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**REPORTS ON G20
TRADE AND INVESTMENT MEASURES¹
(MID-MAY 2014 TO MID-OCTOBER 2014)**

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We are pleased to submit our reports on G-20 trade and investment measures. At their last summit meeting in St. Petersburg, Russia on 5-6 September 2013, G-20 Leaders delivered a strong statement of commitment to free trade and investment as a crucial element for restoring global growth. In recognition of the continued risks of economic slowdown and trade weakening posed by persistent protectionist pressures around the world, they also extended until the end of 2016 their standstill pledge with respect to measures affecting global trade and investment and their commitment to roll back new protectionist measures. These reports cover trade and investment measures implemented in the period from mid-May to mid-October 2014. Also attached is a list of all trade and trade-related measures adopted by G-20 members since the beginning of the trade-monitoring exercise in which the status of each measure is indicated. This list is aimed at facilitating the task of G-20 members to resist protectionism and promote liberalization through the reduction of trade-restricting measures.

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Attachments: Joint Summary on G-20 trade and investment measures
 Trade report
 Investment report
 Summary of trade and trade-related measures since October 2008
 (made available separately)
 Report on G20 Investment Measures Taken between 2 April 2009 and
 15 October 2014 (made available separately)

Joint Summary on G-20 Trade and Investment Measures

We recall that G-20 Leaders, at their last Summit meeting in St. Petersburg, Russia on 5-6 September 2013, delivered a strong statement of commitment to free trade and investment as crucial for restoring global growth. Their message on the importance of the multilateral trading system in guaranteeing free and rules-based trade and fostering economic opportunities reiterated the Group's emphasis on trade and investment as fundamental for economic growth, sustainable development and job creation globally and at national level. Recognizing the continued risks of economic slowdown and trade and investment weakening posed by protectionism, G-20 governments extended until the end of 2016 their standstill commitment with respect to measures affecting global trade and investment and their commitment to roll back new protectionist measures. Finally, Leaders also stressed the significance of a positive outcome at the WTO Ministerial Conference in Bali in December 2013 as a stepping stone towards further multilateral trade liberalization and conclusion of the Doha Development Round and urged all WTO Members to show the necessary flexibilities towards that goal.

With continuing global economic uncertainty and sluggish trade growth, it remains of concern that the stock of restrictive trade measures introduced by G-20 economies since 2008 has continued to increase during the period between mid-May 2014 and mid-October 2014. Prevailing global economic conditions mean that this is not a time for complacency in the international trading system. The G-20 economies must take decisive action to reduce this stock of trade restrictions by showing restraint in the imposition of new measures and by effectively eliminating existing ones. Of the 1244 restrictions recorded by this exercise since the onset of the crisis in 2008, only 282 have been removed. Thus, the total number of those restrictive measures still in place now stands at 962 – up by 12% from the end of the reporting period in November 2013. The combination of the continuing addition of new restrictive measures and a relatively low removal rate runs counter to the G-20 pledge to roll back any new protectionist measures that may have arisen.

G-20 economies applied 93 new trade restrictive measures during this five-month period, compared with 112 during the previous six months. As in previous periods, trade remedy measures account for more than 50% of these measures, followed by other restrictive import measures and restrictive measures affecting exports. In terms of trade coverage, the trade remedy actions and other restrictive import measures applied by G-20 economies during the period under review constitute 0.8% of the value of G-20 merchandise imports and 0.6% of the value of world merchandise imports. This amounts to around US\$ 118 billion. Further, the import restrictive measures recorded since October 2008 that remain in place cover around 4.1% of the value of world merchandise imports and around 5.3% of the value of G-20 imports. This amounts to US\$ 757.0 billion.

Despite the continuing increase in the stock of new trade restrictive measures recorded since 2008, the trade policy reaction to the 2008 global economic and financial crisis has been more muted than expected based on previous crises. This shows that the multilateral trading system has acted as an effective backstop against protectionism. However, it is clear that the system can do more to drive economic growth, sustainable recovery and development. World trade has grown more slowly than expected since the June 2014 Report, due largely to slow and uneven economic growth in both developed and developing economies. On current forecasts trade growth will remain below average in 2014 and 2015. The removal of remaining trade restrictive measures combined with further multilateral trade liberalization would be a powerful policy response.

The findings regarding investment are more encouraging and testify to the value that governments attach to open international investment policies as an important contributor to growth. The investment policy measures introduced by G-20 members between May and October 2014 tended, for the most part, to enhance openness and transparency for international investment. Also, four of the five G-20 members that have changed their policies with respect to Foreign Direct Investment (FDI) have further opened their infrastructure sectors to foreign capital, thus reinforcing policies that promote long-term financing for investment – especially in infrastructure – that G-20 Leaders have committed to. In this connection, it is worth recalling the importance that G-20 governments send policy messages that boost public and investor confidence by adopting measures that serve genuine public policy goals (e.g. protecting national security) and that are not used as a cover for hidden protectionism.