

# **Emerging Protectionism**

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# Emerging Protectionism

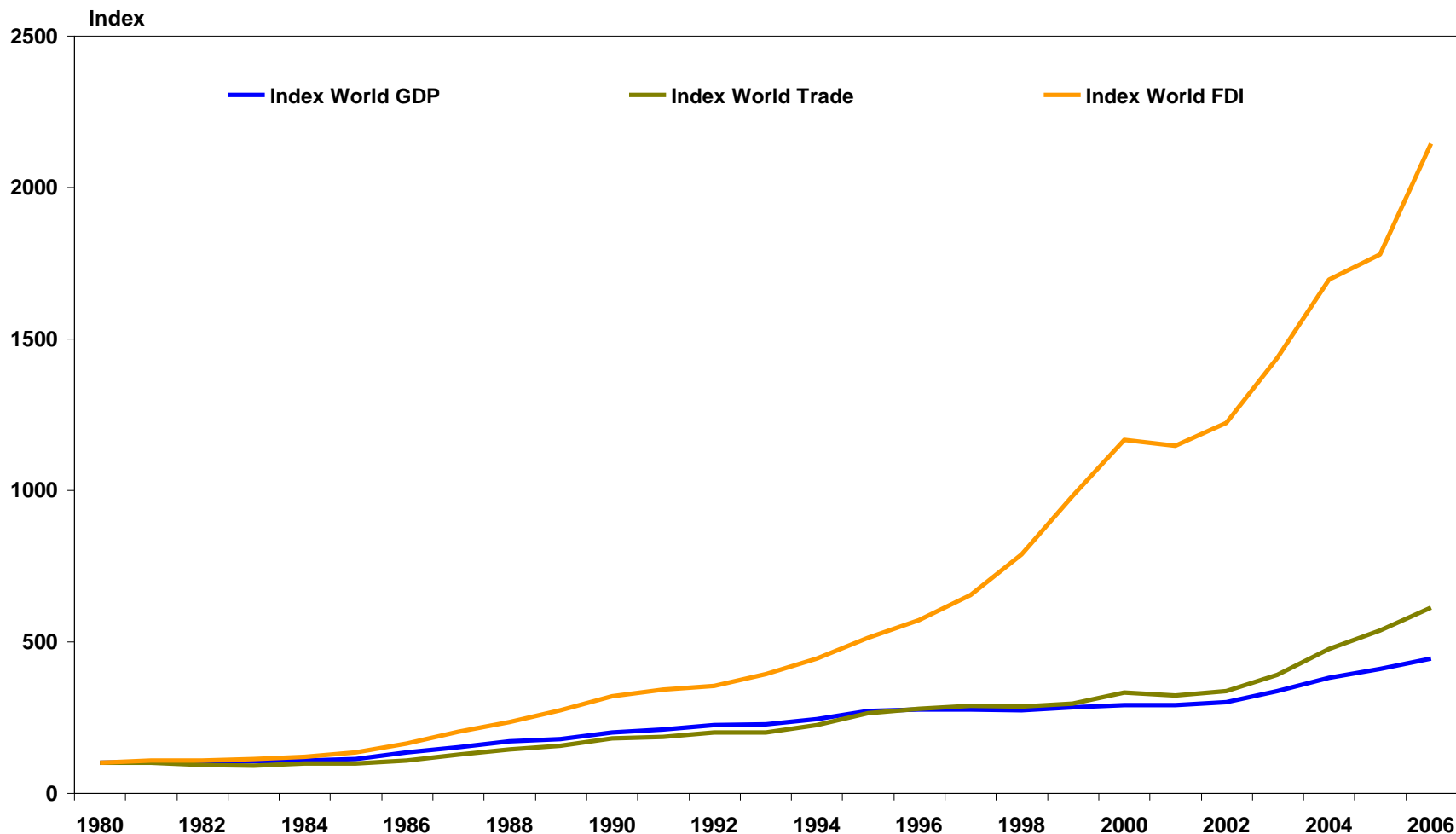
- The Goldilocks global economy, 1980s-2007
- The global economic crisis: outlook for 2009
- The global policy environment, 2009-
- The key players

# Emerging Protectionism

- **The Goldilocks global economy**
  - Strong growth in global trade and FDI; rise of Asia in late 20<sup>th</sup> century/early 21<sup>st</sup> century globalisation; golden conditions 2001-2006
  - Policy environment: strong liberalisation 80s and 90s; slowdown thereafter; unfinished business

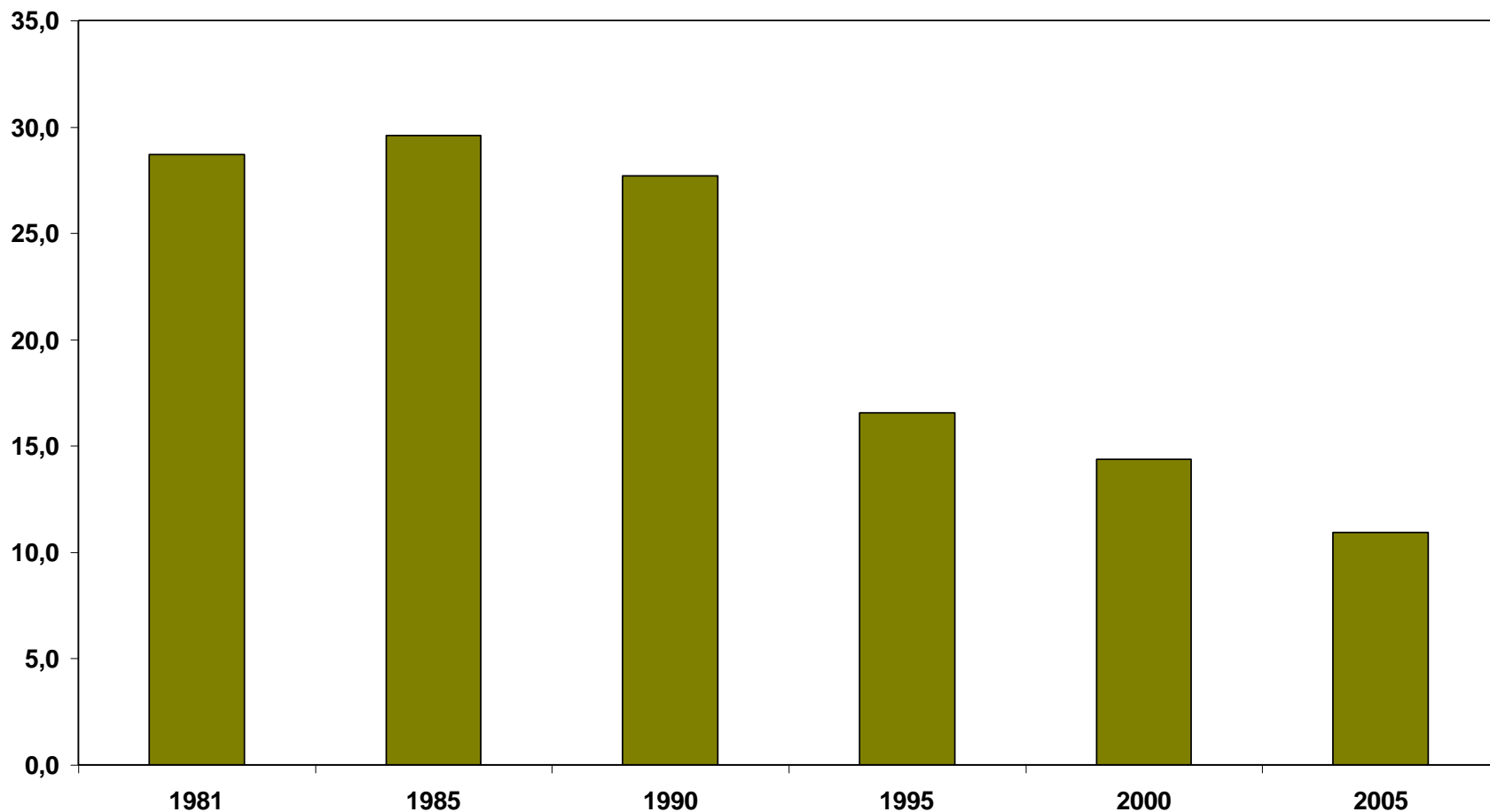
# Growth in World Trade, FDI and GDP - current US\$ (1980-2006)

Growth in World Trade, FDI and GDP - current US\$ (1980-2006)



# Average Applied Tariff Rates in Developing Countries - Unweighted in % (1981-2005)

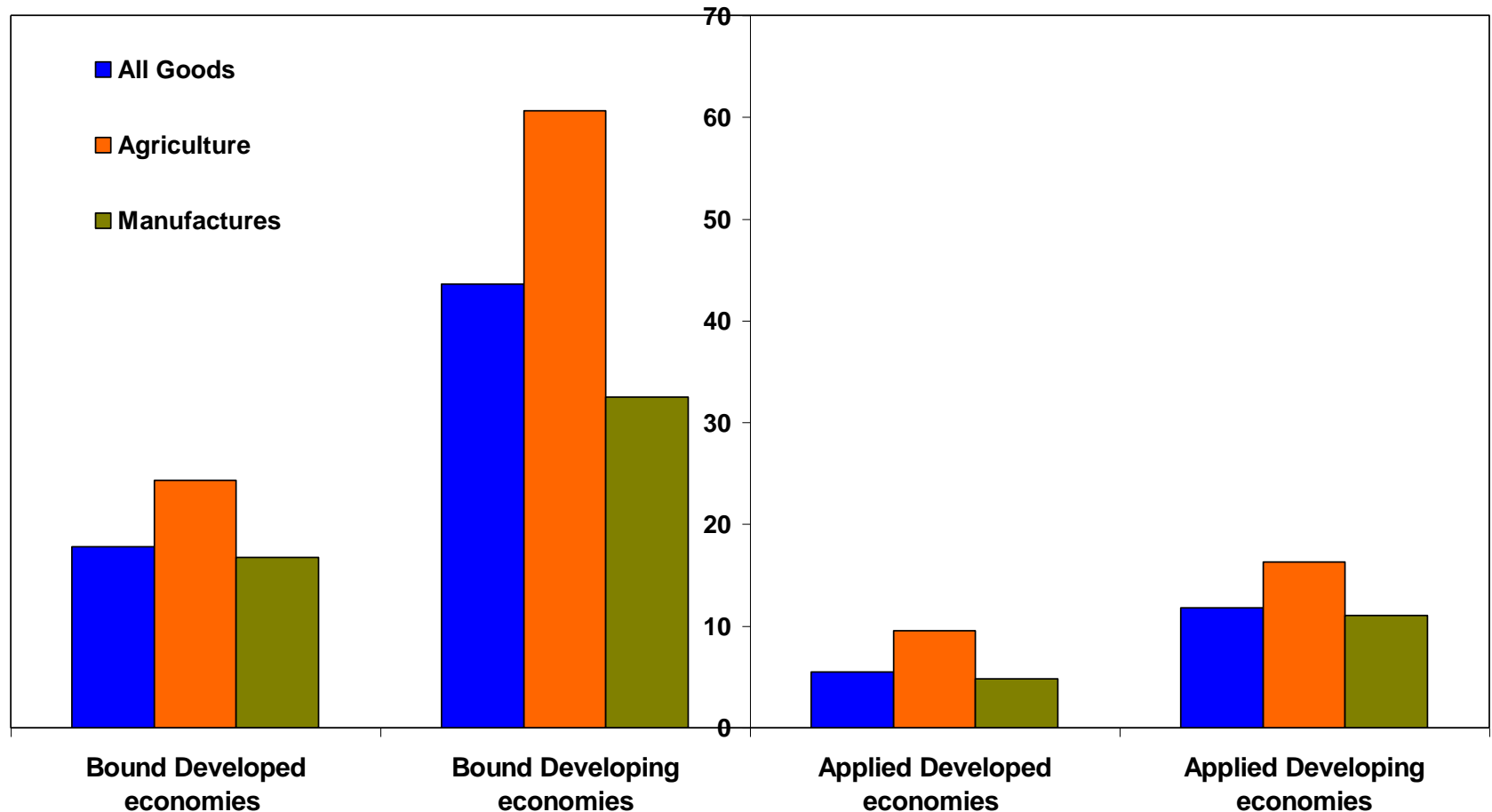
Average Applied Tariff Rates in Developing Countries  
Unweighted in % (1981-2005)



