JOB(09)/30 26 March 2009

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

1. Since the last report to the Trade Policy Review Body[2], the economic situation has continued to worsen for all WTO Members. The volume of world trade is projected now to contract sharply in 2009 by as much as -9 per cent, driven lower by the collapse in global demand and by shortages of trade finance that have created supply-side constraints to export growth in many developing countries.[3] No-one can foresee clearly how deep this recession may be, nor how long it might last, but there can be no doubt about the fragility of the world economy.

2. In such circumstances, a large premium must be attached to avoiding policies that restrict international trade. There is no indication of an imminent descent into high intensity protectionism, involving widespread resort to trade restriction and retaliation. The multilateral trade rules built over the past 60 years continue to provide a strong defence against that happening. The danger today is of an incremental build-up of restrictions that could slowly strangle international trade and undercut the effectiveness of policies to boost aggregate demand and restore sustained growth globally.

3. Many WTO Members are facing increased pressure to take protectionist actions. At the start of this year, most WTO Members appeared to have successfully kept these pressures under control. There was only limited evidenced of increases in tariffs and non-tariff barriers, or of increased resort to trade-remedy actions.[4] Since then, there has been significant slippage. There have been increases in tariffs, new non-tariff measures, and more resort to trade defence measures such as anti-dumping actions. The financial and fiscal stimulus packages that have been introduced to tackle the crises clearly favour the restoration of trade growth globally and they are to be welcomed, but some of them contain elements – such as state aids, other subsidies and "buy/lend/invest/hire local" conditions – that favour domestic goods and services at the expense of imports.

4. One factor helping to contain protectionist pressures so far in this recession has been greater public scrutiny of trade policies. Press reports of national policy debates indicate that the need to avoid adverse trade effects and to respect WTO obligations is being taken into account by many governments when managing their response to the crisis. In some countries, proposals to introduce new trade restrictions have been amended or rejected after public and political scrutiny highlighted the disadvantages these could present for the domestic and global economy. Some governments have gone further and introduced measures to liberalize and facilitate trade, both imports and exports.

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[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.

[2] Job(09)/2.

[3] WTO: PRESS/554, 23 March 2009.

[4] Job(09)/2, paragraph 4.

5. The incidence of new trade measures taken in response to the current crisis is not out of line so far with what happened during previous downturns in economic activity. However, trade policy risks are still increasing.

6. The main risk is that governments will continue to cede ground to protectionist pressures, even if only gradually, as long as the global economic situation continues to deteriorate. In that case, the negative impact on trade will mount as the number of new measures accumulates[5]. This will worsen the contraction of world trade and undermine confidence in an early and sustained recovery in global economic activity. A collective decision by WTO Members to bring the Doha Round to a rapid conclusion would send an unambiguous signal that protectionist measures are not the solution to this crisis, and substantially narrow the scope for further trade restriction.

7. The second risk is that measures taken "temporarily" to try to protect jobs and business profits now from the effects of the crisis will create a legacy of uncompetitive industries and sectoral over-capacity that will continue to generate protectionist pressures even after economic activity picks up again. The failure of trade restrictions and subsidies to provide effective industrial support in the 1970s and 1980s, and the long-term costs imposed on world trade until they were unwound during the Uruguay Round, need to be recalled. The same mistakes must not be made again.

8. Governments should also reflect on the contradiction of using measures that restrict or distort trade, and therefore that tax production and incomes, at the same time as the main thrust of policies to overcome the economic crisis is geared to expanding aggregate demand**.** "Best practice" trade policy in current circumstances, to accompany financial and fiscal stimulus, is to reduce trade restrictions so as to cut costs and prices worldwide. Where subsidies can be afforded, their full value as a stimulus for economic activity will come from targeting them at consumption, not production, with consumers free to choose internationally the goods and services that they buy. The market access package on industrial and agricultural goods that is on the table in the Doha Round is equivalent to a new stimulus package for consumers of over US$150 billion. Other elements of the Round, such as the very important services sector and a new Trade Facilitation agreement, could more than double that. In current circumstances, opportunities to inject an economic stimulus of this magnitude into the global economy must not be discarded lightly.

9. Pending the conclusion of the Doha Round, the "do no harm" principle points to the value of a strong commitment by WTO Members and Observer governments not to use new trade restrictions and trade-distorting subsidies. Where the task of managing domestic politics in current circumstances makes it impossible to live up to that standard, the commitment should extend to ensuring that any trade measure taken is fully transparent, non-discriminatory and temporary in nature, and agreeing to consult multilaterally in the WTO with trading partners to manage the risks and find the least trade-restricting or distorting way forward. This commitment should be extended in particular to developing countries, whose economies are generally more trade dependent and therefore more vulnerable to the impact of new trade barriers.

1. Introduction

10. This report provides Members and Observers with background information on trade-related developments that have occurred since September 2008 as a result of, or in the context of, the financial and economic crises and their impact on the global economy. The report highlights significant policy issues affecting the trading system.

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[5] An indication of how far things could deteriorate in this way, whilst still keeping within formal WTO limits, is the estimate that the average global rate of duty would double and the value of trade would be cut by almost 8 per cent if Members were to raise their applied tariff rates to the levels of their WTO bindings. Antoine Bouet and David Laborde, International Food Policy Research Institute, Issue Brief 56, Washington D.C 2008.

11. At the Informal TPRB meeting on 9 February 2009, many Members welcomed this exercise and pledged their support for it. In order to improve the accuracy and comprehensiveness of the information covered by the reports, the Director-General invited Members to provide information on trade and trade-related measures they had taken since September 2008. 24 Members (including E.U. 27) responded to this invitation, of which 13 are members of the G20. The WTO Secretariat has drawn upon these replies, as well as on a variety of other public and official sources in preparing this report and it has received good cooperation from delegations in verifying the accuracy of the information on trade measures and financial and fiscal programmes that are contained in Annexes I to III. Where it has not been possible yet to verify the information, this is noted in the annexes.

12. The inclusion of any measure in this report or 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 or such measure's relationship to the global financial or economic crises.

13. The Chairman of the General Council wrote to the Chairs of all WTO councils and committees on 26 February asking them to consult on how best to improve the timeliness and completeness of notifications and other flows of information on trade measures among WTO Members, and to inform the Chairman of the TPRB of the results. Information received so far from the Services Council, the Council for Trade in Goods, the Committee on Agriculture, and the TRIMs Committee indicate that these consultations have begun and are proceeding constructively. Other committees have plans to undertake consultations in the next few weeks.

14. In response to requests from several delegations at the informal TPRB meeting on 9 February, the Secretariat has included in this report (Section 7) cross-references and weblinks to reports produced by other intergovernmental organisations on the effects of the financial and economic crises in their respective fields of expertise and responsibility, and to related government communiqués.

2. Economic and trade trends

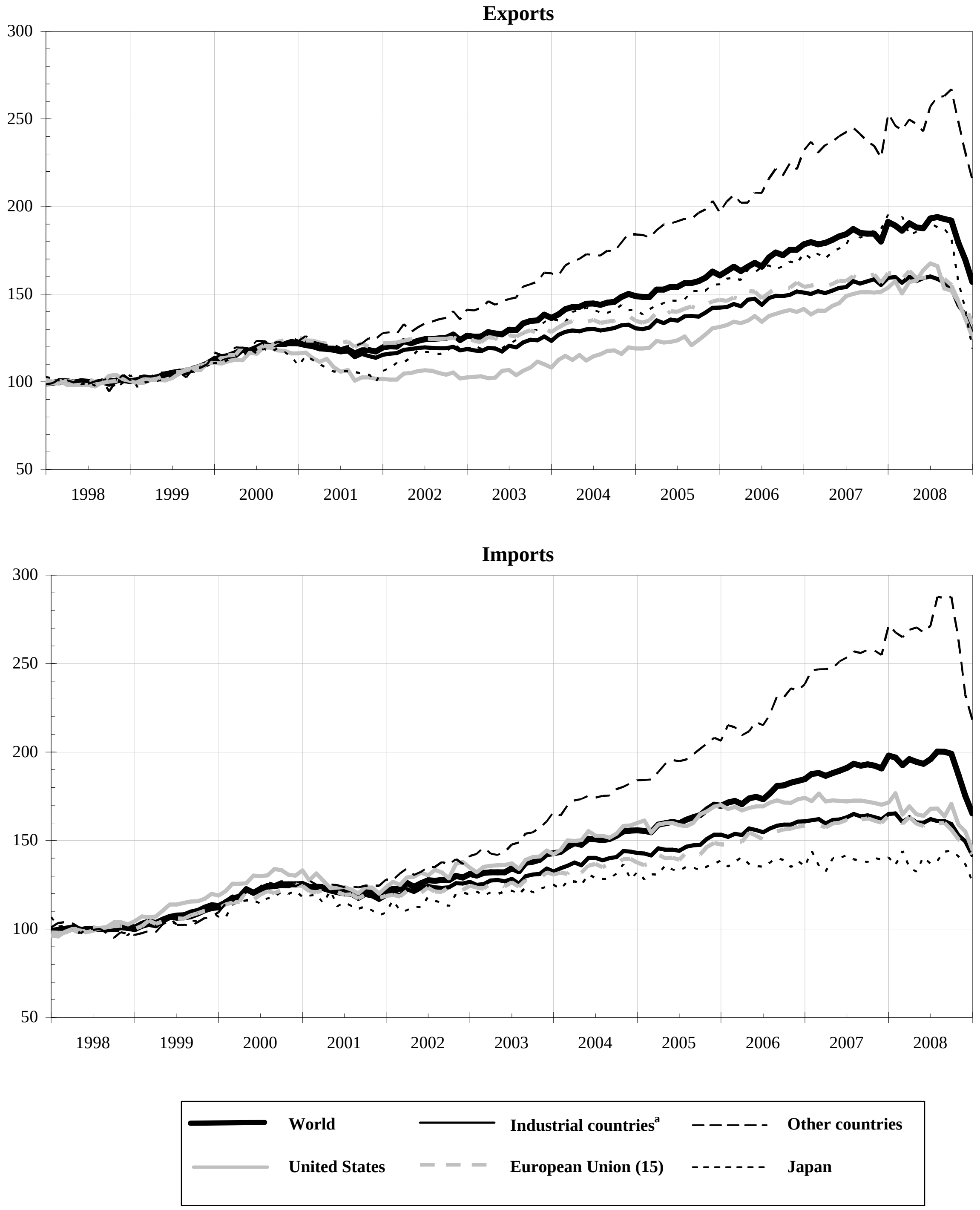
15. The global economic situation has deteriorated significantly since the last report was issued in January, with the latest data showing economies slowing worldwide and trade flows contracting sharply. Developed economies have been most affected by the downturn so far. The industrialized countries recorded a -1.5 per cent decline in real GDP from the third to the fourth quarter of 2008, the largest such drop since the OECD began keeping records in 1960. Japan saw the biggest reduction in output, with GDP falling -3.3 per cent, while the European Union and the United States were down -1.5 per cent and -1.0 per cent, respectively. Revised IMF forecasts are that the global economy will contract by between -0.5 and -1 per cent in 2009, the first such fall in 60 years.[6] Output is forecast to fall by -3 to -3.5 per cent in developed countries, and to grow by 1.5 to 2.5 per cent in emerging markets and developing economies.

16. World trade (average of exports and imports) in real terms declined sharply towards the end of 2008 and into 2009 (Chart 1). According to one set of monthly estimates[7], the volume of world trade fell -7 per cent in December 2008 (seasonally adjusted, month-on-month) after dropping by -5 per cent in November. January 2009 saw a further monthly decline of -7 per cent month-on-month and -17 per cent year-on-year.

[6] Note by IMF Staff to the G20 Meeting of Ministers of Finance and Central Bank Governors, 13-14 March 2009.

[7] Netherlands Bureau for Economic Policy Analysis (CPB).

Chart 1
Volume of monthly exports and imports, January 1998 - January 2009
(Indices, 1998 = 100)

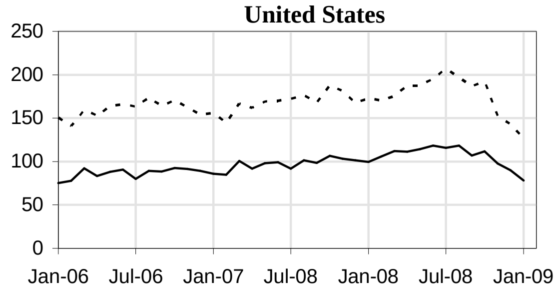


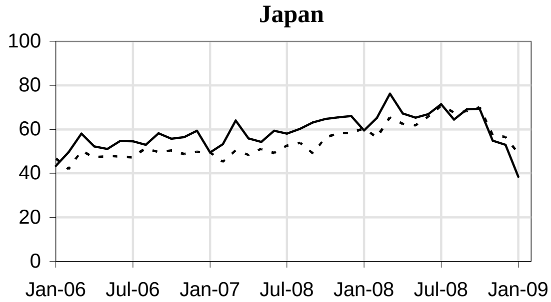
a IFS concept (OECD minus Turkey, Czech Republic, Hungary, Poland, Slovakia, Mexico and Republic of Korea).

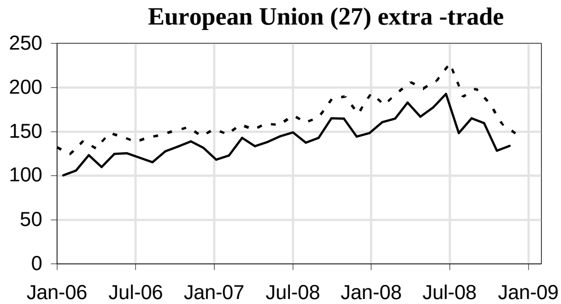
***Source*: CPB Netherlands Bureau for Economic Policy Analysis.**

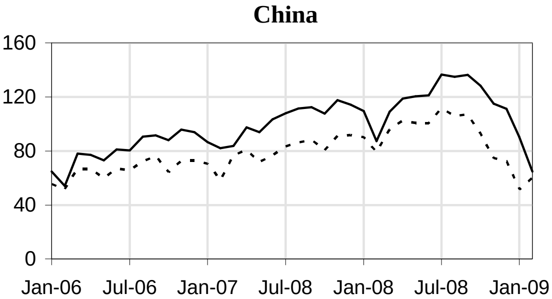
Chart 2
Monthly merchandise exports and imports of selected economies, January 2006 - February 2009

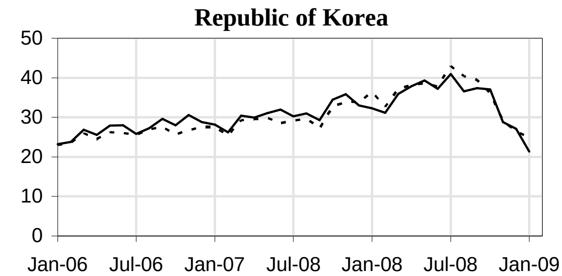
(US$ billion)

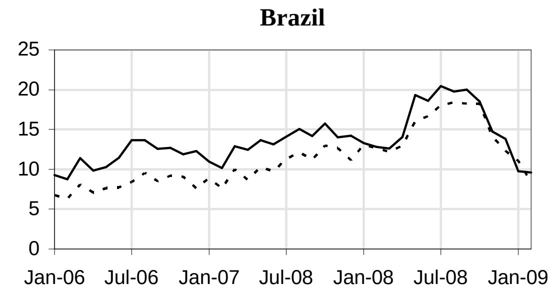


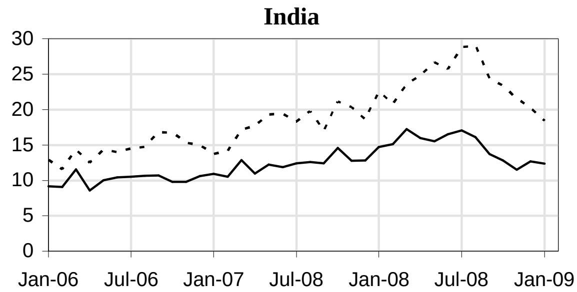


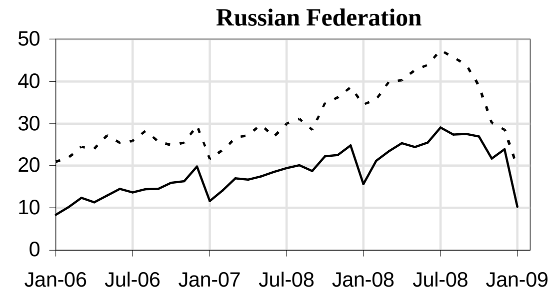


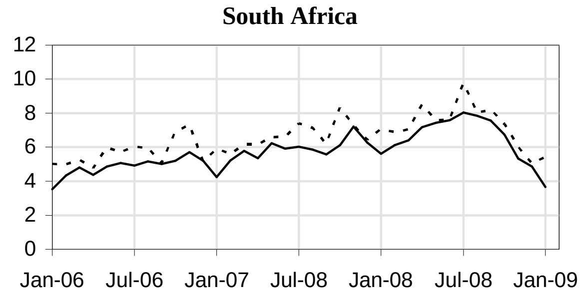












Exports **Imports**

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

17. In value (current dollar) terms, trade fell sharply for most countries towards the end of 2008 and into 2009, although the extent of the declines may have been magnified by falling commodity prices and the appreciation of the U.S. dollar against a number of currencies as the financial crisis intensified. Quarterly year-on-year trade growth remained positive and in double digits for most major economies during the first three quarters of 2008, before turning negative in the fourth quarter (Chart 2). The average year-on-year decline in Q4 for available countries was around -12 per cent on both the export and import sides. Exports of the European Union (27), including intra-EU trade, fell -16 per cent while extra-exports dropped by -11 per cent. Much of the Q4 decline in total EU exports was due to a huge drop in intra-exports, which were down -18 per cent from the previous year. While most of this was due to falling demand, it can be explained partly by the depreciation of European currencies against the dollar. From July 2008 to February 2009, the Euro depreciated by 19 per cent from 1.58 $/€ to 1.28 $/€.

