



International Chamber of Commerce

The world business organization

Communications and Media Relations

MEDIA RELEASE

ICC denounces G20 rise in protectionism

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The International Chamber of Commerce (ICC) is urging G20 leaders to keep markets open to trade, following worrying results from a recently released WTO-OECD-UNCTAD report that G20 countries are increasing protectionist measures.

The joint report by the World Trade Organization (WTO), the Organization on Economic Co-operation (OECD) and United Nations Committee on Trade and Development (UNCTAD) on G20 trade and investment measures, released 24 May 2011, found that more new trade restrictive measures have been implemented in the past six-month period than in any previously reported period. From October 2010 to April 2011 alone, G20 members implemented 30 new export restrictions.

This occurred despite the G20's reaffirmation at the 2010 Seoul Summit to resist protectionism until the end of 2013. G20 leaders had agreed early that year, at their Toronto Summit, to withdraw any protectionist measures in the pipeline, including export restrictions and WTO-inconsistent measures for stimulating exports. The WTO-OECD-UNCTAD report reveals that the exact opposite is taking place.

The joint report further confirms an ICC-commissioned study, released by the Peterson Institute for International Economics in 2010, stating that all G20 countries have implemented protectionist trade measures since 2008. According to Global Trade Alert, G20 countries applied discriminatory measures worth US\$1.6 trillion, or 10% of all world trade, in 2008 alone.

"Given that the results of the WTO-OECD-UNCTAD report are based on self-reporting from G20 countries, and that they most likely reported only what was necessary, we can assume that trade protectionism is actually worse," said ICC Secretary General Jean-Guy Carrier. "This worrying trend undermines policies for economic recovery and job creation, at a time when the world economy remains at risk."

Concerns in the global business community about this protectionist trend have prompted ICC to put into place its own indicator to monitor market openness. The Open Market Index will provide an annual ranking of the 50 top-trading countries by order of their openness to trade and investment. This private sector indicator to monitor protectionism will be launched ahead of the G20 Summit – being held in Cannes, France on 3-4 November 2011.

"The G20 leaders must come together to ensure the successful conclusion of the Doha Round. This is more critical than ever given that protectionist measures, which they had committed to scaling back, have actually been increasing since the financial crisis began," said ICC Chairman Gerard Worms. "A successful conclusion of the Doha Round in 2011 would inject crucial trade growth into the global economy, boosting business confidence and fuelling the private investment that is the key to creating jobs".

Achieving the Doha Development Agenda would provide the world economy with a debt-free stimulus package, thereby sustaining global economic growth. Implementing what is already on the table would generate a US\$68 billion annual increase in world exports. But, by some estimates, a final Doha Round agreement could eventually contribute as much as US\$280 billion annually to global GDP.

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For more information on the ICC-commissioned study released by the Peterson Institute for International Economics in 2010 visit: <http://www.iccwbo.org/iccrf/id30984/index.htm> |

For more information on Global Trade Alert visit: www.globaltradealert.org

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About the International Chamber of Commerce

The International Chamber of Commerce is the largest, most representative business organization in the world. Its hundreds of thousands of member companies in over 120 countries have interests spanning every sector of private enterprise.

A world network of national committees keeps the ICC International Secretariat in Paris informed about national and regional business priorities. More than 2,000 experts drawn from ICC's member companies feed their knowledge and experience into crafting the ICC stance on specific business issues.

The United Nations, the World Trade Organization, the G20 and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC.

For more information please visit: www.iccwbo.org