WORLD TRADE ORGANIZATION

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REPORT TO THE TPRB FROM THE DIRECTOR-GENERAL ON THE FINANCIAL AND ECONOMIC CRISIS AND TRADE-RELATED DEVELOPMENTS[1]

1. This Report reviews trade-related developments in the period from 1 March to 19 June 2009.

2. The sharp contraction of the global economy that began in the second half of 2008 and accelerated into the first quarter of 2009 appears to be slowing down. However, the economic situation is fragile and prospects are still uncertain throughout all regions of the world. The financial crisis was concentrated in the developed countries and its effects have been felt most severely there, but the subsequent collapse of aggregate demand in those countries is still working its way through the global economy. Because of the continuing downside risks, the WTO Secretariat has revised its forecast of world merchandise trade in 2009 from a decline in volume of 9 per cent to a decline of 10 per cent. Exports of developed economies are now forecast to fall this year by roughly 14 per cent; the decline for developing economies is expected to be about 7 per cent. Trade in services has been more resilient so far than merchandise trade. Developing countries remain vulnerable to further worsening of the contraction of both international finance and international trade, falling world prices for export commodities, declining FDI, reductions in earnings from remittances and uncertainty over future ODA flows. This is leading to an exceptionally difficult situation for low-income countries that do not have the economic or social safety nets available to withstand such shocks.

3. The abrupt contraction of trade flows and the belief that the more open economies are bearing the brunt of this decline have led some commentators to argue that trade liberalization has made open economies more vulnerable to the crisis. Opening markets may indeed expose countries to greater volatility, but the response is not to turn away from openness. Market opening must be accompanied by international rules and by domestic policies that help workers and business face the impact of open competition and volatility of markets. Many of the open economies that have been badly affected by the global crisis have been enjoying decades of high economic growth and will be better placed to stage a faster and stronger recovery.

4. In the past three months there has been further slippage towards more trade-restricting and distorting policies but resort to high intensity protectionist measures has been contained overall, albeit with difficulties. There have been signs of an improvement in the trade policy environment in the form of more governments introducing trade-liberalizing and facilitating measures, but there is no general indication yet of governments unwinding or removing the measures that were taken early on in the crisis.

[1] This is intended to be a purely factual report and is issued under the sole responsibility of the Director-General. It has no legal effect on the rights and obligations of Members, nor does it have any legal implication with respect to the conformity of any measure noted in the report with any WTO Agreement or any provision thereof. This report is without prejudice to Members' negotiating positions in the Doha Round. It is a preparatory contribution to the report by the Director-General that is called for in Paragraph G of the TPRM mandate and that aims to assist the TPRB to undertake an annual overview of developments in the international trading environment which are having an impact on the multilateral trading system. The earlier reports are contained in WTO documents JOB(09)/2 (26 January 2009) and WT/TPR/OV/W/1 (20 April 2009).

5. Based on information collected by the WTO Secretariat (Annex 1), and without taking into account trade measures associated with the A(H1N1) influenza pandemic, the number of new trade-restricting or distorting measures announced or implemented since 1 March 2009 exceeds the number of new trade-liberalizing or facilitating measures by a factor of more than two. This compares unfavourably with the general situation prevailing over the past few years when the balance for most WTO Members lay firmly on the side of trade liberalization.

6. More countries have introduced trade-liberalizing and facilitating measures than was the case earlier in the year. Australia, China, Ecuador, Egypt, India, Indonesia, Mexico, Paraguay, the Philippines, Russia, Saudi Arabia, Ukraine and Vietnam announced cuts in import tariffs and surcharges and the removal of non-tariff barriers on various products, and China and Malaysia liberalized trade in several services sectors. Some of these countries also raised trade restrictions in the period under review, but it is a welcome sign that their governments are attentive to the beneficial role that lowering trade restrictions can play in current circumstances, by reducing consumer and producer prices, stimulating aggregate demand and helping to reverse the contraction of global trade.

7. A variety of new trade-restricting and distorting measures have been introduced since March. There has been a further increase in the initiation of trade remedy investigations (anti-dumping and safeguards) and an increase in the number of new tariffs and new non-tariff measures (non-automatic licences, reference prices, etc.) affecting merchandise trade. On the basis of analysis contained in this report of historical patterns of anti-dumping activity in previous business cycles, it is to be expected that the current economic crisis will result in a significant increase in the number of anti-dumping measures.

8. Although some governments have applied new measures to a relatively large number of imports, most have limited their actions to individual products. Trade in agricultural products, in particular dairy products, and in iron and steel products, motor vehicles and parts, chemical and plastic products, and textiles and clothing, has been most affected by these new measures. A few countries have introduced new restrictions on trade in services, particularly in the energy services sector, and some have postponed planned liberalization of financial services in response to the financial crisis, but in other sectors, such as telecommunications, governments seem committed to continue to strengthen international openness.

9. Monitoring the impact on trade of fiscal stimulus programmes and industrial and financial support programmes continues to present a particular challenge because of the paucity of data available, in particular on the specifics of how these programmes are being implemented. Concerns have continued to be raised by governments and business about "buy/invest/lend/hire local" requirements that have officially or unofficially been attached to some of these programmes. Because of their evident nationalistic appeal in current circumstances, there is a particular danger that these programmes could become targets for retaliation and proliferate. Several new cases of "buy local" campaigns, usually at local government levels, have been reported in the past three months.

10. Concerns have also continued to be raised about the competition-distorting effects of the subsidy components of these programmes. The longer the subsidies remain in place, the more they will distort market-based production and investment decisions globally, the greater will become the threat of chronic trade distortions developing, and the more difficult it will become to correct those distortions. The case of distortions to international trade in agricultural products today provides a historical lesson in that respect. An important consideration for G20 countries, in particular, is to design and announce as soon as possible an exit strategy from this component of their crisis measures that will allow world markets to return to normal again.

11. The multilateral trade rules continue to be well respected by WTO Members and are helping to contain protectionist pressures. Nonetheless, until the Doha Round is concluded successfully, there is a large amount of room in which those pressures can continue to agitate. Reducing the gaps

between applied and bound levels of trade restriction and distortion will substantially strengthen the capacity of the multilateral trading system to help governments resist these pressures. There will still be flexibility available for WTO Members to cope with exceptional circumstances such as the current economic crisis. Ecuador's recent resort to the WTO provisions that allow the introduction of trade restrictions for balance-of-payments purposes demonstrates that the rules provide scope for developing countries to impose new trade restrictions on a temporary basis and that the need for flexibility in these exceptional economic circumstances can be dealt with consensually in the WTO.

12. The G20 Leaders meeting in London on 2 April 2009 committed to "... refrain from raising new barriers to investment or to trade in goods and services, imposing new restrictions, or implementing WTO inconsistent measures to stimulate exports" until the end of 2010, and to "rectify promptly any such measure". They committed also to "... minimize any negative impact on trade and investment of our domestic policy actions including fiscal policy and action in support of the financial sector". The G20 pledged to notify any such measures promptly to the WTO, and called on the WTO, together with other international bodies, to monitor and report publicly on the adherence of G20 members to their undertakings on a quarterly basis.

13. To date, the WTO Secretariat has not been informed by any G20 member that it has rectified any measure. The Secretariat, in cooperation with the UNCTAD and OECD Secretariats and support of IMF staff, is preparing a public report on new G20 barriers to investment or to trade in goods and services ahead of the next G20 Summit in late September.

14. At the General Council meeting on 26 May 2009, 13 WTO Members undertook the same commitments as the G20 and invited other Members to associate themselves with this initiative.[2]

1. Introduction

15. This Report covers trade-related developments and significant policy issues affecting the multilateral trading system for the period March to June 2009.

16. At the last Informal TPRB meeting on 14 April 2009, WTO Members supported the continuation of this monitoring exercise and encouraged all delegations to contribute to its success by providing timely and accurate information on their trade and trade-related measures. Replies to the latest request from the Director-General for information on measures taken were received from 41 Members and Observers (counting the EC member States separately), of which 12 are members of the G20. The WTO Secretariat has drawn on these replies, as well as on a variety of other public and official sources in preparing this Report. The Secretariat has received good cooperation from the 80 delegations that were requested to verify the accuracy of the information contained in Table 1 and Annexes 1 to 3. Where it has not been possible yet to verify the information, this is noted in the Annexes.

17. The inclusion of any measure in this Report or in its Annexes implies no judgement by the WTO Secretariat on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in this Report implies any judgement, either direct or indirect, as to the consistency of any measure referred to in the Report with the provisions of any WTO Agreement.

18. The supply of timely, accurate and comprehensive trade and trade policy information by Members under the notification and other transparency provisions of WTO Agreements is key to maintaining a high level of institutional transparency and understanding of the trade policies and practices of Members and to the smoother functioning of the multilateral trading system. WTO Councils and Committees are following up on the request by the Chairman of the General Council that they each consult with Members on ways to improve the timeliness and completeness of

[2] WTO document WT/GC/W/604 dated 22 May 2009.

notifications and other information flows on trade measures falling within their specific areas of responsibility.

19. An area in which the notification record has been poor in the past is the provision of applied MFN tariff rates and import statistics to the Integrated Data Base (IDB). Collecting and disseminating data for each WTO Member's tariff rates, not only MFN rates but also preferential rates under reciprocal and non-reciprocal schemes, is a core responsibility of the WTO. The Secretariat will increase its efforts to assist Members to ensure that the IDB contains accurate, up-to-date and comprehensive tariff and import data, so that it can actually serve as the international reference for these data that it is intended and designed to be.

2. Economic and trade trends

(i) The global economy

20. Global output continued to fall sharply in the first quarter of 2009. The European Union (27) reported a 4.4 per cent decline in output compared to the same quarter of 2008, and the United States, Germany and Japan registered declines of 2.6 per cent, 6.9 per cent and 9.1 per cent, respectively, reflecting in the cases of Germany and Japan the high export-intensity of their economies. Output growth in China (6.1 per cent) and India (6.7 per cent) was more resilient, but still well below the rates that these countries recorded in recent years, i.e. close to 10 per cent for India and as high as 13 per cent for China. The ILO's recent release of world unemployment figures projected an increase in jobless numbers of between 39 million and 59 million people in 2009, which will create additional downward pressure on world demand.

21. Data for the second quarter of 2009 is incomplete and mixed, but there are signs that the global economy may be stabilizing. Output and employment are still declining in many countries, but the rate of decline appears to be decreasing. There have been upturns in composite leading indicators in France, Italy, the United Kingdom and China. The threat of deflation has receded in the United States, where expected inflation has risen from close to 0 per cent in late 2008 to nearly 2 per cent today.[3]

22. For the full year 2009, the IMF is now forecasting that global output will fall by 1.3 per cent, with developed countries hit hardest by a decline of 3.8 per cent. The World Bank expects global GDP to contract by 2.9 per cent in 2009. Developing countries are expected to grow by only 1.2 per cent this year, after growing by 8.1 per cent in 2007 and 5.9 per cent in 2008.[4] The developing Asia region is expected to record the strongest output growth among developing and emerging economies.

(ii) Merchandise trade

23. The WTO Secretariat forecasted in March a decline of 9 per cent in the volume of world trade in 2009 on the assumption that exports would experience a sharp drop early in the year followed by a weak recovery. The contraction in world trade that began in the fourth quarter of 2008 continued during the first quarter of 2009. Countries in all regions and at all levels of development have been affected. Developed economies have been hit hardest, especially the major exporters of automotive products and other machinery. The largest share of the trade contraction occurred early in the first quarter of 2009. By the start of the second quarter, the rate of trade contraction had slowed and was beginning to show signs of stabilizing. Monthly trade volume estimates from the Netherlands CPB[5]

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[3] Measured by the spread between the returns on inflation-indexed and non-indexed government securities.

[4] When China and India are excluded, GDP in the remaining developing countries is projected to fall by 1.6 per cent in 2009 (World Bank Press release No. 2009/414, 22 June 2009).

[5] *Trade Monitor*, Netherlands Bureau for Economic Policy Analysis (CPB).

show year-on-year declines in world trade (average of exports and imports) of around 17 per cent through January 2009 and 14 per cent through March, indicating a degree of improvement (Chart 1). The contraction of trade flows in value terms also appears to have bottomed out in May for most major economies (Chart 2).

24. Nonetheless, the WTO Secretariat has downgraded its forecast for the full year and now estimates that the volume of world merchandise exports will fall by 10 per cent. Developed economies will experience the largest contraction in trade, with the volume of their exports expected to decline by roughly 14 per cent and developing economies' exports declining by 7 per cent.

25. The reason for this downgrade is that the risks to trade growth remain firmly on the downside. Unemployment rates in developed countries continue to rise, maintaining downward pressure on the recovery of global demand. Although the worst of the turbulence in financial markets may be over, additional financial stress could develop in the markets for household or sovereign debt. Oil prices fell sharply and remained in the neighbourhood of US$40/barrel early in the year, but have since risen to about US$70/barrel. Some have interpreted this as a sign that markets believe the global economy is improving, but if the supply of oil remains constrained as demand rises in the early stages of a recovery, prices could spike upward. A worsening of the A(H1N1) flu pandemic could also create further downside risk to global economic recovery.

26. There is the possibility that even a small recovery in global demand will be associated with a much larger increase in trade. Global supply chains in manufacturing have amplified the response of trade to changes in income by boosting shipments of intermediate goods along with final goods. This tends to magnify the extent of declines in a downturn[6], but the process would work in reverse when the economy begins growing again.

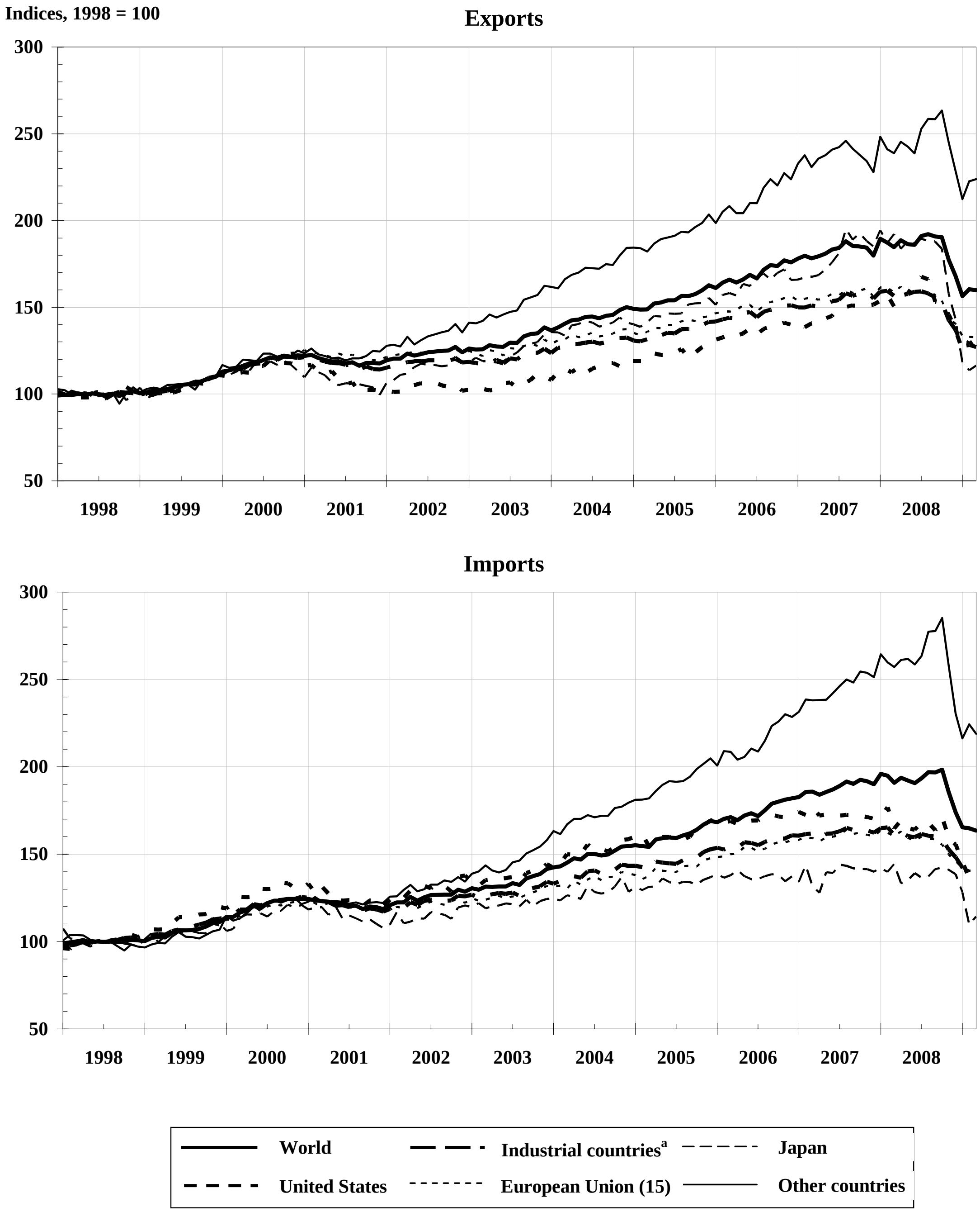
27. One explanation for the severity of the decline in trade of developed economies is that their exports are concentrated in those goods most affected by the financial crisis. Germany's exports, for example, were 8 per cent lower in April than in March and 40 per cent lower year-on-year, reflecting how strongly trade in automotive products has been affected with worldwide demand for cars and light trucks cut currently by about half.

28. The biggest declines in exports of intermediate goods and primary products have been in iron and steel, fuels, and mineral ores. In April (year-on-year), the value of China's exports of iron and steel dropped 67 per cent and its exports of mineral ores and non-ferrous metals fell 64 per cent.

29. There have been encouraging developments recently in some countries. China's exports in current dollar terms have rebounded 42 per cent from their low point in February, while shipments from the Republic of Korea grew 43 per cent between January and April. Many other countries have seen stabilization or small upturns in trade in the last few months. The timing of recovery is expected to vary, as countries or regions that entered recession later may emerge later as well.

[6] For example, intra-Asian trade in automobile products was nearly halved in the first quarter of 2009 (year-on-year). Trade in integrated circuits and in office and telecom equipment also dropped by 30 per cent.

Chart 1
Volume of monthly exports and imports, January 1998 - March 2009

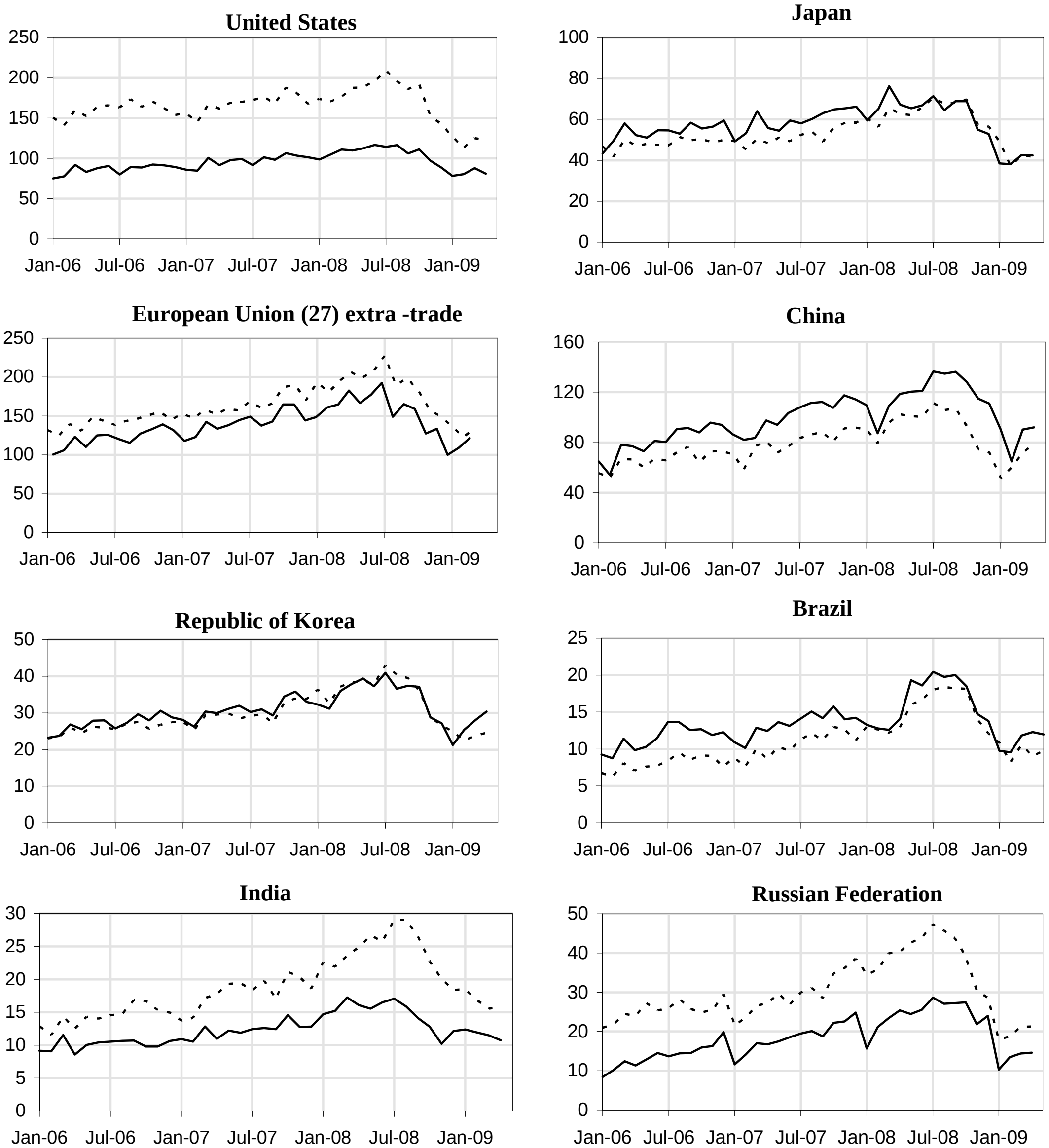


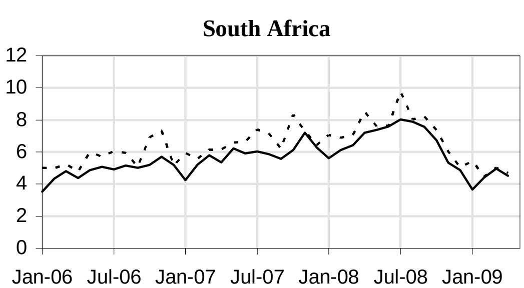
a IFS concept (OECD minus Turkey, Czech Republic, Hungary, Poland, Slovak Republic, Mexico and Republic of Korea).

Source: CPB Netherlands Bureau for Economic Policy Analysis.

Chart 2
Monthly merchandise exports and imports of selected economies, January 2006 - May 2009

(US$ billion)



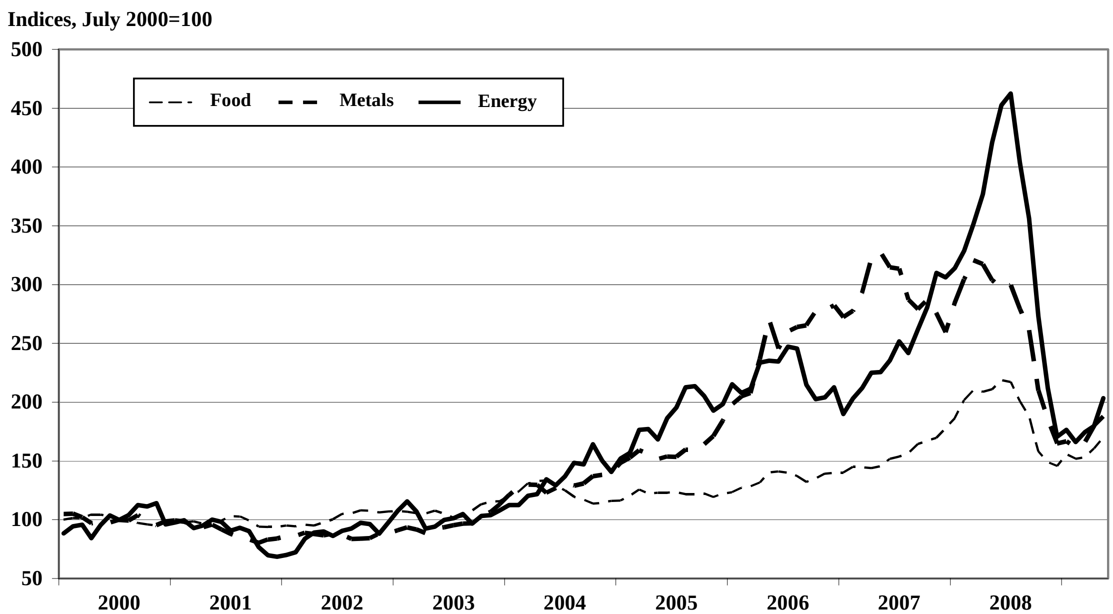


Exports Imports

***Source*: IMF, International Financial Statistics; Global Trade Information Services GTA database; national statistics.**

30. Although developing countries have experienced a smaller drop in their exports than the developed countries, they have not escaped the crisis. The 7 per cent fall in export volumes forecast for 2009 is potentially devastating for the poorest among them, and it understates the economic and development impact on those that are dependent on primary commodity exports since falling world prices are compounding the decline in export volumes (Chart 3). The vulnerability of many developing countries is made greater by their limited range of exports and by their dependence on exports.[7] They also have less developed economic and social safety nets and fewer resources to cushion themselves, and particularly the poorest parts of their populations, from the effects of the global recession.