# Bound and Applied Rates

## Developed and Developing Countries

Bound and Applied Tariff Rates  
Developed Countries ('02-'04) & Developing Countries ('98-'04)



# World Ranking in Ease of Doing Business (2009)

	Ease of Doing Business	Starting a Business	Dealing with Construc tion Permits	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
US	3	6	26	1	12	5	5	46	15	6	15
Japan	12	64	39	17	51	12	15	112	17	21	1
Singapore	1	10	2	1	16	5	2	5	1	14	2
H-Kong	4	15	20	20	74	2	3	3	2	1	13
N- Zealand	2	1	2	14	3	5	1	12	23	11	17
S-Africa	32	47	48	102	87	2	9	23	147	82	73
Denmark	5	16	7	10	43	12	24	13	3	29	7
Brazil	125	127	108	121	111	84	70	145	92	100	127
Russia	120	65	180	101	49	109	88	134	161	18	89
India	122	121	136	89	105	28	38	169	90	180	140
Indonesia	129	171	80	157	107	109	53	116	37	140	139
China	83	151	176	111	30	59	88	132	48	18	62
S-Africa	32	47	48	102	87	2	9	23	147	82	73

# Emerging Protectionism

- **Global economic outlook 2009:  
focus on trade and FDI**
  - Sharp contractions: growth and deglobalisation
  - No decoupling

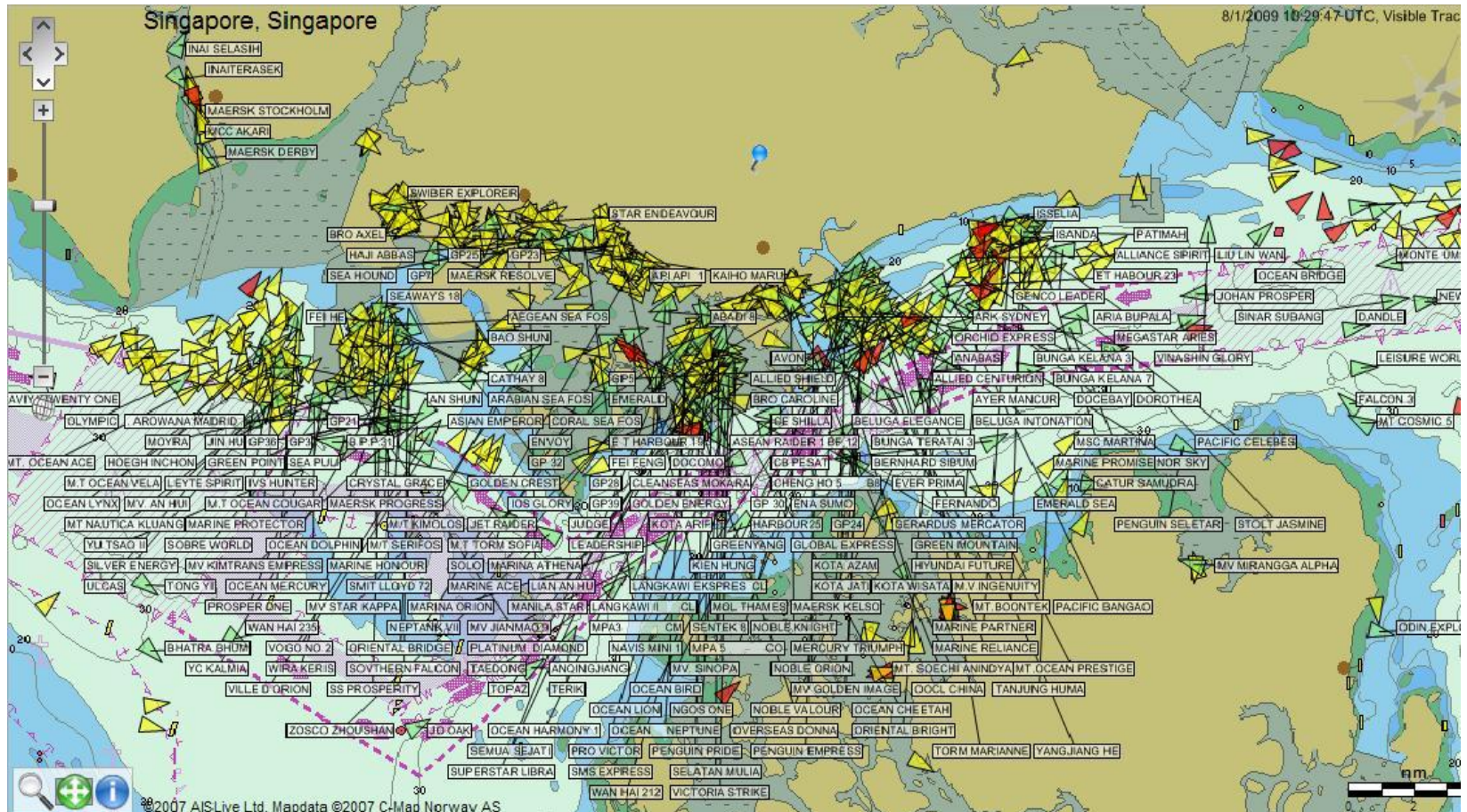


# Singapore Harbour, March'09

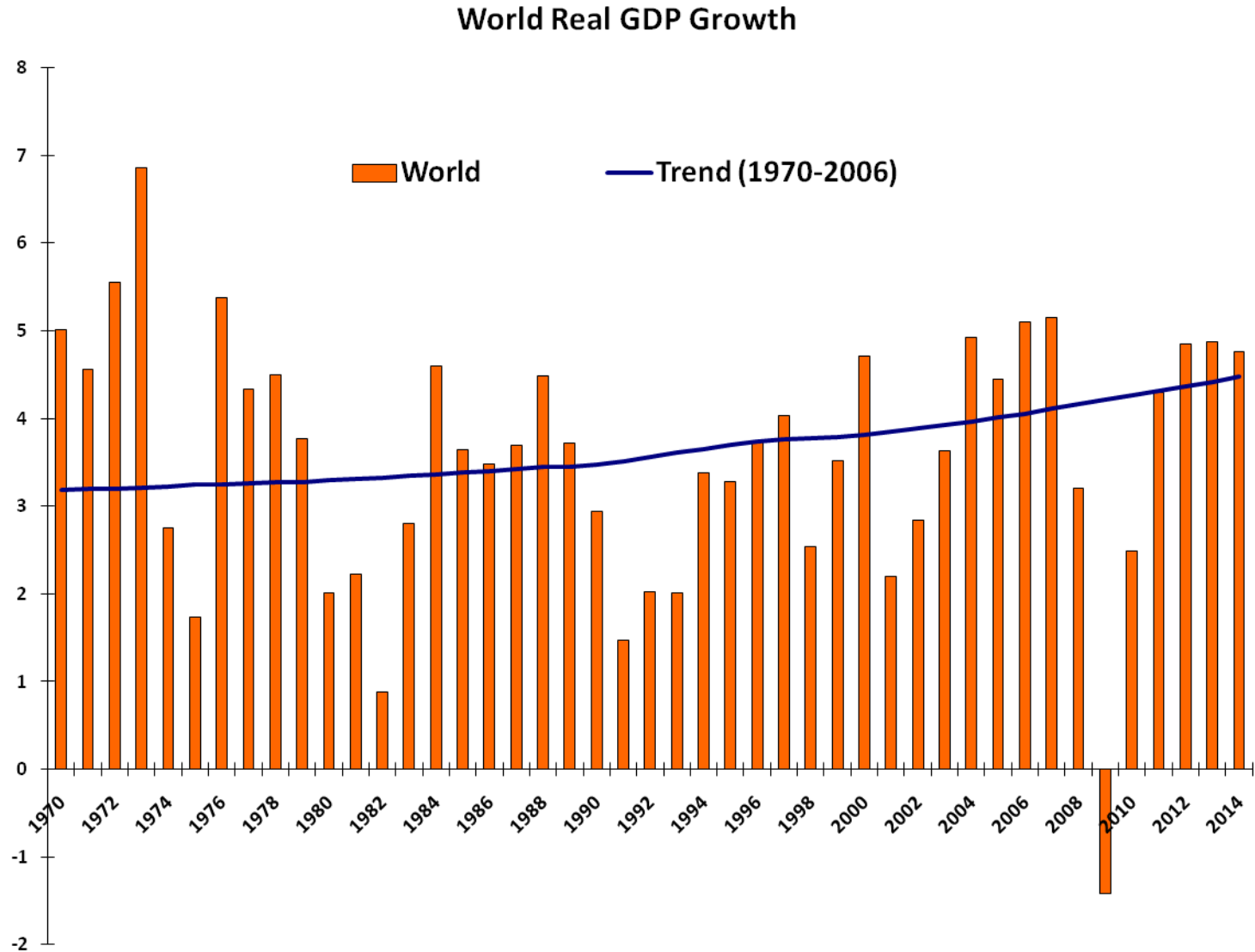
- Trade finance collapse (late Fall'08)



# Singapore Harbour, March'09



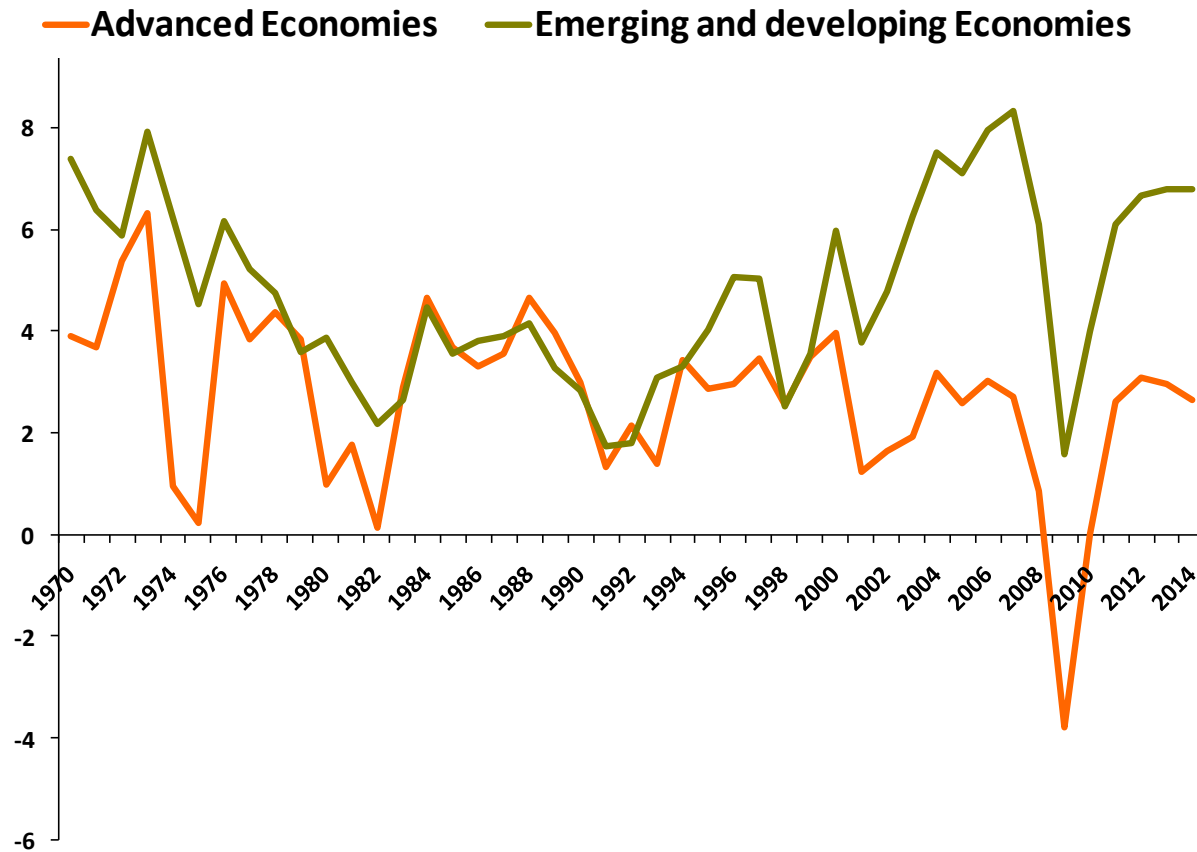
# Global Indicators IMF (July 09)





