



The Protectionist Response to the Crisis and Employment

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Prof. Simon J. Evenett

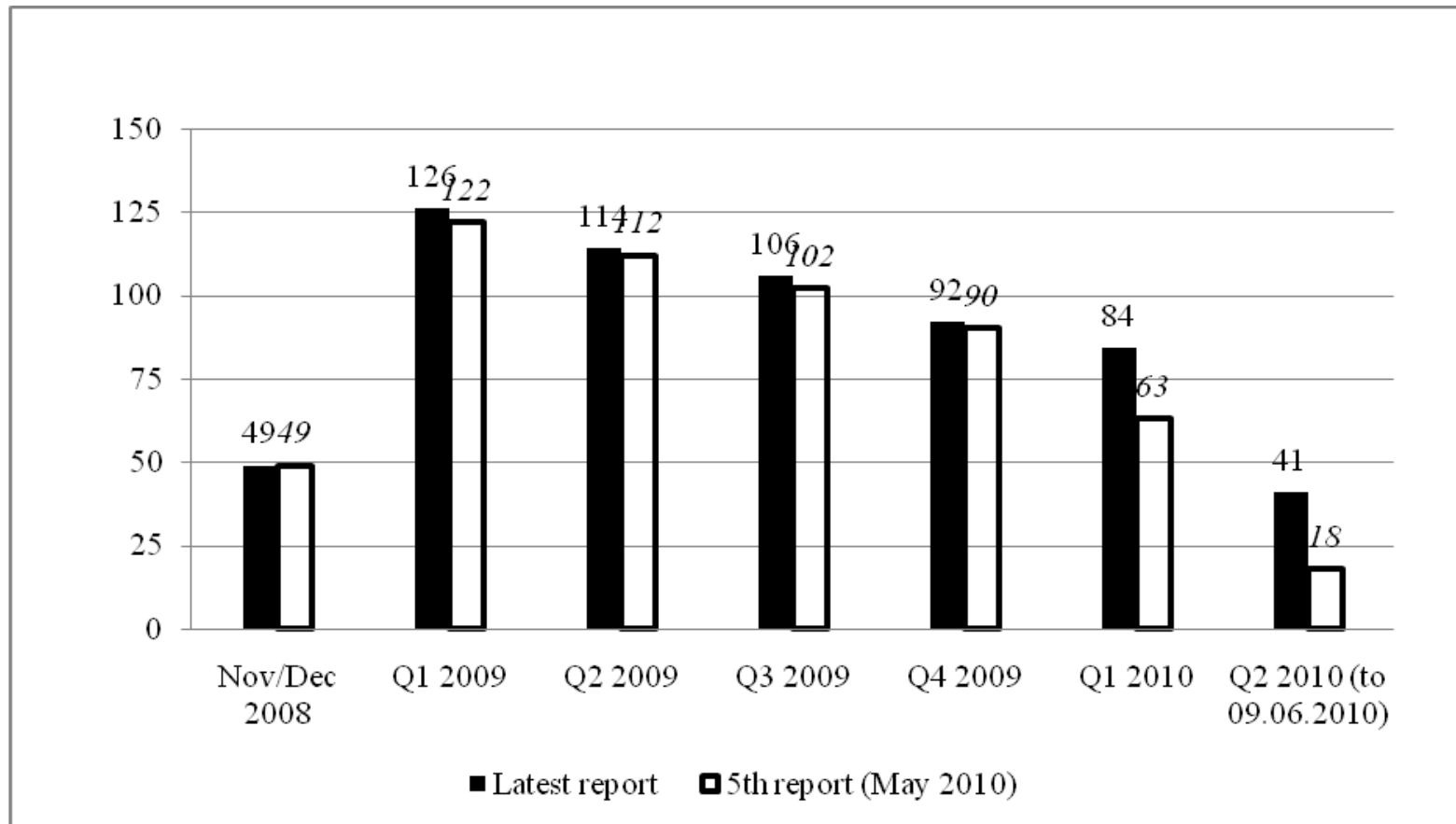
Purpose of this presentation

- Given the nature and prevalence of beggar-thy-neighbour measures taken during the crisis, what are the implications for employment conditions?
- Summarise main findings of the Global Trade Alert (sixth report to be published on Wednesday, see www.voxeu.org and www.globaltradealert.org)
- Rational crisis-era policy responses: a case study of the Russian automobile industry.