Chart 3
Prices of selected primary products, January 2000 - May 2009



Source: IMF Primary Commodity Prices.

(iii) Trade in commercial services

31. Data are not available to permit global forecasts to be made, but preliminary indicators for some countries suggest that trade in services has been more resilient, so far, than merchandise trade.

32. Preliminary data (measured on a BOP basis) for the first quarter of 2009 for the United States show that exports of commercial services, other than financial services, declined only slightly by 0.4 per cent since the onset of the crisis (Chart 4). In contrast, exports of transport and travel services have declined by almost as much as merchandise exports. In March 2009, they fell by 22 per cent and 15 per cent respectively. It is likely that fears relating to the A(H1N1) flu have had an additional adverse effect on US transport and travel exports in the past two months.

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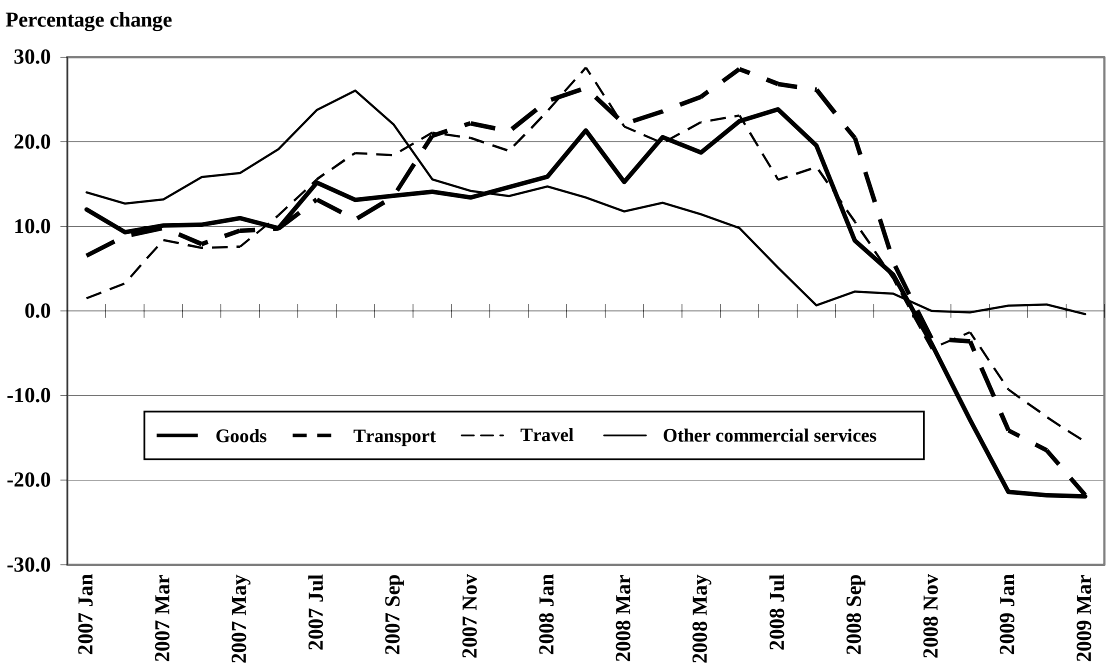
[7] According to UNCTAD, developing countries had an export concentration index of 0.14 on average in 2006 compared to 0.06 for developed countries. Developing countries have a collective export/GDP ratio of 37 per cent compared to 29 per cent for developed countries.

33. A similar pattern can be observed in Japan (Chart 5). In March 2009, merchandise exports fell by 45 per cent along with transport services (37 per cent) and travel services (15 per cent). Exports of other commercial services increased by 5 per cent compared to March 2008, and within this category other business services increased by over 15 per cent.

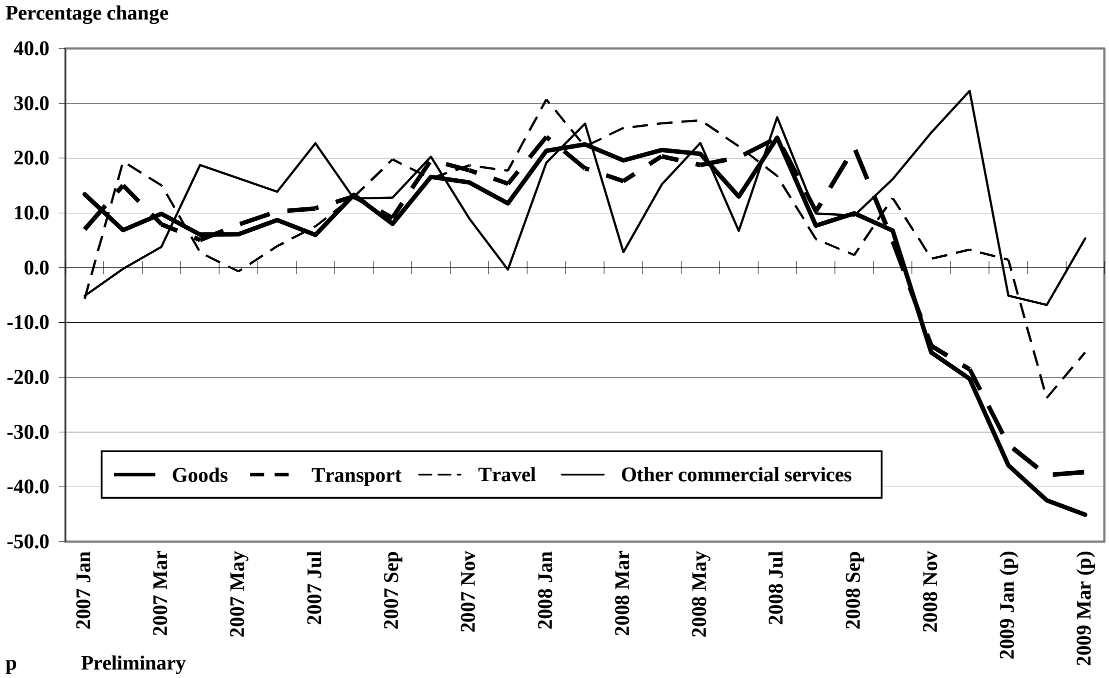
34. A possible reason for the resilience of trade in other commercial services is the time lag involved in conducting international transactions. Other business services tend to be characterized by long-term projects, such as outsourcing activities. Similarly, in the market for telecommunications and construction services, investment decisions, once taken, may not be reversed easily later on. In contrast, the market for transport services (especially maritime) and tourism is based on shorter time horizons and it reacts more rapidly to changes in the growth of merchandise trade and income.

Chart 4
US exports of goods and commercial services, January 2007 - March 2009



Source: **US Bureau of Economic Analysis.**

Chart 5
Japan's exports of goods and commercial services, January 2007 - March 2009



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Source: Bank of Japan.

Box 1: Trade in Services

Based on balance-of-payments statistics, services account for over one-fifth of global cross-border trade, and for some countries such as India and the United States close to a third of all exports.

Trade flows

Very little statistical information on trade in services is available for the first months of 2009, and most of it refers only to cross-border trade – no recent data exist for trade flows through commercial presence or the temporary movement of natural persons. Nonetheless, the data suggest that services trade appears to be weathering the global financial and economic crisis better than trade in goods. A recent World Bank paper[8], based chiefly on data on cross-border trade in services from the United States released in March 2009, shows that while trade in goods has declined drastically, trade in services has held up remarkably well. The year-on-year decline in the value of US merchandise imports in February 2009 was 33 per cent while the value of services imports declined by only 7 per cent. Trade in goods-related services such as international transport has contracted in February 2009 by 20 per cent (year-on-year); while financial services and expenditure in tourism have shrunk by about 13 and 7 per cent, respectively. But trade in a range of business, professional, and technical services has actually grown by about 7 per cent. Evidence from other OECD countries, only available at an aggregate level, does not contradict the picture emerging from the analysis of US data.

Box 1 (cont'd)

[8] Ingo Borchert and Aaditya Mattoo, "The Crisis-Resilience of Services Trade", World Bank, Policy Research Working Paper No. WPS 4917, 28 April 2009.

The latest data from the United States (released on 12 May and covering developments up to March 2009) seem to confirm the situation described by the World Bank. While US imports and exports of goods dropped from February to March 2009 by 32 per cent and 38 per cent, respectively; US imports and exports of services dropped in the same period by 10.7 per cent each. US exports and imports of goods in Q1 2009 were 22 per cent and 30 per cent lower, respectively, than in Q1 2008, while US exports and imports of services were just 6 per cent lower. The bulk of the drop is to be found in transport, travel and financial services.

Countries relatively more specialized in business services have suffered much smaller declines in exports to the United States than those more specialized in exports of goods and transport and tourism services. Overall, exports of developing countries relatively more specialized in services, such as India, have declined less than exports of countries for which services are less important.

According to Borchert and Mattoo (2009), initial evidence suggests that services trade is performing better than goods trade for a number of reasons including: (i) demand for a range of – mainly infrastructural and business – services is less cyclical. As inputs into production processes, they represent an element of competitive advantage unlikely to be foregone; and a large part of international demand for services is less discretionary than demand for goods; (ii) services production is less dependent on external finance and services trade is less dependent on trade finance (many services, such as business services, are delivered electronically across borders); and (iii) services trade involves less international back-and-forth movement of components (services production is much less fragmented than goods production).

It is worth remembering that this assessment concerns only cross-border trade, and is based on limited data. Some other factors, particularly the drop in demand for services due to the global recession, may affect sales by foreign affiliates (i.e. trade through commercial presence), which likely represents some 55 to 60 per cent of trade in services covered by the GATS. Foreign direct investment for example, which is essential to carry out trade in services under commercial presence, seems to be declining drastically. According to recent data released by UNCTAD, global FDI may have fallen by 15 per cent last year from a peak of US$1,900 billion in 2007, and preliminary data for the first quarter of 2009 suggest "a nosedive in FDI" in both industrialized and developing economies, with dramatic slumps in flows to China and the Republic of Korea. The fall in FDI reflects both the inability of companies to finance overseas investments and their assessment of economic developments in foreign markets. In developing countries, companies have been pulling back both on investment aimed at export markets in rich countries, now in recession, and on investment to serve local markets where growth prospects are receding. Moreover, sales by natural persons are not properly measured, but there are indications that the movement of natural persons around the world is being affected by the crisis.

Protectionism

The World Bank authors also point out that the apparent resilience of services trade might be jeopardized by protectionism, which could take subtle forms. Even though few explicit trade-restrictive measures have so far been taken in the services area, the changing political and social climate, as well as increasing state intervention in crisis countries, could introduce a national bias in firms' choices regarding procurement and the location of economic activity. For example, even in the absence of explicit discrimination, the implicit social and political disapproval of outsourcing may have an immediate chilling effect on demand. Similarly, in the long term, subsidies to banks (necessary to ensure the stability of the financial system) are probably less damaging than financial protectionism (inducing national banks to lend domestically).

Services industry sources in developing countries suggest that a bigger problem than any explicit trade restrictions is the general mood of protectionism emerging in crisis-hit countries. This mood has generated increasingly strong political pressure to retain jobs domestically. Evaluating the effect of protectionist sentiments in this area is harder than quantifying the negative demand shock. Illustrations of explicit trade restricting measures in the services area include provisions such as those favouring or mandating buy-local behaviour, or those making it difficult for financial institutions in receipt of government help to hire non-nationals.

3. Trade and trade-related policy developments

35. Based on information collected by the WTO Secretariat on trade measures announced or implemented since 1 March 2009 (Annex 1), there have been more instances of countries taking trade liberalizing and facilitating measures than in the previous three or six-month periods and fewer cases of new tariff and non-tariff trade barriers. However, there was widespread resort to restrictions on imports of pork and pork products in response to the A(H1N1) influenza pandemic, increased initiation of trade defence investigations (anti-dumping and safeguards), and two more countries (Switzerland and the United States) followed the earlier lead of the European Communities in introducing new agricultural export subsidies on dairy products.

(i) Trade liberalization and facilitation

36. More governments have taken steps to reduce or remove trade restrictions and to facilitate trade in the last three months when compared with the earlier phase of the economic crisis. Australia, China, Ecuador, Egypt, India, Indonesia, Mexico, Paraguay, the Philippines, Russia, Saudi Arabia, Ukraine and Vietnam announced cuts in import duties, fees and surcharges and the removal of non-tariff barriers on various products, and China and Malaysia removed restrictions on trade in certain services sectors. There is no clear pattern discernible from these actions in terms of products or regions of the world economy, and it should be noted that some of the countries concerned also raised import restrictions on other products during the period under review.

(ii) Trade restriction and distortion – merchandise trade

37. A variety of new trade-restricting and distorting measures have been introduced since March. Most noticeable has been trade remedy actions and widespread restrictions on pork and pork products associated with the A(H1N1) influenza pandemic. Outside those two areas, there has been an increase in the number of new tariffs and new non-tariff measures (non-automatic licences, reference prices, etc.) affecting merchandise trade when compared with the previous six-month period (September 2008 to February 2009). Some governments have reported new tariffs and non-tariff barriers on a relatively wide range of imports, and there are unverified accounts of actions of this kind also by others, but most governments seem to have limited their policy action narrowly to one or at most two products. Agricultural products and iron and steel, motor vehicles and parts, chemical and plastic products, and textiles and clothing have been the products most affected by these measures. Within the agricultural sector, dairy products have been a target for the establishment of a new tariff rate quota and the application of new or increased export subsidies.

Sanitary and Phytosanitary Measures (SPS)

38. The SPS Agreement provides several mechanisms to monitor the imposition of trade restrictions. All WTO Members are obliged to provide an advance notification of proposed new SPS requirements, except for measures taken in response to emergency situations for which notification is to be provided immediately upon taking the measure. Other Members have the opportunity to comment on these notified measures, both directly to the notifying Member and/or by raising the issue at a regular meeting of the SPS Committee. The WTO Secretariat has no information regarding how many comments are submitted in response to notifications, nor the responses given to these comments. In the period from 1 January through 10 June 2009, 239 regular notifications and 41 emergency notifications were submitted by Members. This compares with 355 regular notifications and 39 emergency notifications for the same period in 2008.

39. One issue that raises concern is the number of new trade restrictions imposed on live pigs, pork and pork products in response to the outbreak of the influenza A(H1N1) virus. Although various official and non-official (primarily media) sources reported that many countries had imposed import

restrictions on these products, and sometimes on additional products as well, only four Members notified their emergency measures to the WTO (Table 1). This raises serious questions about lack of transparency of most of the measures, and about the inability of Members to consult with each other in the SPS Committee on the scientific justification for the restrictions. The relevant international standard-setting organization, the World Organization for Animal Health, as well as the World Health Organization, have stressed that this virus cannot be transmitted to humans via the consumption of properly prepared pork meat or products, and stated therefore that no trade restrictions are warranted.

40. Any Member can raise a specific trade concern at any one of the three regular meetings of the SPS Committee each year. In the Committee meetings of March and June 2008, six new trade concerns were raised. In the meeting of February 2009, one new concern was raised, and Members have indicated their intention to raise eight new issues at the June meeting.

Table 1
Trade Measures in the context of the A(H1N1) Flu

Country/ Member State	Measure	Source
Armenia	Import ban of animal origin food, raw materials, feedstuffs, live pigs, pork, pork semen, and feedstuff and feed additives for pigs prepared from pork from Mexico and the United States.	Ministry of Agriculture website.
Azerbaijan	Import ban of pork products from North America.	Global Public Health Intelligence Network (GPHIN).
Bahrain	Import ban of pork products from: Mexico, the United States, and any country with confirmed cases.	Global Public Health Intelligence Network (GPHIN).
Belarus	Import ban of meat, cattle, and poultry feed from: Canada, France, Israel, Mexico, New Zealand, Spain, and the United States. As from 7 May import ban of pigs, pork and pork products from Poland.	Press reports.
Bolivia	Import ban of pork and subproducts from: Canada, Mexico and the United Sates.	Global Public Health Intelligence Network (GPHIN).
Bosnia & Herzegovina	Import ban of pork products from any country with confirmed cases.	Global Public Health Intelligence Network (GPHIN).
Brunei Darussalam	Import ban of pork meats from any country with confirmed cases.	Global Public Health Intelligence Network (GPHIN).
Cameroon	Import ban of pork products from any country with confirmed cases.	Global Public Health Intelligence Network (GPHIN).
Chad	Import ban of pork products from any country with confirmed cases.	Global Public Health Intelligence Network (GPHIN).
China	Import ban of live pigs, pork products from: Mexico and a number of US states (26 and 29 April), and Canada (Alberta) (3 May).	Permanent Delegation of China to the WTO.
Croatia	Import ban of pork products and live hogs from several countries with confirmed cases in North and South America (ban introduced on 29 April, abolished for all countries except Mexico on 8 May, and completely eliminated on 16 June 2009).	Permanent Delegation of Croatia to the WTO.
Ecuador	Import ban of live pigs and pork products from Canada. (A ban on imports coming from Mexico was lifted on 12 May).	Permanent Delegation of Ecuador to the WTO.
El Salvador	Temporary import ban (introduced on 25 April) of pork products from: Canada, Mexico, and the United States. On May 1, the ban was lifted.	Permanent Delegation of El Salvador to the WTO.

Table 1 (cont'd)

Country/ Member State	Measure	Source
Gabon	Import ban of pork and pork products from Mexico.	Global Public Health Intelligence Network (GPHIN).
Ghana	Import ban of pork products from any country with confirmed cases.	Press reports.
Honduras	Import ban of pork meat from: Canada, Mexico, and the United States. On 4 May, the ban on imports coming from Mexico and the United States was lifted.	Global Public Health Intelligence Network (GPHIN).
Indonesia	Import ban of pigs and pork products from countries with confirmed cases (ban not applied to processed pork derivatives).	Permanent Delegation of Indonesia to the WTO.
Jordan	Import ban of live swine, their meat and meat products (including transit) from countries with confirmed cases.	WTO Document G/SPS/N/JOR/20 of 25 May 2009.
Kazakhstan	Import ban of raw meat from: Mexico and a number of US states. On May 12, the ban on imports coming from Mexico was lifted.	Global Public Health Intelligence Network (GPHIN).
Korea, Rep of	Temporary import ban of swine from North America. Imports of pork allowed after testing.	Permanent Delegation of Korea to the WTO.
Kyrgyz Rep.	Import ban of all meat and meat products from: Mexico and certain US states. Import ban on pork and pork products from a number of Central American countries (27 April).	Permanent Delegation of Kyrgyz Republic to the WTO.
Lebanon	Import ban of pigs and pork from countries with confirmed cases.	WHO.
Former Yugoslav Republic of Macedonia	Import ban of live pigs from: Mexico, the United States, and countries with confirmed cases.	Global Public Health Intelligence Network (GPHIN).
Malaysia	Import ban of pork products from countries with confirmed cases. On 4 June, the ban was lifted.	Permanent Delegation of Malaysia to the WTO.
Moldova	Import ban of pork and pork meat products from Canada. Ban on transit of live animals from countries with confirmed cases.	Press reports.
Montenegro	Import ban of pork from: North America, and countries with confirmed cases.	Global Public Health Intelligence Network (GPHIN).
Morocco	Import ban of pork products from any country with confirmed cases.	Press reports.
Russian Federation	Import ban of all meat and meat products from: Mexico, one province of Canada, four US states, and 24 Central American and Caribbean countries. Import ban of pig meat and live pigs from: one province of Canada, seven US states, and the United Kingdom. Some of the bans imposed at the end of April have been lifted on imports coming from different countries and US states, on a case by case basis.	WHO, Global Public Health Intelligence Network (GPHIN), and Official website of Rosselkhoznadzor (http://fsvps.ru).
Saint Lucia	Import ban of raw pork meat, animals, and semen from the United States.	Global Public Health Intelligence Network (GPHIN).
Serbia	Import ban (and transit) of pigs and pork products originating from North and Latin America. On 2 June, the ban for imports coming from the United States was lifted.	Permanent Delegation of Serbia to the UN Office in Geneva.
Sudan	Import ban of pork products from any country with confirmed cases.	Global Public Health Intelligence Network (GPHIN).

Table 1 (cont'd)

Country/ Member State	Measure	Source
Suriname	Import ban of live animals, animal product, raw pork, and semen from any country with confirmed cases. On 14 May, the ban for imports coming from Mexico was lifted.	Global Public Health Intelligence Network (GPHIN).
Tajikistan	Import ban of pork and poultry from: El Salvador, Mexico, Russia, and certain US states.	Press reports.
Thailand	Import ban of live pigs from countries with confirmed cases (from 27 April to 20 May 2009).	Permanent Delegation of Thailand to the WTO.
Ukraine	Import ban of live pigs and pork meat from: Canada, Mexico, New Zealand and the United States.	Global Public Health Intelligence Network (GPHIN).
United Arab Emirates	Import ban of pigs and pork products from countries with confirmed cases (26 April). On 7 May the ban was lifted.	Permanent Delegation of the UAE to the WTO.
Uzbekistan	Import ban of pork and pork products from several countries with confirmed cases in North and South America (21 April 2009).	Permanent Delegation of Uzbekistan to the UN Office in Geneva.
Venezuela	Import ban of live pigs from any country with confirmed cases.	Permanent Delegation of Venezuela to theWTO.

Technical Barriers to Trade (TBT)

41. Both the number of TBT notifications and the number of specific trade concerns raised in the TBT Committee have increased in the first part of 2009 compared to the same period of the previous year. The number of TBT notifications reached 637 in the period 1 January to 20 May 2009, compared with 509 during the same period last year. The number of new trade concerns raised at the March 2009 meeting of the TBT Committee was significantly larger than at the same meeting the previous year (44 compared with 34). In fact, over the last three years there has been a sharp rise in the number of specific trade concerns raised in the Committee.[9] Although the concerns brought to the attention of the TBT Committee span over a very broad range of issues, discussions in the Committee over the last couple of years have focused on chemicals. Also draft measures relating to toys and steel have come up more frequently in the last year.

42. It is nevertheless difficult to draw any conclusions on the motives/rationale behind the increases. With respect to notifications, Members are obliged under the TBT Agreement to make a notification to the WTO if a proposed measure may have a significant effect on trade. The higher numbers may thus signal either an increase in regulatory activity (which may be legitimate) or an improved implementation of the TBT Agreement. It is interesting to note that over 80 per cent of the notifications submitted in the period January-May 2009 came from developing countries while the corresponding figure for 2008 was below 60 per cent; there has been a significant increase in the proportion of notified draft technical regulations and conformity assessment procedures coming from developing countries.

43. The sharp increase in specific trade concerns raised in the TBT Committee may signal that some Members are more aware and concerned about the impact on trade of increased regulatory activity. In June 2009, noting the increase in specific trade concerns being discussed by the TBT

[9] Since its first meeting, 232 specific trade concerns have been raised in the TBT Committee, most of them in response to notifications made in accordance with the requirements in the relevant Agreement.

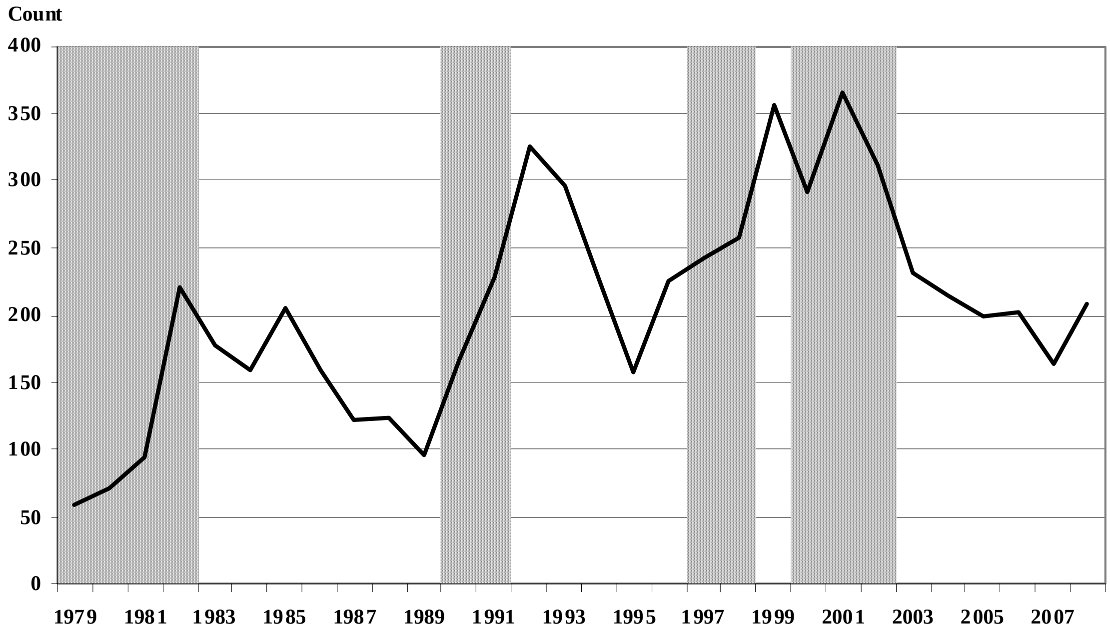
Committee, Korea proposed that the Committee establish a work programme to evaluate the trade restrictive effects and trade distortions caused by unnecessary technical regulations.[10]

Trade remedies

44. After a long period of gradual decline from 2001 to 2007, the number of new anti-dumping investigations increased in 2008. The number of initiations went up by 28 per cent (209) compared with those initiated in 2007 (163). Studies show that there is a correlation between changes in macroeconomic indicators, such as GDP growth and real exchange rates, and anti-dumping initiations.[11] Thus, in the periods 1979-1982, 1990-1992 and 1997-1998, when the global economy slowed down, the number of anti-dumping initiations increased significantly (Chart 6). Results of country-specific studies confirm this finding. The current economic downturn is thus likely to see an increase in anti-dumping initiations.

