

## **MEDIA RELEASE**

### **G20 must take action to fight protectionism and support trade finance to keep trade flowing**

Paris, 30 March 2009 – Leaders of the G20 countries must coordinate their national policies to end the global recession, support a monitoring system to honour previous promises to reject protectionism, and restore trade financing to more normal levels, the International Chamber of Commerce (ICC) said today.

“Trade is the lifeblood of the global economy and the world needs more of it at this critical moment, not less,” said ICC Chairman Victor K. Fung. “The G20 summit in London provides the perfect opportunity for the international community to reassert its confidence in the multilateral trading system, which spurred the phenomenal economic growth of recent years and pulled hundreds of millions of people out of extreme poverty. At this time of world crisis we call on the G20 leaders to harness the political will to adopt policies ensuring job creation and long-term economic growth,” Mr Fung added.

ICC said the need for a credible monitoring system to combat protectionism was underlined by a recent World Bank study showing that since the G20 Summit in Washington last November, 17 of the G20 countries have adopted 47 measures restricting trade. Increases in tariff and non-tariff barriers as well as discriminatory public procurement policies, for example, require careful monitoring.

World trade depends heavily on trade credit, which has all but collapsed during the current financial crisis, effectively throttling the flow of goods. A new survey by the ICC Banking Commission shows overall decreases of more than 40 percent in both trade credit volume and value.

On 11 March, the ICC Chairman met with British Prime Minister Gordon Brown to discuss trade finance, protectionism, and the long-delayed conclusion of the Doha Round of international trade talks.

“This crisis is one of confidence,” said Mr Fung. “A rapid conclusion to the Doha Round is one of the most direct ways to rebuild confidence. It will send a clear signal to businesses, investors and consumers the world over that countries can and do work together in their common long-term interest.”

“There is a grave danger, already manifested in some ways, that new measures of protectionism will creep in while the Doha Round remains in abeyance,” Mr Fung added.

As part of efforts to support international trade, ICC has recommended that the G20 adopt a comprehensive package to ensure that businesses have access to trade credit and that it take simple, pragmatic steps to increase the flow of finance for trade from both public and private sources. A number of low-cost measures to boost trade finance have been identified in the recently released ICC Banking Commission Report, “Rethinking Trade Finance 2009: An ICC Global Survey”.

[Click here to read a copy of “Rethinking Trade Finance 2009: An ICC Global Survey”](#)

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