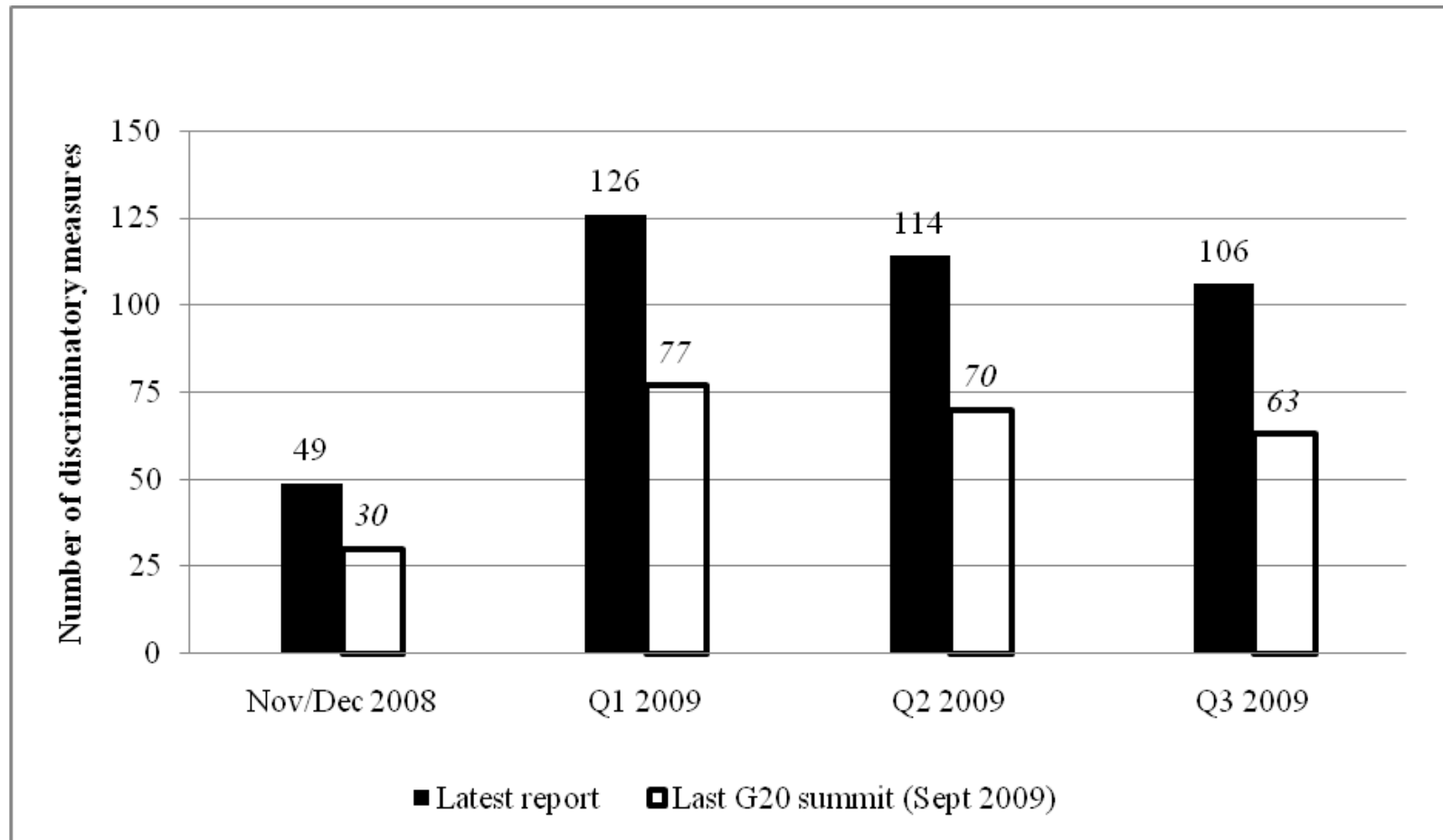
Measures implemented since first crisis-related G20 summit in November 2008, totals for all jurisdictions and change since last G20 summit.