18. Monthly trade developments between September 2008 and February of 2009 have been even more negative, with many countries showing year-on-year declines of -20 to -30 per cent or more. China's imports for January were down -43 per cent over last year, or -29 per cent month-on-month, and processing with imported materials declined even faster, -48 per cent year-on-year and -36 per cent month-on-month. February exports were also significantly lower, down -26 per cent year-on-year and -28 per cent month-on-month. However, after falling every month since last September, China's imports registered an increase of 17 per cent in February. Growth in imports of Singapore, South Africa, Chinese Taipei and Vietnam were also positive in February. No conclusions can be drawn from such limited data, but they may provide a suggestion that the drop in world trade may be slowing.

19. One result of these developments is that the large trade and current account imbalances of the past few years are unwinding. Revised figures indicate that the U.S. trade deficit shrank from US$181.3 billion in Q3 2008 to US$132.8bn in Q4, and the deficit is reported to have narrowed by a further 9.7 per cent in January 2009 to its lowest level since October 2002. Meanwhile, Japan recorded its first current account deficit in 13 years, and China's trade surplus is contracting.

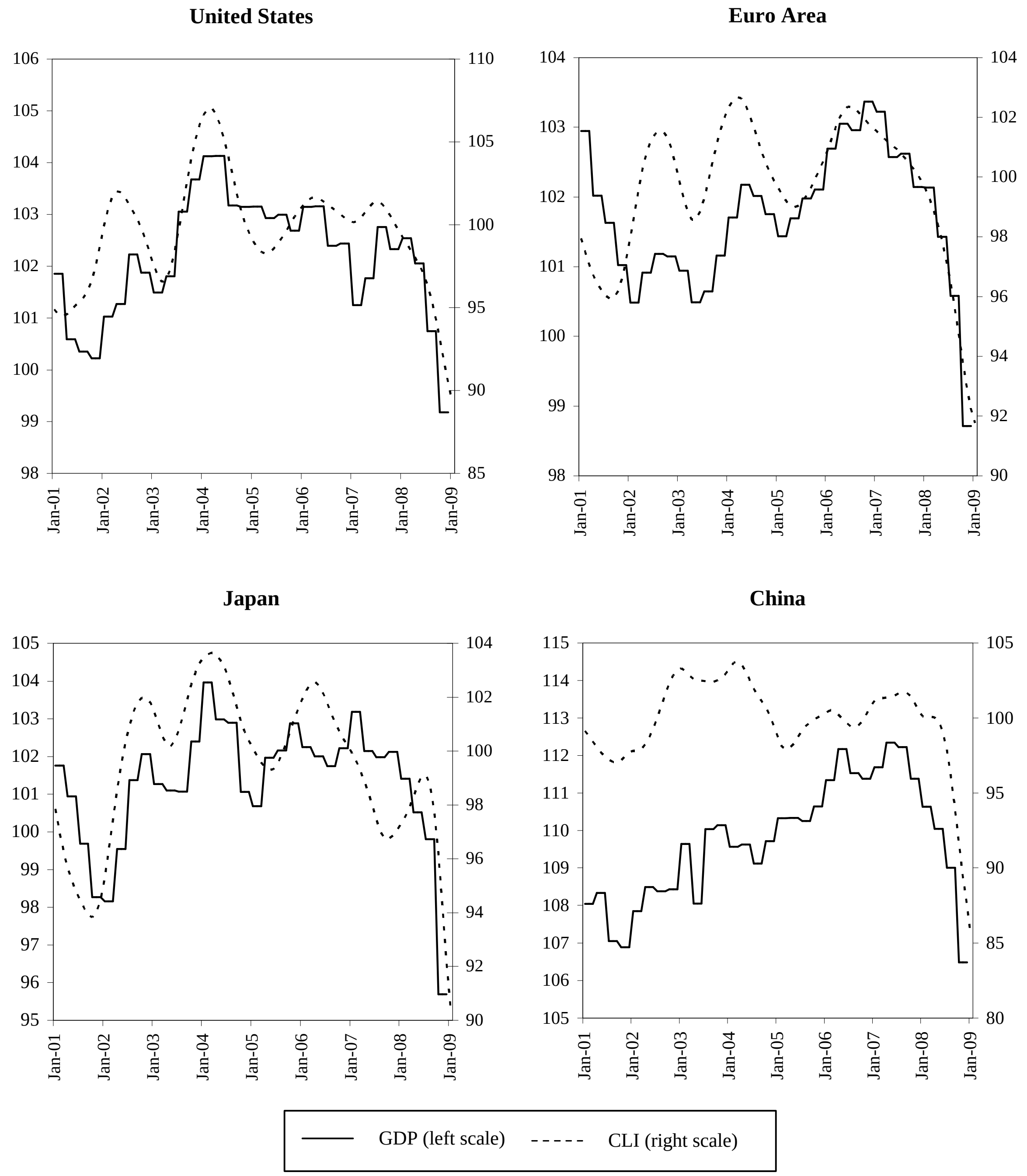
20. Available data for trade in services show that in Q3 2008 the value of exports and imports of services in OECD countries, measured in current U.S. dollars, fell by a seasonally-adjusted -1.5 per cent and -2.2 per cent respectively compared with the previous quarter. These were the first declines since the third quarter of 2006. Year-on-year, growth in the value of services exports in OECD countries slowed sharply to 11.8 per cent, while import growth fell to 10.6 per cent.[8] Apart from the financial services industry, which clearly has contracted, other global industries affected include air transport, maritime transport, and tourism. According to information from the International Air Transport Association (IATA), the contraction in freight traffic in December 2008 (-22.6 per cent compared to December 2007) worsened in January 2009 for the eighth consecutive month. International passenger demand fell year-on-year by -5.6 per cent in January 2009, marking the fifth consecutive month of contraction. Tourism demand slowed significantly in the second half of 2008, a trend which is expected to continue in 2009.

21. Even if trade begins to show signs of recovery in February and March, the outlook for the whole of 2009 remains bleak. The size of the contraction means that trade will be starting from a much lower level in early 2009, requiring significantly above-average growth to return to its pre-crisis level. This is usually the case after a sharp drop in trade, but weak demand in developed countries will likely prevent a truly robust recovery as unemployment rates are expected to rise in the coming months. Composite leading indictors for all major economies are sharply down through January 2009 and quarterly GDP was falling sharply at the end of 2008 (Chart 3). The WTO expects the volume of world merchandise exports to fall by -9 per cent in 2009, the largest such decline in over 60 years. The contraction in developed countries will be particularly severe with exports falling

[8] OECD International trade statistics: trends in third quarter 2008, 27 January 2009.

Chart 3
GDP and Composite Leading Indicators for selected economies, 2001-2008

(Indices, yoy)



Note: **GDP data are quarterly through Q4 2008. Same period in previous year = 100.**

Source **: OECD, Main Economic Indicators and Quarterly National Accounts, except for China's quarterly GDP figures, which are Secretariat estimates based on national statistics.**

by -10 per cent. In developing countries, which are far more dependent on trade for growth, exports will shrink by -2 to-3 per cent.

3. Trade and trade-related policy developments

22. There has been a marked increase in protectionist pressures globally since September 2008, driven by demands to protect domestic jobs and businesses. Coverage by the press of the threat of protectionism has drawn attention to how these pressures are being dealt with in national trade policymaking processes.

23. In a number of cases, proposals for potentially protectionist legislation have been successfully resisted or amended before being executed. One example was the decision by President Lula of Brazil in January to quickly reverse a ministerial decision to expand Brazil's import licensing requirements. A second example was action by President Obama of the U.S. in February to ensure that "Buy American" provisions in the American Recovery and Reinvestment Act 2009 are consistent with U.S. international trade obligations.

24. In some other cases, however, governments have moved to relax legal, institutional or policy limitations on the extent to which potentially trade-restricting or distorting measures can be taken. The economic crisis has also called attention to standing legislation in the area of trade in agriculture that automatically or semi-automatically increases support to farmers whenever agricultural prices fall. This results in effects that are pre-programmed to reinforce the current contraction of trade. Examples of such measures are countercyclical payments and loan deficiency payments in the United States, and the recent reintroduction of export subsidies and the resumption of intervention purchases for dairy products by the European Communities.

(i) Trade liberalization and facilitation

25. Some governments have taken trade liberalization and facilitation measures in the past six months, involving the reduction or elimination of import tariffs and export taxes and the expansion of trade finance facilities (Box 1). The purpose of these measures is no doubt various, but each one presents an example of trade policies contributing positively to help reverse the contraction of global trade and to stimulate aggregate demand by reducing consumer prices and producer costs. More trade policy initiatives of this kind, particularly if they were to be taken collectively by the major trading countries, would make an impact on a global scale.

Box 1: Illustrative list of measures to facilitate trade

Country/ Member State	Measure
Argentina	Elimination of export taxes on 35 dairy products.
Brazil	Increase the number of exporting companies with access to government's export financing programme (Proex).
Canada	Elimination of import tariffs on 214 tariff lines (machinery and equipment). Amendments to the Investment Canada Act to: lower obstacles to foreign investments; improve transparency in the administration of the Act; and authorize the Government to review investments that threaten to impair national security. Amendments to the Canada Transportation Act to: allow an increase in the limit of foreign ownership of voting interest in Canadian airlines.

Box 1 (cont'd)

Country/ Member State	Measure
China	Increase in VAT rebate rates on exports of a number of products. Elimination of export duties on 102 products including certain steel plates. Reduction of export duties on 23 products, including for example yellow phosphorous.
EC	Temporary changes in the set of Commission Sate Aid guidelines increasing flexibility on short-term export credits. Various measures to increase access to trade finance for European exporters have also taken place at the national level.
Ecuador	Import tariff reductions on 3,267 tariff lines covering products not locally produced.
Hong Kong, China	Establishment of the State owned "Hong Kong Export Credit Insurance Corporation (ECIC)" to encourage trade by providing exporters with insurance protection against non-payment risk.
India	Elimination of import duties for naphtha for use in the power sector. Elimination of export duties on iron ore fines; and reduction of export duties on lumps. Trade facilitation measures such as: enlargement of the list of entities authorized to import directly precious metals; removal of import restrictions on worked corals; and simplification of export licensing requirements for blood samples.
Indonesia	Reduction of import tariffs on 18 tariff lines.
Kazakhstan	Reduction of import tariffs on equipment and raw materials that are not locally produced.
Malaysia	Elimination of import duty on cement. Liberalization of imports of iron and steel products. Elimination of import licences for the construction and manufacturing sector.
Mexico	Tariff reductions on 97 per cent of manufactured goods. This reduction would take place in five annual phases, ending in 2013.
New Zealand	Temporary change in the mandate of the New Zealand Export Credit Office (NZECO), in order to provide short-term trade credit insurance at market rates, on a temporary basis.
Philippines	Temporary tariff reduction on wheat; meslin; cement; and cement clinker.
Russian Federation	Reduction of import tariffs on: civil aircraft; ferrous scrap; motors and major components of motor vehicles; cement and cement articles; and natural rubber. Export duties on certain wood products, which were scheduled to rise to 80 per cent, to be maintained at the original level of 25 per cent until the end of 2009. Elimination of export duties on nickel and copper. Reduction of export duties on oil.

(ii) Trade restriction and distortion

26. The WTO Secretariat has collected information for this report on new import and export restrictions, trade-related subsidies and trade remedy actions that have been taken since September 2008. Many of these measures have been imposed only recently or are still in the process of being implemented, so that their trade effects are not yet clear. As a general rule, measures that are transparent and non-discriminatory and that provide for procedural fairness are likely to be less costly for trade.

27. WTO rules act as a check on the degree to which these measures can restrict trade flows, but the current crisis is highlighting the extent to which those rules and the individual market access schedules of WTO Members provide substantial room for trade restriction and distortion to increase and will continue to do so at least until the Doha Round is completed.

28. Some governments have reacted to the crisis by imposing new trade-restricting and distorting measures (Annex I). So far, there is not a general trend in that direction, but a pattern is beginning to emerge of increases in import licensing, import tariffs and surcharges and trade remedies to support industries that have faced difficulties early on in this crisis (Box 2).

Box 2: Illustrative list of measures in the footwear sector

Country/ Member State	Measure
Argentina	Initiation of anti-dumping investigation on imports from China.
Brazil	Initiation of anti-dumping investigation on imports from China.
Canada	Initiation of anti-dumping investigation on waterproof footwear from China. Initiation of anti-dumping investigation on plastic footwear from Vietnam.
Ecuador	Increase of tariff duties (US$10/pair).
EC	Imposition of anti-dumping duties on imports of leather footwear from China and Vietnam.
Kazakhstan and Russian Federation	Increase of tariff duties for all footwear products.
Turkey	Imposition of safeguard measures; in place until November 2009.
Ukraine	Increase of tariff duties for all footwear products. Implemented in March 2009, for a period of six months.

Source: Business sector information.

29. Reports of various kinds of non-tariff measures affecting trade, such as standards and technical regulations (including SPS measures), are also rising. It would appear for the time being that this is due less to an increase in the number of new measures than to changes in the way in which existing measures are being applied and administered. For example, the 2009 Omnibus Appropriations Act of the United States prohibits the use of funds made available in the Act to establish or implement a rule allowing poultry products to be imported into the United States from China. Separately, the Act prohibits the U.S. Department of Transportation from allocating funds necessary to maintain an inspection programme on cross-border trucking services from Mexico, which has prompted Mexico to temporarily suspend the preferential tariff treatment accorded to 89 tariff lines of imports from the United States under the NAFTA provisions.

30. There has been an increase in state aids and potentially trade-distorting subsidies in some countries to support manufacturing industries, notably the steel and automobile industries, including direct funding, special loans and guarantees (Boxes 3 and 4). Similar measures have been used by some countries to provide support to their financial services industries (see Section 4). Using public finance in this way provides the governments that can afford it with an alternative to using border trade restrictions to protect their economies against foreign competition, but is not an option open to the vast majority of developing country Members of the WTO whose fiscal situation is being placed under even more stress than usual by the economic crisis.

31. These measures can prolong the operations of uncompetitive or insolvent firms, which denies market share to more efficient producers including foreign suppliers. In some cases, the provision of state aids and subsidies is subject to specific conditions that can restrict or distort trade, such as conditions on a firm or industry's investment (e.g. to avoid de-investing domestically), or its policies or practices for sourcing parts or labour. In some cases, governments are taking a direct management role in firms in exchange for financial participation by the State. Since conditions such as these are often attached informally, and are of a political rather than contractual nature, it is very hard to know of their existence and how they are being implemented.

Box 3: Illustrative list of measures in the automobile sector

Country/ Member State	Measure
Argentina	Introduction of reference price covering around 1,000 imported products considered sensitive (among them auto parts).
Australia	Special Purpose Vehicle (SPV) as a financing trust to provide liquidity to car dealer financiers. The SPV is intended to be a 12 months transitional funding. Until 12 March 2009, it has not yet been necessary for the SPV to raise capital and lend funds.
Brazil	Government credits (US$1.7 billion) for carmakers; and temporary reduction of the industrial products tax on car sales (until April 2009).
Canada	Offer to loan up to C$4 billion (US$3 billion) to GM and Chrysler (as of 19 March 2009 no disbursement of loans has been made).
China	Reduction of sales tax for cars.
India	Introduction of licensing requirements for imports of auto parts. Some of these requirements were removed between December 2008 and January 2009.
France	"Régime temporaire de prêts bonifiés pour les entreprises fabriquant des produits verts". This measure provides reduced-interest loans to business investing in the production of green products. Credit lines for the car industry of €6 billion (US$7.7 billion).
Korea, Rep. of	Reduction on the consumption tax on automobiles (local and imported). The measure is effective for the period 19 December 2008 to 30 June 2009.
Russian Federation	Temporary increase of import tariffs (for nine months) on cars, trucks, and buses. Reduction of import tariffs on: motors and major components of motor vehicles. Direct help (rubles 83 billion) (US$2.4 billion) to domestic car makers, including assemblers of foreign-branded cars.
Turkey	Temporary (three months) reduction of domestic taxes (VAT and special consumption taxes) for cars.
United Kingdom	Temporary measures to grant loan guarantees and interest rate subsidies. Businesses producing green products will benefit.
United States	Loans to General Motors and Chrysler. Under this programme, US Treasury agreed to loan General Motors (GM) US$13.4 billion (delivered in three instalments) and to loan Chrysler US$4 billion. On 29 December 2008, US Treasury announced that it would purchase US$5 billion in senior preferred equity with an 8 per cent dividend from GMAC LLC as part of a broader programme to assist the domestic automotive industry in becoming financially viable. Additionally, the US Treasury agreed to lend up to US$1 billion to General Motors so that GM could participate in a rights offering at GMAC in support of GMAC's reorganization as a bank holding company. On 16 January 2008, US Treasury announced a US$1.5 billion five-year loan to a special purpose entity created by Chrysler Financial to finance retail automotive purchases. On 20 March 2009, creation of a US$5 billion fund to support troubled parts suppliers.