Chart 6

Global anti-dumping initiations, 1979-2008[a]



a Shaded areas show the periods of economic recession.

Source: WTO Secretariat.

45. The number and composition of the users of anti-dumping measures have changed since 1995. At that time, the most active users of anti-dumping were developed countries with a history of anti-dumping investigations. Since then, the predominant use has shifted to new, developing country

10 WTO document G/TBT/W/316, dated 10 June 2009.

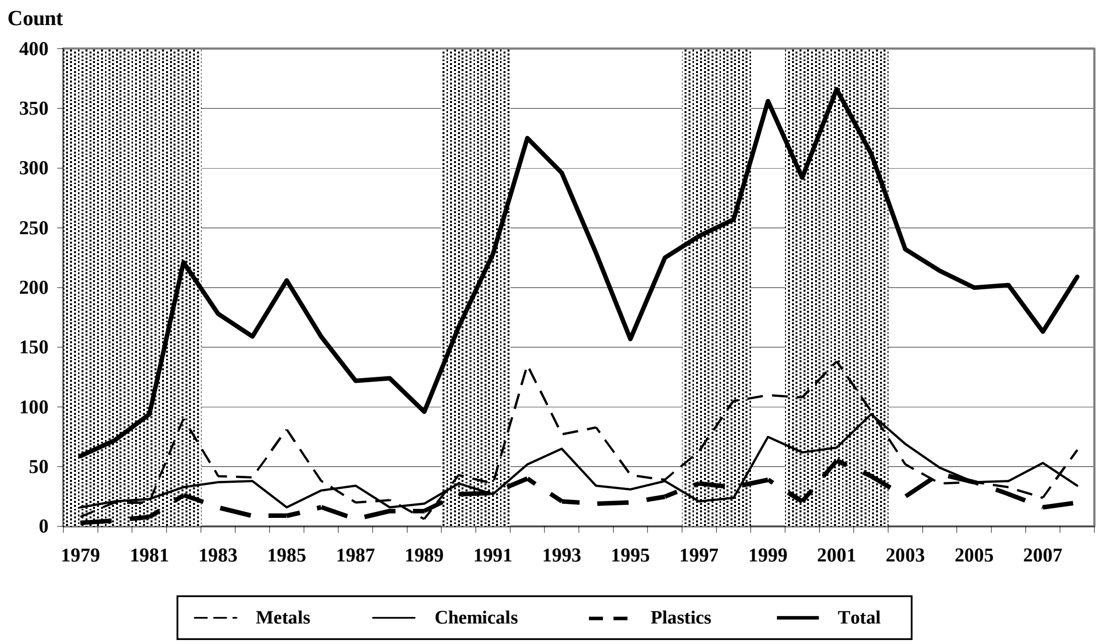
11 Knetter, Michael M./Prusa, Thomas J., "Macroeconomic Factors and Anti-Dumping Filings: Evidence from Four Countries", 61 Journal of International Economics, pp. 1-17; Bown, Chad P., "The WTO and Anti-Dumping in Developing Countries", Economics & Politics pp. 255-288; Irwin, Douglas A., "The Rise of US Anti-dumping Activity in Historical Perspective", The World Economy, Vol. 28, No. 5, pp. 651-668, May 2005; Hallworth Taro and Piracha Matloob, "Macroeconomic Fluctuations and Anti-Dumping Filings: Evidence from a New Generation of Protectionist Countries", Journal of World Trade 40(3), pp.407-423, 2006.

users. Sixty-three WTO Members initiated at least one investigation between 1995-2008.[12] The number of WTO Members that had anti-dumping legislation in effect increased from 69 in 1995 to 96 at the end of 2008. Thirty-two Members initiated investigations in 1995 compared to 45 in 2008. Since more Members currently have anti-dumping legislation in effect than in the past, it may be expected that there will be a greater increase in the use of anti-dumping measures in the future than was observed at times of economic downturn between 1995-2008.

46. The sectoral breakdown of anti-dumping initiations shows that metals have consistently taken the lead (Chart 7). In addition, statistics show that in the past, initiations of investigations on metals, and particularly steel products, went up at a disproportionate rate at times of economic recession compared with other sectors. Thus, it may be expected that anti-dumping initiations on metals, particularly steel products, will go up more than those on other products. Notifications made so far for 2009 and data available from other sources confirm this expectation.

Chart 7

Global sectoral anti-dumping initiations, 1979-2008[a]



a Shaded areas show the periods of economic recession.

Source: **WTO Secretariat.**

47. Another indicator of the use of anti-dumping is the ratio between initiations and imposition of final measures. Available data for a number of active users show that a greater proportion of the increased number of initiations resulted in the imposition of final measures at times of economic recession. Thus, it may be expected that this ratio will also go up in the near future, which would accelerate the expected increase in anti-dumping measures.

48. Members' notifications of anti-dumping activity for the first half of 2009 are not due to be provided until August. According to information obtained from a number of official and unofficial

[12] These figures reflect the actual number of the members of the European Communities in the relevant period.

sources, as of 19 June 77 anti-dumping investigations have been initiated in 2009, compared with 86 initiations in the same period in 2008, a decline of 10 per cent. This situation should be viewed with caution because the data for 2009 will only be reliable and comparable to past data once Members' notifications are received. Furthermore, it is expected that there will be some time-lag before effects of a general economic downturn are manifested in available data concerning the performance of domestic producers. Since the economic downswing started in the second half of 2008, this suggests that information concerning injury, necessary to enable domestic producers to file applications for anti-dumping measures, will only become available in the course of 2009.

49. Initiations of countervailing duty investigations increased from 11 in 2007 to 14 in 2008. However, this number is well below the number of initiations during the period 1998-2001; 1999 marked the peak year with 41 initiations. Similar caution regarding these numbers should be exercised as in the case of anti-dumping initiations.

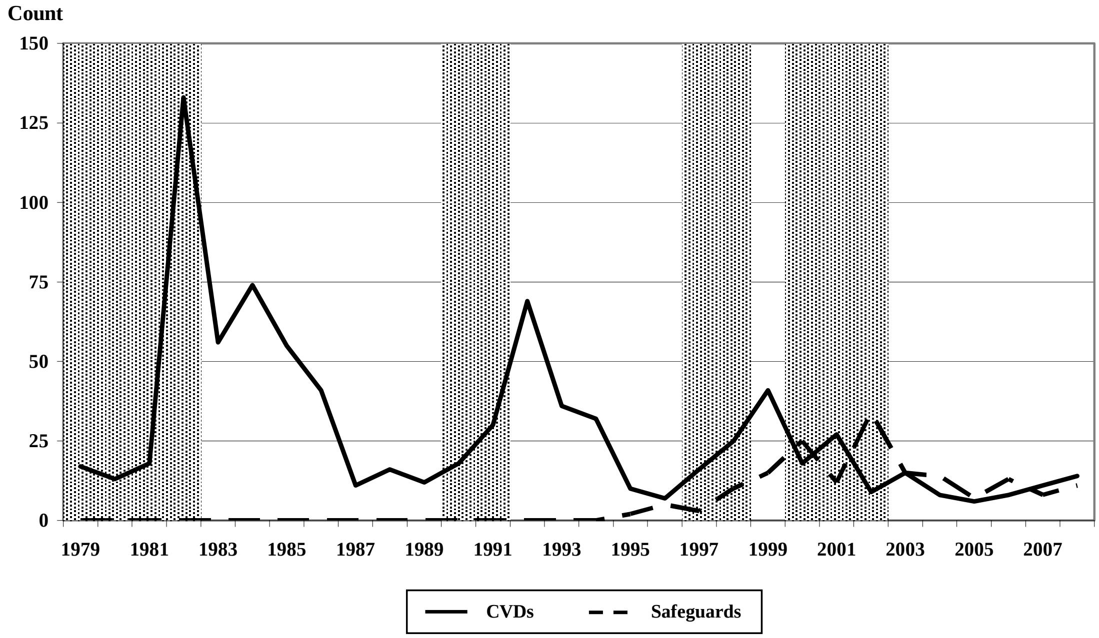
50. Safeguards initiations went from eight in 2007 up to 11 in 2008. The 11 initiations are well below the high level of initiations between 2000-2002, i.e. 25, 12 and 34, respectively (Chart 8). However, available data indicate that 15 safeguards investigations have been initiated between January-June 2009. If this trend continues, there may well be a significant increase in the number of safeguards initiations in the rest of 2009 compared to the recent past. As is the case in anti-dumping, injury must be found to a domestic industry before a measure can be imposed, and thus industries are likely to face some time-lag until data showing injury is available.[13] With the current global economic situation, the second half of 2009 and the first half of 2010 are likely to witness more negative performance by domestic industries and, as a consequence, potentially more safeguards initiations.[14] However, this may be offset to some degree by declines in global trade, as a necessary prerequisite for imposition of a safeguard measure is an increase in imports.[15]

[13] It should be noted that the injury standard for safeguard measures ("serious injury") is understood to be higher than that for anti-dumping and countervailing measures ("material injury"). In addition, measures can also be imposed following a finding of threat of serious (or material) injury.

[14] Unlike anti-dumping and countervailing duty investigations, there are no WTO requirements on industries to submit evidence of injury before requesting initiation of a safeguards investigation, but given the substantive requirement for a finding of injury, a time-lag before any action is requested remains likely.

[15] While the volume of imports is a relevant consideration in anti-dumping (Article 3.2 of the Anti-Dumping Agreement) and countervailing duty investigations (Article 15.2 of the SCM Agreement), an increase in imports is not necessary. Article 2.1 of the Agreement on Safeguards, however, does require an increase in the volume of imports for the imposition of a safeguard measure.

Chart 8
Global CVD and safeguards initiations, 1979-2008[a]



a Shaded areas show the periods of economic recession.

Source: WTO Secretariat.

Anti-Dumping Activity and the Global Business Cycle

51. This section reports on the results of an econometric analysis of the link between global economic activity and the worldwide number of anti-dumping initiations and measures, given that anti-dumping is the most frequently used trade remedy measure by WTO Members. The analysis (performed by the WTO Secretariat) is based on data on 48 countries that have initiated at least one anti-dumping investigation or applied at least one anti-dumping measure during the past three decades (1979-2008). However, the model uses the global count of anti-dumping petitions and measures to provide a better basis for drawing inferences.

52. The examination builds on the economic literature on anti-dumping which links the frequency of a country's anti-dumping initiations and measures to changes in its GDP and real exchange rate. This literature has found that the number of trade contingent measures is affected by the business cycle.[16] In general, anti-dumping initiations and measures tend to rise during periods of recessions or slow economic growth and to recede when the macroeconomic environment improves. Although, most of these studies have focused on the United States and other major developed country users of anti-dumping (Australia, European Communities, Canada), similar research has also been undertaken recently on developing countries.

[16] The study by Leidy (1997) focuses on US anti-dumping actions. A later study by Knetter and Prusa (2003) extends the country coverage beyond the United States to include Australia, Canada and the European Communities. Niels and Francois (2006) study Mexico’s experience with anti-dumping protection. Aggarwal (2004) examines the anti-dumping history of a large group (99 countries) of developed and developing countries.

53. The econometric model used is the negative binomial model, which is a standard tool to analyse count variables. The two explanatory variables used in the model – global GDP growth and the volume of trade – are statistically significant at the 1 per cent level and have the correct signs. Global GDP growth is negatively related to the number of anti-dumping filings and new measures, which confirms the importance of the global business cycle to anti-dumping activity. The estimation also shows that the number of filings and new measures are positively related to the volume of global trade.

54. The model uses data that spans a period of nearly three decades, during which significant changes occurred in the global economy that may affect the robustness of the estimated relationship. While there were only four main users of anti-dumping prior to the 1990s, developing countries have accounted for a greater share of anti-dumping activity since. The past decades have been marked by significant reductions in trade barriers (tariffs, quantitative restrictions, voluntary export restraints) and liberalization of traditionally sheltered sectors such as agriculture and textiles and clothing. This may have altered the attractiveness of anti-dumping relative to other instruments of protection. There was an important change as well in the international legal basis for anti-dumping with the adoption of the Anti-Dumping Agreement.

55. Although it is not intended to be a forecasting tool, the econometric model can be used to provide predictions of the number of anti-dumping initiations and measures given an assumed rate of global GDP growth and trade volume. The IMF's latest (April 2009) World Economic Outlook forecasts a contraction of 1.32 per cent in global GDP this year. The WTO Secretariat has forecasted a decline of 9 per cent in the volume of global trade in 2009. The reduction in global GDP, by itself, should tend to increase anti-dumping activity while trade contraction, taken alone, should lead to a decline in anti-dumping activity. Taking these forecasts for 2009 as given, the econometric model predicts an increase in both initiations (437) and new measures (324) in 2009 compared to their levels in 2008. This result suggests that the global downturn swamps any possible reduction in anti-dumping activity arising from the contraction in trade flows.

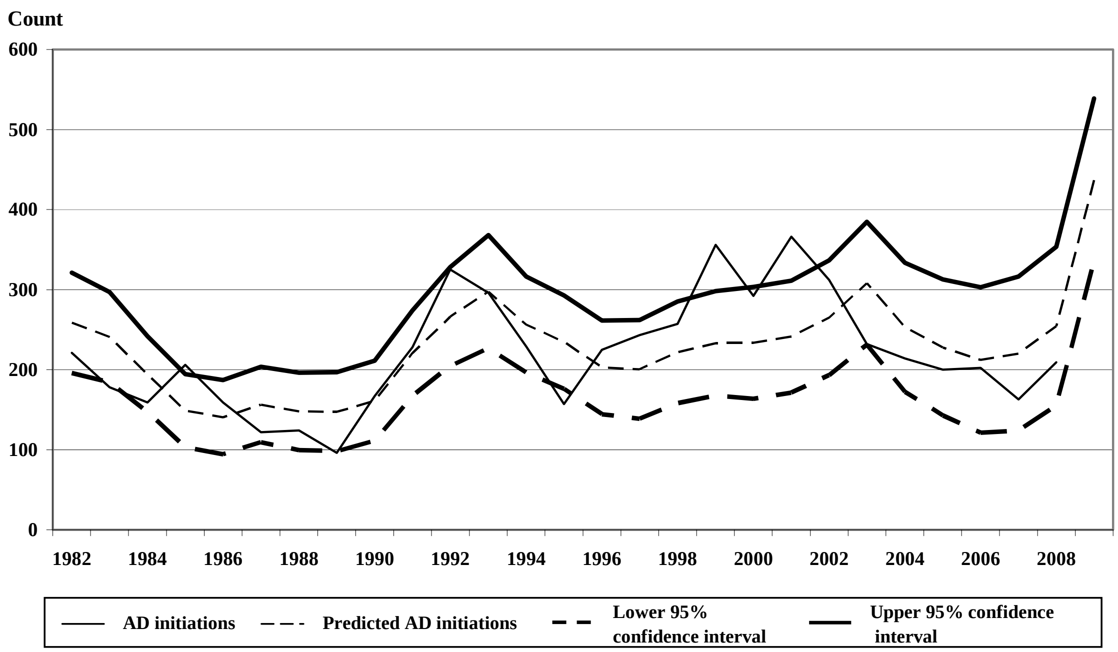
56. The errors of the prediction from the model are important and so these forecasts should be taken with caution. In the case of anti-dumping initiations, the average error of prediction is about 21.2 per cent. The prediction error is about the same, 21.7 per cent, for new anti-dumping measures. Charts 9 and 10 show the predicted and actual number of initiations and measures together with their corresponding 95 per cent confidence interval. This corresponds to the range that, with 95 per cent probability, will contain the actual count of anti-dumping actions. The number of initiations and new measures have tended to fall within the 95 per cent confidence interval of the prediction, except for the period in 2000-2002 (a period of global downturn), when the actual count exceeded the predictions of the model.

57. Another important caveat to keep in mind is that the number of initiations and new measures predicted by the model for 2009 will be the highest in historical record. It is possible to argue that there may be a limit to the number of cases that can be processed by the authorities of individual countries since investigations require a significant amount of staff and budgetary resources to conduct. This may be another reason to be cautious about the precise number of predicted anti-dumping actions.

58. The most robust conclusion that one can draw based on the model is about the timing and direction of change in the number of anti-dumping actions. On the basis of past historical patterns and data which have been used in the model, the current economic crisis will precipitate a significant increase in the number of anti-dumping initiations and measures. This is confirmed by the sharp turning point in the predicted counts of initiations and new measures beginning in 2008.

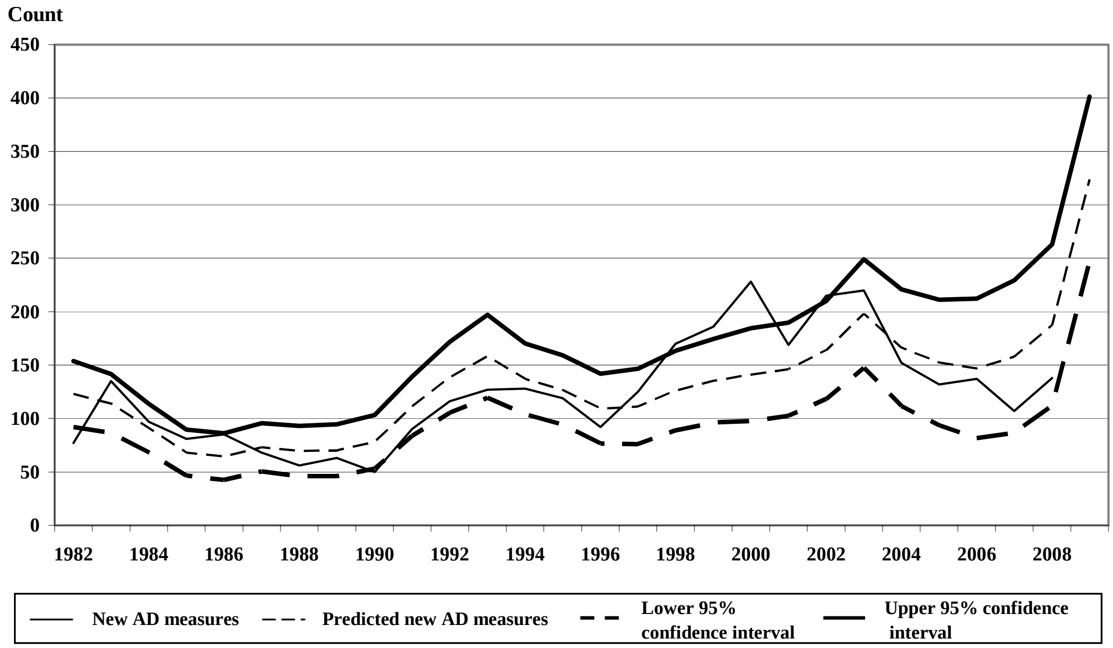
59. Finally, the results can be used to identify instances when the actual number of anti-dumping actions has either been lower or higher than that predicted by the model. Since 2003, the model has tended to predict a greater number of anti-dumping initiations and measures than actually occurred. For 2008, the actual count of anti-dumping initiations and new measures were 209 and 138 respectively, while the model predicted 254 initiations and 187 new measures. By the nature of an econometric model, such differences are considered errors in prediction and cannot be accounted by the explanatory variables used in the model. In other words, the reason for why the actual count was lower than the predicted number of actions cannot be explained by the pattern of global GDP growth nor the volume of trade. The reasons must be sought elsewhere and some of the possible explanations (changing economic and legal landscape) were in fact discussed earlier.

Chart 9
Predicted and actual number of anti-dumping initiations, 1982-2009



Source: **WTO Secretariat.**

Chart 10
Predicted and actual number of anti-dumping measures, 1982-2009



Source: WTO Secretariat.

(iii) Trade measures in services

60. So far, the crisis has not triggered any generalized protectionist backlash in the services area. While a few Members have taken restrictive measures in some sectors, sometimes in the context of financial bailouts or fiscal stimulus packages, others have pursued further liberalization. In certain sectors, such as telecommunications, the situation appears to be "business as usual", with governments committed to actions that aim to strengthen competition by giving out new licences or by dealing with interconnection/termination rate issues and anti-competitive practices.

61. The energy services sector has been the target of trade restrictions in a few WTO Members. For example, on 7 May the Venezuelan National Assembly enacted a law that reserves to the Venezuelan State the goods and services of hydrocarbons primary operations.

62. The European Parliament has approved the "third [EC] energy package", which will have to be implemented by EC member States within 18 months. The new package drops the requirement of ownership-unbundling for electricity and gas companies. This means that large vertically integrated energy companies that own both electricity generation and transmission facilities will not be obliged to sell their transmission network. The decision backtracks from the EC Commission's original proposal in September 2007 and from the decision already taken by the European Parliament in June 2008.

63. EC member States will now have to choose between three "unbundling" options: full ownership unbundling; the independent system operator (ISO); and the independent transmission operator (ITO). Full ownership unbundling would force integrated energy companies to sell off their gas and electricity grids, thus establishing separate transmission system operators to handle all network operations. A supply and production company could not, in this case, hold a majority share

in a transmission system operator. The ISO and ITO options allow energy companies to retain the ownership of their transmission networks. To liberalize the energy market, member States could oblige companies to hand over the operation of their transmission network to a designated, separate body – the independent system operator (ISO). The third option – the ITO model – preserves integrated supply and transmission companies, but compels them to abide by certain rules to ensure these two sections of the company operate independently in practice. The package also includes provisions to prevent control of transmission systems or their owners by companies from non-EC countries until they fulfil certain conditions. Member States have three and a half years to give effect to the provisions concerning non-EC companies.

64. The foreign direct investment review process has come under some scrutiny in some countries, with potential consequences for trade in services through commercial presence in such sectors as energy services or other utilities-related activities.[17]

65. China's new Postal Law, approved on 29 April, explicitly prohibits foreign companies from providing domestic express mail services within China. It allows only the state monopoly, China Post, to deliver certain letters within China and it prohibits foreign companies from engaging in the domestic express delivery of letters. Foreign express delivery companies are allowed to deliver parcels within China as well as letters and parcels internationally. The law also provides for additional licensing requirements and provides scope for compulsory payments to subsidize universal postal services. Intra-provincial express delivery companies will face a minimum capital requirement of 500,000 yuan (US$73,000), while the requirement for inter-provincial and international businesses would be of 1 million and 2 million yuan (US$146,600 and US$293,000), respectively.

66. The financial crisis has prompted further liberalization of services sectors in some cases, but has also caused delays in the implementation of liberalization programmes. Liberalization measures have been implemented, for example, by China and Malaysia. Effective 1 May, China lifted restrictions on foreign ownership, capital start-up investment and outbound bookings, making it possible for foreign travel companies to own more than 51 per cent of a Chinese travel agency and to open up more branches. The new rules also significantly reduce entry capital requirements to operate at the Chinese point of sale. The measures add to the regulations released by the China National Tourism Administration and the Legislative Affairs Office on 18 March 2009 that lifted the threshold on annual sales volumes for the establishment of a travel agency in China which were originally included in the WTO Agreement. The minimum capital required to start a travel agency now is 300,000 yuan (US$44,000), down from 2.5 million yuan (US$366,500).

67. China also removed a requirement for Chinese agencies to increase registered capital for every branch office. Previously, international tourism branches needed 750,000 yuan (US$109,575) and domestic branches needed 150,000 yuan (US$21,915). China also significantly reduced agency and branch operation guarantee bond requirements. Chinese travel agencies can now engage in outbound travel bookings if the agency has operated for two years without infringement of the rules. Foreign-owned agencies still are prohibited from engaging in outbound booking activities except otherwise provided under the Closer Economic Partnership Arrangements with Macao, China and Hong Kong, China.

68. In April, the Malaysian Government announced the elimination, with immediate effect, of the 30 per cent foreign equity limitation for 27 services sub-sectors in the areas of health and social services, tourism services, transport services, business services and computer and related services.

[17] For a review of investment measures, including financial bailouts, taken in the period 15 November 2008-15 June 2009 in OECD and some non-OECD countries, see "Draft Status Report: Inventory of Investment Measures taken between 15 November 2008 and 15 June 2009" (OECD document DAF/INV(2009)4, 20 May 2009).