Statistic	This report (June 2010)		Increase from previous G20 meeting (2 nd GTA report)	
	Total	Total except unfair trade and safeguards investigations	Total	Total except unfair trade and safeguards investigations
Total number of measures in GTA database	775	609	495	378
Total number of measures coded green	135	108	95	72
Total number of measures coded amber	91	61	43	31
Total number of measures coded red	554	443	357	275

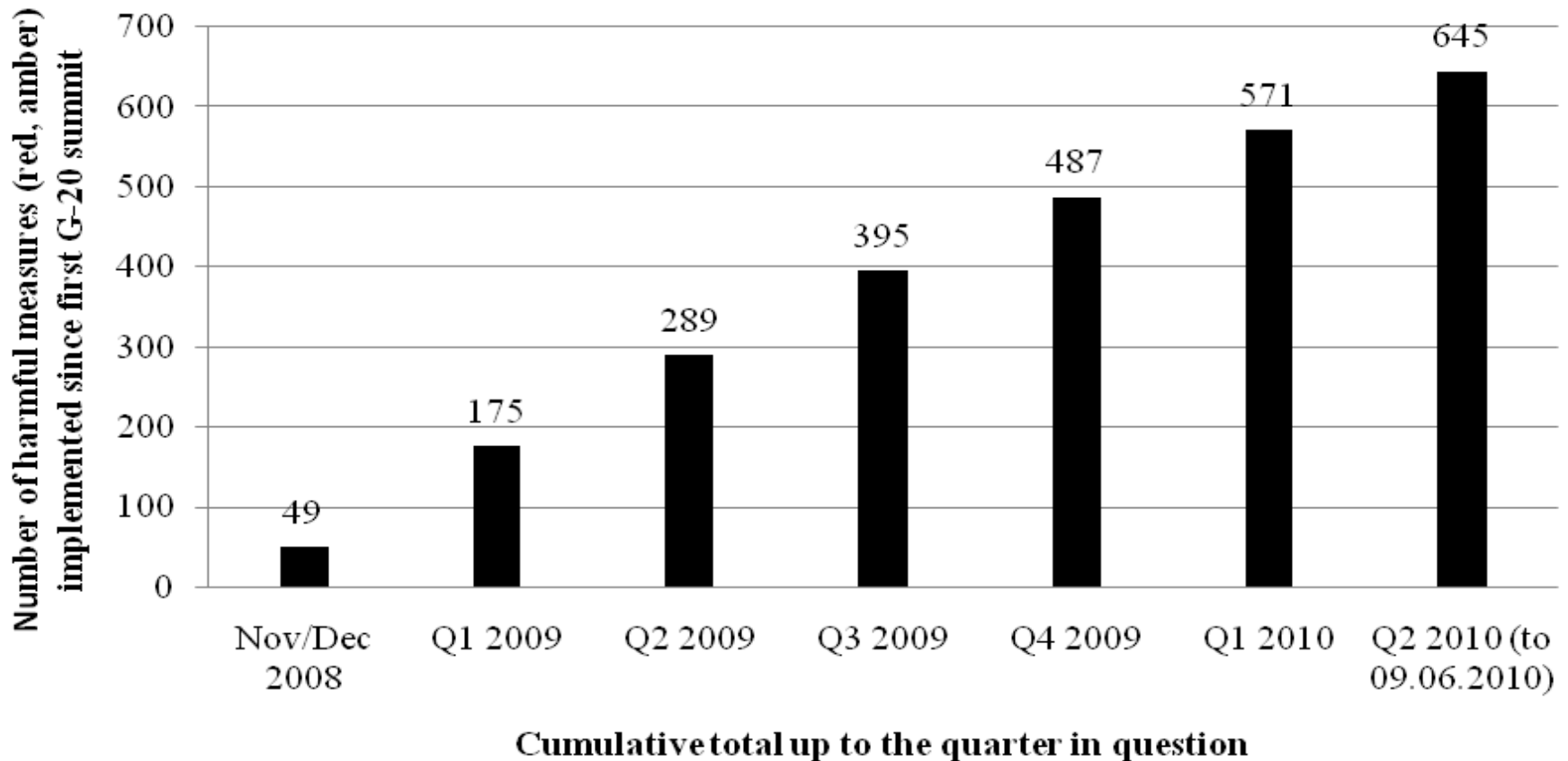
Q4 2009 and Q1 2010 are on track to match the same protectionist pace as the first half of 2009, when concerns about protectionism were at their highest.