Box 4: Illustrative list of measures in the steel sector

Country/ Member State	Measure
Argentina	Introduction of non-automatic import licensing requirements, covering steel and metallurgical products, among others.
EC	Anti-dumping duties on imports of certain iron or steel fasteners from China. Provisional antidumping duties on imports of bars and rods, hot rolled, in irregularly wound coils, of iron, non-alloy steel or alloy steel other than of stainless steel, originating in China and Moldova.
Egypt	Anti-dumping or safeguard duties on imports of cold rolled flat tin sheets.
India	Introduction of licensing requirements for imports of certain steel products. Some of these requirements were removed between December 2008 and January 2009. New mandatory product quality certification from the Bureau of Indian Standards for 17 steel imported products. The Government deferred implementation of this regulation by one year on 10 February 2009. Increase in import duties on a range of iron and steel products from 0 per cent to 5 per cent.
Indonesia	Introduction of mandatory standards for steel products (hot-rolled steel sheets and coils and zinc-aluminium alloy coated steel sheets and coils), to protect consumer safety, increase product quality, and establish a fair trade competition. Increase of import tariffs on some steel products.
Malaysia	New technical regulations for 57 steel products, requiring certificates of approval for conformity with Malaysian Standards.
Philippines	New “Mineral Ore Export Permit” for the transport/shipment of mineral ores. Provisional safeguard on steel angle bars.
Russian Federation	Temporary increase of import tariffs (for nine months) on certain types of flat metals, and ferrous metal pipes. Increase of import tariffs on certain steel and steel products (effective from 14 January 2009, for next nine months).
Turkey	Import tariff increase on a number of products such as: iron-steel – hot rolled flat products; iron-steel cold rolled flat products; iron-steel- coated flat products.
United States	The American Recovery and Reinvestment Act of 2009 (ARRA) requires the use of US-produced steel, iron and manufactured goods in public works funded by the ARRA, subject to certain exceptions (public interest, non-availability or unreasonable cost). The ARRA requires that this provision be applied in a manner consistent with US obligations under international agreements. Further, Congress has indicated that the "buy American" provision for iron, steel and manufactured goods is not intended to apply to LDCs. Imposition of antidumping and countervailing duties on welded stainless steel pressure pipes from China.
Vietnam	Increase import tariffs on semi-finished products of iron or non-alloy steel, and bars and rods of iron or non-alloy steel.

32. At national and *supra*-national levels, many governments apply competition policies and laws in order to ensure that the provision of public financial support of this kind does not distort markets or create conditions of unfair competition domestically. For example, the European Commission has conducted reviews of the financial support provided by its member states to their banks and financial institutions with that objective in mind, and it is conducting a similar review of current proposals for their support to the automobile industry. No equivalent rules or authority exist for the time being at the international level so that, except in the case of certain subsidies that are prohibited under the WTO Agreement on Subsidies and Countervailing Measures, there is less discipline over the extent to which state aid and subsidy measures can affect conditions of competition on international markets.

33. It is important to recall the experience of the 1970s and early 1980s when governments, faced with very difficult global economic conditions, resorted heavily to trade restrictions and subsidies to support ailing industries and sectors such as textiles and clothing, shipbuilding and steel.[9] This slowed down structural adjustment and the correction of problems of global over-capacity. It led subsequently to the introduction of new and chronic forms of protectionist measures to manage trade flows, some of them beyond the reach of GATT trade rules, so as to support strategic sectors and national champions that were no longer competitive internationally but in which too much had been invested to allow them to be abandoned easily.

34. In industries that today are globally integrated such as automobiles, where production and sourcing take place internationally and mergers and acquisitions have diluted the meaning of many "national" brands, it has become more difficult and more costly to try to target national problems of over-capacity or inefficiency by using trade restrictions or subsidies. Some governments are choosing instead to give assistance to the automobile industry by channelling tax incentives or subsidies to consumers rather than to producers. An example is programmes by several EU member states to provide cash grants or interest-free loans to consumers who "scrap" their old vehicles in 2009. As long as this kind of support is provided without restricting consumers' choice to buy domestic or foreign cars, these measures can result in both domestic production and imports of automobiles rising. This illustrates the general point that there is often more than one kind of economic policy that can be used to achieve a given objective. By considering the alternatives, governments can take account of, and often reduce, the adverse impact on trade while still achieving their primary objective.

Trade remedies

35. The downward trend in anti-dumping investigations registered since 2001 has come to an end, and an upward trend, which could accelerate rapidly, has started. The number of investigations increased by 27 per cent in 2008 compared to 2007. However, the total of 207 new initiations in 2008 is still well short of the peak of 366 in 2001. The increase in initiations of anti-dumping investigations looks set to continue in 2009; a preliminary search through available sources gives an estimate of 29 new initiations up until 25 March 2009.

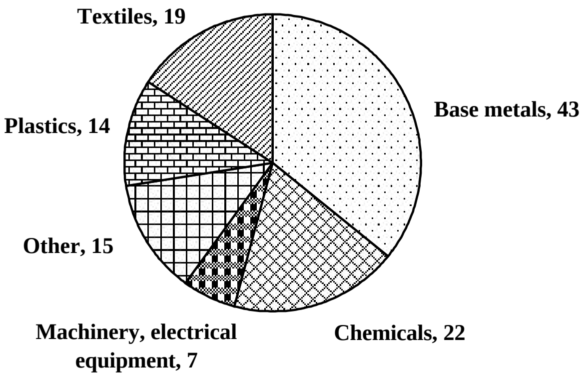
36. Between 1 July and 31 December 2008, the main users of anti-dumping, measured by investigations initiated, were India, Brazil, Argentina, China, Turkey, and the European Communities, while the main targets of anti-dumping investigations were China, the European Communities and the United States.

Anti-dumping initiations: 1 July – 31 December 2008

Country	**Initiation of new Anti-Dumping Investigations**
Argentina	11
Brazil	16
Canada	1
China	11
Colombia	2
EC	9
India	42
Indonesia	6
Korea	1
Mexico	1
Pakistan	3
Turkey	10
Ukraine	4
United States	3
TOTAL	**120**

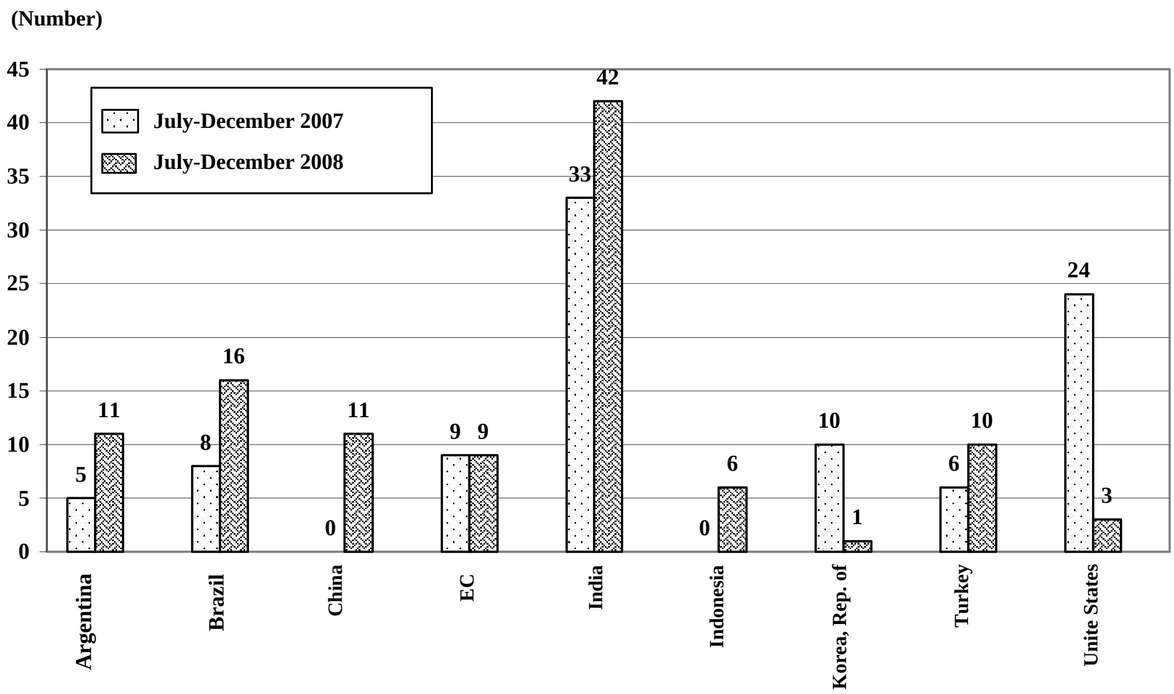
[9] IMF, "Trade Policy Developments in Industrial Countries", Occasional Paper 5, July 1981.

Chart 4
AD Initiations of new investigations, 1 July - 31 December 2008



37. There was an increase of 16 per cent in the initiation of anti-dumping investigations in the second half of 2008 (120) compared to the same period in 2007 (103).

Chart 5
Comparison of A.D. initiations (major users) in second half of 2007 to second half of 2008



Source **: WTO Secretariat.**

38. There is no significant trend discernible for countervailing duty actions in 2008, although there have already been three initiations of new investigations between January and 25 March 2009 (compared with six initiations for the six-month period 1 July -31 December 2008).

39. There is an inevitable delay between developments in economic conditions and new trade remedy investigations. Normally, it takes time for companies to gather information covering a

sufficient period of time to support an application to government to initiate an investigation. More recently, it is being increasingly reported in the media that companies are preparing themselves to request investigating authorities to initiate trade remedy actions. On the other hand, some are of the view that the conditions have deteriorated so rapidly since September 2008 that many companies find themselves in such a fierce battle for survival that they simply do not have the resources to engage in the anti-dumping process, which can be costly and lengthy.

40. An argument for not being anxious about these trends is that trade remedy instruments were designed to be used by Members precisely when their domestic industry is suffering injury. However, the ability of the restrictions to alleviate injury is curtailed when many Members are resorting to similar measures. Whatever relief is obtained from temporarily halting imports in one domestic industry can be offset by the pain of restricted foreign demand for goods produced in others. Since trade remedies deliberately aim to restrict trade, the threat of retaliation is likely to be significant.

41. Safeguard actions appear also to be increasing, although not in as pronounced a way as anti-dumping actions. The total number of safeguard initiations in 2008 was 11, up from eight in 2007, but lower than 13 in 2006 and far away from the peak of 34 initiations in 2002.[10] There have been six initiations already in 2009 (until 25 March), indicating a likelihood of increased use of safeguard measures. Historical data shows that an increase in safeguard actions usually occurs only about a year after a major shock affects an industry or economy. Safeguard action may therefore increase in the latter half of 2009.

4. Fiscal stimulus and financial support programmes

42. Fiscal stimulus and financial support programmes are evidently to be welcomed in current circumstances from a trade perspective. Both are aimed at reversing the fall in global aggregate demand, which holds the key to reversing the contraction of international trade in goods and services. Restoring credit markets to good health is also vital to correct serious problems that have been experienced in the past twelve months by some traders, particularly in developing countries, in accessing trade finance at affordable rates.

43. Although the key objectives of these programmes remain paramount – to prevent systemic failure of global financial markets and to counter global recession by boosting aggregate demand – it is not trivial to consider their potential trade effects.[11] For the sake of the effectiveness of the programmes themselves, openness to trade can play an important role in providing value-for-money and, as long as GDP remains significantly below its potential and resources are unemployed on a large scale, the inefficiency in resource allocation created by restricting trade is all the more counter-productive. Trade restrictions act as a tax on incomes and production and therefore contradict the main objective of these programmes which is to boost real aggregate demand. Given their size, many of the programmes have the potential to impact seriously and negatively on foreign producers who specialize in activities that are the target of government support in other countries. Given also that the infrastructure components of the programmes will be in place for many years to come, they have the potential to create deep and long-lasting distortions to global markets if they are poorly designed from the start.

[10] India, with 19 initiations since 1995, remains the most frequent user of safeguard measures. In early 2009, India initiated 3 safeguard investigations, all on chemical products.

[11] An aphorism attributed to James Tobin is that it takes a heap of Harberger triangles to fill an Okun gap. The idea is that the microeconomic costs caused by trade restriction or distortion pale in comparison to the cost of unemployed resources due to insufficient aggregate demand. The discussion here is not intended to question this larger truth. It is written in the spirit of pointing out that these Harberger "efficiency" triangles exist and urging policymakers not to ignore them.

44. The details of many of these programmes are still unclear. Some elements of those that have been announced have already raised concerns about their potential trade-restricting or distorting effects. Whatever those effects may be, the willingness of the governments concerned to provide detailed information on the implementation of the programmes in a transparent way to their trading partners is to be welcomed. Doubts will continue to exist about the trade-damaging nature of other programmes where little is known publicly about their scope or how they are to be implemented.

Fiscal stimulus programmes

45. Most G20 countries and some other WTO Members and Observer governments have announced substantial fiscal stimulus programmes with the aim of boosting domestic demand (Annex 2). The IMF has recommended a global fiscal stimulus target of 2 per cent of aggregate GDP each year for 2009-2010, but according to the IMF that target has not yet been met by the G20 countries for 2009 and under current conditions there will be a withdrawal of discretionary fiscal stimulus in 2010. Several countries have implemented supplementary programmes of financial support for individual sectors or industries.

46. International trade can be harnessed by these fiscal stimulus programmes to deliver a bigger boost to aggregate demand globally than will be the case if steps are taken to restrict the effects of the stimulus inside national borders. Governments nonetheless often face strong pressure to introduce a domestic-bias into the design of their programmes and prevent the stimulus funded by domestic taxes from "leaking out" as spending on foreign goods and services. This concern can be lessened to the extent that different national programmes are coordinated in terms of size and timing. Leakage into higher imports will then be compensated for, at least partially, by increased exports generated by the stimulus programmes of other countries.

47. Some of the stimulus programmes announced to date include conditions on how funding is to be spent that aim to reduce the leakage into imports and concentrate the stimulus effects on domestic firms and job creation. These conditions act in the same way as traditional import restrictions and produce the same effects: higher prices and lower choice of goods and services purchased through the stimulus programme (lower value-for-money), along with the less efficient allocation of resources and ultimately reduced competitiveness of the domestic economy. In short, restricting imports by attaching conditions to stimulus programmes taxes producers and income and reduces the net impact of each programme on domestic and global aggregate demand.

48. One condition of this kind is "Buy National" requirements. These raise concerns for trade and the trading system because they threaten to cut foreign suppliers off from markets that they could otherwise hope to compete in, either by reserving the market completely for domestic suppliers or by introducing new administrative complexities that make procurement practices less transparent and accessible for foreign suppliers. They can also provoke retaliation by other countries.

49. The recent action of the U.S. Congress, prompted by President Obama, in making clear that the "Buy American" provisions of the U.S. American Recovery and Reinvestment Act 2009 will be administered "in a manner consistent with United States' obligations under international agreements" was important in limiting the potential market-restricting effects of the legislation and reducing the likelihood of retaliatory action by U.S. trade partners.

50. Public expenditure by federal and state governments makes up the bulk of most stimulus programmes that have been announced recently. This spending is covered by the WTO's plurilateral Agreement on Government Procurement (GPA) which is designed to draw the large share (15 to 20 per cent) of global expenditure that is accounted for today by public spending closer to competitive market conditions. The GPA has 13 Parties (covering 40 WTO Members) and its disciplines apply to procurement activities and government entities that the Parties have scheduled. Important progress

has been made in recent years in opening up markets for government procurement of goods, services and construction. The introduction by major countries during the current crisis of new conditions that generate a domestic bias in their procurement activities will complicate ongoing negotiations to broaden and deepen the coverage of the GPA further.

Box 5: The Buy American provisions of the American Recovery and Reinvestment Act 2009

Two provisions of the US stimulus legislation (H.R. 1) introduce new Buy American requirements.

First, section 1604 provides that "None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States".

Additionally, section 604 of the legislation provides that "Except as otherwise provided ..., funds appropriated or otherwise available to the Department of Homeland Security may not be used for the procurement of [specified items of clothing or equipment] if the item is not grown, reprocessed, reused, or produced in the United States".

In both cases, the legislation addresses the potential conflict with the WTO Agreement on Government Procurement (GPA) and other US international trade commitments by including a further provision that "This section shall be applied in a manner consistent with United States obligations under international agreements" (*see* section 604(k) and section 1605(d) of the legislation). This "saving clause" was inserted in the legislation following protests from some WTO Members and President Obama's consequent direction that the legislation be framed in a way that would not trigger a “trade war”.