Additionally, as part of the measures to develop Malaysia as an international Islamic financial hub, the legal profession will be liberalized to allow up to five top international law firms with expertise in international Islamic finance to practice in Malaysia. These firms will only be allowed to offer legal services in international Islamic finance. Additionally, to facilitate investments into the services sector, a National Committee for Approval of Investments in the Services Sector was established under the Malaysian Industrial Development Agency. This committee will act as a focal point to receive and process applications for investment in services sectors, excluding investment in the financial services (governed by the Malaysian Central Bank), air travel, utilities, Economic Development Corridors, Multimedia Super Corridor, Bionexus-status companies (for biotechnology industry) and distribution. The Malaysian liberalization initiative has been complemented with a support programme for the domestic services industry. In this regard, a services sector capacity development fund of RM100 million (US$28 million) has been established under the First Economic Stimulus Package.

69. In a parallel move, the Central Bank of Malaysia also announced a liberalization package encompassing measures on both the conventional and Islamic financial sectors. The measures focused on three areas: the issuance of new licences; increments in foreign equity participation; and further operational flexibility. The Government will offer: (i) up to two new Islamic banking licences in 2009 to foreign institutions to establish new Islamic banks with foreign equity allowed up to 100 per cent and with a minimum paid-up capital of US$1 billion; (ii) up to two new family takaful licences in 2009; (iii) up to two new commercial banking licences in 2009 to foreign institutions with a view to spurring the development of targeted economic sectors; and (iv) up to three new commercial banking licences in 2011 to world-class foreign banks. In the case of the commercial banking licences, the new commercial banks must be locally-incorporated in Malaysia; must maintain a minimum capital of RM300 million at all times (some US$84 million); and may have a foreign equity interest of up to 100 per cent. With immediate effect, foreign equity participation in existing Islamic banks, investment banks, insurance companies and takaful companies will be allowed to increase up to 70 per cent. A higher foreign equity limit beyond 70 per cent for insurance companies will be considered on a case-by-case basis for players who can facilitate consolidation and rationalization of the insurance industry. Operational flexibilities include the following: (i) locally-incorporated foreign commercial banks will be allowed to open up to ten microfinance branches; (ii) locally-incorporated foreign insurance companies and takaful operators are allowed to establish branches nationwide without restriction, and to enter into bancassurance/bancatakaful arrangements with banking institutions, and are accorded greater flexibility to employ specialist expatriates; and (iii) offshore banking institutions and offshore insurance companies licensed by the Labuan Offshore Financial Services Authority will be accorded flexibility to have a physical presence onshore from 2010 and 2011, respectively.

70. On 8 May, the Korean Government announced plans to further develop nine service industries which were chosen because of their high value-added and job-creating capacity: education, medical services, logistics, broadcasting and communication, content providing businesses, consulting services, design, IT services and employment agencies. The plans aim to properly regulate the service industry, encourage competition, and correct any unfair support compared with the manufacturing industry. Some of the plans will have a direct impact on trade in services in the sectors concerned, since they will allow for further foreign supply. Education and medical services are cases in point – according to the plan foreign educational institutions will be allowed to teach more domestic students, while foreign medical services will be available in free economic zones.

71. The global financial crisis has led some countries to postpone liberalization initiatives in services sectors. For example, citing the current global financial turmoil and concerns regarding the financial strength of banks around the world, the Reserve Bank of India (RBI) decided – as part of its annual policy for the period 2009-2010 – not to change its policy on presence of foreign banks in the country. As a consequence, the second phase of the "Roadmap for Presence of Foreign Banks in

India", which was supposed to be implemented in April 2009, has been put on hold. That second phase included the extension of national treatment to wholly-owned subsidiaries of foreign banks; the dilution of stake in wholly-owned subsidiaries (so that 26 per cent of the paid up capital could be held by residents Indians); and allowing foreign banks to enter into mergers and acquisitions with any private sector bank in India subject to the overall investment limit of 74 per cent. However, RBI has relaxed some operating conditions affecting foreign banks.

4. Fiscal stimulus and industry and financial sector support programmes

72. A number of new fiscal stimulus programmes and industry and financial sector support programmes have been announced since March 2009, although with the exception of Japan's New Stimulus Package announced in April there has not been anything comparable in size or scope to the crisis measures that were introduced in the previous six-month period. The measures announced recently include general economic stimulus programmes by a number of developing countries (Bangladesh, Egypt, Jordan, Mexico, Singapore, South Africa, Thailand and Vietnam) and more targeted fiscal and financial support by developed countries to aid specific sectors and companies (Australia, Canada, Japan, E.U. and its member states, Norway and the U.S.), in particular banks and insurance companies, the manufacture of automobiles and SMEs generally, and including also the manufacture of pulp and paper, and textiles and footwear, and farming.

73. The programmes will benefit international trade to the extent that they succeed in achieving their systemic objectives of restoring the financial sector and financial markets to good health and stimulating global aggregate demand through public spending. As was recognized by the G20 Leaders on 2 April, however, such large injections of public money into the economy, and of government influence over how it is to be spent, do have the potential also to distort markets and competition. There are two main areas of concern.

74. One is the very limited information that is available publicly, and therefore to a country's trading partners, about how the fiscal stimulus programmes are being implemented, particularly at sub-federal levels of government. This makes it difficult to assess the trade impact of the measures, or the extent to which they are distorting markets and competition. An example is "buy/invest/lend/hire local" requirements that are attached, officially or unofficially, to the expenditure of public funds or to the operations of private companies that benefit from these funds. Several cases of "buy local" campaigns, usually at local government levels, have been reported in the past three months, although it has not been possible for the Secretariat to verify the measures in question.

75. The second concern is the extent to which public funds that are targeted at specific sectors, industries or individual firms and are provided temporarily to deal with a specific problem are not withdrawn once the problem has been addressed, and instead remain in place. In the past nine months, several industries in developed countries, particularly banking and automobiles, have received massive state subsidies to try to prevent individual companies or even whole industries from collapsing. These countries' trading partners, and particularly most developing countries that are unable to provide matching support for their own firms, face highly skewed and unfavourable competitive conditions on world markets until the subsidies are repaid. Even then, opportunities for them to gain market share while the subsidies are in place will have been lost. The longer the subsidies remain in place, the more they will distort market-based production and investment decisions globally, the greater will become the threat of chronic trade distortions developing, and the more difficult it will become to correct those distortions. The case of distortions to international trade in agricultural products today provides a historical lesson in that respect. An important consideration for the G20 countries, therefore, is to design and announce as soon as possible an exit strategy from their crisis measures that will allow world markets to return to normal again.

Financial sector support programmes

76. The financial sector has been so far the prime recipient of government support, and considerably more information has been provided publicly on how the funds are being spent or other forms of government intervention are being carried out. A detailed description of support measures granted to the financial sector is provided after Annex 3.

77. While some of these measures have targeted specific financial institutions, many others constitute in fact more general "rescue packages" for the whole sector, whose effects will only be seen through time, depending on how they are implemented. From the perspective of trade in financial services, these measures, which in most cases constitute some form of state aid or subsidy, may eventually bring about negative spillover effects on other markets or introduce distortions to competition between financial institutions.

78. Negative spillover effects may arise if, for instance, bailout measures end up affecting banking flows between markets, thus aggravating liquidity problems or putting individual financial institutions under additional stress. The establishment or expansion of guarantee schemes (of both deposits and wholesale lending instruments) in some markets has been – at least partly – motivated by this kind of concern. The main benefits of guarantee schemes stem from increased confidence in the financial institutions participating in the scheme, reducing the probability of a run on those institutions. However, in a context where governments around the world are introducing or expanding these guarantees in their own markets, financial institutions not benefiting from equivalent measures may be disadvantaged in obtaining funds from overseas and/or see their deposit base eroded. Distortions to competition may also arise between different financial institutions operating in a specific market if some of them (e.g. domestic financial institutions) benefit from some of these bailout measures to the detriment of others (e.g. like foreign financial institutions). Eligibility criteria are therefore essential in order to avoid distortions to competition and trade.

79. The bailout measures referred to previously may be considered a form of subsidy. The GATS does not contain explicit subsidy disciplines, but some discipline nevertheless exists by virtue of the rules on non-discrimination – the Most-Favoured-Nation and National Treatment provisions. There is however a difference between both disciplines: while MFN is a general and unconditional obligation applicable to all measures affecting trade in services (in all sectors), regardless of specific commitments, national treatment only applies to the services included in the Members' schedules of specific commitments, and to the extent of the reservations included therein. If these commitments do not contain explicit limitations allowing subsidies to be granted in a discriminatory manner, then the national treatment principle will require that “like” foreign and national (financial) services and (financial) service suppliers be given the same treatment in relation to subsidies. Therefore, Members' ability to discriminate when implementing subsidy-like bailout measures will have to be assessed in light of its specific commitments on financial services. It is worth recalling in that regard that commitments, and therefore limitations, must be entered with respect to each of the four modes of supply. Therefore, limitations (or the absence of limitations) on national treatment may apply to some modes of supply but not to others.

80. Finally, it is worth recalling that the GATS contains a specific exception for measures taken for prudential reasons (paragraph 2 of the Annex on Financial Services). The most important aspect of this exception is that it does not restrict in principle the freedom of regulatory authorities with respect to the types of measures that can be adopted for prudential reasons. The carve-out does not prescribe what types of prudential measures are allowed. Rather, it states the objectives that such measures should pursue. Therefore, the carve-out is designed to cover any type of regulatory action that a country might see fit as long as it is for the achievement of a prudential objective.

The threat of financial protectionism

81. Political leaders, policymakers and industry representatives have made repeated reference lately to "financial protectionism" as a threat to economic growth, financial stability and open markets.[18] A recent report by the Institute of International Finance (IIF) considers that some of the measures taken recently by national governments to stabilize their domestic financial institutions, including Governments' requests to bail-out business to focus on their domestic markets at the expense of overseas operations or requirements imposed to build up liquidity reserves at home, have had the unintended consequence of strengthening a ‘home bias’ and creating a protectionist environment which threatens to fragment the international financial system.[19]

82. Although financial protectionism remains a vague term, at least in the broader debate, it conceivably refers to policy actions which accentuate financial home-bias. Such policies include discrimination of foreign-owned bank subsidiaries when distributing bail-out funds, and encouraging or targeting domestic lending, i.e. explicit or implicit direction of credit by governments to ensure that banks that receive public support or that are (partly or fully) nationalized lend only to domestic borrowers.[20] This can be achieved either through direct actions by governments, as stakeholders of rescued financial institutions, or through moral suasion to influence commercial decisions. Other actions include restrictions on banks' ability to adjust their liquidity levels worldwide among their different branches – this can be achieved through either formal or informal controls on banks' ability to transfer funds to overseas branches or among overseas branches, or through requirements imposed on the parent institution itself to hold greater levels of liquidity locally without relying on other branches of the group.

83. These types of measures, which prompt a redirection of bank capital to domestic markets, are already affecting capital flows with potentially severe consequences for emerging economies. Recent *BIS* data for the last quarter of 2008 show that banks have reduced their cross-border credit to emerging markets drastically.[21] Indeed, *BIS* reporting banks’ cross-border claims on all four emerging market regions (Emerging Europe, Latin America, Africa and Middle-East, Asia Pacific) decreased in the fourth quarter of 2008 by a combined US$282 billion (10 per cent), with claims on Asia-Pacific dropping the most (by US$159 billion or 18 per cent, roughly half the cumulative percentage decline seen during the Asian crisis). Banks’ cross-border lending to *BIS*-emerging Europe category also fell, mainly due to reduced credit to Russia, Turkey and, to a lesser extent, Poland. The recent pledge by large European banks at the instances of the European Commission and the IMF to provide necessary financial support to their Hungarian and Romanian units, is telling of

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[18] At their meeting in London on 2 April 2009, the G20 Leaders stated the following: "We will not retreat into financial protectionism, particularly measures that constrain worldwide capital flows, especially to developing countries" (paragraph 22 of the G20 Leaders' statement at the London Summit).

[19] Fragmentation of the International Financial System: Analysis and Recommendations", IIF Staff Paper, 11 June 2009.

[20] According to the IIF, the UK Government has required banks receiving public assistance to agree to domestic lending growth targets. French banks that tap government assistance have pledged to increase domestic lending by 3-4 per cent annually, while ING, a Dutch bank, which has received government assistance, has promised to extend €25 billion in loans to Dutch businesses and consumers. Austria requires assisted banks to strive to make available 200 per cent of (government) participation capital to provide credit to Austrian businesses. Similar requirements are in place in Greece. In addition, while there is no explicit requirement, the US government has asked TARP-assisted banks to report regularly on the growth of domestic lending (IIF, op. cit.).

[21] *BIS* Quarterly Review, June 2009.

the concerns raised by potential large capital outflows in financial sectors where foreign institutions hold a very significant share of the system's assets.[22]

84. Assessing the extent and impact of financial protectionism is complicated by the difficulty in identifying the policy-driven developments from the market-driven ones. Capital flows to emerging markets may be reversing not only as a response to regulatory actions in home countries, but also as a natural result of risk aversion, global liquidity crunch (deleveraging), and solvency concerns. Thus, even without government pressure to do so, financial institutions are more likely in the current circumstances to re-focus their activities on their core geographical markets at the expense of their non-core operations in other countries. While these actions may not violate any international legal obligations (e.g. the GATS), they may exacerbate developing countries' financing problems and undermine the case for open markets. Here again, further international cooperation could do much in avoiding unintended consequences of policy- or even market-driven actions.

5. Trade Finance

85. The drying up of trade finance resulting from shortages in global liquidity and increased risk aversion by major international banks led G20 Leaders in London to agree to "*ensure availability of at least $250 billion over the next two years to support trade finance through our export credit and investment agencies and through multilateral development banks. We also ask our regulators to make use of available flexibility in capital requirements for trade finance*".

86. The World Bank's International Financial Corporation (IFC) has created a Global Trade Finance Liquidity Fund, allowing for co-lending agreements with commercial banks on a 40-60 per cent risk sharing formula. The first deals were done under this scheme by Standard Chartered Bank and Standard Banks for their operations in Africa, and Citibank for their operations globally. Several governments and multilateral development banks are supporting financially the IFC Liquidity Fund.

87. Another pillar in the package is the strengthening of existing capacities of export credit agencies (ECAs) in OECD and non-OECD countries, allowing them to offer more finance and a wider spectrum of instruments, particularly in the short-term segment of the trade finance market. Finally, it is intended that several institutions, either multilaterals, ECAs and other government agencies will try to revive the secondary market by intervening directly into it.

88. The G20 countries and multilateral agencies, including the WTO, met in early June 2009, to do a "reality check" of financial commitments to ensure that the US$250 billion in support of trade could be in effect mobilized by the time of the next G20 Meeting in Pittsburgh. However, no specific indication of the utilization of such package is available yet, mainly because of the lead times to put them fully in place. While trade finance facilitation programmes were already up and running and could "absorb" more demand, the establishment of government-supported schemes by export credit agencies need more time and resources to be in place, bearing in mind that the full package is expected to be implemented over two years.

89. Anecdotal evidence shows that the global market situation remains tense, with increased payment defaults and high costs of credit. Intervention by the Brazilian, Indian and Chinese Governments and central banks stabilized local spreads at around 150-200 basis points above policy rates. In other areas of the world the situation has not improved. The African Development Bank estimates that trade finance transactions have collapsed by over 50 per cent since the beginning of 2009. In Asia, some countries that are key in international supply-chains rely on the Asian

[22] The nine European banks that reaffirmed their commitment to doing business in Romania, including the provision of additional capital to their local subsidiaries if necessary, together hold 70 per cent of the sector's assets.

Development Bank and the IFC to facilitate their trade transactions due to the deterioration of the country risk. In Latin America, some of the smallest Central American countries, or larger but poor countries, also need support. As a result of default in Eastern Europe, several countries see currently no new trade credit being delivered by the markets. Even in the United States, spreads on opening new letters of credit are up, at 100-200 basis points depending on the quality of risk. In the current uncertain environment, central banks of developed countries, such as the United Kingdom and Japan, are re-opening discount windows for receivables presented by local small and medium-sized enterprises, being trade or domestic bills.

90. The WTO, along with partner institutions, will continue to monitor the market situation.

6. Impact on developing countries

91. The volume of developing countries' merchandise exports is projected to fall by 7 per cent in 2009, and the impact of this will be compounded by falling world prices for primary commodities that make up a large proportion of exports for many of them, especially the LDCs. Developing countries are also suffering from significant reductions in remittances and tourism, declining capital inflows (in particular FDI), and possible cuts in ODA.

92. The situation of LDCs is particularly fragile.[23] The African Development Bank (AfDB) has recently noted that per capita income in Africa will fall in 2009 for the first time in 15 years. African economies are expected to grow by 2.3 per cent in 2009, down from 5.7 per cent in 2008. According to the AfDB, Africa has seen a sharp decline in investment flows while credit financing has dried up affecting infrastructure development. There has been a significant decline in mining investments, with the most affected areas being Zambia's Copper Belt, the south-western Democratic Republic of Congo, Liberia and Guinea where aluminium and iron ore projects have been scaled down by half.

93. The small nations of the Caribbean region have also been heavily affected by a number of developments, including falling tourism receipts, lower remittances inflows and reduced income from commodity exports. With generally weak fiscal positions, most governments in the region have few instruments with which to stimulate domestic demand to offset the external downturn. Most economies are expected to fall into recession in 2009. The tourism sector, the main source of employment and foreign exchange, is probably the most affected in the Caribbean region (around 70 per cent of tourists in the region come from countries that are now in recession).[24] Remittances are also falling for the first time in many years. The contraction of remittances is likely to reduce private consumption in most Caribbean countries and could have negative knock-on effects on bank lending portfolios. The two largest economies of the English-speaking Caribbean (Jamaica and Trinidad and Tobago) are also feeling the impact of lower international commodities prices: aluminium production (a major export item) has been almost halted in Jamaica and many downstream activities in Trinidad's energy sector have been temporarily shuttered.[25] In commodity-producing countries falling international prices will further complicate their fiscal situation. A number of investment projects in the mining and energy sector are likely to be postponed as a result of the global liquidity squeeze.

[23] Even if, so far, the impact of the crisis has not been as great as that in developed countries, any damage to already fragile LDC economies can be disproportionately severe in social and business terms (see AITIC Background Note on "How is the Credit Crunch Affecting the Least-Developed Countries?", 20 March 2009).

[24] Following the release of data showing annual contractions in arrivals in much of the English-speaking Caribbean in 2008, the Caribbean Tourism Organization has predicted a decline of between 20 per cent and 30 per cent in arrivals for 2009 (The Economist Intelligence Unit, "Caribbean economy: Hit by a triple whammy", 13 May 2009).

[25] According to press report, three of the four alumina plants in Jamaica closed down in May.

94. The decline in *Foreign Direct Investment* (FDI) inflows registered in 2008 marked the end of a growth cycle in international investment that started in 2004 and which saw global FDI inflows reach a historic record of US$1.9 trillion in 2007. FDI flows are estimated to have fallen by 15 per cent in 2008. According to UNCTAD, this decline is expected to intensify in 2009, especially for developing countries, as the full consequences of the crisis on transnational corporations' investment expenditures continue to unfold. The impact of the crisis on FDI differs depending on the region and the economic sector: developed countries have so far been the most affected, while flows into developing countries continued to grow in 2008, but at a much lower rate than the year before.[26] The impact of the crisis on FDI flows into developing countries is expected to be much more dramatic in 2009, with forecasts showing a decline.[27] Among industries, flows to financial services, automotive industries, building materials, intermediate goods and some consumption goods have been the most significantly affected in 2008. However, the consequences of the crisis are quickly expanding to FDI in other activities such as in the primary sector and non-financial services. According to a new forecast by UNCTAD, global FDI inflows declined by 54 per cent and mergers and acquisitions by 77 per cent during the first quarter of 2009 as compared to the same period in 2008, and prospects remain gloomy for the rest of the year. Forty-three countries, including major host countries such as Brazil China and the Russian Federation, recorded lower FDI inflows.[28]

95. After years of rapid growth, *remittance flows* to developing countries are expected to fall by 5 to 8 per cent in 2009.[29] This decline in nominal terms may appear to be small relative to the projected fall in private capital flows or official aid to developing countries. However, considering that remittances registered double-digit annual growth in the past few years, and that for some countries, remittances are an important source of external financing, an outright fall in the level of remittance flows will cause hardship in many poor countries. South-South remittances from Russia, South Africa, Malaysia and India are especially vulnerable to the economic crisis. Also, the outlook remains uncertain for remittance flows from Gulf Cooperation Council countries.

96. *Tourism*, one of the key sectors in some developing countries in terms of export revenues, is suffering seriously from the global economic downturn. Although resisting better than some other sectors, tourism has not been immune to the global financial and economic crisis. Many poorer nations have based much of their economic growth strategies on developing the tourism business through hotel and other infrastructure construction. Tourism worldwide stagnated in 2008, with an annual growth rate of international tourist arrivals at 2 per cent, down from a 7 per cent growth a year earlier. Preliminary figures by the World Tourism Organization (UNWTO) for the first months of 2009 indicate a continuation of the negative growth already experienced in the second half of 2008. International tourist arrivals declined at a rate of 8 per cent between January and February 2009. Destinations all around the world have suffered from a decrease in demand in major source markets, with the exception of Africa and Central and South America, who all posted positive results. So far, Northern, Southern and Mediterranean Europe, North-East Asia, South Asia and the Middle East are amongst the most affected sub-regions. In this context, UNWTO expects international tourism to decline between 2 and 3 per cent in 2009.[30] This trend is confirmed by data on air transport by the International Air Transport Association (IATA), which shows a 9.1 per cent decline in air passenger traffic in the first three months of this year, and data on hotel occupancy rates which are down by

[26] In developing countries and transition economies, UNCTAD data shows that FDI inflows grew by 4 per cent in 2008, substantially lower than in 2007, but that there was a sharp decline in Q4.

[27] Assessing the Impact of the Current Financial and Economic Crisis on Global FDI Flows, UNCTAD, April 2009.

[28] UNCTAD Press Release, PRESS/PR/209/024, 24 June 2009.

[29] Migration and Development Brief - 9, Development Prospects Group, World Bank, 23 March 2009.

[30] World Tourism Organization, "World Tourism in the Face of the Global Economic Crisis and Influenza Threat", 12 May 2009.

nearly 10 per cent or more in all world regions in the same period.[31] However, in some cases, tourism arrivals increased such as for Cuba where the number of tourist arrivals in the first quarter of 2009 was up by 2 per cent on the same period of 2008 (Latin American Weekly Report, 7 May 2009).

97. Many developing countries generate a large share of export earnings, government revenue and GDP from *commodity exports*. These countries will continue to suffer from reduced export revenues as lower global demand and high stocks continue to weigh on prices. For example, the Economist Intelligence Unit forecasts average base metals prices falling by nearly 50 per cent in 2009, with a modest recovery of around 12 per cent in 2010. Average natural rubber prices are set to fall by 44 per cent this year. Over the past recent months, most prices in the metals markets (outside gold and silver) have been declining sharply as demand plummets. One illustration of the impact of the global crisis on commodities is in the area of cotton production (Box II below).

Box II: The impact of the global financial and economic crisis on cotton

World cotton production declined in both 2007/08 (by 2 per cent) and 2008/09 (by 10 per cent) to 23.7 million tons, the smallest production level since 2003/04. These declines were caused principally by decreases in cotton area, as cotton prices have become less attractive relative to competing crops. In 2009/10, world cotton production is expected to remain stable at 23.6 million tons. Decreasing cotton returns, more attractive prices for competing crops, and expected difficulties in financing inputs are encouraging farmers to plant less cotton. World cotton trade was estimated at 8.3 million tons in 2007/08. However, as a result of the decline in demand from importing countries, world cotton trade is projected to decline to 6.1 million tons in 2008/09; this would be the smallest volume trade since 2000/01. World cotton imports are expected to rebound to 6.7 million tons in 2009/10.

The cotton sector has been affected, even before the financial crisis, by the global commodity price crisis and the cotton futures market crisis which hit cotton production and trade. The current financial and economic crisis is influencing mainly textile purchases by end-use consumers and therefore cotton consumption. In addition, tightening credit conditions for textile mills are slowing their purchases of raw materials, including cotton. In many countries (such as in Europe and the United States), the global economic crisis is accelerating a decline in cotton mill use that started many years ago due to other factors, but also in India and China (the two largest industrial users of cotton) for the first time.

The global economic crisis, through its impact on world cotton mill use, is also affecting cotton trade, stocks and production. The lower demand for cotton is causing a 27 per cent drop in imports this season, to 6.1 million tons. The ratio of world cotton imports to world mill use, which averaged 31 per cent in the last decade, is falling to 26 per cent, reflecting tighter credit conditions, tighter operating margins for textile mills and caution on the part of textile mill operators. Chinese imports, which represented 30 per cent of global imports the last season, are expected to drop by 42 per cent in 2008/09 to 1.5 million tons.

The tightening of credit conditions worldwide will also affect world cotton production in 2009/10, as it is making it more difficult for cotton producers to finance their inputs.

Source: International Cotton Advisory Committee, *World Cotton Situation*, 24 April 2009.

Aid for trade

98. A Second Global Review of Aid for Trade will be held on 6-7 July 2009.[32] It provides an opportunity to give added impetus to the ambitious mandate on Aid for Trade, agreed at the WTO's Hong Kong Ministerial Conference in 2005, which aims to help developing countries, and the least

[31] World Tourism Organization, "Tourism and Economic Stimulus – Initial Assessment", 6 May 2009.
[32] http://www.wto.org/english/tratop_e/devel_e/a4t_e/second_global_review09_e.doc

developed in particular, to build the supply-side capacity and infrastructure they need to take advantage of trade opening and to connect with the global economy.