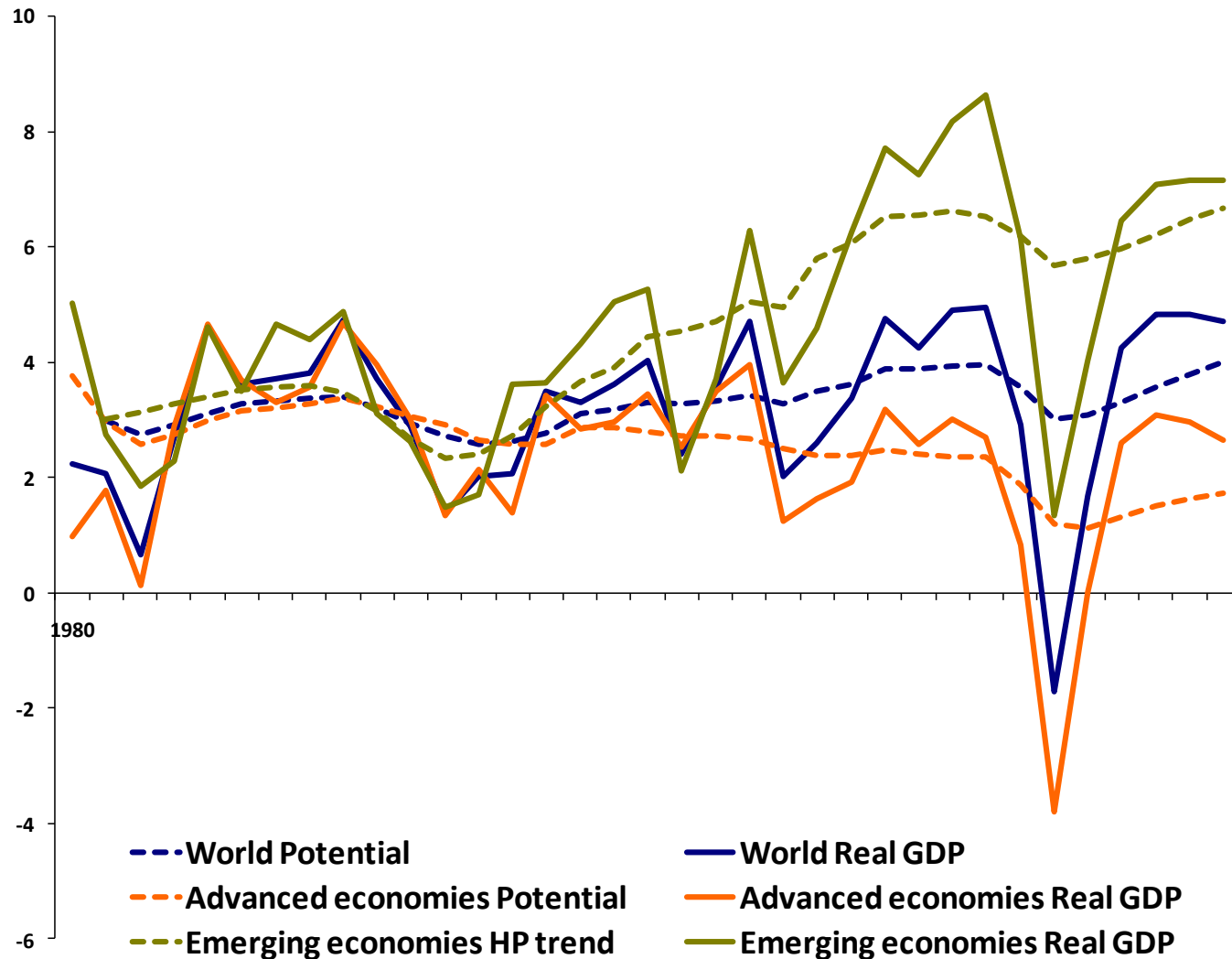
# Global Indicators IMF (July 09)

## Real GDP Growth



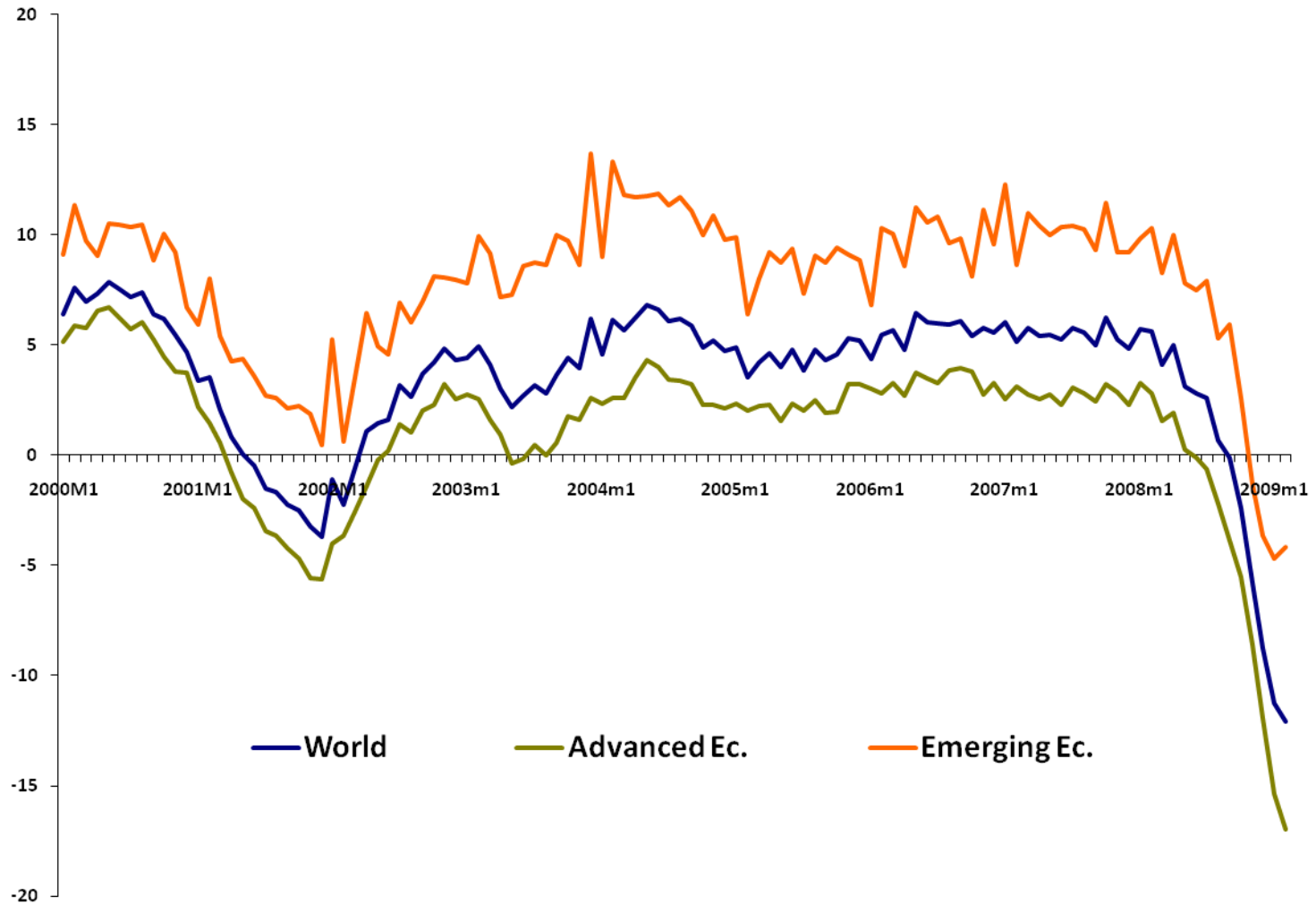
# Potential Growth IMF (April 09)

Real and Potential GDP



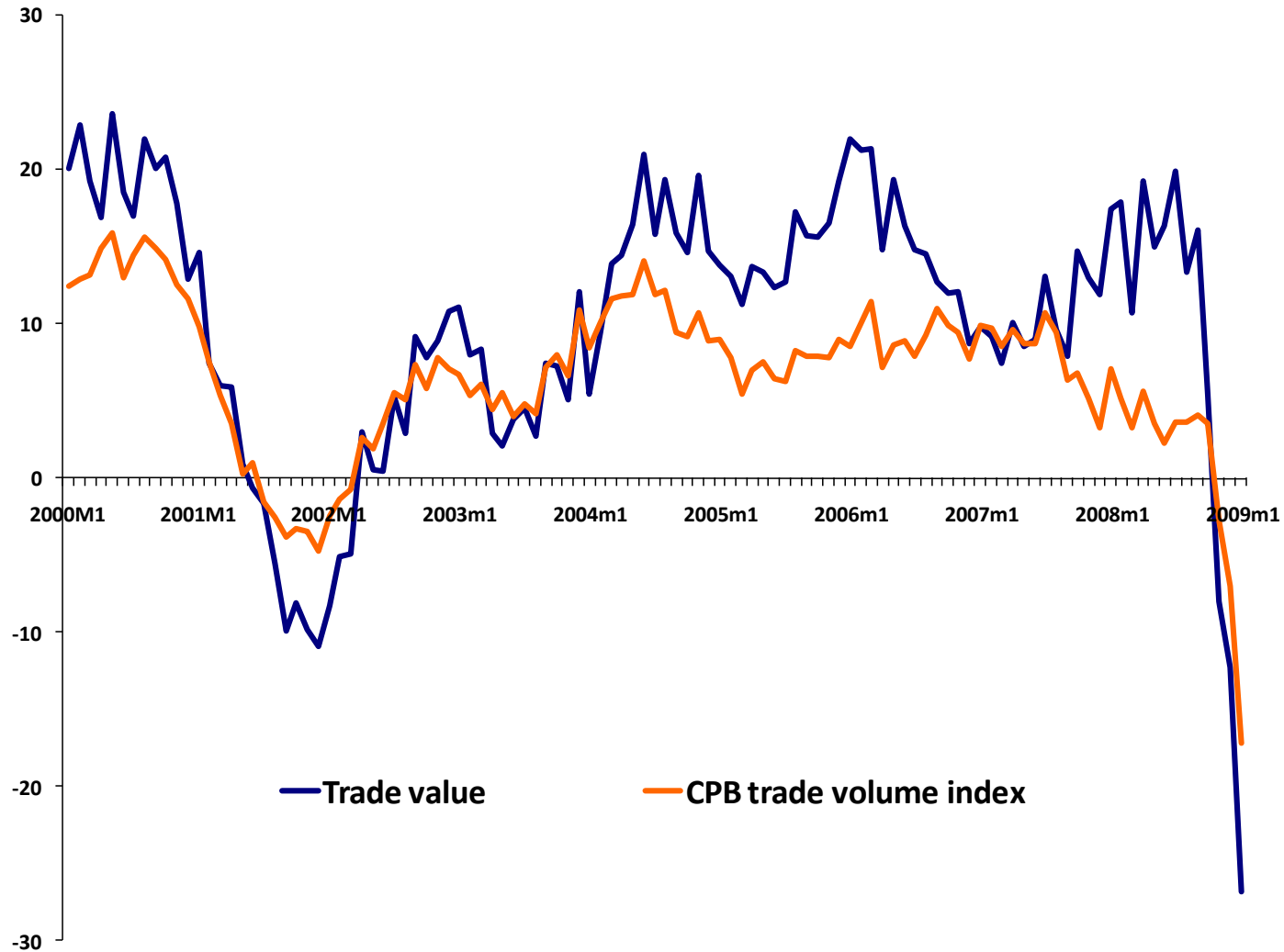
# Future Indicators IMF (April 09)