A similar approach has been used by the US in the past to avoid conflicts between the GPA and other trade agreements on the one hand, and Buy American provisions on the other. For example, general preferences for domestic products in U.S. federal procurement were established as early as the Buy American Act of 1933. However, the U.S. Trade Agreements Act of 1979, Chapter 13, provides broad authority for the President to waive such requirements in respect of procurements covered by the GPA and U.S. Preferential Trade Agreements ("General authority to modify discriminatory purchasing requirements"). Historically, this has been the tool through which U.S. procurement preferences have been reconciled with the GPA and other trade commitments.

The legislative commentary ("Conference Report") accompanying the new U.S. legislation states that "The conferees [legislators] anticipate that the Administration will rely on [such Presidential authority] to the extent necessary to comply with US obligations under the WTO Agreement on Government Procurement and under US free trade agreements". A similar waiver authority is provided for suppliers from least-developed countries, which are exempt from existing Buy American provisions by legislation.

Financial support programmes

51. Governments at the centre of the financial crisis have provided unprecedented injections of financing to their banking and financial services sectors (Annex 3). Their priority has been to guard against the systemic risk posed to the economy by the failure of large financial institutions and to revive the role that banks must play in transforming savings into investments and allocating capital and credit to where they will be most productively used. Broadly speaking, five types of government intervention have been used.

- cleaning "bad assets" from banks' balance sheets so as to allow them to start lending again under normal circumstances. A common "asset side" policy has been the purchase for cash of troubled mortgage assets from banks and other lenders.[12]

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[12] The Canadian, Swiss, and US (TARP) programmes are clear examples of this type of policy. 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).

- governments have encouraged takeovers of some failing banks by better capitalized banks, and provided government support in some cases.[13]
- recapitalisation of troubled financial institutions by injecting public funds as equity or debt financing.[14]
- partial or total nationalization of financial institutions, usually after other measures have failed.
- expanded government guarantees for different forms of banks' liabilities, usually through increases in the threshold of savings eligible for deposit insurance and provision of loan guarantees either on inter-bank loans or on banks' issues of debt.[15]

52. Government intervention on this scale to support a sector or industry, whether it be automobiles or financial services, raises a number of trade-related issues.

53. One is that uncompetitive or even insolvent financial institutions may be kept in operation at the expense of their foreign competitors, thereby distorting the market for, and reducing the volume of, trade in financial services. Under current circumstances, this may be viewed as secondary to the objective of reducing systemic risk, but as that risk recedes it is important that financial markets return to competitive conditions (albeit under stricter regulation than in the past) in which sound institutions can prosper without facing unfair competition.

54. A second area of concern is the extent to which banks and other financial institutions that have received public support will no longer take lending or financing decisions that are based on purely commercial considerations, particularly where governments have taken on a management role. It has been suggested, for example, that the banks concerned may be directed or advised by governments, formally or informally, to favour national businesses over foreign businesses when conducting their future financial operations. This would reduce trade in financial services. It also raises concerns about the extent to which the national businesses that benefit from such a close relationship with national banks are receiving more favourable financial terms than market conditions would dictate, so that the risk of trade restriction or distortion passes through to other industries and sectors of the economy. One such channel is through the provision of trade finance on beneficial terms to national exporters.

5. Trade Finance

55. The drying up of global liquidity combined with a general re-assessment of risks by commercial banks led in the second-half of 2008 to a rise in the cost of trade finance instruments such as letters of credit, and in some cases, to serious gaps between demand and supply.[16] Survey-based data point to a market gap in developing countries – that is unmet demand for trade financing – of between US$100 billion and US$300 billion on an annual and roll-over basis according to trade-finance experts who met in the WTO on 18 March. In some countries foreign exchange has also

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[13] On 9 January 2009, the German government announced a capital injection of €10 billion into Commerzbank (in addition to €8.2 billion previously), and the 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.

[14] 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.

[15] At the same time, central banks, in their roles 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.

[16] IMF survey data suggest spreads above LIBOR have increased by some 25 to 300 basis points per annum, and in some cases as much as 600 basis points.(http://www.imf.org/external/pp/longres.aspx?id=4318)

become scarce, which has led central banks of emerging economies with sufficient net international reserves to supply foreign exchange to trade bankers and importers. The situation which was not expected to improve much in the first quarter of 2009 has in fact continued to deteriorate, mainly for north-south and south-south trade.

56. In cooperation with other multilateral and regional organizations, the WTO has been helping to mobilize various actors to shoulder some of the risk from the private sector and to encourage co-financing between the providers of trade finance. A two-track approach is being followed to: (i) find collective short-term solutions, notably by mobilizing government-backed export credit agencies and international financial institutions, through their private sector branches, operating mostly on commercial terms; and (ii) develop technical measures allowing for better interaction between private and public sector players in the short and medium-term, all of which aim at removing the obstacles to risk co-sharing and co-financing by various institutions.

57. Since the end of 2008, the response of public-backed institutions has been positive. Efforts have focussed in three areas:

(i) All regional development banks and the IFC have roughly doubled the capacity limits under their trade finance facilitation programmes, from around US$4 billion to US$8 billion, thereby financing potentially some US$30 billion of trade involving small countries and small transactions (of US$250,000 on average). The African Development Bank is investigating the possibility of launching a similar trade finance facilitation programme for Africa.

(ii) Export credit agencies (ECAs) also stepped in with programmes for increased guarantees, short-term lending of working capital and credit guarantees aimed at small and medium-scale enterprises. A few ECAs have also opened liquidity windows. For certain countries, the commitment is very large for local firms. In other cases, cooperation is developing to support regional trade, in particular chain-supply operations. To that effect, the recent APEC Summit announced the establishment of an Asia-Pacific Trade Insurance Network to facilitate intra- and extra-regional flows and investment through reinsurance cooperation among export credit agencies in the region. Japan's NEXI is establishing itself as the leader and main underwriter of this collective re-insurance system. The United States and China agreed that their respective import-export banks would make an additional US$20 billion available for bilateral trade, and the United States and Korea made a similar commitment for US$3 billion.

(iii) Central banks in countries with large foreign exchange reserves – and/or which for one reason or another are facing a shortage of liquidity in dollars (due to falls in remittances, export receipts, and the depreciation of the local currency against the dollar) – have been supplying dollars to local banks and importers through repurchase agreements or auctions of borrowed dollars. Since October 2008, Brazil’s central bank has provided more than US$10 billion to the market. Korea's central bank has pledged US$10 billion of its foreign exchange reserves to do likewise, and the central banks of South Africa, India, Indonesia, and Argentina are engaged in similar operations. However, such facilities are unavailable to developing countries with lower foreign exchange reserves, unless they are able to arrange to swap foreign exchange against local currency with their main trading partners.

58. The trade finance market is expected to continue to experience difficult times in 2009. This is why the WTO is supporting the efforts of the World Bank Group to create a new instrument to address both the liquidity issue and the trade credit insurance issue from a multilateral perspective. A well targeted, global liquidity pool run by the World Bank/IFC could help global banks support developing countries' trade on commercial terms. The pool would be made of funds in trust by the IFC (40 per cent of the total) and by commercial banks (60 per cent). Ideas are also being considered in the same framework to have the IFC support ECAs of developing countries. In general, commercial banks are expressing satisfaction with the growing sense of private-public partnership

(most such operations are carried out on commercial terms). They also share the view that the market situation would have been worse without the relatively quick intervention of international financial institutions and export credit agencies. At the institutional level, the Director-General wrote in February 2009 to the Chairman of the Financial Stability Forum requesting, on behalf of the trade and trade finance community, that consideration be given to the appropriateness of the treatment of trade finance under the Basle II regulatory framework.

59. In the context of preparations for the next G20 Summit meeting, it is reported that the United States and the United Kingdom are proposing a global plan to augment the resources available for trade-finance operations, in addition to steps described above aimed at providing enhanced means of trade facilitation by IFIs through risk mitigation (guarantees) or funding (direct lending). About half of the financing would be used to increase the funding of G20 export credit agencies, the other half would be channelled through the IMF, the World Bank and the Regional Development Banks to help finance exports from the world's poorest countries.

6. Impact on developing countries

60. Since the end of 2008, developing countries have begun feeling the full effects of the financial and economic crises.

61. Banks and other financial institutions of most developing countries seemed initially to have been shielded from the financial crisis due to their limited exposure to the markets and financial instruments that lay at its core. Since then it has become clear that their domestic capital markets and their access to international capital markets are being affected directly and significantly. Investors in developed countries have pulled resources back from emerging markets and other developing countries, in part because of the de-leveraging process of their financial institutions. This showed up quickly in the market for trade finance, on which exporters in many developing countries rely, but it is affecting other parts of their capital market too. It showed up also in the decline of net private capital flows, including foreign direct investment, to developing countries in the second half of 2008.[17] There has been an outflow of domestic savings as investors from developing countries are attracted to transfer their money to lower risk, newly government-guaranteed, financial markets in developed countries. It is expected also that developing countries will find it more difficult to raise capital in developed countries where they will be competing for resources with the governments of those countries as they seek to finance their financial and fiscal stimulus programmes. Finally, there is concern that official aid flows will fall, since donors express these budgets as a share of their (shrinking) GDP, and will become more volatile in some cases as donors scale down their ODA budgets.

62. In sum, the World Bank estimates that developing countries are facing a financing shortfall of between US$270 billion and US$700 billion in 2009, at the same time that the external financing needs of these countries is likely to increase because of falling export earnings.[18] That, coupled with the need of many developing countries to finance existing private external debt, is projected to lead to a sharp deterioration in the external payments situation, particularly of emerging market economies, in the second half of 2009. Low-income developing countries are in a particularly vulnerable position,

[17] Net capital flows to emerging economies are estimated to have declined to US$467billion in 2008, half of their 2007 level. It is projected that they could decline in 2009 down to US$165billion, less than one-fifth of their 2007 level. Institute for International Finance, Capital Flows to Emerging Market Economies, 27 January 2009.

[18] World Bank "Swimming against the Tide: How Developing Countries are Coping with the Global Crisis", report prepared for the G20 Finance Ministers and Central Bank Governors, 13-14 March 2009, and World Bank News Release No. 2009/245/EXC.

because many of them had already weak balance of payments positions as a result of the 2007-08 spike in global fuel and food prices.[19]

- Global *Foreign Direct Investment* (FDI) inflows are estimated to have declined by more than 20 per cent in 2008 marking the end of a four-year growth cycle. FDI between developed countries was the most affected. In developing countries and transition economies, preliminary estimates by UNCTAD suggest that FDI inflows grew by 4 per cent in 2008, substantially lower than in 2007, but that there was a sharp decline in Q4 and that prospects for 2009 are likely to be far more negative.[20] The World Association of Investment Promotion Agencies expects a contraction of FDI of 12-15 per cent in 2009, and recent IMF projections show FDI in 2009 falling by almost 20 per cent from its 2008 level.

63. Average annual output growth in the period 2000 to 2008 was 5.6 per cent for all developing countries and 6.3 per cent for the sub-set of LDCs. The weakening of their performance in 2009 will be sharp and substantial, and it will have serious negative effects on their economic and social development programmes and on their poverty reduction programmes. Very few developing countries have the domestic resources needed to implement significant stimulus packages to revive growth in their economies. The World Bank estimates that only one-quarter of the most vulnerable developing countries have the resources to prevent a rise in poverty. Exports from developing countries are projected to contract by between -2 and -3 per cent in volume terms in 2009 due to the deep recession in developed countries. This will play a significant role in reducing their real economic growth, which the IMF is projecting will fall to between 1.5 to 2.5 per cent this year as a result of weak external demand, financing constraints, and lower commodity prices. The situation will be more difficult still for developing countries that rely heavily on inflows of worker remittances and exports of tourism, both of which are projected to fall.

GDP and merchandise trade by region, 2006-2008
Annual per cent change at constant prices

	GDP			Exports			Imports		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
World	**3.7**	**3.5**	**1.7**	**8.5**	**6.0**	**2.0**	**8.0**	**6.0**	**2.0**
North America	2.9	2.1	1.1	8.5	5.0	1.5	6.0	2.0	-2.5
United States	2.8	2.0	1.1	10.5	7.0	5.5	5.5	1.0	-4.0
South and Central America [a]	6.1	6.6	5.3	4.0	3.0	1.5	15.5	17.5	15.5
Europe	3.1	2.8	1.0	7.5	4.0	0.5	7.5	4.0	-1.0
European Union (27)	3.0	2.8	1.0	7.5	3.5	0.0	7.0	3.5	-1.0
Commonwealth of Independent States (CIS)	7.5	8.4	5.5	6.0	7.5	6.0	20.5	20.0	15.0
Africa	5.7	5.8	5.0	1.5	4.5	3.0	10.0	14.0	13.0
Middle East	5.2	5.5	5.7	3.0	4.0	3.0	5.5	14.0	10.0
Asia	4.6	4.9	2.0	13.5	11.5	4.5	8.5	8.0	4.0
China	11.6	11.9	9.0	22.0	19.5	8.5	16.5	13.5	4.0
Japan	2.0	2.4	-0.7	10.0	9.5	2.5	2.0	1.5	-1.0
India	9.8	9.3	7.9	11.0	13.0	7.0	8.0	16.0	12.5
Newly industrialized economies (4) [b]	5.6	5.6	1.7	13.0	9.0	3.5	8.0	6.0	3.5

[a] Includes the Caribbean.
[b] Hong Kong, China; Republic of Korea; Singapore and Chinese Taipei.

Source: WTO Secretariat.

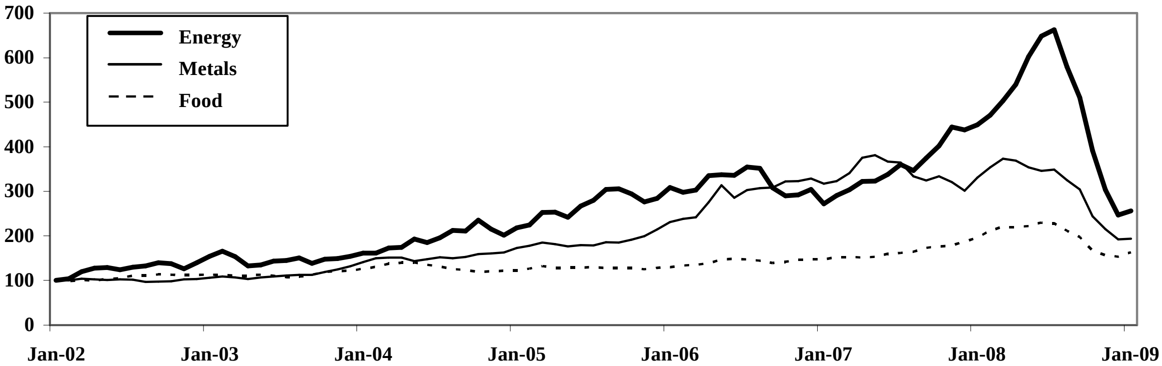
- After years of rapid growth, *remittance* inflows to developing countries are estimated to have reached US$283 billion in 2008, but with a deceleration apparent in the second half of the year. World Bank projections suggest that remittances to developing countries will fall in

[19] IMF, "The Implications of the Global Financial Crisis for Low-Income Countries", March 2009.
[20] UNCTAD Investment Brief, Number 1, 2009.

2009 by between -1 and -6 per cent.[21] The negative impact is particularly problematic for those countries for which remittances are large relative to GDP, including many smaller economies such as Moldova (38 per cent), Tonga (35 per cent), Lesotho (29 per cent), Honduras (25 per cent), Guyana (23.5 per cent) and Jamaica (19.4 per cent).

- The World Tourism Organization (UNWTO) reported a sharp drop in the growth of international *tourism* worldwide in 2008.[22] After a 5 per cent increase in the first half of the year, growth in international tourist arrivals turned negative (-1 per cent) in the second half and annual growth was an estimated 2 per cent, down from 7 per cent in 2007. UNWTO expects international tourism to stagnate or even decline slightly (-1 per cent to -2 per cent) throughout 2009.
- Many developing countries generate a large share of export earnings, government revenue and GDP from commodity production and exports.[23] *Commodity prices* were very volatile in 2008, surging in most cases in the first half of the year but then reversing sharply as the financial and economic crises set in. In the second half of 2008, non-energy commodity prices declined by -38 per cent, with substantial declines in food, agricultural raw materials and metals and minerals. Petroleum prices fell by -69 per cent between July and December 2008. The IMF reports that commodity prices are unlikely to recover in the short run.[24]

Chart 6
Prices of selected primary products, January 1998 - January 2009
(Index, January 2002=100)



Source: **IMF, International Financial Statistics.**

[21] World Bank, "Migration and Development Brief 8", 11 November 2008. The Inter American Development Bank (IADB) reported that remittances to Latin America and the Caribbean countries are expected to decrease in 2009; data for January 2009 shows that remittance flows fell by between 11 per cent and 13 per cent (SELA Servicio Informativo, 16 March 2009 and BBC Mundo.com of 17 March 2009).

[22] UNWTO World Tourism Barometer, Vol. 7, No.1, January 2009. Figures reflect international tourist arrivals only (excluding domestic tourism), for which comprehensive data is available.

[23] In Africa, petroleum generates more than one-half of government revenue for Congo, Equatorial Guinea, Gabon and Nigeria, and cocoa generates one-fifth of government revenue in Côte d'Ivoire. Commodity revenues account for 22 per cent of GDP in Trinidad and Tobago and 12 per cent in Bolivia.