99. Preliminary results of monitoring of aid-for-trade flows were presented in the last Report. Further detailed analysis will be presented in a joint OECD and WTO publication, "Aid for Trade at a Glance 2009", to be launched at the Second Global Review meeting. One main conclusion of the report is that in 2007, as was the case in 2006, Aid for Trade grew by more than 10 per cent in real terms. Total new commitments from bilateral and multilateral donors stood at US$25.4 billion, while non-concessional lending provided an extra US$27.3 billion in trade-related financing. Partner countries have mainstreamed trade in their development strategies, and clarified their needs and priorities. Donors have scaled up their resources and improved their programming and delivery.

100. Three regional reviews of Aid for Trade have taken place since the last monitoring report was issued. A High Level Conference and Aid for Trade Review on the North-South Corridor was held in Lusaka, Zambia on 6-7 April 2009. The Second Regional Aid for Trade Review for Latin America and the Caribbean was held on 7-8 May 2009. On 28-29 May, a regional meeting on Aid for Trade entitled "Global Financial Crisis, Export-Led Growth and Aid for Trade: Focus on the ASEAN Experience" was held in Siem Reap, Cambodia. These events have highlighted the economic and social impact of the crisis on developing countries. A key message emerging from these events is the role that Aid for Trade can play in helping countries to overcome the current crisis by laying the foundations for future growth. This and other conclusions from these events will be fed into the Global Review meeting.

101. Another noteworthy development is the Communication submitted to the General Council by 13 Members on "Possible further action by WTO Members in response to the Financial Crisis".[33] The communication reaffirms "commitments made on Aid for Trade and calls upon all the donors involved to commit expeditiously to the disbursement of funds earmarked for Aid for Trade".

[33] http://docsonline.wto.org/DDFDocuments/t/WT/GC/w604.doc

ANNEX 1
Trade and trade-related measures[1]
(March 2009 – June 2009)

VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Argentina	Incorporation of 12 new items to the list of products subject to import licensing procedures such as: aluminium, and miscellaneous articles of base metal.	Various dates	WTO Document G/LIC/N/2/ARG/4/Add.2 of 1 April 2009.
Argentina	Introduction of "criterion values" (valores criterios) for imports of products such as: "cermet" (ceramic and metal manufactures); sweaters and pullovers; brake pads, linings, and clutches discs; and electric heating radiators and equipments.	17, 27 March, and 14 April 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of stainless knives from Brazil and China.	26 March 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of denim from China.	30 March 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of CDs from Paraguay.	30 March 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Authorization for frozen pork meat from Paraguay to transit through Argentina.	28 April 2009	Resolución SENASA No. 343/09.
Argentina	Initiation of anti-dumping investigation on imports of piping accessories from Brazil and China.	12 May 2009	Permanent Delegation of Argentina to the WTO.
Australia	Gradual reduction of applied tariffs on textiles, clothing, and footwear products up to 2015.	March 2009	Permanent Delegation of Australia to the WTO.
Australia	Initiation of anti-dumping investigation on imports of linear low density from Canada and the United States.	28 May 2009	Permanent Delegation of Australia to the WTO.
Bolivia	Increase of import tariffs (to 35%) for 324 tariff lines (i.e. clothing, textiles, furniture), as from June 2009.	15 May 2009	Decreto Supremo No. 0125.
Brazil	Initiation of anti-dumping investigation on synthetic fibre from China.	4 May 2009	Permanent Delegation of Brazil to the WTO.
Canada	Establishment of a tariff rate quota (10,000 tonnes) for milk protein substances with a milk protein content of 85% or more, that do not originate in a NAFTA country, Chile, Costa Rica, or Israel, for the period 1 April 2009 to 31 March 2010 (in-quota tariff rate of 0%, and over-quota tariff rate of 270%).	1 April 2009	Permanent Delegation of Canada to the WTO.
Canada	Initiation of anti-dumping investigation on imports of mattress innerspring units from China.	27 April 2009	Permanent Delegation of Canada to the WTO.
Canada	Renewal of the programme allowing the remission of customs tariffs on the temporary importation of mobile offshore drilling units, for a further five-year period.	4 May 2009	Permanent Delegation of Canada to the WTO.

Annex 1 (cont'd)

[1] The inclusion of any measure in this table implies no judgement by the WTO Secretariat on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in the table implies any judgement, either direct or indirect, on the consistency of any measure referred to with the provisions of any WTO agreement or such measure's impact on, or relationship with, the global financial crisis.

Country/ Member State	Measure	Date	Source
China	Initiation of anti-dumping investigation on imports of nucleotide-type food additives from Indonesia and Thailand.	24 March 2009	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%.	1 April 2009	Permanent Delegation of China to the WTO.
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.	2 April 2009	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 April 2009	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 April 2009	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.	1 May 2009	Permanent Delegation of China to the WTO.
China	Resumption of imports of chicken from Brazil.	20 May 2009	Permanent Delegation of China to the WTO.
Dominican Republic	Initiation of safeguard investigation on imports of glass bottles.	15 April 2009	WTO Document G/SG/N/6/DOM/1 of 15 April 2009.
EC	Initiation of anti-dumping investigation on imports of certain cargo scanning systems from China.	18 March 2009	Commission Notice 2009/C 63/09 of 18 March 2009.
EC	Initiation of anti-dumping investigation on imports of certain molybdenum wires, containing by weight at least 99.95% of molybdenum, of which the maximum cross-sectional dimension exceeds 1.35 mm but does not exceed 4 mm (CN Code: 8102 96 00) from China.	8 April 2009	Commission Notice 2009/C 84/07 (OJ C 84/5).
EC	Increase export refunds for milk and milk products.	5 June 2009	Commission Regulations No. 461/2009 of 4 June 2009 (OJ L 139/15).
Ecuador	Import tariff elimination for hybrid cars.	...	Permanent Delegation of Ecuador to the WTO.
Egypt	New import tariffs for products such as cocoa; cigarettes; chemicals; steel products; and machineries.	...	Presidential Decree No. 51/2009.
India	Removal of duty (20%) on imported crude soybean oil (Customs Notification No. 27/2009).	24 March 2009	Permanent Delegation of India to the WTO.
India	Import duty exemption on pulses (Customs Notification No. 28/2009).	26 March 2009	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation (China specific) on front axle, beam, steering knuckle and crankshaft.	2 April 2009	WTO Document G/SG/N/16/IND/6 of 11 May 2009.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
India	Initiation of safeguard investigation on imports of acrylic fibre.	9 April 2009	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.	9 April 2009	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 April 2009	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation on imports of coated paper and paper board.	20 April 2009	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 April 2009	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 April 2009	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation on imports of plain particle board.	22 April 2009	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 2009	WTO Document G/SG/N/16/IND/7 of 4 June 2009.
Indonesia	Stricter enforcement of registration requirements on imported and domestic packaged food products.	1 March 2009	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).	March 2009	Permanent Delegation of Indonesia to the WTO.
Israel	Initiation of safeguard investigation on imports of steel rebars.	26 March 2009	WTO Document G/SG/N/6/ISR/1 of 26 March 2009.
Korea, Rep. of	Reduction in the number of work permits for unskilled/semi-skilled foreigners, from 100,000 to 34,000, reflecting reduced domestic labour demands, under the Employment Permit System, which operates to introduce foreign workers. Work permits for foreign professionals are not affected.	26 March 2009	Permanent Delegation of Korea 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 April 2009	Permanent Delegation of Malaysia to the WTO.
Mexico	Imposition of new restrictions on imports of diesel trucks.	31 March 2009	Permanent Delegation of Mexico to the WTO.
Mexico	Measures to simplify trade procedures (Paquete de Simplificación Comercial) through the elimination of tariffs on imports of used parts.	9 April 2009	Permanent Delegation of Mexico to the WTO.
Mongolia	Tariff increases for eggs and potatoes (from 5% to 15%), as from 13 March 2009.	13 March 2009	Permanent Delegation of Mongolia to the WTO, and Parliament Resolution No. 26 of 12 March 2009.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
Peru	Initiation of safeguard investigation on imports of cotton yarn.	13 March 2009	WTO Document G/SG/N/6/PER/2 of 13 March 2009.
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 Philippines to the WTO.
Russian Federation	Elimination of import tariffs on polyester thread.	10 March 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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 March 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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.	3 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase of import tariffs on radiofrequency cable (from 5% to 15%), for nine months.	22 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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.	1 May 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase of import tariffs (from duty-free to 10%) on certain types of tropical oils (palm oil), for nine months.	1 June 2009	Permanent Delegation of the Russian Federation.
Switzerland	Temporary reintroduction of export refunds for cream (as from January 2009 until at the latest December 2009).	...	Permanent Delegation of Switzerland to the WTO, and Federal Law of Agriculture (Art. No. 13).

Annex 1 cont'd)

Country/ Member State	Measure	Date	Source
Switzerland	Elimination of milk quota system, as from 1 May 2009 (Federal Law of Agriculture, Art. No. 36a).	1 May 2009	Permanent Delegation of Switzerland to the WTO.
Turkey	Initiation of anti-dumping investigation on imports of pipe fittings/flanges from China.	18 April 2009	Permanent Delegation of Turkey to the WTO.
Turkey	Initiation of safeguard investigation on imports of matches.	2 May 2009	WTO Document G/SG/N/6/TUR/15 of 6 May 2009.
Ukraine	Initiation of safeguard investigation on imports of liquid chlorine.	17 March 2009	WTO Document G/SG/N/6/UKR/3 of 17 March 2009.
Ukraine	Elimination of import duty surcharges of 13% (implemented as a temporary BOP measure in March) with the exception of cars and refrigerators.	18 May 2009	WTO Document WT/BOP/N/68 of 18 May 2009.
United States	Interim rule amending the Federal Acquisition Regulation to implement the "Buy American" provision in the American Recovery and Reinvestment Act (ARRA) with respect to procurement by the Federal Government.	31 March and 23 April 2009	Rules and Regulations (Federal Register Nos. 14623 and 14633) of 31 March 2009.
	Updated Implementing Guidance for ARRA which provides information relevant to state and local governments on the application of the "Buy American" requirement.		Rules and Regulations (Federal Register Nos. 18449 and 18463) of 23 April 2009.
	Both regulations required, in procurement covered by an international agreement, that the "Buy American" requirement not be applied with respect to iron, steel, and manufactured goods of GPA and other trade agreements Parties.		
United States	Additional requirements for certain employers of H-1B workers. Section 1611 of the ARRA requires recipients of Troubled Assets Relief Programme (TARP) funds and certain other forms of support to comply with additional attestation requirements when hiring H-1B workers. These requirements are imposed for two years.	March 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of countervailing duty investigation on oil country tubular goods from China.	8 April 2009	Permanent Delegation of the United States to the WTO.
United States	Imposition of import tariffs (10%) on softwood lumber from four Canadian Provinces, in the context of the bilateral Softwood Lumber Agreement.	15 April 2009	Federal Register/ Vol. 74, No. 68 of 10 April 2009 – [Docket No. USTR-2009-0011]
United States	Initiation of anti-dumping investigation on imports of plastic bags from Indonesia; Chinese Taipei; and Vietnam.	21 April 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of countervailing duty investigation on imports of plastic bags from Vietnam.	21 April 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of anti-dumping investigation on imports of oil country tubular goods from China.	29 April 2009	Permanent Delegation of the United States to the WTO.
United States	Allocations for dairy export incentive programme (reintroduction of export subsidies, which were not used since 2003, for skimmed milk powder; cheese; and butter).	22 May 2009	USDA Release No. 0178.09 (FAS PR 0081-09).
Venezuela	Establishment of import quota for vehicles (up to 10,000) originating from Colombia (priority for buses, taxis and trucks) for the year 2009.	16 April 2009	Permanent Delegation of Venezuela to the WTO.

Annex 1 (cont'd)

NON-VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Argentina	Reported delays in obtaining the necessary import licence (average processing times in excess of 100 days).	Various dates	Press reports, and industry sources.
Argentina	Initiation of anti-dumping investigation on imports of steel rollers from China.	2 March 2009	Press reports.
Argentina	Initiation of anti-dumping investigation on imports of elevator engines from China.	2 June 2009	Press reports.
Belarus	Elimination of the list of "non-critical" imports (16 food and 15 non-food items) granting preferential access for Russian products.	3 March 2009	Press reports.
Belarus	Ban on fish imports.	14 April 2009	Press reports.
Belarus	Increase of import tariffs on certain goods such as meat (40%); wines (30%); butter, fats, starch and ice cream (20%); home appliances (from 25% to 40%); wood products (from 25% to 30%); and vegetables (180%).	21 April 2009	Press reports, referring to Presidential Edict No. 214.
Brazil	New tax incentives (Integrated Drawback) for exporters (mainly agri-businesses); consisting in the elimination of the IPI excise tax (5%), or the PIS/Cofins social security tax (9.5%) on the purchase of inputs (local and imported) to be used in the manufacturing of export products. A similar scheme was already in place for machine parts, and equipment.	8 April 2009	The Bureau of National Affairs.
Brazil	Increase of import tariffs (from duty free to 12-14%) on steel products (included on its national list of exemptions to the Mercosur Common Tariff).	5 June 2009	Resolução da Câmara de Comércio Exterior (Camex) No. 28.
China	New Postal Law, repeating the relevant provisions in previous legislation which excluded foreign companies from providing local express delivery of letters (weighing less than 150 grams), effective as from 1 October 2009.	24 April 2009	Xinhua's China Economic Information Service.
China	Press reports indicate that some provincial and city governments encourage the domestic purchases of products. It is reported that on 1 June the Chinese National Development and Reform Commission issued a notice jointly with seven other ministries reminding all authorities to apply "Buy Chinese" rules in all procurement financed by the stimulus package.	17 June 2009	Press reports referring to official announcement (2009-No. 1361), and the Financial Times.
Egypt	Elimination of import tariffs on yarn, tin and textiles.	10 April 2009	Global Insight.
Egypt	Elimination of additional tariffs (10%) on imports of steel.	18 April 2009	Press reports.
Egypt	Elimination of a "precautionary fee" of 25%, which was imposed in January 2009, on imports of cotton yarn; fabric; and sugar; from India.	23 April 2009	The Press Trust of India Limited.
Egypt	Extension of export ban on rice until October 2009.	...	Press reports.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
India	Different charges levied on steel imports: import duty (5%); ocean freight (US$50/tonne); and incidental charges (US$85/tonne).	16 April 2009	The Economic Times.
India	New export subsidies to cotton farmers (Textile Upgradation Funds Scheme (TUFS); drawback programmes; tax holidays for export products; and preferential export financing). Increase of Minimum Support Prices for cotton (US$0.75/pound).	22 April 2009	The Dow Jones Commodities Services, and the Press Trust of India Limited.
India	Removal of a two-year ban on wheat exports.	15 May 2009	Business Standard Ltd.
India	Initiation of anti-dumping investigation on imports of circular weaving machines from China.	18 May 2009	Press reports.
India	Initiation of anti-dumping investigation on imports of barium carbonate from China.	16 June 2009	Press reports.
Indonesia	Certain new measures addressing local content requirements in investment in the telecommunication sector. Procedures for implementation of this regulation seem still to be under consideration.	...	Press reports referring to Decree 07/PER/M.KOMINFO/01/2009.
Israel	Initiation of anti-dumping investigation on imports of stretch wrap and paper.	2 April 2009	Press reports.
Japan	A few local governments reported to be implementing policies to encourage purchases of local products (such as cars, TV sets, and other electronic equipment).	March 2009	Press reports.
Morocco	Temporary increase of import tariffs (to 170%) on durum wheat.	8 June 2009	Agra Europe (Agra-net.com).
Pakistan	Initiation of anti-dumping investigation on imports of phthalic anhydride from Brazil, China, Indonesia, Korea, and Chinese Taipei.	29 May 2009	Press reports.
Pakistan	Imposition of taxes on imports of fresh vegetables from India.	18 June 2009	The Economic Times.
Paraguay	Import tariff reduction on: raw materials, plastics, chemical products, medicines, telecommunications equipment, and computer equipment.	15 April 2009	Adnmundo.com.
Saudi Arabia	Reduction of import tariffs on 92 products, as from 6 June 2009.	3 June 2009	Arab News.
Ukraine	Initiation of anti-dumping investigation on imports of halves and quarters, legs and their parts, of domestic hens from Brazil and the United States.	6 March 2009	Press reports.
Ukraine	New legislation restricting access of foreign companies to government procurement (except for goods which are not produced locally). This measure is in force until 31 December 2010.	...	Press reports.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
United States	Initation of anti-dumping investigation on imports of PC strand from China.	17 June 2009	Press reports.
United States	Initiation of countervailing duty investigation on imports of PC strand from China.	17 June 2009	Press reports.
Uruguay	Amendment of the Law on drawback and temporary admission, granting more flexibility to exporters.	8 June 2009	El Pais digital referring to MEF Decretos Nos. 255/09 and 256/09.
Vietnam	Increase of import tariffs for 15 dairy products (including powdered milk).	3 March 2009	Press reports, referring to Ministry of Finance Circular No 39/2009/TT-BTC.
Vietnam	Increase of import tariffs on meat and poultry (from 17% to 33%), frozen beef (from 17% to 20%) and fresh pork (from 24% to 28%).	20 March 2009	Press reports, referring to Ministry of Finance Circular No. 52/2009/TT-BTC.
Vietnam	Reduction on cotton import tariffs.	April 2009	Press reports.
Vietnam	Increase of import tariffs on steel, such as semi-finished steel products (from 5% to 8%); steel products for construction (from 12% to 15%); cold rolled steel sheets and coils (from 7% to 8%); and coated steel sheets and coils (from 12% to 13%).	1 April 2009	Press reports, referring to Ministry of Finance Circular No. 58/2009/TT-BTC.
Vietnam	Increase of import tariffs on alloy steel (long products) from 0% to 10%.	20 April 2009	Press reports, referring to Ministry of Finance Circular No. 75/2009/TT-BTC.
Vietnam	Reduction of import tariffs on diesel and kerosene diesel fuel by 5%; as well as on feed and raw materials used to produce feed from 7% to zero.	20 April 2009	Press reports.

... Not Available.

ANNEX 2
General Economic Stimulus Measures
(March 2009 – June 2009)

VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Argentina	State loan (Arg$300,000 (US$80,128)) for construction or renovation of houses, with preferential interest rate (10%).	27 May 2009	Permanent Delegation of Argentina to the WTO.
Australia	Programme of nation building investment in infrastructure, including roads, metro rail, ports, universities and energy efficiency, under the Government's 2009-10 Budget.	12 May 2009	Permanent Delegation of Australia to the WTO.
Australia	Ford Credit Australia was authorized to participate in the Special Purpose Vehicle (SPV) funding mechanism (up to $A 550 million (US$454.2 million) over 12 months). Activation of the SPV is expected to occur shortly after the passage of relevant legislation in June 2009.	13 May 2009	Permanent Delegation of Australia to the WTO.
Austria	Temporary aid scheme granting compatible aid of up to €500,000 (US$704,750), in the form of direct grants, interest rate subsidies, subsidised public loans and public guarantees. Aid can be granted until 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	20 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Austria	Temporary modification of the existing risk capital investment scheme 'Eigenkapitalgarantien'. In particular, the measure allows an increase of the maximum investment tranches from €1.5 million (US$2.1 million) to €2.5 million (US$3.5 million) over each 12-month period until 31 December 2010. The minimum private participation for risk capital investments is temporarily reduced from 50% to 30%. (Beneficiary: businesses).	25 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Bangladesh	Stimulus package (US$492 million) for a number of sectors such as agriculture, electricity generation, and social safety net programmes (financial year 2008-09).	...	Permanent Delegation of Bangladesh to the WTO.
Belgium	Temporary scheme providing aid in the form of subsidized guarantees for investment and working capital loans. The reduction of the guarantee fee can be applied during the period of up to two years for loan guarantees contracted no later than 31 December 2010. Where the duration of the underlying loan exceeds two years, the safe harbour premiums, may be applied for the remaining period of the guarantee. The maximum duration of guarantees granted under the scheme is limited to five years. (Beneficiary: companies in Flanders that were not in difficulty on 1 July 2008).	20 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Brazil	Additional credit line (US$4 billion) for state Governments through the National Development Bank (BNDES).	17 April 2009	Permanent Delegation of Brazil to the WTO.
Canada	Disbursement of government loans to GM of Canada and Chrysler Canada. The Government has also taken an ownership position in these companies.	30 March 2009	Permanent Delegation of Canada to the WTO.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
Canada	Additional measures for the automotive industry, including the Canadian Warranty Commitment Programme, to guarantee warranties from GM of Canada and Chrysler Canada during the restructuring period, and expanded accounts receivable insurance for automotive parts suppliers.	April 2009	Permanent Delegation of Canada to the WTO.
Canada	Allocation to the Canadian Secured Credit Facility (Can$10 billion (US$9.1 billion)) to purchase term asset-back securities (ABS) backed by loans and leases on vehicles and equipment.	8 May 2009	Permanent Delegation of Canada to the WTO.
Canada	Government support (Can$1 billion (US$911 million)) to the pulp and paper industry.	18 June 2009	Permanent Delegation of Canada to the WTO.
China	Financial refund for farmers purchasing light cargo vehicles (measure valid from 1 March until 31 December 2009).	1 March 2009	Permanent Delegation of China to the WTO.
China	Expansion of the scope of the support policy for disposal and renewal of used vehicles (refund of no more than the purchase tax of the vehicle).	March 2009	Permanent Delegation of China to the WTO.
China	Pilot programme of incentives (10% refund of the sale price) for the purchase of energy-efficient appliances including: TV, refrigerators, washing machines, air conditioners, and computers (Y 20 billion (US$2.9 billion)).	June 2009	Permanent Delegation of China to the WTO.
Costa Rica	Economic and social stimulus programme (Plan Escudo) including measures (among others) aimed at strengthening the banking system, facilitating credit for SMEs, and capitalization of State banks.	...	Permanent Delegation of Costa Rica to the WTO.
Czech Republic	Temporary scheme which allows government, regional and local authorities to grant aid in the form of reduced interest rates on loans. The lower rates available for loans contracted no later than 31 December, but only on interest payments up to 31 December 2012. After that date firms have to pay market rates. (Beneficiary: companies that were not in difficulty on 1 July 2008).	6 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Czech Republic	Temporary scheme granting compatible aid of up to €500,000 (US$704,750) per company over the period 2009-10. The aid can be granted in the form of direct grants, reimbursable grants, interest rate subsidies, subsidised public loans and public guarantees. (Beneficiary: companies that were not in difficulty on 1 July 2008).	7 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Denmark	Export credit insurance scheme, under which, the Danish state export-credit agency Eksport Kredit Fonden (EKF) can provide export-credit reinsurance to complement insurance cover available on the private market. Under the reinsurance agreement with the private credit insurer, EFK takes over the part of the risk related to those transactions for which private insurers have withdrawn their cover. Both, the private insurers and the exporters retain part of the underlying risk. (Beneficiary: export firms).	6 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
EC	Increase (from €25 billion to €50 billion (US$35.2-US$70.5 billion)) for the outstanding amount of loans to be granted under the EC medium-term assistance for balance-of-payments facility.	18 May 2009	Council Regulation No. 431/2009 of 18 May 2009 (OJ L 128/1).
France	Modification of risk capital scheme. The temporary modification consists of raising the maximum investment tranches from €1.5 million to €2.5 million (US$2.1-US$3.5 million) over each 12-month period. This amendment is valid until the end of 2010. (Beneficiary: businesses).	16 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Hong Kong, China	Enhancement of a number of support schemes for SMEs (Special Loan Guarantee Scheme, SME Loan Guarantee Scheme, and SME Export Marketing Fund).	15 June 2009	Permanent Delegation of Hong Kong, China to the WTO.
Hungary	Temporary scheme allowing authorities to grant aid in the form of subsidized guarantees for investment and working capital. During the period of up to two years the guarantee fee for loan and leasing guarantees contracted no later than 31 December can be reduced by 25% compared with the market level fee. The guarantee coverage can amount to 90% of the underlying loan or leasing. Guarantees can only be given under the scheme to small and medium-sized enterprises up to a total of €2.5 million (US$3.5 million) per beneficiary. (Beneficiary: companies that were not in difficulty on 1 July 2008).	10 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Hungary	Temporary scheme allowing authorities to grant aid in the form of subsidized guarantees for investment and working capital. The reduction of the guarantee fee can be applied during a period of up to two years for a loan guarantees contracted no later than 31 December 2010. Where the duration of the underlying loan exceeds two years, the safe harbour premiums may be applied for an additional maximum period of eight years. The maximum duration of guarantees granted under the scheme is limited to ten years. The scheme is a national framework scheme allowing aid to be granted at central, regional and local level. It can be applied to small and medium-sized enterprises as well as to large firms and the guarantees amount can also be higher than €2.5 million (US$3.5 million). (Beneficiary: companies that were not in difficulty on 1 July 2008).	24 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Ireland	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid can be granted in the form of direct grants, reimbursable grants, interest rate subsidies, and subsidized public loans. (Beneficiary: companies that were not in difficulty on 1 July 2008).	14 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Japan	New Stimulus Package (¥15.4 trillion (US$161 billion)) (3% GDP) to ease credit squeeze; provide safety net for unemployed, and stimulate consumer demand.	April 2009	Permanent Delegation of Japan to the WTO.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
Japan	Government programme (¥370 billion (US$3.87 billion)), to encourage the purchase of environmentally friendly vehicles (local and imported). The amount of subsidies depends on the type of the vehicle, the age of the car to be replaced, or simply purchase of new one without replacement. Programme applicable from 19 June 2009 to 31 March 2010.	June 2009	Permanent Delegation of Japan to the WTO.
Jordan	Monetary and fiscal measures (such as tax reduction on accommodation services) to minimize the impact of the global crisis on the economy.	March 2009	Permanent Delegation of Jordan to the WTO.
Korea, Rep of	70% cut on individual consumption tax and acquisition/registration tax for new automobiles (local and imported) purchased to replace old automobiles (registered before 31 December 1999). Measure effective until 31 December 2009.	1 May 2009	Permanent Delegation of Korea to the WTO.
Latvia	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid will be provided in the form of short-term export credit guarantees (up to two years). (Beneficiary: export firms that were not in difficulty on 1 July 2008).	19 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Latvia	Scheme aimed at providing relief to companies encountering financial difficulties as a result of the credit crunch. The scheme allows the granting of subsidized guarantees for initial investment and working capital loans concluded by 31 December 2009.	22 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Luxembourg	Temporary guarantee scheme enabling the Government to grant aid to businesses until 31 December 2010 in the form of guarantees for investment and working capital. The reduction in the guarantee premium will apply for a maximum of two years. If the duration of the underlying loan exceeds two years, the safe harbour premium can be applied for an additional maximum period of eight years. No further reduction can be applied to these guarantee premiums. The guarantees granted under this aid scheme will last for ten years at most. (Beneficiary: companies that were not in difficulty on 1 July 2008).	11 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Malta	The European Commission authorized a support measure for businesses. Aid of up to €500,000 (US$704,750) per firm may be granted in 2009 and 2010. (Beneficiary: businesses facing funding problems because of the current credit crunch).	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Netherlands	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid can be granted in the form of grants, interest rate subsidies, loans and public guarantees. (Beneficiary: companies that were not in difficulty on 1 July 2008).	1 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
Norway	Revised National Budget increasing the spending of oil revenues by a further NKr 9.5 billion (US$1.5 billion) (to a total of NKr 130 billion (US$20.7 billion)) during the 2009 fiscal year, equivalent to around 3% of non-oil GDP). Additional funds will be provided to areas such as investment in the agriculture sector, municipalities, and credit facilitation.	19 June 2009	Permanent Delegation of Norway to the WTO.
Singapore	Stimulus Package (US$13.7 billion). The package covers areas such as saving jobs; stimulating bank lending; and enhancing business cash flow and competitiveness.	Various dates	Permanent Delegation of Singapore to the WTO.
Slovak Rep.	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid can be granted in the form of grants and remission of penalties for non-payment of taxes. (Beneficiary: companies that were not in difficulty on 1 July 2008).	29 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Spain	Temporary scheme allowing interest rate subsidies for the production of environmentally-friendly ("green") cars. Subsidized loans may be granted until 31 December 2009 with a maximum term of two years. The reduction in the interest rate may not exceed 50% for small and medium-sized enterprises (SMEs) and 25% for large businesses, in relation to the reference rate, and must take into account the enterprise's risk profile when the loan is granted. (Beneficiary: companies (car and car component industry) that were not in difficulty on 1 July 2008).	29 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Thailand	"Abhisit" Stimulus Package (B 116.7 billion (US$3.4 billion)). Financial support for SMEs, and measures to stimulate tourism.	March 2009	Permanent Delegation of Thailand to the WTO.
Thailand	Second "Abhisit" Stimulus Package (B 1.56 trillion (US$45.6 billion)) for 2010-2012. Measures include education and public health development.	7 April 2009	Permanent Delegation of Thailand to the WTO.
United Kingdom	The European Commission authorized under EC Treaty on State Aid Rules a scheme aimed at relieving firms that encountered financial difficulties as a result of the current credit crunch. The measure allows national, regional and local authorities to grant aid in the form of reduced interest rates on loans of any duration concluded by 31 December 2010.	15 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
United States	Auto Supplier Support Programme (US$5 billion) available to all critical suppliers. The programme provides the same benefits to foreign and local suppliers, through financial protection on receivables from any domestic auto companies.	March 2009	Permanent Delegation of the United States to the WTO.
United States	New loan to GM (US$2 billion) to provide working capital for the company (prior to its bankruptcy filling). GM has filed for bankruptcy protection, and has been offered approximately US$30 billion debtor-in-possession loan by the US Treasury. The loan is intended to benefit all of GM's continuing operations without regard to geographic location.	April-May 2009	Permanent Delegation of the United States to the WTO.