## Industrial Production

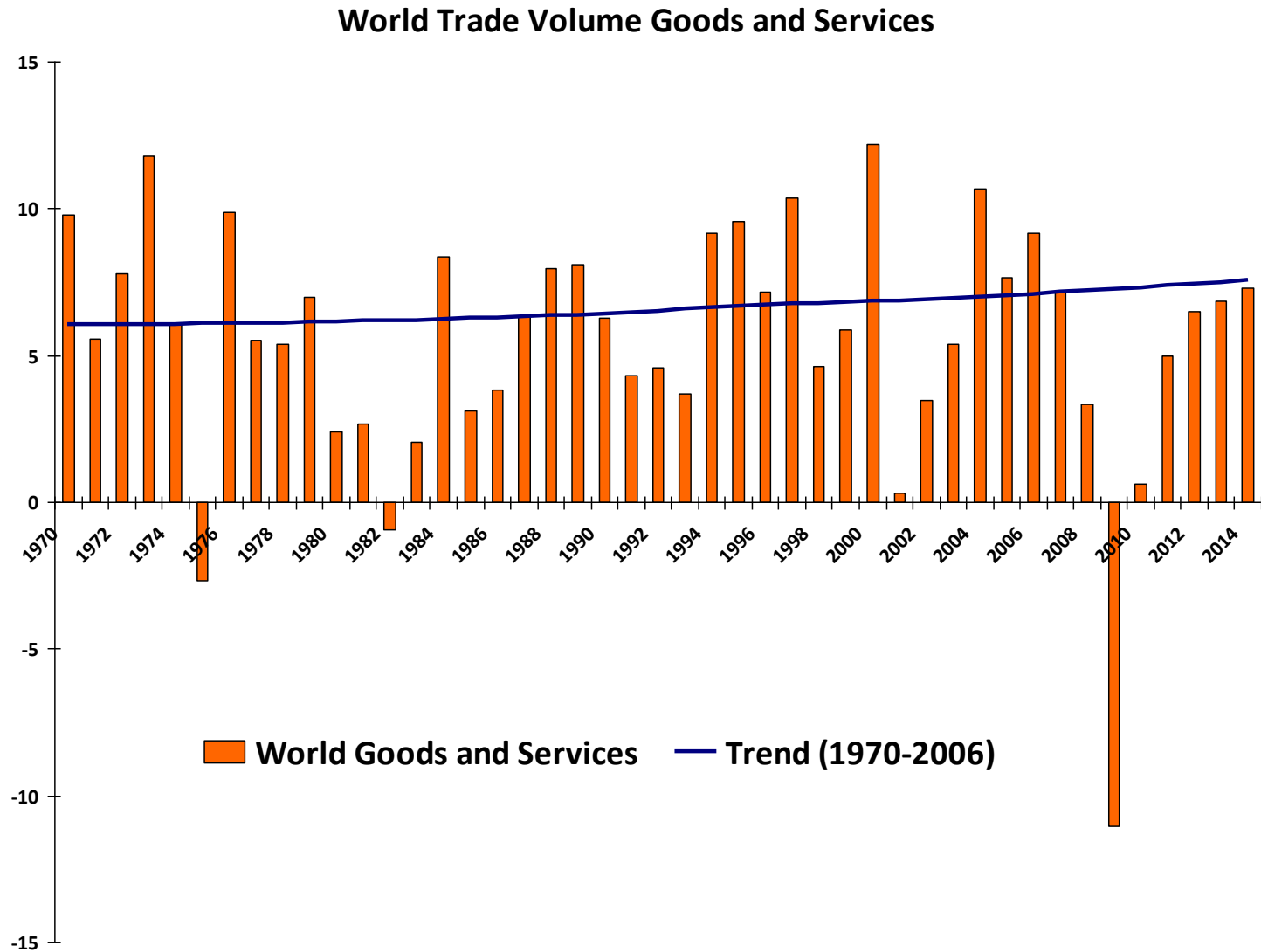


# Future Indicators IMF (April 09)

World Trade



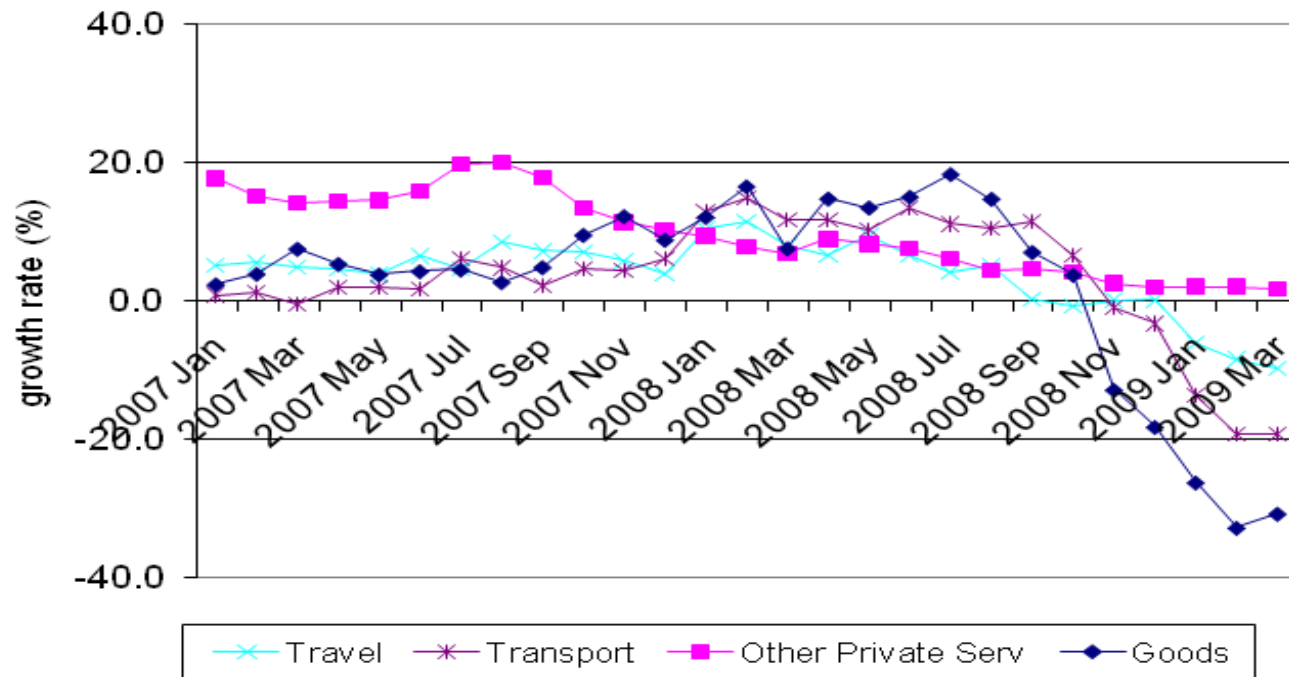
# Global Indicators IMF (July 09)



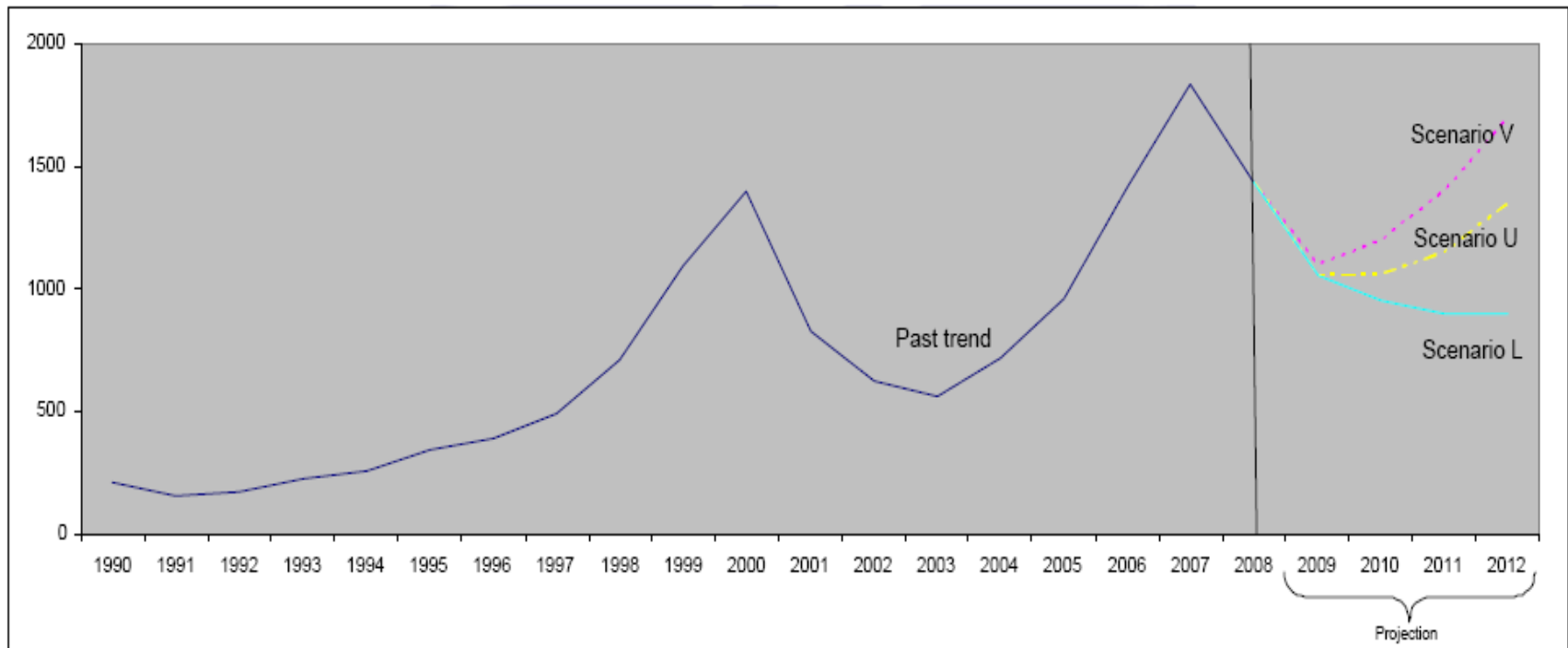


# Services: resilient ... and costly

- Resilient to the crisis (domestic activity and trade).
- ... And costly for Treasuries in deep troubles.



## Global FDI inflows, 1990–2008, and three scenarios for the period 2009–2012



Source: UNCTAD, based on FDI/TNC database ([www.unctad.org/fdi\\_statistics](http://www.unctad.org/fdi_statistics)) and UNCTAD's own estimates.

Note: The shapes of V, U and L scenarios are for illustrative purposes only and not based on any statistical methods.