[24] International Monetary Fund, The Implications of the Global Financial Crisis for Low-Income Countries, March 2009.

Aid for trade

64. Total Aid for Trade grew by US$4.4 billion in real terms, as measured against the baseline, to reach US$25.4 billion in 2007.[25] Most of the increase (approximately 60 per cent) went to support infrastructure programmes in Sub-Saharan Africa.[26] Assistance for trade-related infrastructure continues to attract the highest volume of commitments at 53.7 per cent of total Aid for Trade. Commitments to build productive capacity experienced a marginally higher growth of 21.4 per cent to reach 43 per cent of total flows. In contrast, assistance for trade policy regulation grew 3.8 per cent (falling back in 2007 after a 58 per cent surge in 2006). In 2008, donors were invited to report on the new CRS category trade-related adjustment support, but few provided data for 2007.

Aid for trade commitments
(Constant 2006 US$ million)[27]

	2002-2005 baseline	2006	2007	Increase vis-à-vis baseline (Per cent)
Trade related infrastructure	11,307	12,523	13,666	20.9
Building productive capacity	9,135	9,957	11,053	21.0
Trade policy and regulations	659	1,046	685	3.8
Trade-related adjustment	-	-	17.7	-
Aid for Trade total	21,101	23,526	25,422	20.5

Source: OECD Creditor Reporting System.

65. The United States and Japan remain the largest single providers of bilateral Aid for Trade, with US$4.6 billion and US$4.4 billion in 2007, respectively. They, together with the EC, are well on their way to meet their 2005 aid for trade pledges. Other important bilateral donors include France, Germany, the Netherlands, Spain, and the United Kingdom. In total, bilateral donors accounted for 62 per cent of total Aid for Trade in 2007 - down 2.3 per cent on 2006.

[25] An essential element of monitoring the operationalization of Aid for Trade is tracking by OECD and WTO of global aid-for-trade flows reported to the OECD Creditor Reporting System (CRS). At the First Global Review of Aid for Trade, a baseline was established for the period 2002-2005 in CRS categories which most closely relate to aid for trade as defined by the WTO Task Force. The OECD and WTO will present an updated publication, Aid for Trade at a Glance 2009, at the Second Global Review of Aid for Trade to be held on 6-7 July 2009. Some preliminary results are presented here.

[26] Due to time needed for in-depth reporting on aid flows, the OECD CRS database cannot capture any impact which the current financial crisis may have had on Aid for Trade flows in 2008 or 2009.

[27] Commitments are firm obligations to provide development assistance to a partner country or multilateral organisation. Commitments measure donors' intentions and permit monitoring of the targeting of resources for specific purposes in recipient countries.

Aid for Trade by key Bilateral and Multilateral Donors and by Category – Commitments

US$ million (2006 constant)

	Trade Policy & Regulations			Economic Infrastructure			Building Productive Capacity			Trade Related Adjustment	Total AfT						
	2002-05 ave.	2006	2007	2002-05 ave.	2006	2007	2002-05 ave.	2006	2007	2007	2002-05 ave.	2006	2007	per cent Change 2006-2007	Share in Total AfT 2007	Donor's Total Sector Allocable ODA 2007	Share in Donor's Total Sector Allocable ODA
Canada	17.8	17.2	18.8	41.8	47.1	53.4	254.7	184.1	247.3	0.3	314.3	248.4	319.7	28.7	1.3	1,938.7	16.5
France	4.0	0.5	4.0	341.1	517.4	506.8	335.1	416.4	737.9	0.0	680.2	828.2	1,248.7	50.8	4.9	4,603.9	27.1
Germany	13.5	18.0	37.9	529.1	796.7	501.5	616.9	1,062.3	956.5	0.0	1,159.5	1,877.0	1,495.9	-20.3	5.9	5,382.8	27.8
Japan	47.6	50.4	45.7	3,520.1	3,417.2	2,968.0	903.9	1,101.8	1,383.8	0.0	4,471.6	4,569.4	4,397.5	-3.8	17.3	8,975.6	49.0
Netherlands	17.0	63.0	44.3	134.5	134.4	86.0	377.1	663.6	508.2	0.0	528.7	861.0	638.4	-25.9	2.5	2,582.8	24.7
Norway	8.7	21.4	20.8	90.3	103.7	142.1	152.9	198.8	188.6	0.0	251.9	323.9	351.4	8.5	1.4	1,783.2	19.7
Spain	1.3	0.8	6.7	225.4	592.4	296.9	143.5	111.1	264.2	0.0	370.2	704.3	567.8	-19.4	2.2	2,425.1	23.4
Sweden	15.4	25.7	33.6	97.1	87.5	70.1	101.1	212.1	236.4	0.0	213.6	325.2	340.2	4.6	1.3	1,161.7	29.3
United Kingdom	27.9	80.7	26.2	309.5	107.9	110.1	417.1	442.3	337.1	0.0	754.5	630.9	473.3	-25.0	1.9	4,090.1	11.6
United States	227.3	316.4	182.7	1,660.0	2,307.0	2,481.9	1,706.5	1,896.6	1,967.5	0.0	3,593.9	4,520.0	4,632.1	2.5	18.2	18,145.1	25.5
Total Bilateral	**426.1**	**632.2**	**434.2**	**7,511.9**	**8,648.5**	**7,748.7**	**5,855.0**	**7,026.9**	**7,638.8**	**0.3**	**13,793.0**	**16,201.5**	**15,821.7**	**-2.3**	**62.2**		
AfDB	22.1	0.0	0.0	245.8	282.1	830.7	297.4	243.5	231.4	0.0	565.2	525.6	1,062.1	102.1	4.2	1,681.7	63.2
AsDF	7.9	0.0	4.9	337.7	165.9	340.5	358.7	216.3	257.2	0.0	704.3	382.2	602.6	57.7	2.4	1,713.0	35.2
EC	176.4	411.3	243.4	1,300.3	1,647.2	1,352.2	1,002.1	1,161.2	1,133.1	17.4	2,478.8	3,219.7	2,728.7	-15.2	10.7	8,690.1	31.4
World Bank	24.9	0.0	0.0	1,789.6	1,724.2	3,232.7	1,351.9	1,117.6	1,430.6	0.0	3,166.4	2,841.8	4,663.4	64.1	18.3	9,124.8	51.1
IADB	0.0	0.0	0.0	115.1	49.5	155.5	113.1	10.0	24.6	0.0	228.2	59.5	180.1	202.7	0.7	381.0	47.3
IFAD	0.0	0.0	0.0	3.9	0.0	0.0	149.5	167.5	325.3	0.0	153.4	167.5	325.3	94.2	1.3	490.8	66.3
Total Multilateral	**232.7**	**413.7**	**251.1**	**3,794.3**	**3,874.5**	**5,917.5**	**3,280.4**	**2,930.6**	**3,414.3**	**17.4**	**7,307.5**	**7,218.9**	**9,600.3**	**33.0**	**37.8**		
Overall Total	**658.9**	**1,046.0**	**685.3**	**11,306.2**	**12,523.0**	**13,666.2**	**9,135.4**	**9,957.5**	**11,053.1**	**17.7**	**21,100.5**	**23,526.5**	**25,422.3**	**8.1**	**100.0**		

Source: OECD Creditor Reporting System.

66. In 2006 and 2007, multilateral and regional donors significantly expanded their Aid for Trade programmes. Their commitments increased by 31.3 per cent compared to the baseline to reach US$9.6 billion in 2007. The World Bank, through the International Development Association (IDA), was the largest multilateral provider of concessional Aid for Trade in 2007 providing 18.3 per cent of the total. The EC, not including member states, provided 10.7 per cent of Aid for Trade in 2007. The Asian Development Bank and the African Development Bank (AfDB) are also important providers of Aid for Trade in their respective regions – the latter allocating more than 60 per cent of its total sector allocable ODA to Aid for Trade.

67. Overall, Aid for Trade accounted for approximately 31.8 per cent of total sector allocable ODA in 2007, below the average 33.5 per cent registered during the 2002-2005 baseline period. This drop, despite an overall increase of US$4.35 billion, reflects even higher levels of donor support for social sectors, such as education and health. Consequently, the increase in the volume of Aid for Trade is provided additionally and not to the detriment of spending on social sectors.

68. India, Iraq, Vietnam, Afghanistan, and Indonesia were the top five recipients of Aid for Trade in 2007, accounting for almost 28 per cent of the total. Asian countries received approximately 38.5 per cent of all Aid for Trade (US$9.8 billion in 2007).[28] Africa follows with 37.3 per cent (US$9.5 billion in 2007). Furthermore, as the figure above demonstrates, Africa's share of global Aid for Trade is rising, in particular when measured on a per capita basis. Aid for Trade flows to the Americas and Oceania are also increasing.

Top 20 recipients of Aid for Trade
(2006-2007 average)

	Commitments, US$ million (2006 constant)			Share of AfT in Total Sector Allocable ODA	ODA/GNI (2007)
	2002-2005 average	2006-2007 average	Share of Total AfT		
India	1,352.3	1,743.2	7.1	35.9	0.11
Iraq	1,979.2	1,586.4	6.5	37.8	..
Viet Nam	1,371.9	1,414.0	5.8	56.0	3.58
Afghanistan	665.0	1,254.7	5.1	40.4	33.86
Indonesia	986.9	793.5	3.2	34.4	0.19
Ethiopia	485.1	734.5	3.0	32.1	12.48
Egypt	518.5	585.6	2.4	49.2	0.84
Bangladesh	642.1	557.8	2.3	29.7	2.06
Kenya	300.0	514.5	2.1	31.3	4.31
China	695.4	438.2	1.8	17.7	0.04
Ghana	235.6	437.1	1.8	40.2	7.59
Uganda	221.2	373.1	1.5	34.4	15.72
Mali	159.5	366.5	1.5	45.6	15.43
Pakistan	345.8	365.3	1.5	24.6	1.51
Morocco	280.6	349.2	1.4	30.0	1.51
Mozambique	284.2	341.1	1.4	29.1	26.33
Tanzania	324.2	305.6	1.2	23.4	17.43
Sri Lanka	410.9	283.4	1.2	46.9	1.84
Serbia	372.4	242.0	1.0	27.8	2.04
Turkey	404.7	214.5	0.9	22.8	0.12
TOTAL	**12,035.50**	**12,900.20**	**52.7**		

[28] In the OECD CRS database, Asia includes Middle East Asia, South and Central Asia, and Far East Asia.

69. An increasing amount of Aid for Trade resources is going to regional and global programmes. The share of direct assistance to countries fell from 90 per cent in 2002-2005 to 81 per cent in 2007. At the same time, regional and global programmes grew to 12 per cent and 7 per cent of the total.

7. Statements by Governments and Reports by Intergovernmental organizations

Statements

70. Political leaders have being meeting in various formats around the world to discuss the aggravation of the economic and financial crisis and its repercussions. In addition to recognizing the seriousness of the global crisis and the need to take collective measures to address the most urgent problems causing it, leaders have made strong calls to resist trade protectionism in their domestic policy responses to the crisis, which could only exacerbate the downturn, and reiterated their strong support for a successful conclusion of the Doha Round. The following is a non-exhaustive list of such declarations and communiqués:

- Communiqué of the 10th Annual Meeting of G20 Finance Ministers and Central Bank Governors, Sao Paulo, Brazil, 8-9 November 2008;
- Communiqué of the Meeting of African Ministers of Finance and Planning and Governors of Central Banks, Tunis, Tunisia, 12 November 2008;
- Communiqué of the Meeting of the Committee of African Ministers of Finance and Planning and Governors of Central Banks, Cape Town, South Africa, 16 January 2009;
- Statement of G7 Finance Ministers and Central Bank Governors, Rome, Italy, 14 February 2009;
- Statement by APEC Senior Officials following their meeting in Singapore, 15-16 February 2009;
- Outcome of the Berlin Summit in preparation of the G20 Summit in London, Berlin, Germany, 22 February 2009;
- G20 Finance Ministers' and Central Bank Governors' Communiqué, London, United Kingdom, 14 March 2009.
- Report from the Committee of African Finance Ministers and Central Bank Governors (established to monitor the crisis) on the impact of the crisis on African economies, 17 March 2009.

Reports

71. The repercussions of the global financial and economic crisis are being felt in many areas outside the economic arena. One of the most immediate concern for policy makers is the impact of the crisis on poverty reduction efforts around the world. For example, the World Bank reports that the economic crisis may increase poverty by around 46 million people in 2009, through negative employment and wage effects as well as declining remittances flows. The ILO recent forecasts suggest that global job losses could reach 51 million, and up to 30 million workers could become unemployed.

72. There are a number of other areas, in addition to poverty and employment, which are of concern to a many Intergovernmental Organizations. Some of them have prepared specific studies and reports on the impact of the economic crisis in their respective fields. The following is a non-exhaustive list of those studies which may be of interest to delegations:

- United Nations, "Preliminary Recommendations by the Commission of Experts of the President of the General Assembly on reforms of the International Monetary and Financial System", (Stiglitz Commission) 19 March 2009

- International Monetary Fund (IMF), "The Implications of the Global Financial Crisis for Low-Income Countries", March 2009. (www.imf.org/external/np/exr/key/finstab.htm)

- UNCTAD, "Assessing the Impact of the Current Financial and Economic Crisis on Global FDI Flows", January 2009. (www.untacd.org/en/docs/webdiaeia20091_en.pdf)

- UNCTAD, "The Global Economic Crisis: Systemic Failures and Multilateral Remedies", 19 March 2009.

- World Bank, "Swimming Against the Tide. How Developing Countries are Coping with the Global Crisis", March 2009. (http://siteresources.worldbank.org/NEWS/Resources/swimmingagaintsthetide-march2009.pdf).

- International Telecommunications Union (ITU), Confronting the Crisis: Its Impact on the ICT Industry", February 2009. (www.itu.int/osg/csd/emerging_trends/crisis/18.html).

- World Health Organization (WHO), "The Financial Crisis and Global Health", Report of a High-Level consultation on 19 January 2009. (www.who.int/topics/financial_crisis/en/index.html).

- International Labour Organization (ILO), "The Financial and Economic Crisis: A Decent Work Response?", 24 March 2009. (www.ilo.org).

- OECD, Tackling the Financial and Economic Crisis, various publications such as "Financial Crisis: Past Lessons and Policy Implications", February 2009. (www.oecd.org).

- Human Rights Council, "The Impact of the Global Economic and Financial Crisis on the Universal Realization and Effective Enjoyment of Human Rights", 23 February 2009. (www2.ohchr.org/English/bodies/hrcouncil/specialsession/10/index.htm).

ANNEX 1

Trade and trade-related measures[29]
(September 2008 - March 2009)

VERIFIED INFORMATION

Country/ Member State	**Measure**	**Date**	**Source**
Argentina	Introduction of non-automatic import licensing requirements, covering products such as: textiles, steel, metallurgical products, and tyres.	Various dates starting on 4 November 2008 to 4 March 2009	Resolución No. 343/07 "Certificado de Importación de Productos Textiles (CIPT)"; Resolución No. 588/08 " Certificado de Importación de Productos Metalurgicos (CIPM)"; Resolución No. 444/04 "Certificado de Importación de Productos para el Hogar (CIAH)"; Resolución MP No. 6/09 "Licencias No Automaticas: ruedas" – Ministerio de Producción, of 22 January 2009, and Resolución MP No. 61/09 "Licencias No Automaticas: Modificaciones – Productos Varios (CIPV)" – Ministerio de Producción, of 4 March 2009. (BO 5/03/09).
Argentina	Introduction of reference price covering around 1,000 imported products considered sensitive (i.e. auto parts, textiles, TV, toys, shoes, and leather goods).	18 February 2009	Actuación No. 13707-3-2009 and Resolución General AFIP No. 1907, and Notas Externas de la Dirección General de Aduanas Nos. 1/2009; 2/2009; 4/2009; 5/2009; 6/2009; 8/2009; 14/2009; and 20/2009 "Publicación de valores de criterio de caracter preventivo".
Argentina	Initiation of anti-dumping investigation on road wheels for trailers and semi-trailers (NCM: 8708.70.90 and 8716.90.90) imported from China.	2 March 2009	Resolución SICPME No. 46/09 "Ref. Dumping – Ruedas de acero, de diametro nominal o superior o igual a 444,5 mm 17,5" pero inferior o igual a 622,3 mm 24,5" y ancho nominal superior o igual a 152,4 mm 6", de los tipos utilizados en autobuses, camions, remolques y semirremolques de China", of 2/3/09 (BO 9/3/09).
Argentina	Imposition of price reference for exports (HS 7401) "Copper".	5 March 2009	Nota DGA No. 21/09 "Ref. valores Referenciales de Exportación – Caracter Precautorio – Listado" (B0 9/3/09).
Argentina	Elimination of export taxes (set at 5% in August 2006) for 35 HS tariff lines (Codes 0401; 0402; 0403; 0404; 0405; 0406; and 1901.90.90) "dairy products", as from 1 January 2009.	6 March 2009	Resolución No. 672/06 and No. 61/07, amended by Resolución MP No. 62/09 and Resolución MEFP No. 79/09 "Derechos de exportación – Incremento transitorio – Modificaciones – Programa de Estabilización de Precios de Productos del Sector lacteo – Modificaciones", of 6 March 2009 (BO 9/03/09).