Annex 2 (cont'd)

NON-VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Argentina	Government loan (Arg$150 million (US$40 million)) for auto parts manufacturers.	22 April 2009	Lanacion.com.
Argentina	State Loan (US$70 million) to local branch of car manufacturer GM.	4 June 2009	Clarin.com.
Egypt	Increase in economic stimulus plan to LE 30 billion (US$5.35 billion), half of the amount to be spent in the first semester of the year.	...	Press reports.
France	State Aid (€30,000 million (US$42.3 million)) to guarantee prices of milk at €280/1,000 litres (US$394.7/1,000 litres) for producers during 2009.	5 June 2009	Le Monde.
Germany	Tax relief (€0.2556/litre (US$0.36/litre)) on fuel (diesel) purchased by German farmers, potentially saving more than €500 million (US$704.7 million) over the next two years.	26 May 2009	Welt.de and Financial Times.
Germany	Bridging loans for six months guaranteed by Federal Government (€1.5 billion (US$2.1 billion)) to car manufacturer Opel.	3 June 2009	Press reports.
Israel	Stimulus package including measures such as guarantee for exporters (US$4.7 billion).	23 April 2009	Press reports.
Kazakhstan	Stimulus package (T 1.2 trillion (US$7.98 million)). US$10 billion from the National Oil Fund for agricultural development.	...	Press reports.
Mexico	Stimulus package (US$2.1 billion), including measures for the tourism sector.	7 May 2009	Les Echos.
New Zealand	Government grant scheme (US$36 million) for biodiesel.	4 June 2009	Ruralnews.co.nz.
Portugal	Government loan (US$1.2 billion) for footwear and textile industries.	2 April 2009	Press reports.
Russian Federation	Loan (€500 million (US$704.8 milllion)) from Russian bank Sberbank to Opel car manufacturer (35% of shares).	4 June 2009	Reuters Limited.
South Africa	Stimulus Package (Framework for South Africa's response to the International Economic Crisis) including measures such as increase of tariffs; use of administrative measures to minimize imports; use of preference price system; and preferential margin for domestic firms in government procurement.	9 April 2009	The Star (Business Report).
Spain	Loan (US$500 million) to car industry (Nissan), through the European Investment Bank.	4 April 2009	BBC Mundo.com
Spain	New stimulus package, including measures such as loans (€2,000 (US$2,819)) for purchase of new cars.	12 May 2009	BBC News.
United Kingdom	Loan (US$400 million) to car industry (Jaguar, Land Rover and Nissan), through the European Investment Bank.	4 April 2009	BBC Mundo.com.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
United Kingdom	"Scrapping scheme" (£2,000 (US$3,311)) for vehicles older than 10 years, and weighing less than 3.5 tonnes, as from 18 May 2009.	14 April 2009	BBC News.
United Kingdom	Incentive (£5,000 (US$8,277)) for purchase of an electric car.	16 April 2009	The Guardian.
United Kingdom	Government loan (£5 million (US$8.3 million)) to Malaysian firm Weststar, for taking over UK van maker LDV (Birmingham).	6 May 2009	BBC News.
Vietnam	Fiscal Stimulus (US$6 billion) (6% of GDP) to stimulate domestic demand, export incentives, credit incentives for exporters.	22 April 2009	Press reports making reference to Prime Minister's Decision No. 497/QD/TTg.
	Stimulus package (US$700 million) to improve agricultural productivity and increase rural income through: lending interest rate programmes for the purchase of fertilizers, farm equipment, and construction material in rural areas.		

... Not Available.

ANNEX 3
Measures For Financial Institutions
(March 2009 – June 2009)

VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Belgium/ France/ Luxembourg	Initiation by the European Commission of an investigation under the EC Treaty on State Aid Rules, to establish whether the restructuring plan for the Dexia Group will restore the group's long term viability.	13 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium/ Luxembourg	Additional aid measures stemming from amendments of the agreement between Fortis Holding, BNP Paribas, Fortis Bank and the Belgium and Luxembourg authorities. Belgium accepted to assume a larger part of the risk of the investment vehicle which will purchase impaired assets from Fortis Bank, Fortis Holding's exposure being reduced accordingly. Belgium offered to provide guarantees on a new €1 billion (US$1.4 billion) loan from Fortis Bank to Fortis Holding and on financial liabilities of Fortis Holding towards Fortis Bank. Belgium gave to Fortis Bank a call option on the BNP Paribas shares it would acquire. Belgium accepted to provide Fortis Bank with a second loss guarantee on the structured credit portfolio retained by Fortis Bank. Belgium accepted that the investment vehicle, in which it assumes the largest part of the risk, purchases additional impaired assets from Fortis Bank. (Beneficiary: Fortis).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Brazil	Liquidity provision to the banking system (US$25 billion). Expansion of access to freely convertible currencies. Banco Do Brasil and Caixa Economica Federal (Federal banks) authorized to constitute subsidiaries and acquire participation in financial institutions.	4 March 2009	Permanent Delegation of Brazil to the WTO.
China	New rules governing financial services information providers, allowing them to compete more freely in local market.	1 June 2009	Permanent Delegation of China to the WTO.
Denmark	Aid to Fiona Bank's restructuring, in the form of a credit facility (up to €685 million (US$965.5 million)), and capital injection (€134 million (US$189 million)). Under the terms of the rescue aid, all assets and liabilities (except subordinated debt and equity) will be transferred to a new entity.	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Finland	Extension of support scheme (the instruments guaranteed under the scheme may be issued until 31 December 2009). Also, the scope of the scheme has been broadened, so that guarantees can now cover instruments with a maturity of up to five years. Previously, the maximum maturity was three years (except for covered bonds). (Beneficiary: financial institutions).	30 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 3 (cont'd)

Country/ Member State	Measure	Date	Source
France	Amendment to capital injection scheme. The amendment relates to the terms governing the remuneration and reimbursement of the preference shares issued by the beneficiary banks in return for their recapitalization by the State. (Beneficiary: credit institutions).	24 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Further €2.45 billion (US$3.45 billion) capital injection into the institution to be created by the merger between the Caisse d'Epargne and Banque Populaire. (Beneficiary: Caisse d'Epargne and Banque Populaire).	8 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Extension of scheme for refinancing credit institutions. Apart from the period of the application, all other conditions (such as eligible institutions, remuneration and safeguards against possible abuse) remain as laid down in the original decision. (Beneficiary: credit institutions).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Recapitalization of Commerzbank. Second tranche of the capital injection in the amount of €10 billion (US$14.1 billion). Presentation of a business plan setting out measures to restore the viability of the bank. (Beneficiary: Commerzbank).	7 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Prolongation of the risk shield and accompanying measures. The aid is conditional upon the approval of the restructuring plan (reorientation of WestLB's business into less risky activities as well as change of the bank's ownership structure through a public tender procedure before the end of 2011) by the statutory bodies of all of WestLB's owners. (Beneficiary: WestLB bank).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Liquidity facility and State Guarantee for German bank Sachsen LB, in the context of its sale to Landesbank Baden Württemberg (LBBW).	4 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Ireland	Emergency recapitalization worth €3.5 million (US$4.9 million) granted by State authorities. The shares to be issued will qualify as core tier 1 capital. They will produce a dividend of 8% payable annually, at the discretion of the bank and in priority to dividends on ordinary shares, with detachable warrants after five years. The shares will carry 25% of the voting rights in Bank of Ireland. The bank can repurchase the shares at par during maximum five years. After that period, shares can be repurchased at 125% of par. On purchase of the preference shares, the State will also receive an option to purchase 25% of the existing ordinary shares in the bank. This option may be exercised from the fifth to the tenth anniversary of the preferred shares' purchase. (Beneficiary: Bank of Ireland).	26 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Ireland	Emergency recapitalization of Allied Irish Bank (€3.5 million (US$4.9 million)).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 3 (cont'd)

Country/ Member State	Measure	Date	Source
Korea, Rep of	Extension of State guarantee (US$100 billion) for up to five years for foreign currency denominated banks' borrowings made between 20 October 2008 and 31 December 2009. The programme applies equally to local and foreign banks constituted under Korean Law.	March 2009	Permanent Delegation of Korea to the WTO.
Luxembourg	Temporary export-credit insurance scheme, under which the export-credit agency concerned, Ducroire Luxembourg, will provide export-credit insurance to complement insurance policies taken out with private insurance companies. Ducroire can provide credit up to a higher limit where evidence exists that private insurers have excessively reduced or even refused credit. The budget earmarked for this measure amounts to €25 million (US$35.2 million). (Beneficiary: Insurance market).	20 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Malaysia	Increase in foreign equity limits: greater flexibility for domestic Islamic banks to enter into strategic partnership with foreign players through an increase foreign equity limit (up to 70%); increase in foreign equity limits on investment banks, insurance companies and "takaful" (Islamic insurance) operators (from 49% to 70%). Issuance of new licences: two commercial banking licences to be granted in 2009 to foreign players (three in 2011); two Islamic banking licences to be granted in 2009 to foreign players; and two family "takaful" licences to be granted in 2009. Locally incorporated foreign banks, will be allowed to establish 10 microfinance branches, and four new branches in 2010. Locally incorporated foreign insurance companies and "takaful" operators are allowed to establish branches nationwide without restriction.	28 April 2009	Permanent Delegation of Malaysia to the WTO.
Netherlands	Illiquid asset back-up facility. Under the transaction, the Dutch State will buy the right to receive the cash flows on 80% of US$39 billion portfolio, mostly consisting of "Alt-A" mortgages, by paying ING about US$28 billion. That amount will be paid by the Dutch State in accordance with a pre-agreed payment schedule. (Beneficiary: financial group ING).	31 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Portugal	State guarantee, assisted by collaterals, on a €450 million (US$634.3 million) loan granted by six Portuguese banks to Banco Privado Portugues. The loan has a duration of six months and can only be used to face liabilities as registered in the balance sheet on 24 November 2008. The aid constitutes a temporary measure and Portugal has committed to provide a restructuring plan for Banco Privado Portugues within six months of the state intervention. (Beneficiary: Banco Privado Portugues).	13 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 3 (cont'd)

Country/ Member State	Measure	Date	Source
Portugal	Bank recapitalization scheme. The measure will make available new capital to eligible credit institutions, in exchange for instruments eligible as tier 1 capital (ordinary or preference shares). The size of the scheme is limited both as regard the overall amount (capped at €4 billion (US$5.6 billion)) and in respect of individual beneficiaries (maximum 2% of the credit institutions' risk weighted assets).	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Singapore	Special Risk Sharing Initiative (SRI) to address constraints of limited private insurance capacity: - Loan Insurance Scheme (LIS) provides private insurance against default risks (maximum loan of S$15 million per group (US$10.4 million)). As from 1 February 2009, "Loan Insurance Scheme Plus" was launched as a complementary to the existing LIS. - Export Coverage Scheme (ECS) intended to cover insolvency and protracted defaults of end buyers (coverage up to 90%). The ECS would be effective from 1 March 2009 to 28 February 2010.	Various dates	Permanent Delegation of Singapore to the WTO.
Slovenia	Liquidity scheme for financial sector, to provide short and medium-term financing to credit institutions unable to obtain funds on the financial markets.	20 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Sweden	Amendments to the Swedish State guarantee scheme for financial institutions. The changes concern the prolongation of the scheme’s validity until 31 October 2009 (instead of 30 April 2009) and the extension of its scope by including uncollateralized debt instruments with a term of up to five years (instead of three years), which could amount up to one third only of a total of SKr 1,500 billion (US$200.6 billion). Changes to the eligibility criteria for institutions covered by the scheme. Participating banks will only need to meet the basic legal capital requirements (and not the enhanced capital levels like before). (Beneficiary: financial institutions).	28 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
United Kingdom	Guarantee scheme to support the provision of working capital loans to financial businesses operating in the UK market, including subsidiaries of foreign firms. The UK Government will provide a guarantee of up to 50% in respect of portfolios of working capital loans to sound, credit-worthy companies with an annual turnover of up to £500 million (US$709 million). This scheme has a budget of £10 billion (US$14.2 billion), and its duration is limited to two years. (Beneficiary: banks).	24 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 3 (cont'd)

Country/ Member State	Measure	Date	Source
United Kingdom	Extension of financial support measures until 13 October 2009. Banks that benefit from the schemes have to agree in turn to provide loans to companies in the real economy and individuals. The UK considered that the original limit on guaranteed issue of £250 billion (US$354.5 billion) remained appropriate. The amount set aside for recapitalization remained £50 billion (US$70.9 billion). The eligible beneficiaries remained fundamentally sound banks, with eligible liabilities of above £500 million (US$709 million). A capital injection into a bank that has already accessed the recapitalization scheme, however, will be subject to individual notification and approval. (Beneficiary: banks).	15 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

NON-VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Iceland	Straumur Burdaras taken over by the Financial Supervisory Authorithy.	9 March 2009	Press reports.
	Glitnir, Landsbanki, Kaupthing, and Straumur: brought under State control.		
Kazakhstan	Takeover of two of the six biggest banks (BTA).	...	Press reports.
Kuwait	Stimulus package to guarantee bank loans to local businesses.	30 March 2009	Thai News Service.
Ukraine	Nationalization of three troubled banks (Ukrgazbank; Rodovidbank; and Kievbank).	June 2009	Press reports.
Venezuela	Banco Industrial de Venezuela: State intervention.	14 May 2009	BBC Mundo.

... Not Available.

Financial Sector Support Measures

1. Without pretending to be exhaustive, given the increasing number and continuous adoption of measures, initiatives in this sector have taken the following forms: (a) separation of "good" assets from "bad" assets, and placing the latter off banks' balance sheets; (b) takeovers of failing banks by better capitalized banks; (c) recapitalization of troubled financial institutions; (d) nationalization of financial institutions; and (e) expanded government guarantees for different forms of banks' liabilities. In analysing these programmes, reference will be made not only to recent initiatives (listed in Annex 3), but also to the programmes summarized in the previous report.

(a) Separation of "good" assets from "bad" assets

2. The basic objective of separating "good" assets from "bad" assets, and placing the latter off banks' balance sheets, is to allow affected financial institutions to clean-up their balance sheets and re-start lending under more "normal" circumstances. This objective can be attained through various mechanisms. The most common "asset side" policy is the purchase of troubled mortgage assets from banks and other lenders – basically swapping troubled assets for cash. The Canadian, Swiss, and US (TARP) programmes are examples of this type of policy.

3. In the case of Switzerland, on 16 October 2008, the Swiss National Bank (SNB) announced the transfer of UBS' illiquid securities and other troubled assets to a special purpose vehicle (SPV), in the amount of US$60 billion (US$54 billion provided by the SNB and US$6 billion by UBS itself).

4. Under the Insured Mortgage Purchase Programme (IMPP), the Canada Mortgage and Housing Corporation (CMHC) is allowed to purchase securities comprised of pools of insured residential mortgages from Canadian financial institutions. The first tranche of the programme, for purchases up to Can$25 billion, was announced on 10 October 2008; while the second tranche, for purchases up to Can$50 billion, was announced on 12 November 2008, bringing the total to Can$75 billion (some US$ 58.7 billion). This initiative is available to all deposit-taking institutions incorporated, amalgamated or continued under the Bank Act or the Trust and Loan Companies Act, and associations or central cooperative credit societies regulated under the Cooperative Credit Associations Act.

5. The US Troubled Asset Relief Program (TARP), established by the Emergency Economic Stabilization Act of 2008 (EESA), allows the Secretary of the Treasury to purchase, and to make and fund commitments to purchase, troubled assets from any financial institution. The total amount foreseen is US$700 billion (US$250 billion upon enactment, other US$100 billion if requested by the US President, and US$350 billion subject to Congressional approval). Beneficiaries are "financial institutions", which are defined by the Act as including "any institution, including, but not limited to, any bank, savings association, credit union, security broker or dealer, or insurance company, established and regulated under the laws of the United States or any State, territory, or possession of the United States ... but excluding any central bank of, or institution owned by, a foreign government".

(b) Takeovers of failing institutions

6. In some cases, governments have also encouraged the takeover of failing banks by better capitalized banks. This has entailed government support in some cases. On 9 January 2009, for example, the German government announced a capital injection of €10 billion into Commerzbank (in addition to €8.2 billion previously), and a take up of 25 per cent equity stake to allow it to complete the takeover of Dresdner Bank from insurance giant Allianz. On 22 October 2008, the Brazilian Government authorized the two largest state-owned banks, Banco do Brasil and Caixa Econômica

Federal (CEF), to buy equity stakes in other troubled banks. On 13 October 2008, the US Federal Reserve approved a US$12 billion takeover of Wachovia and its subsidiaries by Wells Fargo.

(c) Recapitalization schemes

7. Recapitalization schemes (for which specific amounts have been earmarked) are generally available to financial institutions falling under specific eligibility criteria. The French recapitalization scheme (approved by the European Commission on 8 December 2008) has been capped at €21 billion, of which the first tranche (€10.5 billion) was already utilized to recapitalize the top six French banks: Crédit Agricole, BNP Paribas, Société Générale, Crédit Mutuel, Caisse d'Epargne, and Banque Populaire.

8. On 17 October 2008, the German Government introduced a "Stabilization Law", comprising a €500 billion package of measures, of which €70 billion will be available for direct capital injections and, if necessary, for purchases of risky assets by the fund. Potential beneficiaries include banks (including subsidiaries of foreign banks licensed in Germany), insurers, pension funds, stock and derivative exchanges, and investment companies. The amount available to any single financial institution and its affiliates for recapitalization purposes will be limited to €10 billion, and capital injections by the fund may be conditioned on concurrent capital contributions by other shareholders of the recipient institutions.

9. In some cases, the recapitalization of individual financial institutions has been decided on a case-by-case basis. These include the following examples: Belgium's recapitalization scheme of €3.5 billion for KBC Group N.V.; and the Netherlands recapitalization of SNS REAAL, Aegon N.V., and ING Groep N.V.

10. International initiatives have also focused on recapitalization of financial institutions. In December 2008, the World Bank set up a US$3 billion Bank Recapitalization Fund, to be managed by the IFC, aimed at helping recapitalize banks in small emerging market economies. It will offer capital to banks currently lacking alternative financing, and provide advisory services aimed at strengthening private sector development and improving economic and financial performance. The Fund will be financed, initially, by the IFC (US$1 billion) and Japan (US$2 billion).

11. In February 2009, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and the World Bank have pledged up to €24.5 billion (US$31 billion) to help central and east European banks and businesses cope with the global financial crisis. The EBRD will provide about €6 billion, the EIB about €11 billion, and the World Bank about €7.5 billion. The aid will take the form of equity and debt financing, credit lines and political risk insurance.

(d) Nationalization of financial institutions

12. Some Members have resorted to the partial or total nationalization of financial institutions. These include the nationalization of Bank Medici by Austria; the nationalization by Iceland of Kaupthing (largest bank), Landsbanki (second largest bank), Glitnir (third largest bank), and Icesave; the partial nationalization (84 per cent stake) of JSC Parex Banka by Latvia; the nationalization of Fortis Bank Nederland and ABN AMRO Bank Nederland by the Netherlands; the nationalization of Banco Portugués de Negocios by Portugal; the nationalization of Carnegie Investment Bank AB (largest investment bank) by Sweden; the acquisition of 43.4 per cent stake in the merged Lloyds HBOS bank by the United Kingdom; the nationalization of Northern Rock by the United Kingdom; and the acquisition of 79.9 per cent stake in AIG by the United States.

13. In some cases, nationalization has taken place after other measures had turned out to be unsuccessful to avoid the failure of a systemically important institution. The nationalization of Hypo Real Estate in Germany, a leading mortgage lender, is a case in point. In October 2008, loan guarantees of up to €35 billion were provided to Hypo by the German Government and a group of German financial institutions. Additional guarantees of €20 billion and €10 billion were granted in November 2008 and February 2009, respectively. On 18 February 2009, the German Government finally passed a draft law that would pave the way for the nationalization of Hypo Real Estate.

(e) Expanded government guarantees

14. Expanded government guarantees have taken basically two forms: increases in the threshold on savings eligible for deposit insurance, and provision of loan guarantees, including guarantees on interbank loans or on banks' issues of debt.[1]

15. Deposit insurance guarantees apply to the liability side of banks' balance sheet. Members having recently increased their deposit protection levels in reaction to the crisis include Australia; Chinese Taipei; the European Communities (in concerted action); Malaysia; New Zealand; Philippines; Switzerland; and the United States. Members having introduced guarantees on interbank lending or on banks' issues of debt include Australia, Austria, Canada, Denmark, Finland, Germany, Greece, Ireland, Italy, Korea, Latvia, the Netherlands, Portugal, Slovenia, Spain, Sweden, United Kingdom, and the United States.

