

G-20 Called on to Strengthen Multilateralism

WTO Director-General, Pascal Lamy, along with Organisation for Economic Co-operation and Development (OECD) Secretary-General, Angel Gurría, and the United Nations Conference on Trade and Development's (UNCTAD) Secretary General, Supachai Panitchpakdi, released reports calling upon G-20 countries to “redouble their efforts to strengthen multilateral cooperation and to seek to avoid situations that would create trade tensions between them.”

This was ahead of the November 4-5, 2012, G-20 Finance Ministers gathering in Mexico. (The G-20 includes: Argentina, Australia, Brazil, Canada, China, France, Germany, European Union, India, Indonesia, Italy, Japan, Mexico, Republic of Korea, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom and the United States.)

“G-20 governments should show leadership in preserving market openness,” Lamy, Gurría and Panitchpakdi said – particularly at times when the global economy remains sluggish. “The world urgently needs a stronger and renewed commitment, in particular from the G-20 economies, to revitalize the multilateral trading system which can restore economic certainty at a time when it is badly needed,” the three international organizations declared.

The November 4-5 meeting served as an assessment of the progress of the commitments made by the G-20 leaders at the Los Cabos summit on June 18-19, 2012 where they pledged “to open trade and investment regimes, expanding markets and resisting protectionism in all its forms [until the end of 2014]”.

The good news, the WTO says in its report covering G-20 trade measures over a five month period (May to mid-October 2012), is that countries have avoided “a serious protectionist breakout” despite the persistent economic crisis (the WTO forecast for world trade growth in 2012 has been revised downward from 3.7% in April to 2.5%).

“There has been a slowdown in the imposition of new trade restrictive measures by G-20 economies over the past five months.” The organization stressed. However, the new measures imposed by countries have come on top of those already put in place since the beginning of the crisis, most of which remain in effect, the report says.

“Since mid-May 2012, 71 new trade restrictive measures have been recorded, covering around 0.4% of G-20 merchandise imports, or 0.3% of world imports.”

One country that has been criticized for implementing new measures is Brazil which has temporarily increased its tariffs on certain products covering 100 tariff lines, by 25%. Another example is Korea which has extended to the end of the year the temporary elimination of import tariffs on pork under an import quota of 50,000 tonnes.

However, even though the accumulation of trade restrictions remains of concern, the WTO report says measures facilitating trade have outnumbered those considered as trade restricting. The organization cites countries like Argentina, Mexico, and Turkey, which have all put in place temporary elimination of import tariffs, and Canada – which last August effectively eliminated the Canadian Wheat Board's “monopoly” through the enactment of the *Marketing Freedom for Grain Farmers Act*.

“One of the dangers in the accumulation of trade restrictive measures is that the benefits of trade openness will be slowly and incrementally undermined,” the WTO says, calling on G-20 countries “to redouble their efforts to keep their markets open, and to advance trade opening as a way to counter slowing global economic growth.”

At their November 4-5 meeting in Mexico, G-20 countries claimed that their commitments not to engage in protectionist measures until 2014, as well as the discussions on global value chains and trade facilitation have helped improve the atmosphere of the WTO multilateral trade negotiations.

“Even if it is clear that the goal of achieving a Doha package encompassing 20 topics among the WTO’s 157 Members is out of reach in the short-term, the possibility still exists of advancing in smaller steps. This possibility should not be lost,” the WTO stressed.

Upcoming Events

- Services Plurilateral, November 2012
- Agriculture Special Session, mid-November (TBC)
- Regular Agriculture Committee, November 14-15, 2012
- CETA Ministerial Meeting, November 22-23, 2012
- TPP Round XV, December 3–12, 2012, Auckland (New Zealand)
- WTO General Council, December 19-20, 2012
- MC9, December 2013, Bali (Indonesia)

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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