# Overview of the World Economic Outlook Projections July 09 IMF

	Year over Year					Q4 over Q4		
		Projections		Difference from WEO April 09		Estimates	Projections	
	2008	2009	2010	2009	2010	2008	2009	2010
<b>World Output</b>	<b>3,1</b>	<b>-1,4</b>	<b>2,5</b>	<b>-0,1</b>	<b>0,6</b>	<b>0,2</b>	<b>0,0</b>	<b>2,9</b>
Advanced economies	0,8	-3,8	0,6	<b>0,0</b>	<b>0,6</b>	-1,8	<b>-2,2</b>	<b>1,3</b>
United States	1,1	-2,6	0,8	0,2	0,8	-0,8	-1,4	1,7
Euro area	0,8	-4,8	-0,3	-0,6	0,1	-1,7	-3,8	0,6
Japan	-0,7	-6,0	1,7	0,2	1,2	-4,4	-1,8	0,9
<b>Emerging and Developing economies</b>	<b>6,0</b>	<b>1,5</b>	<b>4,7</b>	<b>-0,1</b>	<b>0,7</b>	<b>3,3</b>	<b>3,3</b>	<b>5,1</b>

# Overview of the World Economic Outlook Projections July 09 IMF

	Year over Year					
			Projections		Difference from WEO April 09	
	2007	2008	2009	2010	2009	2010
<b>Trade Volume</b>	<b>7,2</b>	<b>2,9</b>	<b>-12,2</b>	<b>1,0</b>	<b>-1,2</b>	<b>0,4</b>
<b>Imports</b>						
Advanced Economies	4,7	0,4	-13,6	0,6	-1,5	0,2
Emerging/ Developing Ec.	13,8	9,4	-9,6	0,8	-0,8	0,2
<b>Exports</b>						
Advanced Economies	6,2	2,0	-15,0	1,3	-1,5	0,8
Emerging/ Developing Ec.	9,5	4,1	-6,5	1,4	-0,1	0,2

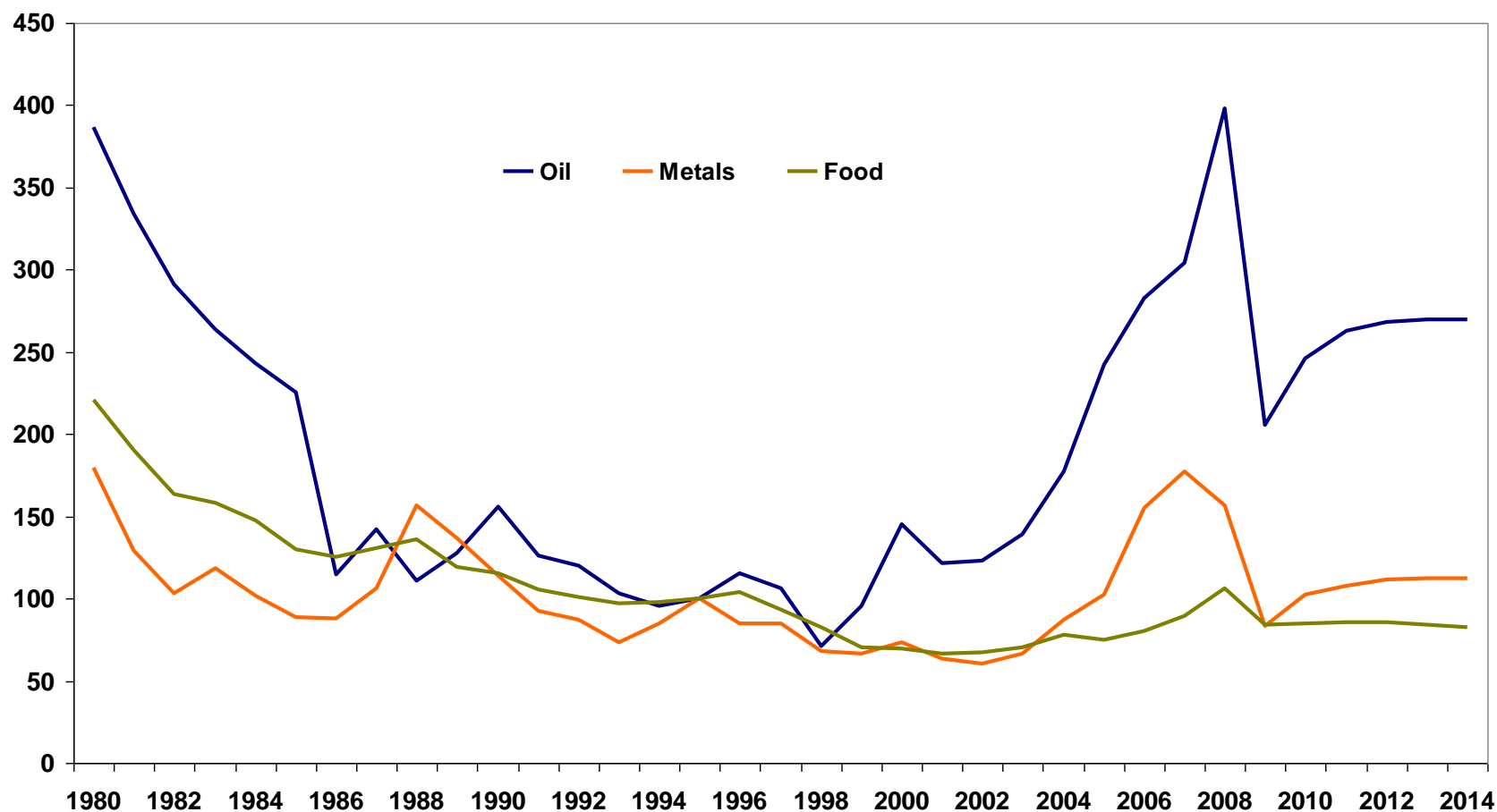
# GDP and merchandise trade by region, 2006-2008

WTO Forecast Annual % change at constant prices

	GDP			Exports			Imports		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
<b>World</b>	3,7	3,5	1,7	8,5	6,0	2,0	8,0	6,0	2,0
<b>North America</b>	2,9	2,1	1,1	8,5	5,0	1,5	6,0	2,0	-2,5
United States	2,8	2,0	1,1	10,5	7,0	5,5	5,5	1,0	-4,0
<b>South and Central America</b>	6,1	6,6	5,3	4,0	3,0	1,5	15,5	17,5	15,5
<b>Europe</b>	3,1	2,8	1,0	7,5	4,0	0,5	7,5	4,0	-1,0
European Union (27)	3,0	2,8	1,0	7,5	3,5	0,0	7,0	3,5	-1,0
<b>Commonwealth of Independent States (CIS)</b>	7,5	8,4	5,5	6,0	7,5	6,0	20,5	20,0	15,0
<b>Africa</b>	5,7	5,8	5,0	1,5	4,5	3,0	10,0	14,0	13,0
<b>Middle East</b>	5,2	5,5	5,7	3,0	4,0	3,0	5,5	14,0	10,0
<b>Asia</b>	4,6	4,9	2,0	13,5	11,5	4,5	8,5	8,0	4,0
China	11,6	11,9	9,0	22,0	19,5	8,5	16,5	13,5	4,0
Japan	2,0	2,4	-0,7	10,0	9,5	2,5	2,0	1,5	-1,0
India	9,8	9,3	7,9	11,0	13,0	7,0	8,0	16,0	12,5
Newly industrialized economies (4)	5,6	5,6	1,7	13,0	9,0	3,5	8,0	6,0	3,5

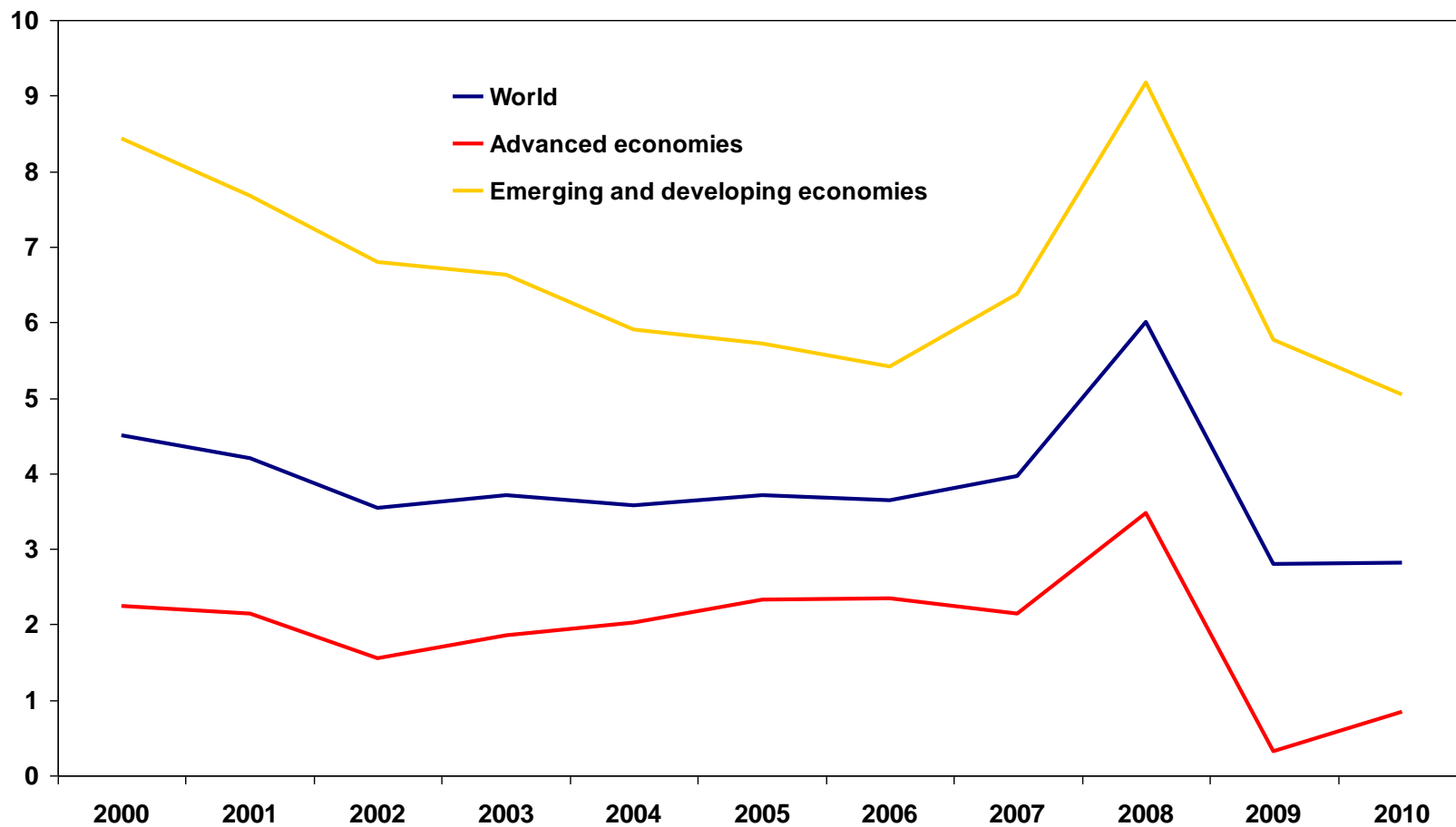
# Real Commodity Prices (1995=100)

Real Commodity Prices (1995=100)



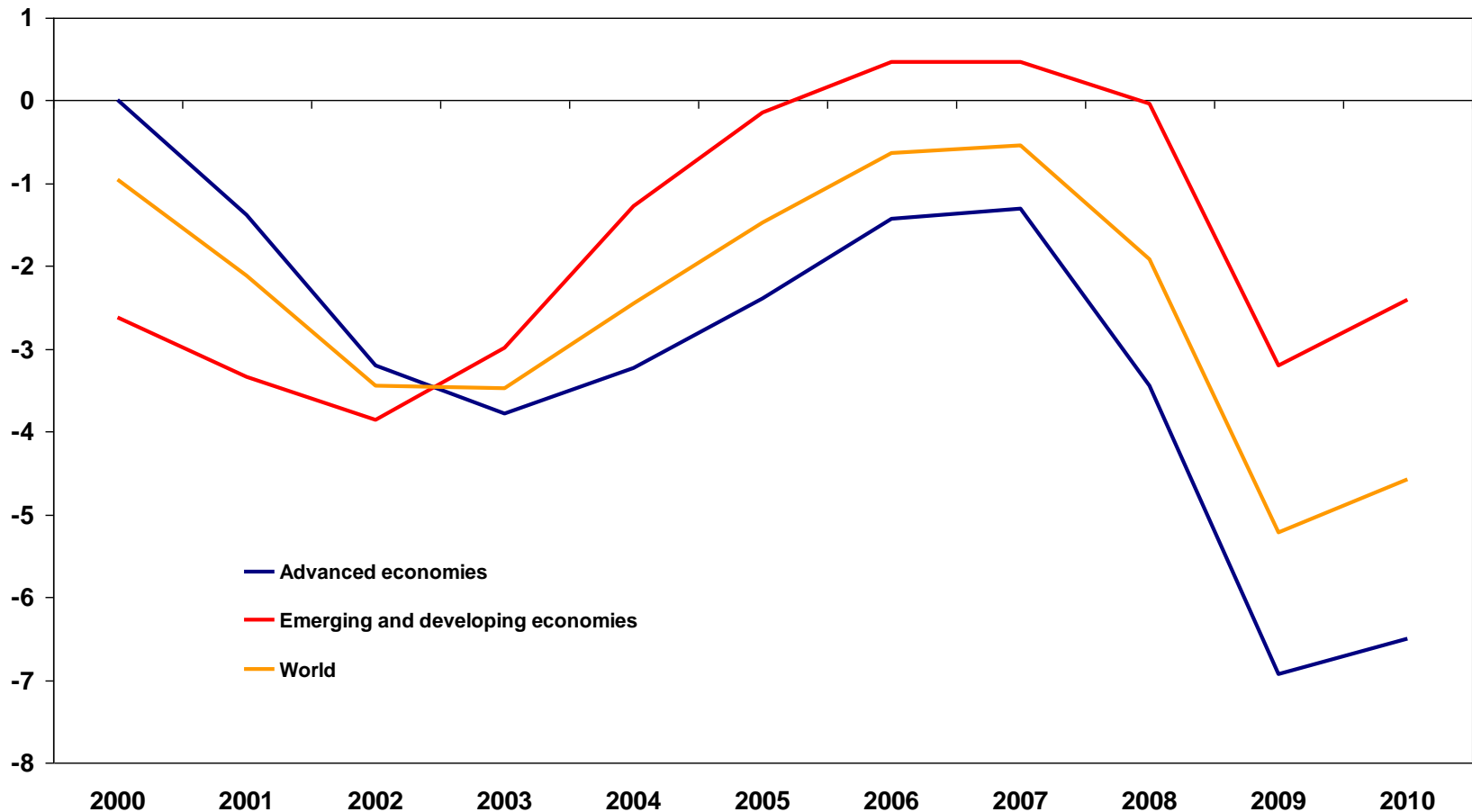
# CPI Inflation (percentage)

