



10 November 2016

**REPORTS ON G20
TRADE AND INVESTMENT MEASURES¹
(MID-MAY TO MID-OCTOBER 2016)**

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We are pleased to submit our reports on G20 trade and investment measures. At their meeting in Hangzhou, China on 4-5 September 2016, G20 Leaders emphasized that strong economic growth must be reinforced by robust and sustainable trade. They reaffirmed their determination to ensure a rule-based, transparent, non-discriminatory, open and inclusive multilateral trading system with the World Trade Organization playing the central role and reiterated their opposition to protectionism on trade and investment in all its forms. G20 Leaders also extended their commitments to standstill and rollback of protectionist measures until the end of 2018 and expressed support for the work of the WTO and other international organizations in monitoring protectionism. Our reports delivered today under the mandate provided by G20 Leaders in 2008 to the WTO, OECD and UNCTAD cover trade and investment measures implemented during the period from mid-May to mid-October 2016.

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Attachments: Joint Summary on G20 trade and investment measures
 Trade report
 Investment report
 Summary of trade and trade-related measures taken since October 2008
 (made available separately)

Joint Summary on G20 Trade and Investment Measures

We recall that G20 Leaders, at their last Summit in Hangzhou, China on 4-5 September 2016, expressed concern with the slow growth in trade and investment globally and emphasized that open markets must be accompanied by appropriate domestic policies to ensure that benefits are widely distributed. They endorsed the G20 Strategy for Global Trade Growth, under which the G20 will lead by example to lower trade costs, harness trade and investment policy coherence, boost trade in services, enhance trade finance, promote e-commerce development and address trade and development. Finally, Leaders endorsed the G20 Guiding Principles for Global Investment Policymaking, which will help foster an open, transparent and conducive global policy environment for investment, promote coherence in national and international policy-making, and promote inclusive economic growth and sustainable development.

The sixteenth WTO Report on G20 trade measures has again outlined the persistent challenges faced by the international economy and for global trade. The overall stock of trade-restrictive measures continues to grow. The number of new trade-restrictive measures being introduced still remains worryingly high given continuing global economic uncertainty and the WTO's downward revision of its trade forecasts, predicting 1.7% world merchandise trade volume growth in 2016, from its earlier forecast of 2.8%. If this revised forecast is realized, this would mark the slowest pace of trade and output growth since the financial crisis of 2009.

G20 economies must re-double efforts to deliver on the commitment to refrain from taking new protectionist measures and roll back existing ones and G20 Leaders need to work together to ensure that the benefits of trade are spread more widely and are better understood.

The overall direction of investment policy measures – both specific to FDI and not specific to FDI – taken by G20 Members remains solidly oriented towards further liberalisation and easing of conditions for international capital flows. G20 Members have maintained this stance since their commitment taken first at the Washington Summit in November 2008 as documented in this series of public monitoring reports mandated by G20 Leaders and in the Guiding Principles for Global Investment Policymaking (see above).

The continued move towards greater openness for international capital flows and facilitating investment takes place in an environment of persistent low growth in most G20 economies and weak recovery as measured by a broad set of economic indicators. G20 Members are commended for their stance and commitment to openness as documented by both their action and words in the recent [G20 Leaders' Communique of the Hangzhou Summit](#).

Although the findings of the incremental inventories established by OECD and UNCTAD are encouraging, multiple restrictions to international investment remain in many sectors in G20 Members, explicitly in rules or less explicitly in the application of discretionary policies. Reviewing whether the stock of restrictions to foreign investment can be further reduced remains a priority task for G20 governments to put their pledge to build an open world economy, reject protectionism, and promote global investment into action.

Also, investment policies with discretionary elements – especially those related to national security concerns – as well as concerns about unequal competition among companies that dispose of different degrees of government backing or funding require attention and dialogue to reconcile views and approaches resulting from different economic models and traditions in the common interest of openness and fairness in the area of international investment.