16. The main stated purpose of these measures has been to ensure the continued access of banks to funding. The close timing of these actions, however, reflects the nature of relations between banking markets, which are both interconnected and competitive. In many cases, the "financial stability" rationale has been accompanied by a "level playing field" rationale. In other words, "trade" concerns have been at the heart of many of these actions.

17. In Asia, four economies – Chinese Taipei; Hong Kong, China; Malaysia; and Singapore – introduced unlimited guarantees of all deposits on a temporary basis. The "trade" rationale has influenced some of these decisions such as when Singapore authorities stated that "the announcement by a few jurisdictions in the region of Government guarantees for bank deposits has set off a dynamic that puts pressure on other jurisdictions to respond or else risk disadvantaging and potentially weakening their own financial institutions and financial sectors. This is why although Singapore’s banking system continues to be sound and resilient, the Government has decided to take precautionary action to avoid an erosion of banks’ deposit base and ensure a level international playing field for banks in Singapore."[2] Indonesia and the Philippines also increased their protection without making it unlimited, though.

18. Australia's and New Zealand's unlimited deposit guarantee (for three years for the former and two years for the latter) have also been motivated by "level playing field" considerations.

19. In Europe, "level playing field" considerations have also prompted common action regarding deposit guarantees. On 7 October 2008, EC finance ministers decided to raise minimum bank deposit guarantees across all 27 member States and to take coordinated action to save financial institutions. On 15 October 2008, the European Commission put forward a revision of EC rules on deposit guarantee schemes, making it mandatory for EC member States to increase the coverage level to at

[1] At the same time, central banks, in their role as ‘lenders of last resort’ continued to be a source of liquidity support to financial institutions, most often in the form of loans extended against collateral.

[2] See, for example, the joint statement by the Ministry of Finance and the Monetary Authority of Singapore, 16 October 2008, and the press conference given by the Australian Prime Minister, when announcing their respective initiatives.

least €50,000 and within a further year to at least €100,000. In its opinion of 18 November 2008, the European Central Bank emphasized "that any increase in the coverage exceeding the latter of the above mentioned amounts should be preceded by close coordination at the EC level, as substantial differences between national measures may have a counter-productive effect and create distortions in the single market."[3] The ECB reiterated its concerns regarding distortions to competition in its Recommendations on Government Guarantees for Bank Debt, issued on 19 December 2008, in which it said that "the framework for the granting of government guarantees on bank debt should aim at: (i) addressing the funding problems of liquidity-constrained solvent banks by improving the functioning of the market for bank debt of longer term maturities; [and] (ii) preserving the level-playing field among financial institutions and avoiding market distortions ...".

20. Loan Guarantees, which apply to the asset side of banks, have also been used. These guarantees are a form of insurance that covers a lender – typically a commercial bank – against default on its loan to either another financial institution or a non-financial institution. In light of the dry up of inter-bank liquidity last year, several governments have granted guarantees for inter-bank lending, with a view to unlocking credit among financial institutions in particular and enhancing credit availability more generally.

21. More recently however, countries have also resorted to more general loan guarantees, aiming at compensating for the insufficient loan activity by private banks and thus improving the access of firms to investment and working capital loans. These guarantees confer an advantage by relieving the final beneficiaries (e.g. corporations) of higher costs in terms of fees and/or interest rates, which they would otherwise have to bear under normal market conditions.

[3] Opinion of 18 November 2008 at the request of the Council of the European Union on a proposal for a Directive of the European Directive 94/19/EC on deposit-guarantee schemes as regards the coverage level and the payout delay (CON/2008/70).

ANNEX 4
Compilation of measures by Member/Observer Governments[1]
(March 2009 – June 2009)

Country/ Member State	Measure	Date	Source
Argentina	Incorporation of 12 new items to the list of products subject to import licensing procedures such as: aluminium, and miscellaneous articles of base metal.	Various dates	WTO Document G/LIC/N/2/ARG/4/Add.2 of 1 April 2009.
Argentina	Introduction of "criterion values" (valores criterios) for imports of products such as: "cermet" (ceramic and metal manufactures); sweaters and pullovers; brake pads, linings, and clutches discs; and electric heating radiators and equipments.	17, 27 March, and 14 April 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of stainless knives from Brazil and China.	26 March 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of denim from China.	30 March 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of CDs from Paraguay.	30 March 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Authorization for frozen pork meat from Paraguay to transit through Argentina.	28 April 2009	Resolución SENASA No. 343/09.
Argentina	Initiation of anti-dumping investigation on imports of piping accessories from Brazil and China.	12 May 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Reported delays in obtaining the necessary import licence (average processing times in excess of 100 days).	Various dates	Press reports, and industry sources.
Argentina	Initiation of anti-dumping investigation on imports of steel rollers from China.	2 March 2009	Press reports.
Argentina	Initiation of anti-dumping investigation on imports of elevator engines from China.	2 June 2009	Press reports.
Argentina	State loan (Arg$300,000 (US$80,128)) for construction or renovation of houses, with preferential interest rate (10%).	27 May 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Government loan (Arg$150 million (US$40 million)) for auto parts manufacturers.	22 April 2009	Lanacion.com.
Argentina	State Loan (US$70 million) to local branch of car manufacturer GM.	4 June 2009	Clarin.com.
Armenia	Import ban of animal origin food, raw materials, feedstuffs, live pigs, pork, pork semen, and feedstuff and feed additives for pigs prepared from pork from Mexico and the United States.	...	Ministry of Agriculture website.
Azerbaijan	Import ban of pork products from North America.	...	Global Public Health Intelligence Network (GPHIN).

Annex 4 (cont'd)

[1] The inclusion of any measure in this table implies no judgement by the WTO Secretariat on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in the table implies any judgement, either direct or indirect, on the consistency of any measure referred to with the provisions of any WTO agreement or such measure's impact on, or relationship with, the global financial crisis.

Country/ Member State	Measure	Date	Source
Australia	Gradual reduction of applied tariffs on textiles, clothing, and footwear products up to 2015.	March 2009	Permanent Delegation of Australia to the WTO.
Australia	Initiation of anti-dumping investigation on imports of linear low density from Canada and the United States.	28 May 2009	Permanent Delegation of Australia to the WTO.
Australia	Programme of nation building investment in infrastructure, including roads, metro rail, ports, universities and energy efficiency, under the Government's 2009-10 Budget.	12 May 2009	Permanent Delegation of Australia to the WTO.
Australia	Ford Credit Australia was authorized to participate in the Special Purpose Vehicle (SPV) funding mechanism (up to $A 550 million (US$454.2 million) over 12 months). Activation of the SPV is expected to occur shortly after the passage of relevant legislation in June 2009.	13 May 2009	Permanent Delegation of Australia to the WTO.
Bahrain	Import ban of pork products from: Mexico, the United States, and any country with confirmed cases.	...	Global Public Health Intelligence Network (GPHIN).
Bangladesh	Stimulus package (US$492 million) for a number of sectors such as agriculture, electricity generation, and social safety net programmes (financial year 2008-2009).	...	Permanent Delegation of Bangladesh to the WTO.
Belarus	Import ban of meat, cattle, and poultry feed from: Canada, France, Israel, Mexico, New Zealand, Spain, and the United States. As from 7 May import ban of pigs, pork and pork products from Poland.	...	Press reports.
Belarus	Elimination of the list of "non-critical" imports (16 food and 15 non-food items) granting preferential access for Russian products.	3 March 2009	Press reports.
Belarus	Ban on fish imports.	14 April 2009	Press reports.
Belarus	Increase of import tariffs on certain goods such as: meat (40%); wines (30%); butter, fats, starch and ice cream (20%); home appliances (from 25% to 40%); wood products (from 25% to 30%); and vegetables (180%).	21 April 2009	Press reports, referring to Presidential Edict No. 214.
Bolivia	Import ban of pork and subproducts from: Canada, Mexico and the United Sates.		Global Public Health Intelligence Network (GPHIN).
Bolivia	Increase of import tariffs (to 35%) for 324 tariff lines (i.e. clothing, textiles, furniture), as from June 2009.	15 May 2009	Decreto Supremo No. 0125.
Bosnia & Herzegovina	Import ban of pork products from any country with confirmed cases.	...	Global Public Health Intelligence Network (GPHIN).
Brazil	Initiation of anti-dumping investigation on synthetic fibre from China.	4 May 2009	Permanent Delegation of Brazil to the WTO.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Brazil	New tax incentives (Integrated Drawback) for exporters (mainly agri-businesses); consisting in the elimination of the IPI excise tax (5%), or the PIS/Cofins social security tax (9.5%) on the purchase of inputs (local and imported) to be used in the manufacturing of export products. A similar scheme was already in place for machine parts, and equipment.	8 April 2009	The Bureau of National Affairs.
Brazil	Increase of import tariffs (from duty free to 12-14%) on steel products (included on its national list of exemptions to the Mercosur Common Tariff).	5 June 2009	Resolução da Câmara de Comércio Exterior (Camex) No. 28.
Brazil	Additional credit line (US$4 billion) for State Governments through the National Development Bank (BNDES).	17 April 2009	Permanent Delegation of Brazil to the WTO.
Brazil	Liquidity provision to the banking system (US$25 billion). Expansion of access to freely convertible currencies. Banco Do Brasil and Caixa Economica Federal (Federal banks) authorized to constitute subsidiaries and acquire participation in financial institutions.	4 March 2009	Permanent Delegation of Brazil to the WTO.
Brunei Darussalam	Import ban of pork meats from any country with confirmed cases.	...	Global Public Health Intelligence Network (GPHIN).
Cameroon	Import ban of pork products from any country with confirmed cases.	...	Global Public Health Intelligence Network (GPHIN).
Canada	Establishment of a tariff rate quota (10,000 tonnes) for milk protein substances with a milk protein content of 85% or more, that do not originate in a NAFTA country, Chile, Costa Rica, or Israel, for the period 1 April 2009 to 31 March 2010 (in-quota tariff rate of 0%, and over-quota tariff rate of 270%).	1 April 2009	Permanent Delegation of Canada to the WTO.
Canada	Initiation of anti-dumping investigation on imports of mattress innerspring units from China.	27 April 2009	Permanent Delegation of Canada to the WTO.
Canada	Renewal of the programme allowing the remission of customs tariffs on the temporary importation of mobile offshore drilling units, for a further five-year period.	4 May 2009	Permanent Delegation of Canada to the WTO.
Canada	Disbursement of government loans to GM of Canada and Chrysler Canada. The Government has also taken an ownership position in these companies.	30 March 2009	Permanent Delegation of Canada to the WTO.
Canada	Additional measures for the automotive industry, including the Canadian Warranty Commitment Programme, to guarantee warranties from GM of Canada and Chrysler Canada during the restructuring period, and expanded accounts receivable insurance for automotive parts suppliers.	April 2009	Permanent Delegation of Canada to the WTO.
Canada	Allocation to the Canadian Secured Credit Facility (Can$10 billion (US$9.1 billion)) to purchase term asset-back securities (ABS) backed by loans and leases on vehicles and equipment.	8 May 2009	Permanent Delegation of Canada to the WTO.
Canada	Government support (Can$1 billion (US$911 million)) to the pulp and paper industry.	18 June 2009	New York Times.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Chad	Import ban of pork products from any country with confirmed cases.	...	Global Public Health Intelligence Network (GPHIN).
China	Import ban of live pigs, pork products from: Mexico and a number of US states (26 and 29 April), and Canada (Alberta) (3 May).	...	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 March 2009	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%.	1 April 2009	Permanent Delegation of China to the WTO.
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.	2 April 2009	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 April 2009	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 April 2009	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.	1 May 2009	Permanent Delegation of China to the WTO.
China	Resumption of imports of chicken from Brazil.	20 May 2009	Permanent Delegation of China to the WTO.
China	New Postal Law, repeating the relevant provisions in previous legislation which excluded foreign companies from providing local express delivery of letters (weighing less than 150 grams), effective as from 1 October 2009.	24 April 2009	Xinhua's China Economic Information Service.
China	Press reports indicate that some provincial and city governments encourage the domestic purchases of products. It is reported that on 1 June the Chinese National Development and Reform Commission issued a notice jointly with seven other ministries reminding all authorities to apply "Buy Chinese" rules in all procurement financed by the stimulus package.	17 June 2009	Press reports referring to official announcement (2009-No. 1361), and the Financial Times.
China	Financial refund for farmers purchasing light cargo vehicles (measure valid from 1 March until 31 December 2009).	1 March 2009	Permanent Delegation of China to the WTO.
China	Expansion of the scope of the support policy for disposal and renewal of used vehicles (refund of no more than the purchase tax of the vehicle).	March 2009	Permanent Delegation of China to the WTO.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
China	Pilot programme of incentives (10% refund of the sale price) for the purchase of energy-efficient appliances including: TV, refrigerators, washing machines, air conditioners, and computers (Y 20 billion (US$2.9 billion)).	June 2009	Permanent Delegation of China to the WTO.
China	New rules governing financial services information providers, allowing them to compete more freely in local market.	1 June 2009	Permanent Delegation of China to the WTO.
Costa Rica	Economic and social stimulus programme (Plan Escudo) including measures (among others) aimed at strengthening the banking system, facilitating credit for SMEs, and capitalization of State banks.	...	Permanent Delegation of Costa Rica to the WTO.
Croatia	Import ban of pork products and live hogs from several countries with confirmed cases in North and South America (ban introduced on 29 April, abolished for all countries except Mexico on 8 May, and completely eliminated on 16 June 2009).	...	Permanent Delegation of Croatia to the WTO.
Dominican Republic	Initiation of safeguard investigation on imports of glass bottles.	15 April 2009	WTO Document G/SG/N/6/DOM/1 of 15 April 2009.
EC	Initiation of anti-dumping investigation on imports of certain cargo scanning systems from China.	18 March 2009	Commission Notice 2009/C 63/09 of 18 March 2009.
EC	Initiation of anti-dumping investigation on imports of certain molybdenum wires, containing by weight at least 99.95% of molybdenum, of which the maximum cross-sectional dimension exceeds 1.35 mm but does not exceed 4 mm (CN Code: 8102 96 00) from China.	8 April 2009	Commission Notice 2009/C 84/07 (OJ C 84/5).
EC	Increase export refunds for milk and milk products.	5 June 2009	Commission Regulations No. 461/2009 of 4 June 2009 (OJ L 139/15).
EC	Increase (from €25 billion to €50 billion (US$35.2-US$70.5 billion)) for the outstanding amount of loans to be granted under the EC medium-term assistance for balance of payments facility.	18 May 2009	Council Regulation No. 431/2009 of 18 May 2009 (OJ L 128/1).
Austria	Temporary aid scheme granting compatible aid of up to €500,000 (US$704,750), in the form of direct grants, interest rate subsidies, subsidised public loans and public guarantees. Aid can be granted until 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	20 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Austria	Temporary modification of the existing risk capital investment scheme 'Eigenkapitalgarantien'. In particular, the measure allows an increase of the maximum investment tranches from €1.5 million (US$2.1 million) to €2.5 million (US$3.5 million) over each 12 month period until 31 December 2010. The minimum private participation for risk capital investments is temporarily reduced from 50% to 30%. (Beneficiary: businesses).	25 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Belgium	Temporary scheme providing aid in the form of subsidized guarantees for investment and working capital loans. The reduction of the guarantee fee can be applied during the period of up to two years for loan guarantees contracted no later than 31 December 2010. Where the duration of the underlying loan exceeds two years, the safe harbour premiums, may be applied for the remaining period of the guarantee. The maximum duration of guarantees granted under the scheme is limited to five years. (Beneficiary: companies in Flanders that were not in difficulty on 1 July 2008).	20 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium/ France/ Luxembourg	Initiation by the European Commission of an investigation under the EC Treaty on State Aid Rules, to establish whether the restructuring plan for the Dexia Group will restore the group's long term viability.	13 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium/ Luxembourg	Additional aid measures stemming from amendments of the agreement between Fortis Holding, BNP Paribas, Fortis Bank and the Belgium and Luxembourg authorities. Belgium accepted to assume a larger part of the risk of the investment vehicle which will purchase impaired assets from Fortis Bank, Fortis Holding's exposure being reduced accordingly. Belgium offered to provide guarantees on a new €1 billion (US$1.4 billion) loan from Fortis Bank to Fortis Holding and on financial liabilities of Fortis Holding towards Fortis Bank. Belgium gave to Fortis Bank a call option on the BNP Paribas shares it would acquire. Belgium accepted to provide Fortis Bank with a second loss guarantee on the structured credit portfolio retained by Fortis Bank. Belgium accepted that the investment vehicle, in which it assumes the largest part of the risk, purchases additional impaired assets from Fortis Bank. (Beneficiary: Fortis).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Czech Republic	Temporary scheme which allows government, regional and local authorities to grant aid in the form of reduced interest rates on loans. The lower rates available for loans contracted no later than 31 December, but only on interest payments up to 31 December 2012. After that date firms have to pay market rates. (Beneficiary: companies that were not in difficulty on 1 July 2008).	6 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Czech Republic	Temporary scheme granting compatible aid of up to €500,000 (US$704,750) per company over the period 2009-10. The aid can be granted in the form of direct grants, reimbursable grants, interest rate subsidies, subsidised public loans and public guarantees. (Beneficiary: companies that were not in difficulty on 1 July 2008).	7 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Denmark	Export credit insurance scheme, under which, the Danish state export-credit agency Eksport Kredit Fonden (EKF) can provide export-credit reinsurance to complement insurance cover available on the private market. Under the reinsurance agreement with the private credit insurer, EFK takes over the part of the risk related to those transactions for which private insurers have withdrawn their cover. Both, the private insurers and the exporters retain part of the underlying risk. (Beneficiary: export firms).	6 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Denmark	Aid to Fiona Bank's restructuring, in the form of a credit facility (up to €685 million (US$965.5 million)), and capital injection (€134 million (US$189 million)). Under the terms of the rescue aid, all assets and liabilities (except subordinated debt and equity) will be transferred to a new entity.	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Finland	Extension of support scheme (the instruments guaranteed under the scheme may be issued until 31 December 2009). Also, the scope of the scheme has been broadened, so that guarantees can now cover instruments with a maturity of up to five years. Previously, the maximum maturity was three years (except for covered bonds). (Beneficiary: financial institutions).	30 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Modification of risk capital scheme. The temporary modification consists of raising the maximum investment tranches from €1.5 million to €2.5 million (US$2.1-US$3.5 million) over each 12-month period. This amendment is valid until the end of 2010. (Beneficiary: businesses).	16 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	State Aid (€30,000 million (US$42.3 million)) to guarantee prices of milk at €280/1,000 litres (US$394.7/1,000 litres) for producers during 2009.	5 June 2009	Le Monde.
France	Amendment to capital injection scheme. The amendment relates to the terms governing the remuneration and reimbursement of the preference shares issued by the beneficiary banks in return for their recapitalisation by the State. (Beneficiary: credit institutions).	24 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Further €2.45 billion (US$3.45 billion) capital injection into the institution to be created by the merger between the Caisse d'Epargne and Banque Populaire. (Beneficiary: Caisse d'Epargne and Banque Populaire).	8 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Extension of scheme for refinancing credit institutions. Apart from the period of the application, all other conditions (such as eligible institutions, remuneration and safeguards against possible abuse) remain as laid down in the original decision. (Beneficiary: credit institutions).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Tax relief (€0.2556/litre (US$0.36/litre)) on fuel (diesel) purchased by German farmers, potentially saving more than €500 million (US$704.7 million) over the next two years.	26 May 2009	Welt.de and Financial Times.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Germany	Bridging loans for six months guaranteed by Federal Government (€1.5 billion (US$2.1 billion)) to car manufacturer Opel.	3 June 2009	Press reports.
Germany	Recapitalization of Commerzbank. Second tranche of the capital injection in the amount of €10 billion (US$14.1 billion). Presentation of a business plan setting out measures to restore the viability of the bank. (Beneficiary: Commerzbank).	7 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Prolongation of the risk shield and accompanying measures. The aid is conditional upon the approval of the restructuring plan (reorientation of WestLB’s business into less risky activities as well as change of the bank’s ownership structure through a public tender procedure before the end of 2011) by the statutory bodies of all of WestLB’s owners. (Beneficiary: WestLB bank).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Liquidity facility and State Guarantee for German bank Sachsen LB, in the context of its sale to Landesbank Baden Württemberg (LBBW).	4 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Hungary	Temporary scheme allowing authorities to grant aid in the form of subsidized guarantees for investment and working capital. During the period of up to two years the guarantee fee for loan and leasing guarantees contracted no later than 31 December can be reduced by 25% compared with the market level fee. The guarantee coverage can amount to 90% of the underlying loan or leasing. Guarantees can only be given under the scheme to small and medium-sized enterprises up to a total of €2.5 million (US$3.5 million) per beneficiary. (Beneficiary: companies that were not in difficulty on 1 July 2008).	10 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Hungary	Temporary scheme allowing authorities to grant aid in the form of subsidized guarantees for investment and working capital. The reduction of the guarantee fee can be applied during a period of up to two years for a loan guarantees contracted no later than 31 December 2010. Where the duration of the underlying loan exceeds two years, the safe harbour premium, may be applied for an additional maximum period of eight years. The maximum duration of guarantees granted under the scheme is limited to ten years. The scheme is a national framework scheme allowing aid to be granted at central, regional and local level. It can be applied to small and medium-sized enterprises as well as to large firms and the guarantees amount can also be higher than €2.5 million (US$3.5 million). (Beneficiary: companies that were not in difficulty on 1 July 2008).	24 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Ireland	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid can be granted in the form of direct grants, reimbursable grants, interest rate subsidies, and subsidized public loans. (Beneficiary: companies that were not in difficulty on 1 July 2008).	14 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Ireland	Emergency recapitalization worth €3.5 million (US$4.9 million) granted by State authorities. The shares to be issued will qualify as core tier 1 capital. They will produce a dividend of 8% payable annually, at the discretion of the bank and in priority to dividends on ordinary shares, with detachable warrants after five years. The shares will carry 25% of the voting rights in Bank of Ireland. The bank can repurchase the shares at par during maximum five years. After that period, shares can be repurchased at 125% of par. On purchase of the preference shares, the State will also receive an option to purchase 25% of the existing ordinary shares in the bank. This option may be exercised from the fifth to the tenth anniversary of the preferred shares' purchase. (Beneficiary: Bank of Ireland).	26 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Ireland	Emergency recapitalization of Allied Irish Bank (€3.5 million (US$4.9 million)).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Latvia	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid will be provided in the form of short-term export credit guarantees (up to two years). (Beneficiary: export firms that were not in difficulty on 1 July 2008).	19 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Latvia	Scheme aimed at providing relief to companies encountering financial difficulties as a result of the credit crunch. The scheme allows the granting of subsidized guarantees for initial investment and working capital loans concluded by 31 December 2009.	22 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Luxembourg	Temporary guarantee scheme enabling the Government to grant aid to businesses until 31 December 2010 in the form of guarantees for investment and working capital. The reduction in the guarantee premium will apply for a maximum of two years. If the duration of the underlying loan exceeds two years, the safe harbour premium can be applied for an additional maximum period of eight years. No further reduction can be applied to these guarantee premiums. The guarantees granted under this aid scheme will last for ten years at most. (Beneficiary: companies that were not in difficulty on 1 July 2008).	11 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Luxembourg	Temporary export-credit insurance scheme, under which the export-credit agency concerned, Ducroire Luxembourg, will provide export-credit insurance to complement insurance policies taken out with private insurance companies. Ducroire can provide credit up to a higher limit where evidence exists that private insurers have excessively reduced or even refused credit. The budget earmarked for this measure amounts to €25 million (US$35.2 million). (Beneficiary: Insurance market).	20 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Malta	The European Commission authorized a support measure for businesses. Aid of up to €500,000 (US$704,750) per firm may be granted in 2009 and 2010. (Beneficiary: businesses facing funding problems because of the current credit crunch).	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Netherlands	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid can be granted in the form of grants, interest rate subsidies, loans and public guarantees. (Beneficiary: companies that were not in difficulty on 1 July 2008).	1 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Netherlands	Illiquid asset back-up facility. Under the transaction, the Dutch State will buy the right to receive the cash flows on 80% of US$39 billion portfolio, mostly consisting of "Alt-A" mortgages, by paying ING about US$28 billion. That amount will be paid by the Dutch State in accordance with a pre-agreed payment schedule. (Beneficiary: financial group ING).	31 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Portugal	Government loan (US$1.2 billion) for footwear and textile industries.	2 April 2009	Press reports.
Portugal	State guarantee, assisted by collaterals, on a €450 million (US$634.3 million) loan granted by six Portuguese banks to Banco Privado Portugues. The loan has a duration of six months and can only be used to face liabilities as registered in the balance sheet on 24 November 2008. The aid constitutes a temporary measure and Portugal has committed to provide a restructuring plan for Banco Privado Portugues within six months of the state intervention. (Beneficiary: Banco Privado Portugues).	13 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Portugal	Bank recapitalization scheme. The measure will make available new capital to eligible credit institutions, in exchange for instruments eligible as tier 1 capital (ordinary or preference shares). The size of the scheme is limited both as regard the overall amount (capped at €4 billion (US$5.6 billion)) and in respect of individual beneficiaries (maximum 2% of the credit institutions' risk weighted assets).	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Slovak Rep.	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid can be granted in the form of grants and remission of penalties for non-payment of taxes. (Beneficiary: companies that were not in difficulty on 1 July 2008).	29 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Slovenia	Liquidity scheme for financial sector, to provide short and medium term financing to credit institutions unable to obtain funds on the financial markets.	20 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Spain	Temporary scheme allowing interest rate subsidies for the production of environmentally-friendly ("green") cars. Subsidized loans may be granted until 31 December 2009 with a maximum term of two years. The reduction in the interest rate may not exceed 50% for small and medium-sized enterprises (SMEs) and 25% for large businesses, in relation to the reference rate, and must take into account the enterprise’s risk profile when the loan is granted. (Beneficiary: companies (car and car component industry) that were not in difficulty on 1 July 2008).	29 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Spain	Loan (US$500 million) to car industry (Nissan), through the European Investment Bank.	4 April 2009	BBC Mundo.com