Annex 1 (cont'd)

[29] 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 in this table 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
Brazil	Definitive anti-dumping duties on: phenol (EC, US); glassine papers (Finland, US); and ammonium nitrate (Russia, Ukraine).	Various dates	WTO Document G/ADP/N/180/BRA/Corr.1 of 17 March 2009.
Brazil	Decision to increase the number of exporting companies (allowing larger firms, with annual revenue up to R$600 million (US$235 million)) with access to the government's export financing programme (Proex). There was no increase in the programme's budget.	23 February 2009	Permanent Delegation of Brazil to the WTO.
Canada	Imposition of final anti-dumping and countervailing duties on thermoelectric containers from China (11 December 2008). Initiation of anti-dumping investigation on waterproof footwear from China (27 February 2009). Imposition of final anti-dumping and countervailing duties on aluminium extrusions from China (17 March 2009).	Various dates	Permanent Delegation of Canada to the WTO.
Canada	Elimination of import tariffs on 214 tariff lines (machinery and equipment), with duty rates ranging from 2.5% to 11% (2008).	28 January 2009	Permanent Delegation of Canada to the WTO.
Canada	Amendments to the Investment Canada Act to: lower obstacles to foreign investment by focussing net benefit reviews on larger transactions; improve transparency in the administration of the Act; and authorize the Government to review investments that threaten to impair national security. Amendments to the Canada Transportation Act to: allow an increase in the limit of foreign ownership of voting interest in Canadian airlines from 25% to 49%.	6 February 2009	Permanent Delegation of Canada to the WTO.
China	Export support measure: increase in VAT rebate rates on exports of a number of products such as: textiles and clothing; ceramic; plastic; furniture; pharmaceutical, household appliances; books; rubber; moulds, dies; glassware; suitcases; bags; footwear; watches; chemicals; machinery; and electrical products.	Various dates from 1 November 2008 to 1 February 2009	Permanent Delegation of China to the WTO.
China	Elimination of export duties on 102 products including certain steel plates. Reduction of export duties on 23 products, including for example yellow phosphorous.	1 December 2008	Permanent Delegation of China to the WTO.
China	Export duties on five products (including apatite and silicon) raised from 10% to 15%, or from 20% to 35%.	1 December 2008	Permanent Delegation of China to the WTO.
China	Import ban on Irish pork.	December 2008	Permanent Delegation of China to the WTO.
China	Elimination of lower Interim Import Tariffs Rates on soybean oil-cake, pork, and neem oil, and resumption of normal MFN rates.	1 January 2009	Permanent Delegation of China to the WTO.
China	Cancellation of export licensing administration on silk warm cocoon, and certain silk products.	1 January 2009	Permanent Delegation of China to the WTO.
China	Anti-dumping investigation on terephthalic acid from Thailand and Republic of Korea.	12 February 2009	Permanent Delegation of China to the WTO.
China	Restrictions on the export of certain highly energy-consuming, highly-polluting, and exhaustible resource products.	24 February 2009	Permanent Delegation of China to the WTO.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
EC	Reintroduction of customs duties on imports of certain cereals (CN Codes: 1001 90 99; 1001 10; 1002 00 00; 1003 00; 1005 90 00; 1007 00 90; 1008 10 00; 1008 20 00) for the 2008/09 marketing year. Since January 2008, tariffs for cereals were suspended (Commission Regulation No. 608/2008 of 26 June 2008).	22 October 2008	Commission Regulations No. 1039/2008 of 22 October 2008, reintroducing customs duties on imports of certain cereals for the 2008/09 marketing year (OJ L 280/5), and No. 197/2009 of 13 March 2009, fixing the import duties in the cereal sector applicable from 16 March 2009 (OJ L 70/3).
EC	Temporary changes in the set of Commission Sate Aid guidelines increasing flexibility on short-term export credits. Various measures to increase access to trade finance for European exporters have also taken place at the national level.	17 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
EC	Reintroduction of export refunds for butter, cheese and whole and skim milk powder (as of 19 January 2009). Resumption of market interventions to buy butter and skim milk powder from 1 March 2009.	22 January 2009	Commission Regulations No. 57/2009, 58/2009, and 59/2009 of 22 January 2009.
EC	Anti-dumping duties on imports of certain iron or steel fasteners (CN Codes: 7318 12 90; 7318 14 91; 7318 14 99; 7318 15 59; 7318 15 69; 7318 15 81; 7318 15 89) from China. The rate of the duty ranges from 26.5% to 85%.	26 January 2009	Council Regulation No. 91/2009 of 26 January 2009 (OJ L29/1).
EC	Provisional anti-dumping duties of 3.7%, 8.6%, or 24.9% on imports of bars and rods, hot rolled, in irregularly wound coils, of iron, non-alloy steel or alloy steel other than of stainless steel, originating in China and Moldova.	6 February 2009	Commission Regulation (EC) No. 112/2009 (OJ L 38/3).
EC	Notice of initiation of an expiry review and partial interim review of the anti-dumping measures applicable to import of silicon (CN 2804 69 00) originating in China. The measure currently in force is a definitive anti-dumping duty imposed by Council Regulation (EC) No. 398/2004. By Council Regulation (EC) No. 42/2007 the definitive anti-dumping duty was extended to imports of silicon consigned from the Republic of Korea, whether declared as originating in the Republic of Korea or not.	4 March 2009	Commission Announcement 2009/C 51/07 (OJ C 51/07).
EC	Termination of the partial interim review of the anti-dumping measures applicable to imports of hand pallet trucks and their essential parts (CN 8427 90 00 and 8431 20 00) originating in China. The measure currently in force is a definitive anti-dumping duty imposed by Council Regulation (EC) No. 684/2008. The partial interim review is terminated, without amending the anti-dumping measures in force (46.7%).	9 March 2009	Council Regulation No. 188/2009 of 9 March 2009 (OJ L67/1).
EC	Definitive anti-dumping duty on imports of certain plastics sacks and bags originating in China and Thailand, and termination of the proceeding on imports of certain plastic sacks and bags originating in Malaysia. The measure currently in force is a definitive anti-dumping duty (ranging from 4.8% to 14.3%) imposed by Council Regulation (EC) No. 1425/2006.	9 March 2009	Council Regulation No. 189/2009 of 9 March 2009 (OJ L67/5).

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
EC	Initiation of an expiry review of the anti-dumping measures applicable to imports of sodium cyclamate (CN 2929 90 00) originating in China and Indonesia. The measure currently in force is a definitive anti-dumping duty imposed by Council Regulation (EC) No. 435/2004.	10 March 2009	Commission Notice 2009/C 56/10 (OJ C 56/42).
EC	Provisional anti-dumping duties (ranging from €23.6 (US$31) to €208.2 (US$272) per tonne net) on imports of "biodiesel" (CN 3824 90 91; ex 3824 90 97; ex 2710 19 41; ex 1516 20 98; ex 1518 00 91; ex 1518 00 99) originating in the United States, to be effective as from 12 March 2009; and for a maximum period of six months.	11 March 2009	Commission Regulation (EC) No. 193/2009 of 11 March 2009 (OJ L/67/22).
EC	Provisional countervailing duties (ranging from €211.2 (US$275) to €237 (US$309) per tonne net) on imports of "biodiesel" (CN 3824 90 91; ex 3824 90 97; ex 2710 19 41; ex 1516 20 98; ex 1518 00 91; ex 1518 00 99) originating in the United States, to be effective as from 12 March 2009; and for a maximum period of four months.	11 March 2009	Commission Regulation (EC) No. 194/2009 of 11 March 2009.
Ecuador	Import tariff reductions on 3,267 tariff lines covering products such as: raw materials (from 7.6% to 3.8%), and capital equipment (from 6.3% to 2.3%), not locally produced.	December 2008	Permanent Delegation of Ecuador to the WTO.
Ecuador	Tariff increases on 630 tariff lines (accounting for 8.7% of total lines, covering a wide range of goods, with a view to restore balance-of-payments. (Article XVIII.B of GATT 1994). These measures are intended to be temporary and valid for one year. They are also applicable to members of the Andean Community.	Effective as of 22 January 2009	Notification to the WTO (WT/BOP/N/65/Rev.1 of 2 March 2009).
Hong Kong, China	Establishment of the State-owned "Hong Kong Export Credit Insurance Corporation (ECIC)" to encourage trade by providing exporters with insurance protection against non-payment risk.	26 November 2008	Permanent Delegation of Hong Kong, China to the WTO, and WTO Document WT/WGTDF/W/41 of 26 November 2008.
India	Increase in import duties on a range of iron and steel products from 0% to 5% (restoration of previous duty).	...	Permanent Delegation of India to the WTO.
India	Elimination of export duties on steel products (which were imposed in May 2008).	31 October 2008	Permanent Delegation of India to the WTO.
India	Introduction of licensing requirements for imports of certain steel products and auto parts. Some of these requirements were removed between December 2008 and January 2009.	21 November 2008	Permanent Delegation of India to the WTO.
India	Under fiscal stimulus measures taken by the Government: elimination of import duties for Naphtha for use in the power sector; elimination of export duties on iron ore fines; and reduction of export duties on lumps.	7 December 2008	Permanent Delegation of India to the WTO.
India	New mandatory product quality certification from the Bureau of Indian Standards (BIS) for 17 steel imported products. The Government deferred implementation of this regulation by one year on 10 February 2009.	14 January 2009	Permanent Delegation of India to the WTO.
India	Removal of export duty and reduction of minimum export price for premium Basmati rice.	20 January 2009	Permanent Delegation of India to the WTO.
India	Recommendation to apply provisional anti-dumping duties on Full Draw Yarn (FDY) imported from China, Thailand, and Vietnam.	23 January 2009	Permanent Delegation of India to the WTO.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
India	Temporary ban on imports of toys from China (six months), to ensure health and safety of children. However, import of toys from China accompanied by the following certificates shall be permitted: (i) A certificate that the toys being imported conform to the standards prescribed in ASTM F963 or standards prescribed in ISO 8124 (Parts I-III) or IS 9873 [Parts I-III]; (ii) A Certificate of Conformance from the manufacturer indicating that representative sample of toys being imported have been tested by an independent laboratory which is ILAC accredited and found to meet the specifications indicated above. The certificate would also link the toys in the consignment to the period of manufacture indicated in the Certificate of Conformity.	23 January 2009; 2 March 2009	Notification No. 82/(RE-2008)/2004-2009 of 23 January 2009, amended by Notification No. 91/(RE-2008)/ 2004-2009 of 2 March 2009.
India	Preliminary safeguard findings on: Phthalic anhydride; Linear alkyl benzene; Aluminium flat rolled product and aluminium foil; Soda ash; and Dimethoate technical. Provisional safeguard measures imposed only on Phthalic anhydride.	29 January 2009	Permanent Delegation of India to the WTO.
India	Changes in FDI regulations to facilitate application of caps on foreign ownership in sensitive sectors, such as: defence production, telecommunications and aviation.	13 February 2009	Permanent Delegation of India to the WTO.
India	Increase in the Minimum Support Price for cotton paid to local farmers.	14 February 2009	Permanent Delegation of India to the WTO.
India	Imposition of 20% duty on imported soybean oils	24 February 2009	Permanent Delegation of India to the WTO.
India	Export incentives for a variety of exporters, and specific export incentives for textile and leather products.	26 February 2009	Permanent Delegation of India to the WTO.
India	Trade facilitation measures such as: enlargement of the list of entities authorized to import directly precious metals; removal of import restrictions on worked corals; and simplification of export licensing requirements for blood samples.	26 February 2009	Permanent Delegation of India to the WTO.
Indonesia	Ministry of Health Decree No. 1010/08 regulating registration and imports of pharmaceutical products. The Decree establishes the separation between manufacturers and wholesalers to protect consumer health and the safety of pharmaceutical products. With regard to imports, initial registration must now be made through an Indonesian manufacturer. Once the registration process is complete the foreign company may directly sale to the wholesalers concerned.	3 November 2008	Permanent Delegation of Indonesia to the WTO.
Indonesia	Restrictions on film imports. The regulation stipulates that celluloid film may only be imported in the form of negative film master or negative film dupe (reproduction of the master negative film), but may include a copy of the finished product. The reported objective of the regulation is to deter film piracy and to increase efficiency of the enforcement of the Censorship Law.	25 November 2008	Permanent Delegation of Indonesia to the WTO, and WTO Document G/MA/235 of 17 March 2009.
Indonesia	New mining Law adopted in December 2008, promoting local processing of raw materials (mineral and coal). The regulation does not prohibit exports of these products. (implementing regulations to be adopted)	16 December 2008	Permanent Delegation of Indonesia to the WTO.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
Indonesia	New licensing, reporting, and pre-shipment inspection requirements on over 500 goods (food and beverages, toys, electronics, footwear, and garments). Restriction on entry points for those products to six seaports and all international airports. The legislation is reportedly aimed at combating illegal trade and safeguarding health and safety through the development of an effective tracking system.	1 January 2009 and 1 February 2009	Permanent Delegation of Indonesia to the WTO.
Indonesia	Introduction of mandatory standards for steel products (hot-rolled steel sheets and coils and zinc-aluminium alloy coated steel sheets and coils), to protect consumer safety, increase product quality, and establish a fair trade competition.	6 January 2009	Permanent Delegation of Indonesia to the WTO, and WTO Document G/TBT/N/IDN/24/Rev.1, of 18 March 2009.
Indonesia	Increase of import tariffs on 17 tariff lines such as: petrochemical, steel, and electronic parts. Reduction of import tariffs on 18 tariff lines.	13 February 2009	Permanent Delegation of Indonesia to the WTO.
Indonesia	New regulation stipulating that exports of mining products, crude palm oil, coffee, rubber, and cocoa with an export value exceeding US$1 million must be supported by letters of credit issued by domestic banks.	5 March 2009	Permanent Delegation of Indonesia to the WTO.
Japan	Special Safeguard measures (SSG) on food preparations of flour, meal or starch, and tubers of konnyaku (from 1 February to 31 March 2009).	13 February 2009	Notification to the WTO (G/AG/N/JPN/141).
Kazakhstan	Reduction of import tariffs on equipment and raw materials that are not locally produced. Increase of import tariffs on finished goods, competing with local production.	28 December 2008	Permanent Delegation of Kazakhstan to the WTO.
Korea, Rep. of	As from March 2009, tariff on imports of crude oil increased to 3%. The tariff was lowered from 3% to 1% in 2004, on a temporary basis, in order to mitigate the effects of increase in oil prices. In light of the subsequent stabilization of oil prices, the applied tariff was restored to its original rate at 3%.	March 2009	Permanent Delegation of Korea to the WTO.
Malaysia	Elimination of the current 10% import duty on cement. Liberalization of imports of iron and steel products. Elimination of import licences for the construction and manufacturing sector.	14 November 2008	Permanent Delegation of Malaysia to the WTO.
Malaysia	New technical regulations for 57 steel products, requiring certificates of approval for conformity with Malaysian Standards.	15 November 2008	Permanent Delegation of Malaysia to the WTO.
Malaysia	Extension of anti-dumping duties on Indonesian newsprints producers (range 5.39% to 33.14%).	2 March 2009	Permanent Delegation of Malaysia to the WTO.
Mexico	Tariff reductions on 97% of manufactured goods. This reduction will take place in five annual phases. In 2013, the average applied tariff shall be reduced to 4.3% from 10.4% (December 2008). 63% of the tariff lines shall be duty free by then.	12 March 2009	Permanent Delegation of Mexico to the WTO.
Mexico	Suspension of preferential tariff treatment, arising from NAFTA, on 89 tariff lines of goods originating from the United States.	19 March 2009	Permanent Delegation of Mexico to the WTO.
New Zealand	Temporary change in the mandate of the New Zealand Export Credit Office (NZECO), in order to provide short/term trade credit insurance at market rates, on a temporary basis (Small Business Relief Package to Small and Medium Sized Businesses).	4 February 2009	Permanent Delegation of New Zealand to the WTO.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
Paraguay	Anti-crisis programme including the "Buy Paraguayan" plan, which establishes a 70% preferential margin for domestic firms in government procurement.	February 2009	Permanent Delegation of Paraguay to the WTO.
Philippines	New “Mineral Ore Export Permit” for the transport/shipment of mineral ores. According to the authorities, this measure is being imposed in order to eradicate undervaluation, misdeclaration and red tape in the exportation of mineral ores, and improve the collection of excise tax on minerals.	4 September 2008	Administrative Order No. 2008-20 from the Department of Environment and Natural Resources (DAO) of 4 September 2008.
Philippines	Tariff reduction on wheat; meslin; cement; and cement clinker to 0% for a period of six months, effective from 22 December 2008.	7 November 2008	Office of the President Executive Orders No. 765 and 766 of 7 November 2008.
Philippines	Provisional safeguard on steel angle bars for 200 days.	27 February 2009	WTO Documents G/SG/N/7/PHL/7; G/SG/N/8/PHL/7; and G/SG/N/11/PHL/7.
Chinese Taipei	Imposition of a volume-based special safeguard for dried day lilies, from 9 October 2008 to 31 December 2008.	18 November 2008	WTO Document G/AG/N/TPKM/62.
Chinese Taipei	Imposition of a volume-based special safeguard for other liquid milk, from 3 December 2008 to 31 December 2008.	6 February 2009	WTO Document G/AG/N/TPKM/63.
Chinese Taipei	Schools and colleges encouraged to buy local products. Local labour and local products to be given priority in construction projects. However, any offsets and price preference measures shall not apply to GPA-covered procurements.	...	Press reports, clarified by the Permanent Delegation of Chinese Taipei to the WTO.
Turkey	Additional duties as a safeguard measure imposed to imports of cotton yarn from all countries (for the period July 2008 to July 2009, 15% or 20% depending on CN code).	21 October 2008	Permanent Delegation of Turkey to the WTO, and WTO Documents G/SG/N/8/TUR/11; G/SG/N/9/TUR/5; G/SG/N/10/TUR/11; and G/SG/N/11/TUR/12.
Turkey	Import tariff increase on a number of products such as: iron-steel – hot rolled flat products (from 5% to 13%); iron-steel cold rolled flat products (from 6% to 14%); iron-steel- coated flat products (from 3.4%-14% to 6%-15%); wheat and meslin, buckwheat, rye, barley and oats, unprepared cereal straw and husks (from 50% to 80%); and dried apricots, prunes, apples (from 41% to 43.2%).	31 December 2008	Permanent Delegation of Turkey to the WTO.
Turkey	Initiation of 3 anti-dumping investigations (two in December 2008), and one in January 2009.	17 March 2009	Permanent Delegation of Turkey to the WTO.
Russian Federation	Reduction of meat tariff quotas and increase of non-quota rates for pork (from 60% to 75%) and poultry (from 60% to 95%), (measure announced in November 2007, but effective as from 1 January 2009).	1 November 2008	Permanent Delegation of the Russian Federation.
Russian Federation	Temporary increase of import tariffs (for nine months) on a number of products such as: cars (by 5% up to 30%); trucks (by 10%-20% up to 25%); buses (by 5%-15% up to 25%); particular types of flat metals (by 10% up to 15%); particular types of ferrous metal pipes (up to 15%-20%); butter and certain types of dairy products (by €0.13 up to €0.35/kg (US$0.2- US$0.5)); milk and dairy cream (by 5% up to 20%); and rice and milling products (by €0.16 up to €0.23/kg (US$0.2-US$0.3)).	6 November 2008	Permanent Delegation of the Russian Federation.
Russian Federation	Reduction of import tariffs on: civil aircraft; ferrous scrap; motors and major components of motor vehicles; cement and cement articles; and natural rubber.	6 November 2008	Permanent Delegation of the Russian Federation.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
Russian Federation	Export duties on certain wood products, which were scheduled to rise to 80%, to be maintained at the original level of 25% until the end of 2009. Elimination of export duties on nickel and copper. Reduction of export duties on oil.	24 December 2008	Permanent Delegation of the Russian Federation.
Russian Federation	Import ban on pork on supplies from several US facilities which do not comply with technical requirements.	15 February 2009	Permanent Delegation of the Russian Federation.
Ukraine	Import duty surcharges up to 13%, except for "critical imports" for a term of up to six months, with a view to restore balance-of-payments (Article XII of GATT 1994).	As from 7 March 2009	Notification to the WTO (WT/BOP/N/66 of 9 March 2009) *Law No. 923-VI.*
United States	The American Recovery and Reinvestment Act of 2009 (ARRA) includes two “buy American” provisions that require government procurement of US-produced products. One provision requires the use of US-produced steel, iron and manufactured goods in public works funded by the ARRA, subject to certain exceptions (public interest, non-availability or unreasonable cost). The second provision requires the Department of Homeland Security to procure US-manufactured textile and apparel goods. However, the ARRA requires that these provisions be applied in a manner consistent with US obligations under international agreements. Further, Congress has indicated that the "buy American" provision for iron, steel and manufactured goods is not intended to apply to LDCs. Section 1611 of the ARRA requires that recipients of Trouble Assets Relief Programme (TARP) funds and certain other forms of support comply, for a limited period of time (two years), with additional attestation requirements when hiring H-1B workers. This provision does not prohibit the hiring of H-1B workers.	17 February 2009	Permanent Delegation of the United States to the WTO; American Recovery and Reinvestment Act of 2009, which became law on 17 February 2009.
United States	President's initiative to phase out direct payments to farmers with sales of over US$500,000 a year, as part of the Administration's 2010 budget proposal to Congress.	27 February 2009	Permanent Delegation of the United States to the WTO.
United States	Imposition of anti-dumping and countervailing duties on welded stainless steel pressure pipes from China.	March 2009	Permanent Delegation of the United States to the WTO.
United States	Omnibus Appropriations Act 2009 (H.R. 1105) establishing that "none of the funds made available in this Act may be used to establish or implement a rule allowing poultry products to be imported into the United States from the People's Republic of China". This is reportedly in response to food safety concerns, and is indented to allow time for USDA officials to ensure that imported poultry from China is safe. Same legislation which cancels funding for a test programme by the US Department of Transportation which allowed cross border trucking services with Mexico (11 March 2009).	11 March 2009	Omnibus Appropriations Act 2009 (H.R. 1105 – Sec. 727; Div I; 136).
Vietnam	Increase import tariffs on semi-finished products of iron or non-alloy steel from 2% to 5%; and for bars and rods of iron or non-alloy steel from 5% to 12%.	9 December 2008	Permanent Delegation of Vietnam to the WTO.
Vietnam	Increase export duties on: sand and stones from 12% to 17%; mineral products; and wood coal and wood for materials from 0% to 5% and 10%.	26 December 2008	Permanent Delegation of Vietnam to the WTO.
Vietnam	Variable import duties for paper products. Import tariffs on newsprint paper and uncoated paper were raised to 29% (up from 20% and 25% respectively).	10 February 2009	Permanent Delegation of Vietnam to the WTO.

