures among G20 economies should be of real concern to the international community. Additional trade-restrictive measures have been announced in the weeks since this reporting period and therefore the deterioration in trade relations may be even worse than that recorded here. This continued escalation poses a serious threat to growth and recovery in all countries, and we are beginning to see this reflected in some forward-looking indicators. I urge G20 leaders to show restraint in applying new measures and to urgently de-escalate the situation. I will continue working with the G20 governments and all WTO members to this end."

On trade remedy measures and compared to the previous period, the review period saw a slight increase in initiations of investigations by G20 economies and a significant increase of terminations of trade remedy actions (see chart). Initiations of trade remedy investigations represented about half (49%) of trade measures recorded, with anti-dumping (AD) investigations accounting for almost 80% of all trade remedy initiations. The amount of trade covered by these is estimated at US$52.3 billion and is significantly higher than in the two previous G20 reports (see chart). The trade coverage of trade remedy initiations recorded in the review period is estimated at US$6.2 billion. These measures are not classified as either trade-restrictive or trade-facilitating by this report.

The main sectors affected by trade remedy initiations during the review period were iron and steel, plastics and articles thereof, vehicles, parts and accessories thereof and products of iron and steel.

The G20 economies are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Republic of Korea, Japan, Mexico, the Russian Federation, Saudi Arabia, South Africa, Turkey, the United Kingdom and the United States, as well as the European Union.

Key Findings

- This Report covers new trade and trade-related measures implemented by G20 economies between 16 October 2017 and 15 May 2018. It reveals a number of important trends in global trade policy-making. While G20 economies continue to implement trade-facilitating measures, the more worrying trend during this period is the increase in trade-restrictive measures which has come at a time of increasing trade tensions and associated rhetoric. This should be of real concern to the international community.

- G20 economies applied 39 new trade-restrictive measures during the review period, including tariff increases, stricter customs procedures, imposition of taxes and export duties. This equates to an average of almost six restrictive measures per month, which is significantly higher than the three measures recorded during the previous review period.

- G20 economies also implemented 47 measures aimed at facilitating trade during the review period, including eliminated or reduced tariffs, simplified import and export customs procedures and reduction of import taxes. At almost seven trade-facilitating measures per month, this is marginally higher than the six measures recorded in the previous period.

https://www.wto.org/english/news_e/news18_e/monit_04jul18_e.htm
The estimated trade coverage of import-facilitating measures (US$82.7 billion) is higher than that of import-restrictive measures (US$74.1 billion) during the review period, but is approximately half the trade coverage reported for these measures during the same period in 2016-17. Moreover, the trade coverage of import-restrictive measures is more than one-and-a-half times larger than that during the same period in 2016-17.

On trade remedy measures, the review period saw a slight increase in initiations of investigations by G20 economies and a significant increase of terminations, compared to the previous period. Initiations of trade remedy investigations represent almost half (49%) of all trade measures recorded during the review period. The trade coverage of trade remedy initiations recorded in this Report is estimated at US$52.3 billion and is significantly higher than in the two previous G20 Reports. The trade coverage of trade remedy terminations recorded in the review period is estimated at US$6.2 billion.

At a juncture where the global economy is finally beginning to generate sustained economic momentum following the global financial crisis, the uncertainty created by a proliferation of trade restrictive actions could place economic recovery in jeopardy. The multilateral trading system was built to resolve such problems and it has the tools to do so again. However, further escalation could carry potentially large risks for the system itself. Its resilience and functionality in the face of these challenges will depend on each and every one of its Members. The G20 economies must use all means at their disposal to de-escalate the situation and promote further trade recovery.

Share

RSS news feeds (https://www.wto.org/english/res_e/webcas_e/rss_e.htm)