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Spain	New stimulus package, including measures such as loans (€2,000 (US$2,819)) for purchase of new cars.	12 May 2009	BBC News.
Sweden	Amendments to the Swedish State guarantee scheme for financial institutions. The changes concern the prolongation of the scheme's validity until 31 October 2009 (instead of 30 April 2009) and the extension of its scope by including uncollateralized debt instruments with a term of up to five years (instead of three years), which could amount up to one third only of a total of SKr 1,500 billion (US$200.6 billion). Changes to the eligibility criteria for institutions covered by the scheme. Participating banks will only need to meet the basic legal capital requirements (and not the enhanced capital levels like before). (Beneficiary: financial institutions).	28 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
United Kingdom	The European Commission authorized under EC Treaty on State Aid Rules a scheme aimed at relieving firms that encountered financial difficulties as a result of the current credit crunch. The measure allows national, regional and local authorities to grant aid in the form of reduced interest rates on loans of any duration concluded by 31 December 2010.	15 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
United Kingdom	Loan (US$400 million) to car industry (Jaguar, Land Rover and Nissan), through the European Investment Bank.	4 April 2009	BBC Mundo.com.
United Kingdom	"Scrapping scheme" (£2,000 (US$3,311)) for vehicles older than 10 years, and weighing less than 3.5 tonnes, as from 18 May 2009.	14 April 2009	BBC News.
United Kingdom	Incentive (£5,000 (US$8,277)) for purchase of an electric car.	16 April 2009	The Guardian.
United Kingdom	Government loan (£5 million (US$8.3 million)) to Malaysian firm Weststar, for taking over UK van maker LDV (Birmingham).	6 May 2009	BBC News.
United Kingdom	Guarantee scheme to support the provision of working capital loans to financial businesses operating in the UK market, including subsidiaries of foreign firms. The UK Government will provide a guarantee of up to 50% in respect of portfolios of working capital loans to sound, credit worthy companies with an annual turnover of up to £500 million (US$709 million). This scheme has a budget of £10 billion (US$14.2 billion), and its duration is limited to two years. (Beneficiary: banks).	24 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
United Kingdom	Extension of financial support measures until 13 October 2009. Banks that benefit from the schemes have to agree in turn to provide loans to companies in the real economy and individuals. The UK considered that the original limit on guaranteed issue of £250 billion (US$354.5 billion) remained appropriate. The amount set aside for recapitalization remained £50 billion (US$70.9 billion). The eligible beneficiaries remained fundamentally sound banks, with eligible liabilities of above £500 million (US$709 million). A capital injection into a bank that has already accessed the recapitalisation scheme, however, will be subject to individual notification and approval. (Beneficiary: banks).	15 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Ecuador	Import ban of live pigs and pork products from Canada. (A ban on imports coming from Mexico was lifted on 12 May).	...	Permanent Delegation of Ecuador to the WTO.
Ecuador	Import tariff elimination for hybrid cars.	...	Permanent Delegation of Ecuador to the WTO.
Egypt	New import tariffs for products such as: cocoa; cigarettes; chemicals; steel products; and machineries.	...	Presidential Decree No. 51/2009.
Egypt	Elimination of import tariffs on yarn, tin and textiles.	10 April 2009	Global Insight.
Egypt	Elimination of additional tariffs (10%) on imports of steel.	18 April 2009	Press reports.
Egypt	Elimination of a "precautionary fee" of 25%, which was imposed in January 2009, on imports of cotton yarn; fabric; and sugar; from India.	23 April 2009	The Press Trust of India Limited.
Egypt	Extension of export ban on rice until October 2009.	...	Press reports.
Egypt	Increase in economic stimulus plan to LE 30 billion (US$5.35 billion), half of the amount to be spent in the first semester of the year.	...	Press reports.
El Salvador	Temporary import ban (introduced on 25 April) of pork products from: Canada, Mexico, and the United States. On May 1, the ban was lifted.	...	Permanent Delegation of El Salvador to the WTO.
Gabon	Import ban of pork and pork products from Mexico.	...	Global Public Health Intelligence Network (GPHIN).
Ghana	Import ban of pork products from any country with confirmed cases.	...	Press reports.
Honduras	Import ban of pork meat from: Canada, Mexico, and the United States. On 4 May, the ban on imports coming from Mexico and the United States was lifted.	...	Global Public Health Intelligence Network (GPHIN).
Hong Kong, China	Enhancement of a number of support schemes for SMEs (Special Loan Guarantee Scheme, SME Loan Guarantee Scheme, and SME Export Marketing Fund).	15 June 2009	Permanent Delegation of Hong Kong, China to the WTO.
Iceland	Straumur Burdaras taken over by the Financial Supervisory Authorithy. Glitnir, Landsbanki, Kaupthing, and Straumur brought under State control.	9 March 2009	Press reports.
India	Removal of duty (20%) on imported crude soybean oil (Customs Notification No. 27/2009).	24 March 2009	Permanent Delegation of India to the WTO.
India	Import duty exemption on pulses (Customs Notification No. 28/2009).	26 March 2009	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation (China specific) on front axle, beam, steering knuckle and crankshaft.	2 April 2009	WTO Document G/SG/N/16/IND/6 of 11 May 2009.
India	Initiation of safeguard investigation on imports of acrylic fibre.	9 April 2009	WTO Document G/SG/N/6/IND/21 of 11 May 2009.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
India	Initiation of safeguard investigation on imports of hot-rolled coils, sheet, strips.	9 April 2009	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 April 2009	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation on imports of coated paper and paper board.	20 April 2009	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 April 2009	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 April 2009	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation on imports of plain particle board.	22 April 2009	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 2009	WTO Document G/SG/N/16/IND/7 of 4 June 2009.
India	Different charges levied on steel imports: import duty (5%); ocean freight (US$50/tonne); and incidental charges (US$85/tonne).	16 April 2009	The Economic Times.
India	New export subsidies to cotton farmers (Textile Upgradation Funds Scheme (TUFS); drawback programmes; tax holidays for export products; and preferential export financing). Increase of Minimum Support Prices for cotton (US$0.75/pound).	22 April 2009	The Dow Jones Commodities Services, and the Press Trust of India Limited.
India	Removal of a two-year ban on wheat exports.	15 May 2009	Business Standard Ltd.
India	Initiation of anti-dumping investigation on imports of circular weaving machines from China.	18 May 2009	Press reports.
India	Initiation of anti-dumping investigation on imports of barium carbonate from China.	16 June 2009	Press reports.
Indonesia	Import ban of pigs and pork products from countries with confirmed cases (ban not applied to processed pork derivatives).	...	Permanent Delegation of Indonesia to the WTO.
Indonesia	Stricter enforcement of registration requirements on imported and domestic packaged food products.	1 March 2009	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).	March 2009	Permanent Delegation of Indonesia to the WTO.
Indonesia	Certain new measures addressing local content requirements in investment in the telecommunication sector. Procedures for implementation of this regulation seem still to be under consideration.	...	Press reports referring to Decree 07/PER/M.KOMINFO/01/2009.
Israel	Initiation of safeguard investigation on imports of steel rebars.	26 March 2009	WTO Document G/SG/N/6/ISR/1 of 26 March 2009.
Israel	Initiation of anti-dumping investigation on imports of stretch wrap and paper.	2 April 2009	Press reports.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Israel	Stimulus package including measures such as guarantee for exporters (US$4.7 billion).	23 April 2009	Press reports.
Japan	A few local governments reported to be implementing policies to encourage purchases of local products (such as: cars, TV sets, and other electronic equipment).	March 2009	Press reports.
Japan	New Stimulus Package (¥15.4 trillion (US$161 billion)) (3% GDP) to ease credit squeeze; provide safety net for unemployed, and stimulate consumer demand.	April 2009	Permanent Delegation of Japan to the WTO.
Japan	Government programme (¥370 billion (US$3.87 billion)), to encourage the purchase of environmentally friendly vehicles (local and imported). The amount of subsidies depends on the type of the vehicle, the age of the car to be replaced, or simply purchase of new one without replacement. Programme applicable from 19 June 2009 to 31 March 2010.	June 2009	Permanent Delegation of Japan to the WTO.
Jordan	Import ban of live swine, their meat and meat products (including transit) from countries with confirmed cases.	...	WTO Document G/SPS/N/JOR/20 of 25 May 2009.
Jordan	Monetary and fiscal measures (such as tax reduction on accommodation services) to minimize the impact of the global crisis on the economy.	March 2009	Permanent Delegation of Jordan to the WTO.
Kazakhstan	Import ban of raw meat from: Mexico and a number of US states. On May 12, the ban on imports coming from Mexico was lifted.	...	Global Public Health Intelligence Network (GPHIN).
Kazakhstan	Stimulus package (T 1.2 trillion (US$7.98 million)). US$10 billion from the National Oil Fund for agricultural development.	...	Press reports.
Kazakhstan	Takeover of two of the six biggest banks (BTA).	...	Press reports.
Korea, Rep of	Temporary import ban of swine from North America. Imports of pork allowed after testing.	...	Permanent Delegation of Korea to the WTO.
Korea, Rep. of	Reduction in the number of work permits for unskilled/semi-skilled foreigners, from 100,000 to 34,000, reflecting reduced domestic labour demands, under the Employment Permit System, which operates to introduce foreign workers. Work permits for foreign professionals are not affected..	26 March 2009	Permanent Delegation of Korea to the WTO.
Korea, Rep of	70% cut on individual consumption tax and acquisition/registration tax for new automobiles (local and imported) purchased to replace old automobiles (registered before 31 December 1999). Measure effective until 31 December 2009.	1 May 2009	Permanent Delegation of Korea to the WTO.
Korea, Rep of	Extension of State guarantee (US$100 billion) for up to five years for foreign currency denominated banks' borrowings made between 20 October 2008 and 31 December 2009. The programme applies equally to local and foreign banks constituted under Korean Law.	March 2009	Permanent Delegation of Korea to the WTO.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Kuwait	Stimulus package to guarantee bank loans to local businesses.	30 March 2009	Thai News Service.
Kyrgyz Rep.	Import ban of all meat and meat products from: Mexico and certain US states. Import ban on pork and pork products from a number of Central American countries (27 April).	...	Permanent Delegation of Kyrgyz Republic to the WTO.
Lebanon	Import ban of pigs and pork from countries with confirmed cases.	...	WHO.
Former Yugoslav Republic of Macedonia	Import ban of live pigs from: Mexico, the United States, and countries with confirmed cases.	...	Global Public Health Intelligence Network (GPHIN).
Malaysia	Import ban of pork products from countries with confirmed cases. On 4 June, the ban was lifted.	...	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 April 2009	Permanent Delegation of Malaysia to the WTO.
Malaysia	Increase in foreign equity limits: greater flexibility for domestic Islamic banks to enter into strategic partnership with foreign players through an increase foreign equity limit (up to 70%); increase in foreign equity limits on investment banks, insurance companies and "takaful" (Islamic insurance) operators (from 49% to 70%). Issuance of new licences: two commercial banking licenses to be granted in 2009 to foreign players (three in 2011); two Islamic banking licences to be granted in 2009 to foreign players; and two family "takaful" licences to be granted in 2009. Locally incorporated foreign banks, will be allowed to establish 10 microfinance branches, and four new branches in 2010. Locally incorporated foreign insurance companies and "takaful" operators are allowed to establish branches nationwide without restriction.	28 April 2009	Permanent Delegation of Malaysia to the WTO.
Mexico	Imposition of new restrictions on imports of diesel trucks.	31 March 2009	Permanent Delegation of Mexico to the WTO.
Mexico	Measures to simplify trade procedures (Paquete de Simplificación Comercial) through the elimination of tariffs on imports of used parts.	9 April 2009	Permanent Delegation of Mexico to the WTO.
Mexico	Stimulus package (US$2.1 billion), including measures for the tourism sector.	7 May 2009	Les Echos.
Moldova	Import ban of pork and pork meat products from Canada. Ban on transit of live animals from countries with confirmed cases.	...	Press reports.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Mongolia	Tariff increases for eggs and potatoes (from 5% to 15%), as from 13 March 2009.	13 March 2009	Permanent Delegation of Mongolia to the WTO, and Parliament Resolution No. 26 of 12 March 2009.
Montenegro	Import ban of pork from: North America, and countries with confirmed cases.	...	Global Public Health Intelligence Network (GPHIN).
Morocco	Import ban of pork products from any country with confirmed cases.	...	Press reports.
Morocco	Temporary increase of import tariffs (to 170%) on durum wheat.	8 June 2009	Agra Europe (Agra-net.com).
New Zealand	Government grant scheme (US$36 million) for biodisel.	4 June 2009	Ruralnews.co.nz.
Norway	Revised National Budget increasing the spending of oil revenues by a further NKr 9.5 billion (US$1.5 billion) (to a total of NKr 130 billion (US$20.7 billion) during the 2009 fiscal year, equivalent to around 3% of non-oil GDP). Additional funds will be provided to areas such as investment in the agriculture sector, municipalities, and credit facilitation.	19 June 2009	Permanent Delegation of Norway to the WTO.
Pakistan	Initiation of anti-dumping investigation on imports of phthalic anhydride from Brazil, China, Indonesia, Korea, and Chinese Taipei.	29 May 2009	Press reports.
Pakistan	Imposition of taxes on imports of fresh vegetables from India.	18 June 2009	The Economic Times.
Paraguay	Import tariff reduction on: raw materials, plastics, chemical products, medicines, telecommunications equipment, and computer equipment.	15 April 2009	Adnmundo.com.
Peru	Initiation of safeguard investigation on imports of cotton yarn.	13 March 2009	WTO Document G/SG/N/6/PER/2 of 13 March 2009.
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 Philippines to the WTO.
Russian Federation	Import ban of all meat and meat products from: Mexico, one province of Canada, four US states, and 24 Central American and Caribbean countries. Import ban of pig meat and live pigs from: one province of Canada, seven US states, and the United Kingdom. Some of the bans imposed at the end of April have been lifted on imports coming from different countries and states, on a case by case basis.	...	WHO, Global Public Health Intelligence Network (GPHIN), and Official website of Rosselkhoznadzor (http://fsvps.ru).
Russian Federation	Elimination of import tariffs on polyester thread.	10 March 2009	Permanent Delegation of the Russian Federation.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Russian Federation	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 March 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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.	3 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase of import tariffs on radiofrequency cable (from 5% to 15%), for nine months.	22 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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.	1 May 2009	Permanent Delegation of the Russian Federation.
Russian Federation	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 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase of import tariffs (from duty free to 10%) on certain types of tropical oils (palm oil), for nine months.	1 June 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Loan (€500 million (US$704.8 milllion)) from Russian bank Sberbank to Opel car manufacturer (35% of shares).	4 June 2009	Reuters Limited.
Saint Lucia	Import ban of raw pork meat, animals, and semen from the United States.	...	Global Public Health Intelligence Network (GPHIN).
Saudi Arabia	Reduction of import tariffs on 92 products, as from 6 June 2009.	3 June 2009	Arab News.
Serbia	Import ban (and transit) of pigs and pork products originating from North and Latin America. On 2 June, the ban for imports coming from the United States was lifted.	...	Permanent Delegation of Serbia to the UN Office in Geneva.
Singapore	Stimulus Package (US$13.7 billion). The package covers areas such as saving jobs; stimulating bank lending; and enhancing business cash flow and competitiveness.	Various dates	Permanent Delegation of Singapore to the WTO.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Singapore	Special Risk Sharing Initiative (SRI) to address constraints of limited private insurance capacity: - Loan Insurance Scheme (LIS) provides private insurance against default risks (maximum loan of S$15 million per group (US$10.4 million)). As from 1 February 2009, "Loan Insurance Scheme Plus" was launched as a complementary to the existing LIS. - Export Coverage Scheme (ECS) intended to cover insolvency and protracted defaults of end buyers (coverage up to 90%). The ECS would be effective from 1 March 2009 to 28 February 2010.	Various dates	Permanent Delegation of Singapore to the WTO.
South Africa	Stimulus Package (Framework for South Africa's response to the International Economic Crisis) including measures such as increase of tariffs; use of administrative measures to minimize imports; use of preference price system; and preferential margin for domestic firms in government procurement.	9 April 2009	The Star (Business Report).
Sudan	Import ban of pork products from any country with confirmed cases.	...	Global Public Health Intelligence Network (GPHIN).
Suriname	Import ban of live animals, animal product, raw pork, and semen from any country with confirmed cases. On 14 May, the ban for imports coming from Mexico was lifted.	...	Global Public Health Intelligence Network (GPHIN).
Switzerland	Temporary reintroduction of export refunds for cream (as from January 2009 until at the latest December 2009).	...	Permanent Delegation of Switzerland to the WTO, and Federal Law of Agriculture (Art. No. 13).
Switzerland	Elimination of milk quota system, as from 1 May 2009 (Federal Law of Agriculture, Art. No. 36a).	1 May 2009	Permanent Delegation of Switzerland to the WTO.
Tajikistan	Import ban of pork and poultry from: El Salvador, Mexico, Russia, and certain US states.	...	Press reports.
Thailand	Import ban of live pigs from countries with confirmed cases (from 27 April to 20 May 2009).	...	Permanent Delegation of Thailand to the WTO.
Thailand	"Abhisit" Stimulus Package (B 116.7 billion (US$3.4 billion)). Financial support for SMEs, and measures to stimulate tourism.	March 2009	Permanent Delegation of Thailand to the WTO.
Thailand	Second "Abhisit" Stimulus Package (B 1.56 trillion (US$45.6 billion) for 2010-12. Measures include education and public health development.	7 April 2009	Permanent Delegation of Thailand to the WTO.
Turkey	Initiation of anti-dumping investigation on imports of pipe fittings/flanges from China.	18 April 2009	Permanent Delegation of Turkey to the WTO.
Turkey	Initiation of safeguard investigation on imports of matches.	2 May 2009	WTO Document G/SG/N/6/TUR/15 of 6 May 2009.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Ukraine	Import ban of live pigs and pork meat from: Canada, Mexico, New Zealand and the United States.	...	Global Public Health Intelligence Network (GPHIN).
Ukraine	Initiation of safeguard investigation on imports of liquid chlorine.	17 March 2009	WTO Document G/SG/N/6/UKR/3 of 17 March 2009.
Ukraine	Elimination of import duty surcharges of 13% (implemented as a temporary BOP measure in March) with the exception of cars and refrigerators.	18 May 2009	WTO Document WT/BOP/N/68 of 18 May 2009.
Ukraine	Initiation of anti-dumping investigation on imports of halves and quarters, legs and their parts, of domestic hens from Brazil and the United States.	6 March 2009	Press reports.
Ukraine	New legislation restricting access of foreign companies to government procurement (except for goods which are not produced locally). This measure is in force until 31 December 2010.	...	Press reports.
Ukraine	Nationalization of three troubled banks (Ukrgazbank; Rodovidbank; and Kievbank).	June 2009	Press reports.
United Arab Emirates	Import ban of pigs and pork products from countries with confirmed cases (26 April). On 7 May the ban was lifted.	...	Permanent Delegation of the UAE to the WTO.
United States	Interim rule amending the Federal Acquisition Regulation to implement the "Buy American" provision in the American Recovery and Reinvestment Act (ARRA) with respect to procurement by the Federal Government. Updated Implementing Guidance for ARRA which provides information relevant to state and local governments on the application of the "Buy American" requirement. Both regulations required, in procurement covered by an international agreement, that the "Buy American" requirement not be applied with respect to iron, steel, and manufactured goods of GPA and other trade agreements Parties.	31 March and 23 April 2009	Rules and Regulations (Federal Register Nos. 14623 and 14633) of 31 March 2009. Rules and Regulations (Federal Register Nos. 18449 and 18463) of 23 April 2009.
United States	Additional requirements for certain employers of H-1B workers. Section 1611 of the ARRA requires recipients of Troubled Assets Relief Programme (TARP) funds and certain other forms of support to comply with additional attestation requirements when hiring H-1B workers. These requirements are imposed for two years.	March 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of countervailing duty investigation on oil country tubular goods from China.	8 April 2009	Permanent Delegation of the United States to the WTO.
United States	Imposition of import tariffs (10%) on softwood lumber from four Canadian Provinces, in the context of the bilateral Softwood Lumber Agreement.	15 April 2009	Federal Register/ Vol. 74, No. 68 of 10 April 2009 – [Docket No. USTR-2009-0011]
United States	Initiation of anti-dumping investigation on imports of plastic bags from Indonesia; Chinese Taipei; and Vietnam.	21 April 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of countervailing duty investigation on imports of plastic bags from Vietnam.	21 April 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of anti-dumping investigation on imports of oil country tubular goods from China.	29 April 2009	Permanent Delegation of the United States to the WTO.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
United States	Allocations for dairy export incentive programme (reintroduction of export subsidies, which were not used since 2003, for skimmed milk powder; cheese; and butter).	22 May 2009	USDA Release No. 0178.09 (FAS PR 0081-09).
United States	Initation of anti-dumping investigation on imports of PC strand from China.	17 June 2009	Press reports.
United States	Initiation of countervailing duty investigation on imports of PC strand from China.	17 June 2009	Press reports.
United States	Auto Supplier Support Programme (US$5 billion) available to all critical suppliers. The programme provides the same benefits to foreign and local suppliers, through financial protection on receivables from any domestic auto companies.	March 2009	Permanent Delegation of the United States to the WTO.
United States	New loan to GM (US$2 billion) to provide working capital for the company (prior to its bankruptcy filling). GM has filed for bankruptcy protection, and has been offered approximately US$30 billion debtor-in-possession loan by the US Treasury. The loan is intended to benefit all of GM's continuing operations without regard to geographic location.	April-May 2009	Permanent Delegation of the United States to the WTO.
Uruguay	Amendment of the Law on drawback and temporary admission, granting more flexibility to exporters.	8 June 2009	El Pais digital referring to MEF Decretos Nos. 255/09 and 256/09.
Uzbekistan	Import ban of pork and pork products from several countries with confirmed cases in North and South America (21 April 2009).	...	Permanent Delegation of Uzbekistan to the UN Office in Geneva.
Venezuela	Import ban of live pigs from any country with confirmed cases.	...	Permanent Delegation of Venezuela to theWTO.
Venezuela	Establishment of import quota for vehicles (up to 10,000) originating from Colombia (priority for buses, taxis and trucks) for the year 2009.	16 April 2009	Permanent Delegation of Venezuela to the WTO.
Venezuela	Banco Industrial de Venezuela: State intervention.	14 May 2009	BBC Mundo.
Vietnam	Increase of import tariffs for 15 dairy products (including powdered milk).	3 March 2009	Press reports, referring to Ministry of Finance Circular No 39/2009/TT-BTC.
Vietnam	Increase of import tariffs on meat and poultry (from 17% to 33%), frozen beef (from 17% to 20%) and fresh pork (from 24% to 28%).	20 March 2009	Press reports, referring to Ministry of Finance Circular No. 52/2009/TT-BTC.
Vietnam	Reduction on cotton import tariffs.	April 2009	Press reports.
Vietnam	Increase of import tariffs on steel, such as semi-finished steel products (from 5% to 8%); steel products for construction (from 12% to 15%); cold rolled steel sheets and coils (from 7% to 8%); and coated steel sheets and coils (from 12% to 13%).	1 April 2009	Press reports, referring to Ministry of Finance Circular No. 58/2009/TT-BTC.
Vietnam	Increase of import tariffs on alloy steel (long products) from 0% to 10%.	20 April 2009	Press reports, referring to Ministry of Finance Circular No. 75/2009/TT-BTC.

Annex 4 (cont'd)

Country/ Member State	Measure	Date	Source
Vietnam	Reduction of import tariffs on diesel and kerosene diesel fuel by 5%; as well as on feed and raw materials used to produce feed from 7% to zero.	20 April 2009	Press reports.
Vietnam	Fiscal Stimulus (US$6 billion) (6% of GDP) to stimulate domestic demand, export incentives, credit incentives for exporters. Stimulus package (US$700 million) to improve agricultural productivity and increase rural income through: lending interest rate programmes for the purchase of fertilizers, farm equipment, and construction material in rural areas.	22 April 2009	Press reports making reference to Prime Minister's Decision No. 497/QD/TTg.

... Not Available.