CPI Inflation (percentage)



# General Government Fiscal Balances

General Government Fiscal Balances





# Emerging Protectionism

## ■ Global policy outlook, 2009

- Big shift in policies and ideas against free markets and in favour of government intervention
- Huge bank bailouts
- Fiscal stimulus: crude Keynesianism; flawed economics and disastrous politics; Big Government breeds protectionism (contra “Keynes at home, Smith abroad”)
- Parallels with the 1970s, not 1930s
- Emerging protectionism: more NTBs than tariffs

# Emerging Protectionism

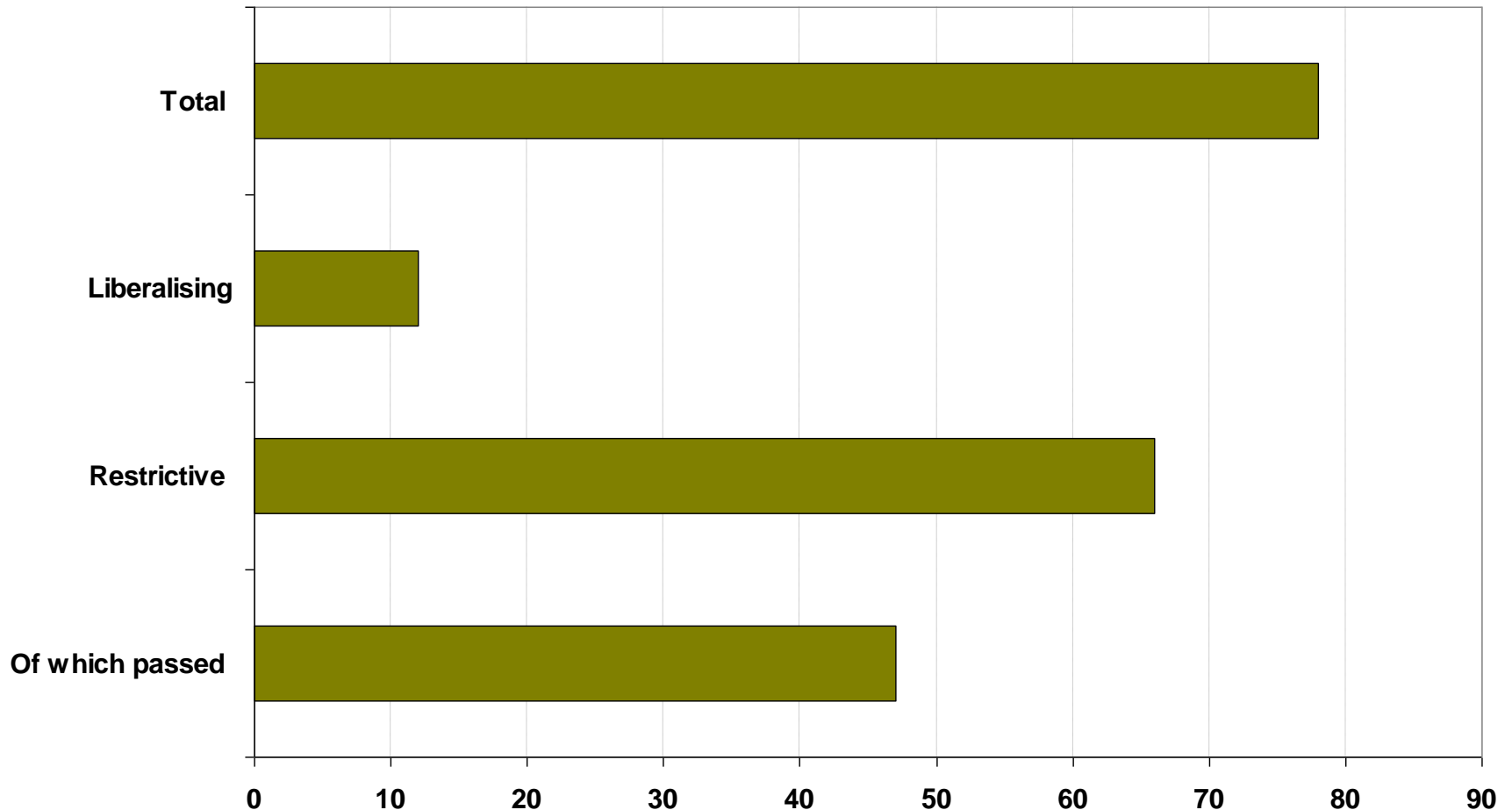
- **Emerging protectionism**

- Tariffs
- Import licensing
- Financial mercantilism
- Subsidies
- “Buy national” measures
- Foreign-investment restrictions
- Migrant labour
- Anti-dumping duties
- Standards protectionism, including climate change
- China-bashing

- **Threatens to deepen and prolong crisis and deglobalisation**

# Trade Measures as of start Financial Crisis

Trade Measures announced between Oct 08-Feb -9

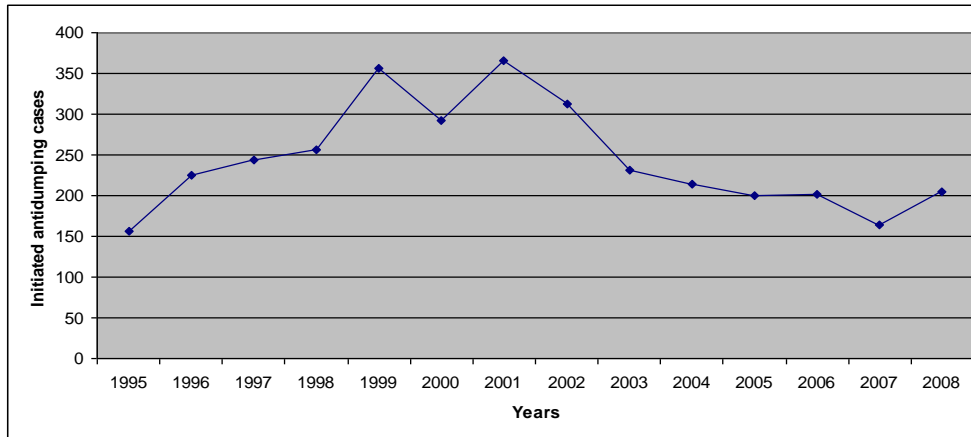


# Trade-related measures (1)

- Opposing forces: 1/3 of all measures are market-opening!

	A: Market-opening measures based on				B: Protectionist measures					
	All	imports	exports	others	All	tariffs	AD [a]	NTBs [b]	Subsid. & taxes	Public proc. & labor
Argentina	1	0	1	0	5	0	1	3	1	0
Brazil	1	0	1	0	1	0	1	0	0	0
Canada	4	1	1	2	3	0	3	0	0	0
China	4	0	4	0	5	1	0	3	1	0
EC	1	0	0	1	8	3	4	1	0	0
India	5	1	4	1	9	2	2	5	0	0
Indonesia	0	0	0	0	7	1	0	6	0	0
Japan	0	0	0	0	1	0	1	0	0	0
Korea	1	1	0	0	1	1	0	0	0	0
Russia	5	2	3	0	2	2	0	0	0	0
Taiwan	0	0	0	0	3	0	2	0	0	1
Turkey	0	0	0	0	3	2	1	0	0	0
USA	1	0	0	1	5	0	1	1	0	3
Total above	22	4	14	5	52	11	16	19	2	4
All economies	30	10	16	5	64	16	19	22	2	5

# ... or "*pas encore*"?



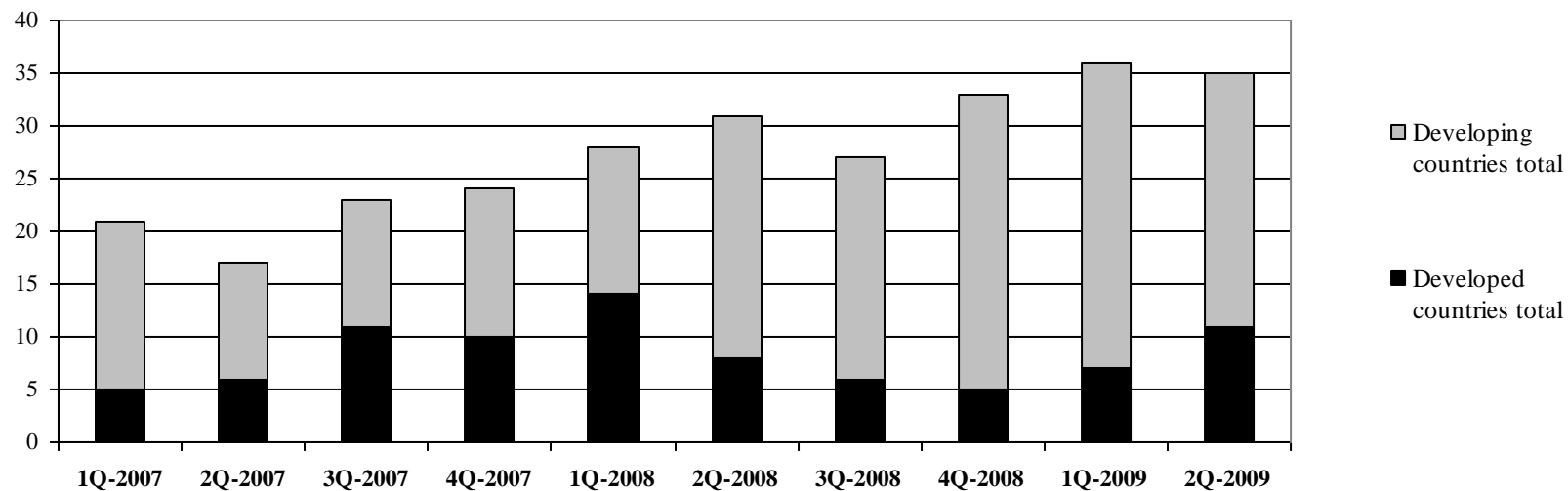
**Hit by a tide of imports?  
Safeguard Duty may be  
your lifeguard**

"Safeguard Duty, a Customs duty over and above the applicable duty, may be imposed by the Central Government on any article if its imports have increased, causing serious injury or threat of serious injury to domestic industry. An immediate relief by way of provisional safeguard duty is also provided."