Annex 1 (cont'd)

... Not available.

NON-VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Argentina	Anti dumping measures on Brazilian (413.43%) and Chinese (1,450.21%) metal cutlery; air conditioners from Thailand; and German and Chinese terminals and electrical connections.	26 February 2009	Xinhua News Agency and Diario La Nación.
Argentina	Implementation of testing and certification requirements on imported toys.	March 2009	Press reports.
Azerbaijan	The customs authority has started to enforce a Presidential Decree by which goods classified under certain tariff codes are subject to "No objection Certificate" from the customs laboratory. This delays the time to import goods into the country.	24 February 2009	The Confederation of European Business.
Brazil	Inclusion of the meat sector in the drawback programme (exception of federal taxes (9.5%) on the purchase of national inputs for exportable products)	10 February 2009	Gazeta Mercantil.
Egypt	Anti-dumping duties on imports of white sugar (imposed in January 2009). Anti-dumping/safeguard duties of 10% on imports of cold rolled flat tin sheets.	22 February 2009	Daily News Egypt.
Egypt	Additional duties on cotton textile imported from India (bound rate 15%). Since January 2009 safeguard duty of 30% imposed.	8 March 2009	Business Standard Ltd.
India	Extension and increase of export taxes on hides, skins and wet-blue leather. Import license requirement limiting imports to genuine end user business with back-to-back export orders.	24 February 2009	The Confederation of European Business, referring to Notification No. 122/08 of the Ministry of Finance.
Japan	A few local governments reported to be implementing policies to encourage purchases of local products such as: cars, tv sets, and other electronic equipments.	February 2009	Press reports.
Libya	Imposition of "consumption tax" on imported finished goods, while their locally produced equivalent are not taxed. Subjecting the same type of products to different regulatory schemes, depending on their origin.	24 February 2009	The Confederation of European Business.
Malaysia	Ban on the hiring of new foreign workers in key services and manufacturing sectors.	22 January 2009	Associated Press.
Philippines	Reduction of import tariffs on several products, mainly not locally produced. Reduction of MFN tariffs from 3% to 1% on: silica; kaolin (China clay); bentonite; zircon flour; dried distillers grain soluble and soybean meal. Reduction of MFN tariffs from 15% to 1% on: medical-compression stockings. Creation of special tariff line for sodium polyacrylate; and methyl ester and biofuel blends at 3% rate. Duty free for multichip package (MCP) integrated circuits, memories, amplifiers and other electronic integrated circuits.	10 February 2009	Business Mirror - The Philippines.
Russian Federation	Increase of export duties on hides, skins and wet-bleu leather postponed, not repealed. Limitations to the number of customs stations eligible for customs clearance in export of scrap metal.	24 February 2009	The Confederation of European Business.
Tunisia	Reduction of customs duties under economic stimulus plan.	23 December 2008	Press reports.
Uzbekistan	*De facto* limitation on imports of consumer goods via restricted access to foreign exchange. Possible further delays of conversion for imported consumer goods.	24 February 2009	The Confederation of European Business.

... Not available.

ANNEX 2

Stimulus Packages
(September 2008 - March 2009)

VERIFIED

Country/ Member State	Measure	Date	Source
Australia	Stimulus Package “Economic Security Strategy (ESS)” (1% of GDP).	October 2008	Permanent Delegation of Australia to the WTO.
Australia	National Building Package (A$4.7 billion (US$3.1 billion)).	12 December 2008	Permanent Delegation of Australia to the WTO.
Australia	Special Purpose Vehicle (SPV) as a financing trust to provide liquidity to car dealer financiers. The SPV is intended to be a 12 months transitional funding. Until 12 March 2009, it has not yet been necessary for the SPV to raise capital and lend funds.	2 January 2009	Permanent Delegation of Australia to the WTO.
Australia	National Building and Jobs Plan (A$42 billion (US$27.6 billion)).	13 February 2009	Permanent Delegation of Australia to the WTO.
Brazil	Government credits (US$1.7 billion) for carmakers; and temporary reduction of the industrial products tax on car sales (until April 2009).	7 February 2009	Permanent Delegation of Brazil to the WTO.
Canada	Offer to loan up to C$4 billion (US$3 billion) to GM and Chrysler (as of 19 March 2009 no disbursement of loans has been made).	20 December 2008	Permanent Delegation of Canada to the WTO.
Canada	Stimulus package "Canada Economic Action Plan" (almost C$30 billion (US$24 billion) in 2009, but to surpass C$50 billion (US$39 billion) over the next two years, including stimulus from other levels of government).	27 January 2009	Permanent Delegation of Canada to the WTO.
China	Support credit guarantee for SMEs (Yuan 1.6 billion (US$0.2 billion)).	October 2008	Permanent Delegation of China to the WTO.
China	Reduction of sales tax for cars.	20 January 2009	Permanent Delegation of China to the WTO.
Dominican Republic	Stimulus Package covering monetary and fiscal measures ("Cumbre de la Unidad Nacional Frente a la Crisis Económica Mundial").	January 2009	Permanent Delegation of the Dominican Republic to the WTO.
France	"Régime temporaire d'aides compatibles d'un montant limité". This measure allows State, regional or local authorities and certain public bodies to grant aid of up to €500.000 (US$652,100) in 2009 and 2010 to businesses which find themselves in difficulty as a result of the economic crisis.	19 January 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	"Régime temporaire de prêts bonifiés pour les entreprises fabriquant des produits verts". This measure provides reduced-interest loans to business investing in the production of green products. Supports businesses faced with financing problems because of the credit squeeze while at the same time making it easier for them to invest in products with an environmental benefit.	3 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	"Régime temporaire d'aides sous forme de taux d'intérêts bonifiés". This measure allows State, regional or local authorities and certain public bodies to grant aid in the form of reduced interest rates on loans.	4 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	"Régime temporaire d'aides sous forme de garanties". This scheme allows State authorities to grant aid, until 31 December 2010, in the form of subsidized guarantees for investment and working capital loans.	27 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Loans to car industry.	28 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 2 (cont'd)

Germany	Bayern LB: State support consisting of core capital	18 December 2008	Public information available on the

Country/ Member State	Measure	Date	Source
	increase of €10 billion (US$13 billion) and a risk shield of an amount of €4.8 billion (US$6.3 billion) through "Freistaat Bayern".		European Commission's website transmitted by the EC Delegation.
Germany	KfW-run loan component of German "Konjunkturprogramm" for larger companies. Aid to undertakings affected by the current credit squeeze. The programme will be administered by the Kreditanstald für Wiederaufbau (KfW).	30 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Loan programme (€15 billion (US$19.6 billion)) for SMEs providing interest rate reductions on loans to finance investments and working capital.	30 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	More flexible capital investments until 2010 for SMEs that are in early stages of development. Measure increases the maximum investment ranges from €1.5 million to €2.5 million (US$2 million to US$3.3 million).	3 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Loans at low interest rates for companies encountering financial difficulties as a result of the credit squeeze.	19 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Subsidized State guarantees for companies in the form of investment and working capital loans.	27 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
India	Broad stimulus package including: fiscal measures and changes in FDI regulations (allowing for larger shares of foreign ownership in areas such as: industrial parks, air transport services, petroleum and natural gas, and mineral and ores) to counter recessionary trends.	7 December 2008	Permanent Delegation of India to the WTO.
Hong Kong, China	Establishment of the "SME Loan Guarantee Scheme", with the Government acting as guarantor for up to 50% of the approved loans. Establishment of the "Special Loan Guarantee Scheme".	26 November 2008	Permanent Delegation of Hong Kong, China to the WTO, and WTO Document WT/WGTDF/W/41 of 26 November 2008.
Hungary	Temporary aid scheme for granting limited amount of compatible aid. The scheme enables the granting of aid of up to €500,000 (US$652,100) and reduced interest loans.	24 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Jamaica	Support loans to small businesses and micro-enterprises (US$350 million)	...	Permanent Delegation of Jamaica to the WTO.
Korea, Rep. of	Stimulus package of US$14.1 billion in total, which constitutes approximately 2.4% of Korea's GDP. The total amount of the package may be increased.	December 2008	Permanent Delegation of Korea to the WTO.
Korea, Rep. of	Reduction on the individual consumption tax on automobiles (local and imported) by 30%: from 5% to 3.5% for automobiles with engines below 2,000 cc; and from 10% to 7% for automobiles with engines above 2,000 cc. The measure is effective for the period 19 December 2008 to 30 June 2009.	December 2008	Permanent Delegation of Korea to the WTO.
Luxembourg	"Régime temporaire d'aides au redressement économique". This scheme enables granting aid of up to €500,000 (US$652,100) to businesses likely to have a structural impact on the national or regional economy.	27 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Malaysia	Stimulus Package (RM 7 billion (US$1.9 billion)).	14 November 2008	Permanent Delegation of Malaysia to the WTO.
Malaysia	Second Stimulus Package (RM 60 billion (US$16.2 billion)), including measures to attract FDIs.	10 March 2009	Permanent Delegation of Malaysia to the WTO.
New Zealand	Stimulus package (NZ$500 million (US$261.3 million)) for publicly-funded projects (housing, transport, and education).	11 February 2009	Permanent Delegation of New Zealand to the WTO.

Annex 2 (cont'd)

Peru	Stimulus package ("Plan de Estímulo Económico" and "Programa de Seguro de Crédito a la Exportación para	30 January 2009	Permanent Delegation of Peru to the WTO.

Country/ Member State	Measure	Date	Source
	Pequeñas y Medianas Empresas (SEPYMEX)").		
Portugal	Soft loans for granting of aid of up to €500,000 (US$652,100) for 2009 and 2010.	19 January 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Russian Federation	Financial support measures for the car industry: increase in government procurement volumes (maximum 87.5 billion Roubles, (US$2.5 billion)); loans to leasing companies (43 billion Roubles, (US$1.2 billion)); provision of State guarantees (130 billion Roubles, (US$3.7 billion)); and partial compensation on credit rates on vehicles purchased by private persons (2 million Roubles, (US$57,400)).	6 November 2008	Permanent Delegation of the Russian Federation.
Russian Federation	Special anti-crisis package for SMEs, including small scale agricultural enterprises (US$1.2 billion for 2009).	6 November 2008	Permanent Delegation of the Russian Federation.
Chinese Taipei	Commodity Tax on cars (passenger sedans, trucks, and dual-purpose vehicles with an engine of 2,000 cc or less) purchased and registered between 19 January and 31 December 2009 can be reduced by a maximum of NT$30,000 (US$884). The measure applies to both domestic and imported cars.	January 2009	Permanent Delegation of Chinese Taipei to the WTO.
Turkey	General stimulus package such as financial support (with zero interest rates) through Small and Medium Sized Industry Development Organization and Trade Credit Facility (US$650 million) for SMEs.	17 March 2009	Permanent Delegation of Turkey to the WTO.
Turkey	Temporary (three months) reduction of domestic taxes (VAT and special consumption taxes) for cars, new houses, and various durable goods.	18 March 2009	Permanent Delegation of Turkey to the WTO.
United Kingdom	Short-term provision of small amounts of compatible aid (De minimis) scheme. Measure enables aid of up to €500,000 (US$652,100) to be granted in 2009 and 2010 to businesses in difficulty as a consequence of the current economic crisis.	4 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
United Kingdom	Temporary measures to grant loan guarantees and interest rate subsidies. Businesses producing green products will benefit. (Scheme will initially concern car industry £2.3 billion (US$3.3 billion), but will be open to all sectors)	27 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
United States	The US Auto Industry Financing Programme aimed at stabilizing the US automotive industry through loans to General Motors and Chrysler. Under this programme, US Treasury agreed to loan General Motors (GM) US$13.4 billion (delivered in three instalments) and to loan Chrysler US$4 billion. The US Treasury is currently evaluating the restructuring submissions received 17 February 2009, under the terms of the loans to GM and Chrysler. On December 29 2008, US Treasury announced that it would purchase US$5 billion in senior preferred equity with an 8% dividend from GMAC LLC as part of a broader programme to assist the domestic automotive industry in becoming financially viable. Additionally, the US Treasury agreed to lend up to US$1 billion to General Motors so that GM could participate in a rights offering at GMAC in support of GMAC's reorganization as a bank holding company. On 16 January 2008, US Treasury announced a US$1.5 billion five-year loan to a special purpose entity created by Chrysler Financial to finance retail automotive purchases.	19 December 2008	Permanent Delegation of the United States to the WTO.
United States	American Recovery and Reinvestment Act of 2009 (ARRA) providing aid for US$787 billion (5.5% GDP).	17 February 2009	Permanent Delegation of the United States to the WTO.