The record for 2009 now looks much worse than it did at the last G20 meeting; documenting "murky protectionism" takes time.



Nearly 650 harmful measures, taken since the G-20 Leaders' summit in November 2008, remain; there is much crisis-era protectionism to unwind.



Who has caused most harm?

Rank	Metric, Country in specified rank, Number			
	Ranked by number of (almost certainly) discriminatory measures imposed	Ranked by the number of tariff lines (product categories) affected by (almost certainly) discriminatory measures	Ranked by the number of sectors affected by (almost certainly) discriminatory measures	Ranked by the number of trading partners affected by (almost certainly) discriminatory measures
1	EU27 (146)	Venezuela (784)	EU27 (55)	EU27 (168)
2	Russian Federation (73)	Kazakhstan (719)	Algeria (54)	Argentina (161)
3	Argentina (41)	Nigeria (599)	Nigeria (45)	China (161)
4	India (31)	EU27 (437)	Venezuela (38)	Indonesia (152)
5	Germany (29)	Russian Federation (421)	Kazakhstan (36)	Russian Federation (142)
6	UK (24)	India (347) Indonesia (347)	Russian Federation (34)	Finland (132) Germany (132) South Africa (132) Belgium (131) Brazil (131)
7	Indonesia (22)		Ethiopia (32)	
8	China (19)	Ethiopia (345)	Indonesia (32)	
9	Italy (19)	Argentina (336)	India (31)	
10	Austria (17)	China (335)	Germany (27)	

Top 10 most used measures

State measure	Number of discriminatory (red) measures imposed.	
	This report (June 2010)	Increase from previous G20 meeting (2 nd GTA report)
Bail out / state aid measure	183	121
Trade defence measure (AD, CVD, safeguard)	112	84
Tariff measure	75	44
Export taxes or restriction	31	25
Public procurement	28	16
Non tariff barrier (not otherwise specified)	26	15
Migration measure	24	17
Export subsidy	19	10
Import ban	16	10
Local content requirement	15	na

Top 10 most affected sectors

CPC code, Affected Sector	Number of discriminatory (red) measures affecting commercial interests in this sector
81 (Financial intermediation services and auxiliary services therefor)	74
41 (Basic metals)	66
49 (Transport equipment)	63
44 (Special purpose machinery)	56
01 (Products of agriculture, horticulture and market gardening)	54
34 (Basic chemicals)	49
42 (Fabricated metal products, except machinery and equipment)	46
21 (Meat, fish, fruit, vegetables, oils and fats)	45
23 (Grain mill products, starches and starch products; other food products)	41
02 (Live animals and animal products)	39

China is the only developing country among the Top 10 targets

Top 10 Targets	Number of discriminatory measures imposed on target	
	This report (June 2010)	Increase from previous G20 meeting (2 nd GTA report)
China	282	183
EU27	266	na
USA	213	127
Germany	204	120
France	188	110
UK	181	109
Italy	175	105
Belgium	170	92
Japan	168	90
Netherlands	163	92

Impact on LDCs

- Data can be extracted directly from GTA website.
- Number of benign or liberalising measures benefiting LDC exports: **31**
- Number of harmful measures facing LDC exports: **94**
- Number of pending harmful measures: **19**
- Number of jurisdictions responsible for harmful measures: **60**.
- Top 3 harmful measures imposed on LDCs:
 - Bailouts and state aids (26)
 - Tariff measures (23)
 - Export taxes and restrictions (22).

Rational policy choice? The case of Russian Automobiles

- See Gerasimenko (2010) case study in the forthcoming (6th) GTA report.
- Light car industry suffered 33 protectionist measures, half imposed by Russia.
- Average value of subsidy support per car in 2009: 138,258 roubles (US\$4,600).
 - In 2010 average support expected to rise to 197,000 roubles (US\$6,500).
- NB: Annual average salary of workers: US\$6,000.
- On top of this tariff increases have already led to price rises of 33 percent on domestic cars.
- Domestic sales continue to fall, imports fall faster.