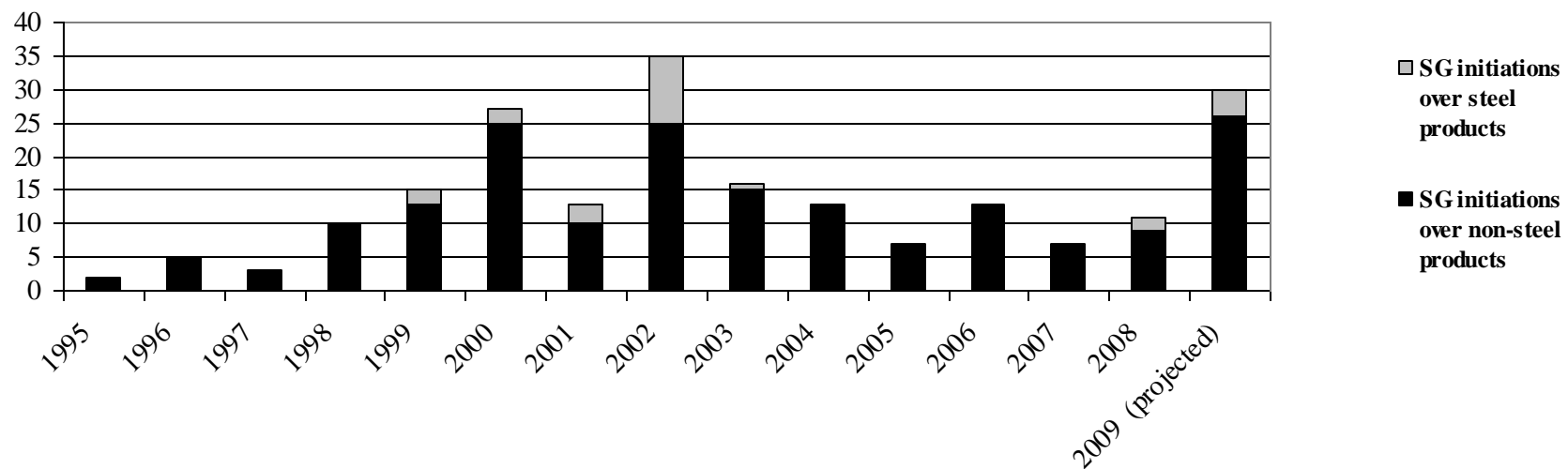
To know more about safeguard duty, contact us at:  
Directorate General of Safeguards,  
2<sup>nd</sup> Floor, Bhairi Vir Singh Sahaya Sadan, Gali Market, New Delhi - 110 001  
Phone: 011 - 23741536, 23741537, 23741538 & 23741539  
E-mail: dgsafeguards@nic.in or visit our website: www.dgsafeguards.gov.in

Directorate of Publicity and Public Relations  
CUSTOMS & CENTRAL EXCISE  
C.R. Building, I.P. Estate, New Delhi-110 109

**Fig 1. Newly Initiated Import-Restricting Trade Remedy Investigations, 1Q 2007 - 2Q 2009**  
(non-redundant AD, SG, CVD, CSG at the product-level)



**Fig 2. Global Safeguard Initiations by WTO Members, 1995-2008 and 2009 (projected)**



# Recent Measures Taken: China (i)

Country	Measure	Date	Source
China	Export support measure: increase in VAT rebate rates on exports of a number of products such as: textiles and clothing; ceramic; plastic; furniture; pharmaceutical, household appliances; books; rubber; moulds, dies; glassware; suitcases; bags; footwear; watches; chemicals; machinery; and electrical products.	Various dates from 1 November 2008 to 1 February 2009	Permanent Delegation of China to the WTO.
China	Elimination of export duties on 102 products including certain steel plates. Reduction of export duties on 23 products, including for example yellow phosphorous.	01-Dec-08	Permanent Delegation of China to the WTO.
China	Export duties on five products (including apatite and silicon) raised from 10% to 15%, or from 20% to 35%.	01-Dec-08	Permanent Delegation of China to the WTO.
China	Import ban on Irish pork.	Dec-08	Permanent Delegation of China to the WTO.
China	Elimination of lower Interim Import Tariffs Rates on soybean oil-cake, pork, and neem oil, and resumption of normal MFN rates.	01-Jan-09	Permanent Delegation of China to the WTO.



# Recent Measures Taken: China (ii)

Country	Measure	Date	Source
China	Cancellation of export licensing administration on silk warm cocoon, and certain silk products.	01-Jan-09	Permanent Delegation of China to the WTO.
China	Anti-dumping investigation on terephthalic acid from Thailand and Republic of Korea.	12-Feb-09	Permanent Delegation of China to the WTO.
China	Restrictions on the export of certain highly energy consuming, highly-polluting, and exhaustible resource products.	24-Feb-09	Permanent Delegation of China to the WTO.
China	Initiation of anti-dumping investigation on imports of nucleotide-type food additives from Indonesia and Thailand.	24-Mar-09	Permanent Delegation of China to the WTO.
China	VAT rebate rates increased on exports of certain products including: iron and steel; non ferrous metals; petrochemicals; electronic and information technology products; and also some light industries such as textiles and clothing. None of these rebates exceed the current VAT rate of 17%.	01-Apr-09	Permanent Delegation of China to the WTO.

# Recent Measures Taken: China (iii)

Country	Measure	Date	Source
China	Establishment of currency swaps (Y 650 billion) (US\$95.2 billion), to facilitate trade with: Argentina, Belarus, Indonesia, Malaysia, Hong Kong China, and Korea.	02-Apr-09	Permanent Delegation of China to the WTO.
China	New Guidelines on "The Opinion on Further Strengthening Administration of Government Procurement", restating the national treatment exemption provided for in the Law on Government Procurement.	10-Apr-09	Permanent Delegation of China to the WTO.
China	Initiation of anti-dumping investigation on imports of polyamide-6 (PA6) from the EC, Chinese Taipei, Russia, and the United States.	29-Apr-09	Permanent Delegation of China to the WTO.
China	Changes in tourism regulation allowing foreign invested travel and foreign tourist agencies (already established in China) to open local branches.	01-May-09	Permanent Delegation of China to the WTO.
China	Resumption of imports of chicken from Brazil.	20-May-09	Permanent Delegation of China to the WTO.

# Recent Measures Taken: India(i)

Country	Measure	Date	Source
India	Increase in import duties on a range of iron and steel products from 0% to 5% (restoration of previous duty).	-	Permanent Delegation of India to the WTO.
India	Elimination of export duties on steel products (which were imposed in May 2008).	31-Oct-08	Permanent Delegation of India to the WTO.
India	Introduction of licensing requirements for imports of certain steel products and auto parts. Some of these requirements were removed between December 2008 and January 2009.	21-Nov-08	Permanent Delegation of India to the WTO.
India	Under fiscal stimulus measures taken by the Government: elimination of import duties for Naphtha for use in the power sector; elimination of export duties on iron ore fines; and reduction of export duties on lumps.	07-Dec-08	Permanent Delegation of India to the WTO.
India	New mandatory product quality certification from the Bureau of Indian Standards (BIS) for 17 steel imported products. The Government deferred implementation of this regulation by one year on 10 February 2009.	14-Jan-09	Permanent Delegation of India to the WTO.

# Recent Measures Taken: India (ii)

Country	Measure	Date	Source
India	Removal of export duty and reduction of minimum export price for premium Basmati rice.	20-Jan-09	Permanent Delegation of India to the WTO.
India	Recommendation to apply provisional anti-dumping duties on Full Draw Yarn (FDY) imported from China, Thailand, and Vietnam.	23-Jan-09	Permanent Delegation of India to the WTO.
India	Temporary ban on imports of toys from China (six months), to ensure health and safety of children. However, import of toys from China accompanied by the following certificates shall be permitted: (i) A certificate that the toys being imported conform to the standards prescribed in ASTM F963 or standards prescribed in ISO 8124 (Parts I-III) or IS 9873 [Parts IIII]; (ii) A Certificate of Conformance from the manufacturer indicating that representative sample of toys being imported have been tested by an independent laboratory which is ILAC accredited and found to meet the specifications indicated above. The certificate would also link the toys in the consignment to the period of manufacture indicated in the Certificate of Conformity.	23 January 2009; 2 March 2009	Notification No. 82/(RE-2008)/2004-2009 of 23 January 2009, amended by Notification No. 91/(RE-2008)/2004-2009 of 2 March 2009.
India	Preliminary safeguard findings on: Phthalic anhydride; Linear alkyl benzene; Aluminium flat rolled product and aluminium foil; Soda ash; and Dimethoate technical. Provisional safeguard measures imposed only on Phthalic anhydride.	29-Jan-09	Permanent Delegation of India to the WTO.
India	Changes in FDI regulations to facilitate application of caps on foreign ownership in sensitive sectors, such as: defence production, telecommunications and aviation.	13-Feb-09	Permanent Delegation of India to the WTO.

# Recent Measures Taken: India (iii)

Country	Measure	Date	Source
India	Increase in the Minimum Support Price for cotton paid to local farmers.	14-Feb-09	Permanent Delegation of India to the WTO.
India	Imposition of 20% duty on imported soybean oils.	24-Feb-09	Permanent Delegation of India to the WTO.
India	Export incentives for a variety of exporters, and specific export incentives for textile and leather products.	26-Feb-09	Permanent Delegation of India to the WTO.
India	Trade facilitation measures such as: enlargement of the list of entities authorized to import directly precious metals; removal of import restrictions on worked corals; and simplification of export licensing requirements for blood samples.	26-Feb-09	Permanent Delegation of India to the WTO.
India	Removal of duty (20%) on imported crude soybean oil (Customs Notification No. 27/2009).	24-Mar-09	Permanent Delegation of India to the WTO.

# Recent Measures Taken: India (iv)

Country	Measure	Date	Source
India	Import duty exemption on pulses (Customs Notification No. 28/2009).	26-Mar-09	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation (China specific) on front axle, beam, steering knuckle and crankshaft.	02-Apr-09	WTO Document G/SG/N/16/IND/6 of 11 May 2009.
India	Initiation of safeguard investigation on imports of acrylic fibre.	09-Apr-09	WTO Document G/SG/N/6/IND/21 of 11 May 2009.
India	Initiation of safeguard investigation on imports of hot-rolled coils, sheet, strips.	09-Apr-09	WTO Document G/SG/N/6/IND/22 of 11 May 2009.
India	Exemption of import tariffs on raw and refined, or white sugar, under specified conditions.	17-Apr-09	Permanent Delegation of India to the WTO.

# Recent Measures Taken: India(v)

Country	Measure	Date	Source
India	Initiation of safeguard investigation on imports of coated paper and paper board.	20-Apr-09	WTO Document G/SG/N/6/IND/23 of 11 May 2009.
India	Initiation of safeguard investigation on imports of uncoated paper and copy paper.	20-Apr-09	WTO Document G/SG/N/6/IND/24 of 26 May 2009.
India	Initiation of anti-dumping investigation on SDH transmission equipment from China and Israel.	21-Apr-09	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation on imports of plain particle board.	22-Apr-09	WTO Document G/SG/N/6/IND/25 of 26 May 2009.
India	Initiation of safeguard investigation (China specific) on passenger car tyres.	18-May-09	WTO Document G/SG/N/16/IND/7 of 4 June 2009.

# Recent Measures Taken: Indonesia(i)

Country	Measure	Date	Source
Indonesia	Ministry of Health Decree No. 1010/08 regulating registration and imports of pharmaceutical products. The Decree establishes the separation between manufacturers and wholesalers to protect consumer health and the safety of pharmaceutical products. With regard to imports, initial registration must now be made through an Indonesian manufacturer. Once the registration process is complete the foreign company may directly sale to the wholesalers concerned.	03-Nov-08	Permanent Delegation of Indonesia to the WTO.
Indonesia	Restrictions on film imports. The regulation stipulates that celluloid film may only be imported in the form of negative film master or negative film dupe (reproduction of the master negative film), but may include a copy of the finished product. The reported objective of the regulation is to deter film piracy and to increase efficiency of the enforcement of the Censorship Law.	25-Nov-08	Permanent Delegation of Indonesia to the WTO, and WTO Document G/MA/235 of 17 March 2009.
Indonesia	New mining Law adopted in December 2008, promoting local processing of raw materials (mineral and coal). The regulation does not prohibit exports of these products. (implementing regulations to be adopted)	16-Dec-08	Permanent Delegation of Indonesia to the WTO.
Indonesia	New licensing, reporting, and pre-shipment inspection requirements on over 500 goods (food and beverages, toys, electronics, footwear, and garments). Restriction on entry points for those products to six seaports and all international airports. The legislation is reportedly aimed at combating illegal trade and safeguarding health and safety through the development of an effective tracking system.	1 January 2009 and 1 February 2009	Permanent Delegation of Indonesia to the WTO.