Annex 2 (cont'd)

Uzbekistan	Stimulus package "Anti Crisis Action Programme 2009-	January 2009	Permanent Delegation of

Country/ Member State	Measure	Date	Source
	2012", including support of the banking system, to export companies and incentives for exports through: preferential credit and tax rebates.		Uzbekistan to the WTO.

NON-VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Austria	Government guarantees and investment support for automobile sector (€5.2 billion (US$6.8 billion)); additional R&D support (€33 million (US$43 million)) for environment technologies.	...	Press reports.
China	Stimulus package for 10 industries: auto, steel, shipbuilding, petrochemical, manufacturing equipment, information technology, modern logistic, non-ferrous metal, textile sectors, and light industries. (aimed at adjusting and invigorating industries).	25 February 2009	Agence France Press.
China	Stimulus Plan (two years) of Yuan 4 trillion (US$586 billion).	3 March 2009	WTO Reporter ISSN 1529-4153.
Japan	Support to the automobile sector: R&D subsidies to support next generation vehicles; wage support; and US$5 billion credit.	...	Press reports.
Japan	Government loans to Japanese companies operating in overseas markets (¥500 billion (US$5.1 billion)) through the Japan Bank for International Cooperation (JBIC). Loans under the programme will be syndicated between JBIC and private banks, with JBIC providing up to 60% of the value of loans, at market interest rates. (Toyota Motors has applied for a loan of US$2.1 billion).	4 March 2009	Financial Times.
Malaysia	Support to the automobile industry (US$54.2 million) to an automotive development fund; and government financing of a scrapping scheme to promote purchase of new cars from national automakers.	...	Press reports.
Morocco	Rescue package for three subsectors (automobile parts; textiles and clothing; leather and shoes) consisting of direct support equivalent to 20% of the workforce, and 80% of R&D for new markets. One year waiver on medium-term credit loans.	22 February 2009	Jeune Afrique No. 2511.
Portugal	Preferential loan to local car industry (€100 million (US$130.4 million)).	2 March 2009	Le Figaro.
Romania	Preferential loan to local car industry (€200 million (US$261 million)).	2 March 2009	Le Figaro.
Spain	Loan guarantee and support for research and development for car industry (€4 billion (US$5.2 billion)).	2 March 2009	Le Figaro.

... Not available.

ANNEX 3

Overview of National Bailout Measures/Plans and Guarantee Schemes for Financial Institutions (September 2008 - March 2009)

VERIFIED

Country/ Member State	Measure	Date	Source
Australia	Guarantee of deposits and wholesale funding of Australian banks, building societies and credit unions, Australia subsidiaries of foreign-owned banks, and domestic deposits of Australian residents with branches of foreign banks in Australia. All eligible deposits of up to A$1 million (US$656,000) are guaranteed for free. Deposits of over A$1 million, to be also guaranteed but with a fee.	...	Permanent Delegation of Australia to the WTO.
Australia	Financial Claims Scheme to provide depositors and general insurance policyholders with timely access to their funds in event of an institution failure.	2 June 2008	Permanent Delegation of Australia to the WTO.
Austria	Support scheme for financial institutions aimed at stabilizing the financial markets by providing guarantees, capital and loans.	9 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium	Fortis Bank: The State Guarantee Mechanism intended to facilitate financing.	19 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium, France, Luxembourg	Dexia financial group: State guarantee granted to restore investor confidence and to encourage inter-bank lending.	19 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium	KBC Group: emergency recapitalisation scheme of €3.5 billion (US$4.6 billion).	18 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium	Insurance and banking group Ethias: State aid in the form of capital injection in the amount of €1.5 billion (US$1.96 billion). The amount constitutes the minimum required to enable the beneficiary to continue operations and provides for an adequate return on the capital provided by the State authorities.	12 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Brazil	Purchase of equity stake in troubled banks to enhance competition and strengthen Brazil's financial system. Authorization granted to the two largest State-owned banks, Banco do Brasil and Caixa Econômica Federal, to constitute fully owned or controlled subsidiaries as well as to purchase participation in financial institutions based in Brazil.	22 October 2008	Permanent Delegation of Brazil to the WTO.
Canada	Extension of the Insured Mortgage Purchase Program (IMPP) to purchase high quality insured mortgages to improve liquidity in the financial system and ensure the availability of credit to consumers and businesses of financial institutions, by C$50 billion (US$39 billion) (an addition to the C$75 billion (US$59 billion) announced in the fall of 2008).	27 January 2009	Permanent Delegation of Canada to the WTO.
Denmark	Guarantee scheme for deposits and senior debt for the banking sector.	10 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Denmark	Roskilde Bank: package of measures for its liquidation. Danish authorities provided a guarantee for any losses in relation to this process.	5 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Denmark	Recapitalisation scheme and amendments to the existing guarantee scheme for banks.	3 February 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
Finland	Guarantee scheme aimed at stabilising the financial markets by ensuring financial institutions access to financing. The State guarantee would cover, against remuneration, the issuance of new short and medium term non-subordinated debt with maturity between 90 days and three years. A maturity of up to five years is limited to mortgage-backed bonds only (budget is capped at €50 billion (US$65.2 billion)). The scheme was modified as from 5 February 2009.	13 November 2008 and 5 February 2009.	Public information available on the European Commission's website transmitted by the EC Delegation.
Finland	Kaupthing Bank: State guarantee ensuring full compensation against legal risks; three Finish banks having settled Kaupthing deposit claims.	21 January 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Refinancing measures – guarantee and equity intervention for the banking sector. (The Société de refinancement des activités des établissements de crédit, SRAEC, will issue securities guaranteed by the State with a view to making loans to credit institutions against collateral). Total amount: €265billion (US$346 billion). Non-discriminatory access for banks authorized in France, including the subsidiaries of foreign groups	30 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Capital injection into certain banks. Intervention is capped at €21.5 billion (US$28 billion) (amended 28 January 2009). (It complements measure approved by the EC Commission on 31 October 2008). First tranche (€10.5billion (US$13.7 billion)) already utilized to recapitalise the top six banks: Crédit Agricole, BNP Paribas, Société Générale, Crédit Mutuel, Caisse d'Epargne, and Banque Populaire.	8 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Modification of risk capital scheme.	16 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Hypo Real Estate (HRE): the German Federal Government together with a group of German financial institutions provided loan guarantees totalling €35 billion (US$45.6 billion), for covering HRE's re-financing needs until April 2009, via a newly created special purpose vehicle.	2 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Rescue Scheme package intended to stabilize financial markets by providing capital (through recapitalization scheme), guarantees (by issue of short- and medium-term debt) and temporary acquisition of assets. The scheme was amended on 12 December 2008.	27 October 2008 and 12 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	NORDLB: banking rescue aid in form of a guarantee package. IKB: State support to stabilise the bank.	22 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Commerzbank: capital injection (€10 billion (US$13 billion), in addition to previous €8.2 billion (US$10.7 billion)) and acquisition of 25% stake.	9 January 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	SdB – Sicherungs-einrichtungsgesellschaft deutscher Banken GmbH: guarantee scheme (€6.7 billion (US$8.7 billion)) to bolster the German Deposit Protection Fund and to pre-finance future proceeds from the estates of insolvent Lehman Brother entities.	21 January 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Greece	Package providing eligible credit institutions with new capital and securities which can be converted into liquidity with the ECB as well as guarantees on short- and medium-term newly issued debt, under strict conditions.	19 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Hungary	Special package providing eligible credit institutions with new capital and guarantees on short- and medium-term newly issued debt, under strict conditions.	12 February 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
Ireland	Guarantee of deposits and debts of six banks (Allied Irish Bank, Bank of Ireland, Anglo Irish Bank, Irish Life and Permanent, Irish Nationwide Building Society, and the Educational Building Society).	13 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Ireland	Anglo Irish Bank: recapitalisation of €1,5 billion (US$2 billion).	14 January 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Italy	State guarantee on new liabilities issued by banks for maturities longer than three months and up to five years, six months renewable swap between bank's debt certificates and Treasury bills, whose interest rate and maturity perfectly match, so as to ensure an identical cash flow and straightforward pricing and also guarantee for banks in favour of third parties lending them high-grade assets which are in turn used by banks in the Eurosystem to obtain refinancing.	13 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Italy	Recapitalisation scheme for financial institutions, providing the possibility to subscribe subordinated debt instruments, to be counted as bank core tier 1 capital. The overall budget will be around €15-20 billion (US$19.6-26 billion). Amended on 20 February 2009 to provide capital to credit institutions.	23 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Jamaica	Bank of Jamaica provided US$168 billion in liquidity support to the banking sector	...	Permanent Delegation of Jamaica to the WTO.
Japan	Recapitalisation scheme (Law on Special Measures for Strengthening Financial Functions), for up to ¥12 trillion (some US$106 billion). Deposit-taking institutions.	12 December 2008	Permanent Delegation of Japan to the WTO.
Korea, Rep. of	State guarantee for up to three years for foreign currency denominated inter-bank loans made between 20 October 2008 and 30 June 2009, to stabilize Korea's financial markets and prevent potential comparative disadvantages. The programme applies equally to local and foreign banks constituted under Korean law. The total size of this programme will be US$100 billion. Liquidity support (by the Government and the Bank of Korea) of up to US$30 billion to foreign and domestic banks to relieve liquidity problems.	20 October 2008	Permanent Delegation of Korea to the WTO.
Latvia	JSC Parex Banka: package consisting of a State guarantee covering certain existing and new loans, of a State one-year deposit to support the bank's immediate liquidity needs and of subordinated loans to strengthen its capital base.	24 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Latvia	Support scheme for banks in form of a guarantee covering liabilities.	22 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Latvia	JSC Parex Banka: State guarantee, equity intervention, soft loans.	11 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Malaysia	Central Bank of Malaysia to provide soft loans (RM 200 million (US$54.1 million)) to commercial banks.	14 November 2008	Permanent Delegation of Malaysia to the WTO.
Netherlands	Guarantee scheme for all solvent financial institutions with significant activities in the Netherlands, including subsidiaries of foreign banks (capped at €200 billion (US$261 billion)).	31 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Netherlands	ING: emergency intervention (€10 billion (US$13 billion)) in the form of recapitalization granted via special type of securities.	12 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 3 (cont'd)

Country/ Member State	Measure	Date	Source
Netherlands	AEGON N.V: recapitalization (€3 billion (US$3.9 billion)) through a special type of securities.	27 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Netherlands, Luxembourg, Belgium	FORTIS Bank and FORTIS Bank Luxembourg: rescue and restructuring measure, consisting of capital injection.	3 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Netherlands	SNS REAAL N.V: emergency recapitalization (€750 million (US$978 million)).	10 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
New Zealand	Retail Deposit Guarantee Scheme, guaranteeing all retail deposits of up to NZ$1 million (US$522,700) with approved financial institutions for two years.	12 October 2008	Permanent Delegation of New Zealand to the WTO.
New Zealand	Wholesale Funding Guarantee Facility to investment-grade financial institutions in New Zealand which have substantial New Zealand borrowing and lending operations. The primary goal is to support the re-entry of New Zealand banks to regular foreign markets.	1 November 2008	Permanent Delegation of New Zealand to the WTO.
New Zealand	Reserve Bank announced temporary additional measures to enable local banks to access liquidity in exchange for a broader range of assets such as bank paper and asset-backed securities.	12 December 2008	Permanent Delegation of New Zealand to the WTO.
Panama	Fiscal stimulus package ("Programa de Estímulo Financiero (PEF)") providing grants to local banks.	September 2008	Permanent Delegation of Panama to the WTO.
Portugal	State guarantees (€20 billion (US$26 billion)) for financing agreements and the emission of non subordinated short- and medium-term debt.	29 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Portugal	Banco Privado Portugues: guarantee of €450 million (US$587 million).	13 March 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Russian Federation	Anti-crisis Action Plan, including measures to stabilize the financial and banking system, through measures such as: allocation of non-deposit credits for Russian credit organizations (US$50 billion).	6 November 2008	Permanent Delegation of the Russian Federation.
Slovenia	Guarantee scheme. Budget capped at €12 billion (US$15.7 billion). Available to all solvent Slovenian credit institutions, including Slovenian subsidiaries of foreign banks.	12 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Spain	Scheme intended to stabilize financial markets by providing liquidity to eligible institutions. The measure consists of reverse auctions with a government–sponsored fund purchasing assets outright or on a temporary basis via so-called repurchase agreement.	4 November 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Spain	Guarantee scheme, where State guarantee would cover, against remuneration, the issuance of notes, bonds and obligations admitted to the official secondary market in Spain. Estimated budget is capped at €100 billion (US$130 billion) and can increase to €200 billion (US$261 billion).	23 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Sweden	Rescue package which consists of a guarantee scheme covering new issuances of short- and medium-term non-subordinated debt. The total amount of debt to be covered is capped at approximately €150 billion (US$196 billion).	29 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Sweden	Carnegie Investment Bank: rescue aid worth €225 million (US$293 million).	15 December 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
Sweden	Modifications to support schemes for financial institutions (authorized 29 October 2008). Amendments concern, *inter alia*, the cancellation of growth restrictions of participating banks.	29 January 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
Sweden	Recapitalization scheme for fundamentally sound banks providing capital to banks. Allows government to provide share capital.	10 February 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Switzerland	UBS: transfer of illiquid assets to the Swiss National Bank Stabilization Fund up to a maximum amount of US$60 billion (UBS will finance 10% of the transfer); recapitalization (US$5.1 billion). On 10 February 2009, the maximum amount of the stabilization fund was reduced to US$39.1 billion. (Note: a similar offer was extended to Crédit Suisse Group, which has refrained from making use of this option).	16 October 2008	Permanent Delegation of Switzerland to the WTO.
Switzerland	Introduction of a leverage ratio, complementing the risk-based capital adequacy requirements of Basel II for two systemically relevant Swiss banks. This non risk-weighted nominal parameter will cap the sum of assets financed by debt, whereby domestic lending activities are not included in this calculation.	20 November 2008	Permanent Delegation of Switzerland to the WTO.
Trinidad and Tobago	The Central Bank has "bailed-out" a major financial institution which had interests ranging from life insurance to methanol production, representing almost 25% of GDP.	February 2009	Permanent Delegation of Trinidad and Tobago to the WTO.
United Kingdom	Bradford & Bingley: nationalization and winding down of the bank, the sale of its retail deposit book and branches along with a matching cash element to Abbey National and the provision of a working capital facility and guarantee arrangements.	1 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
United Kingdom	Financial support measures – guarantee and provision of risk capital for banks. Two types of measures: recapitalization scheme (up to £50 billion (US$70.9 billion)), and guarantee scheme (up to £250 billion (US$354.5 billion)). Available to any financial institution with substantial business in the UK.	13 October 2008	Public information available on the European Commission's website transmitted by the EC Delegation.
United States	Federal Reserve Actions surrounding AIG (rescue package (US$85 billion), in exchange for 80% public stake in the firm). AIG Restructuring under the Economic Stabilization Act on 10 November 2008 (additional recapitalization (US$37.5 billion)).	16 September 2008	Permanent Delegation of the United States to the WTO.
United States	TARP (Troubled Asset Relief Programme), under the Emergency Economic Stabilization Act of 2008, allowing the Secretary of the Treasury to purchase, and to make and fund commitments to purchase, troubled assets from any financial institution. Total amount foreseen: US$700 billion (US$250 billion upon enactment, other US$100 billion if requested by the President, and US$350 billion subject to Congressional approval). The Act defines "financial institution" 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".	3 October 2008	Permanent Delegation of the United States to the WTO.
United States	Treasury and Federal Housing Finance Agency Actions with respect to Fannie Mae and Freddie Mac: (mortgage lenders rescue package).	8 October 2008	Permanent Delegation of the United States to the WTO.

Annex 3 (cont'd)

Country/ Member State	Measure	Date	Source
United States	Citicorp: guarantee scheme for troubled assets (US$306 billion) and capital injection (US$20 billion), under the Targeted Investment Programme; complemented by the Asset Guarantee Programme (2 January 2009).	23 November 2008	Permanent Delegation of the United States to the WTO.

... Not available.