# Recent Measures Taken: Indonesia(ii)

Country	Measure	Date	Source
Indonesia	Introduction of mandatory standards for steel products (hot-rolled steel sheets and coils and zinc-aluminium alloy coated steel sheets and coils), to protect consumer safety, increase product quality, and establish a fair trade competition.	06-Jan-09	Permanent Delegation of Indonesia to the WTO, and WTO Document G/TBT/N/IDN/24/Rev.1, of 18 March 2009.
Indonesia	Increase of import tariffs on 17 tariff lines such as: petrochemical, steel, and electronic parts. Reduction of import tariffs on 18 tariff lines.	13-Feb-09	Permanent Delegation of Indonesia to the WTO.
Indonesia	New regulation stipulating that exports of mining products, crude palm oil, coffee, rubber, and cocoa with an export value exceeding US\$1 million must be supported by letters of credit issued by domestic banks.	05-Mar-09	Permanent Delegation of Indonesia to the WTO.
Indonesia	Stricter enforcement of registration requirements on imported and domestic packaged food products.	01-Mar-09	Permanent Delegation of Indonesia to the WTO.
Indonesia	Recent measures to facilitate trade on iron and steel products (reduction in the number of regulated tariffs, extension of the coverage of exemptions from registration, and verification requirements).	Mar-09	Permanent Delegation of Indonesia to the WTO.

# Recent Measures Taken: Malaysia(i)

Country	Measure	Date	Source
Malaysia	Elimination of the current 10% import duty on cement.Liberalization of imports of iron and steel products.Elimination of import licences for the construction and manufacturing sector.	14-Nov-08	Permanent Delegation of Malaysia to the WTO.
Malaysia	New technical regulations for 57 steel products, requiring certificates of approval for conformity with Malaysian Standards.	15-Nov-08	Permanent Delegation of Malaysia to the WTO.
Malaysia	Extension of anti-dumping duties on Indonesian newsprints producers (range 5.39% to 33.14%).	02-Mar-09	Permanent Delegation of Malaysia to the WTO.
Malaysia	Liberalization of services sectors including the relaxation of foreign equity limits, by removing the 30% "Bumiputra" equity ownership on 27 services sub-sectors (in areas such as health and social; tourism; transport; business; computer and related activities; and sporting).	22-Apr-09	Permanent Delegation of Malaysia to the WTO.

# Recent Measures Taken: Philippines (i)

Country	Measure	Date	Source
Philippines	New "Mineral Ore Export Permit" for the transport/shipment of mineral ores. According to the authorities, this measure is being imposed in order to eradicate undervaluation, misdeclaration and red tape in the exportation of mineral ores, and improve the collection of excise tax on minerals.	4 September 2008	Administrative Order No. 2008-20 from the Department of Environment and Natural Resources (DAO) of .
Philippines	Tariff reduction on wheat; meslin; cement; and cement clinker to 0% for a period of six months, effective from .	7 November 2008	Office of the President Executive Orders No. 765 and 766 of .
Philippines	Provisional safeguard on steel angle bars for 200 days.	27 February 2009	WTO Documents G/SG/N/7/PHL/7; G/SG/N/8/PHL/7; and G/SG/N/11/PHL/7.
Philippines	Reduction and elimination of certain import tariffs on selected products (raw material inputs and consumer products which are not locally available), under Presidential Executive Order No. 790.	6 May 2009	Permanent Delegation of the to the WTO.

# Recent Measures Taken: Vietnam(i)

Country	Measure	Date	Source
Vietnam	Increase import tariffs on semi-finished products of iron or non-alloy steel from 2% to 5%; and for bars and rods of iron or non-alloy steel from 5% to 12%.	09-Dec-08	Permanent Delegation of Vietnam to the WTO.
Vietnam	Increase export duties on: sand and stones from 12% to 17%; mineral products; and wood coal and wood for materials from 0% to 5% and 10%.	26-Dec-08	Permanent Delegation of Vietnam to the WTO.
Vietnam	Variable import duties for paper products.Import tariffs on newsprint paper and uncoated paper were raised to 29% (up from 20% and 25% respectively).	10-Feb-09	Permanent Delegation of Vietnam to the WTO.

# Recent Measures Taken: Brazil(i)

Country	Measure	Date	Source
Brazil	Definitive anti-dumping duties on: phenol (EC, US); glassine papers (Finland, US); and ammonium nitrate (Russia, Ukraine).	Various dates	WTO Document G/ADP/N/180/BRA/Corr.1 of 17 March 2009.
Brazil	Decision to increase the number of exporting companies (allowing larger firms, with annual revenue up to R\$600 million (US\$235 million)) with access to the government's export financing programme (Proex). There was no increase in the programme's budget.	23-Feb-09	Permanent Delegation of Brazil to the WTO.
Brazil	Initiation of anti-dumping investigation on synthetic fibre from China	04-May-09	Permanent Delegation of Brazil to the WTO.

# Recent Measures Taken: Russia(i)

Country	Measure	Date	Source
Russia	Reduction of meat tariff quotas and increase of non-quota rates for pork (from 60% to 75%) and poultry (from 60% to 95%), (measure announced in November 2007, but effective as from 1 January 2009).	01-Nov-08	Permanent Delegation of the Russian Federation.
Russia	Temporary increase of import tariffs (for nine months) on a number of products such as: cars (by 5% up to 30%); trucks (by 10%-20% up to 25%); buses (by 5%-15% up to 25%); particular types of flat metals (by 10% up to 15%); particular types of ferrous metal pipes (up to 15%-20%); butter and certain types of dairy products (by €0.13 up to €0.35/kg (US\$0.2- US\$0.5)); milk and dairy cream (by 5% up to 20%); and rice and milling products (by €0.16 up to €0.23/kg (US\$0.2-US\$0.3)).	06-Nov-08	Permanent Delegation of the Russian Federation.
Russia	Reduction of import tariffs on: civil aircraft; ferrous scrap; motors and major components of motor vehicles; cement and cement articles; and natural rubber.	06-Nov-08	Permanent Delegation of the Russian Federation.
Russia	Export duties on certain wood products, which were scheduled to rise to 80%, to be maintained at the original level of 25% until the end of 2009. Elimination of export duties on nickel and copper. Reduction of export duties on oil.	24-Dec-08	Permanent Delegation of the Russian Federation.
Russia	Import ban on pork on supplies from several US facilities which do not comply with technical requirements.	15-Feb-09	Permanent Delegation of the Russian Federation.

# Recent Measures Taken: Russia(ii)

Country	Measure	Date	Source
Russia	Elimination of import tariffs on polyester thread.	10-Mar-09	Permanent Delegation of the Russian Federation.
Russia	Increase of import tariffs on flat TV panels (from 10% to 15%), for nine months. Elimination of import tariffs on raw materials used in the production of rims for glasses.	31-Mar-09	Permanent Delegation of the Russian Federation.
Russia	Increase of import tariffs on steel bars and rods (HS 7213). Elimination of import tariffs on copper waste and scrap (HS 7404), for nine months.	03-Apr-09	Permanent Delegation of the Russian Federation.
Russia	Increase of import tariffs on corn starch and manioc starch (from €0.06/kg to €0.15/kg (US\$0.1 to US\$0.2/kg)), for eight months. Elimination of import tariffs on components of rims for glasses, for six months. Extension of duty-free access for: child safety seats; and certain types of digital ships, for nine months.	15-Apr-09	Permanent Delegation of the Russian Federation.
Russia	Elimination of import tariffs on chicken and certain types of fertile eggs. Extension of import duty-free access for linear low density polyethylene, for nine months.	20-Apr-09	Permanent Delegation of the Russian Federation.

# Recent Measures Taken: Russia(iii)

Country	Measure	Date	Source
Russia	Increase of import tariffs on radiofrequency cable (from 5% to 15%), for nine months.	22-Apr-09	Permanent Delegation of the Russian Federation.
Russia	Increase of minimum range of import tariffs on cane raw sugar (from US\$140 to US\$165/tonne), for eight months. Maximum rate of import tariff on cane sugar remains unchanged.	01-May-09	Permanent Delegation of the Russian Federation.
Russia	Elimination of a seasonal import tariff (€0.07/kg (US\$0.1/kg)) on rice and milling products, which was implemented on 15 February 2009.	15-May-09	Permanent Delegation of the Russian Federation.
Russia	Increase of import tariffs (from duty free to 10%) on certain types of tropical oils (palm oil), for nine months.	01-Jun-09	Permanent Delegation of the Russian Federation.



# Emerging Protectionism

- Emerging protectionism in Asia: moderate so far
  - China
  - India
  - ASEAN: mixed signals – Indonesia vs. Malaysia

# Emerging Protectionism

- ASEAN track record: a useful chat forum (at the margin), but what else?
- ASEAN economic record: modest gains on tariff liberalisation (CEPT); hardly any progress on NTBs (goods, services, investment, regulatory barriers)
- Tackling NTBs are key to regional economic integration
- Bottom-up, partial integration: unilateral liberalisation; MNE supply chains in manufacturing; very different from EU and NAFTA
- Sure prediction: No AEC/Single Market by 2015, 2020 or 2025...

# Emerging Protectionism

- ASEAN FTA track record: like AFTA, modest tariff liberalisation but very little on NTBs; fiction of “WTO-plus”; rules of origin and other discriminatory complications; reflects limits of intra-ASEAN integration
- ASEAN Charter/AEC: Probably make v.little difference; paper tigers?
- Don’t count on wider regional integration initiatives (e.g. ASEAN+3, ASEAN+6) being serious
- Don’t rely on ASEAN initiatives: Top-down ASEAN-driven integration not going to happen; depends on bottom-up unilateral measures in member-states
- Regional economic integration more likely to happen bottom up: unilateral trade/FDI liberalisation and domestic structural reforms; competitive emulation; extending MNE supply chains to other sectors; stronger internal-market integration

# Emerging Protectionism

- Multinational business should go ahead with own ASEAN integration initiatives, if possible with local partners
- Focus on NTBs and regulatory barriers: transparency and peer pressure
- Region-wide transparency mechanism: business-supported independent think tank; benchmarking/scorecarding; make findings public; use to lobby national governments (not ASEAN collectively)

# Emerging Protectionism

- **Global trade policy outlook: the key players**
  - USA
  - EU
  - China
  - Japan
  - India
  - Russia and Brazil
  - G20
  - WTO and Doha Round

# Emerging Protectionism

- **USA**

- The Bush record
- Obama administration: trade-policy prospects
- No free-trade initiatives? Overall defensiveness and creeping protectionism?
- Still no substitute for US leadership

# Emerging Protectionism

- **EU**

- Trade policy and the Single Market
- Trade-policy defensiveness
- New stresses on the Single Market with EU member-state protectionism
- Fragmentation of EU trade policy

# Emerging Protectionism

## ■ China

- The golden years of liberalisation and globalisation
- Recent policy slippage: stalled reforms and industrial-policy activism
- Basic problems with the Chinese model
- Imperative to resist temptation to mercantilistically export way out of crisis: “first do no harm”
- Medium-term challenge: structural reforms; rebalancing growth



# Emerging Protectionism

- **Other players**

- Japan
- India
- Russia
- Brazil

# Emerging Protectionism

- **WTO**

- Limitations of the Doha package; won't contain emerging protectionism
- Highly unlikely DDA will be concluded soon
- What to do: DDA and the post-Doha agenda

# Emerging Protectionism

- **What about the G20?**

# Emerging Protectionism

## ■ Conclusion

- Short-term challenges: containing policy deterioration and emerging protectionism
- Medium-term challenge: get back on track with liberalisation, structural reform and globalisation