4 November 2010

REPORTS ON G20
TRADE AND INVESTMENT MEASURES[1]

(MID-MAY TO MID-OCTOBER 2010)

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We are pleased to submit our reports on G20 trade and investment measures in response to the G20 Leaders' latest request made at their Summit meeting in Toronto on 26-27 June 2010 when they asked "the WTO, OECD and UNCTAD to continue to monitor the situation within their respective mandates, reporting publicly on these commitments on a quarterly basis". These reports cover measures taken in the period from mid-May until mid-October 2010. As requested at the sherpas meeting in Calgary, also attached is a list of all trade and trade-related measures adopted by G20 members since the beginning of the monitoring exercise in October 2008 and the status of these measures. This list is aimed at facilitating the task of G20 members in gradually exiting the trade restricting measures.

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Secretary-General	Director-General	Secretary-General
OECD	WTO	UNCTAD

Attachments:
- Joint Summary on G20 trade and investment measures
- Trade report
- Investment report
- Summary of trade and trade-related measures (October 2008 to mid-October 2010)

Joint Summary on G20 Trade and Investment Measures

By and large, since the Toronto Summit, G20 governments have continued to resist protectionist pressures.

Some G20 governments have imposed new trade restricting or distorting measures. These are recorded in this report. However, in aggregate there has been a slight decline in the number of these measures and in their trade coverage relative to the levels registered earlier this year. Also, there has been a marked increase in the number of new measures introduced to facilitate trade, especially by reducing or temporarily exempting import tariffs and by streamlining customs procedures.

The majority of new investment measures taken by G20 governments has aimed at facilitating and encouraging investment flows. Emergency measures taken in response to the crisis (for example, rescues of banks and non-financial companies) continue to account for the bulk of measures applied. More than two years after the onset of the financial crisis, G20 countries have almost stopped introducing new emergency schemes but numerous existing ones continue to be open for new entrants. Some schemes have been discontinued and related assets and government guarantees are being wound down. As in previous reports, no overt cases of discrimination against foreign investors could be found in the implementation of these programmes, though cases of disguised discrimination may well exist.

Although the record so far is reasonably satisfactory, there is a need for increased vigilance in the coming months to three potential dangers.

The first is signs of intensifying protectionist pressures, dark clouds that are being driven by persistent high levels of unemployment in many G20 countries, macroeconomic imbalances between them, and tensions over foreign exchange rates. The stability of the trading system will be put at considerable risk if currencies move in what some perceive as the pursuit of an exchange-rate-induced comparative advantage. We urge G20 governments to address these risks. Economic problems whose origins lie outside the field of trade and investment policymaking cannot be resolved by restricting flows of international trade or investment; indeed, using trade or investment restrictions in these circumstances will only complicate the task of finding and implementing more lasting solutions to those problems.

The second is the danger of a steady accumulation over time of measures that restrict or distort trade and investment. Since the end of 2008, new trade restrictions have built up slowly but in aggregate they now cover 1.8 per cent of total G20 imports. Only around 15 per cent of the measures introduced since the outbreak of the crisis have been removed so far. This is too low. G20 governments need to give priority to removing those measures. Whereas for investment measures, the overall balance continues to be on the side of liberalization, promotion and facilitation, the impact of restrictive measures cannot be overestimated.

The third is the challenge of managing the trade and investment impacts of restrictive measures taken in response to the crisis. These measures pose serious threats to market competition in general. Exit strategies to unwind them should be transparent and accountable and should not be used as a pretext to discriminate directly or indirectly against certain investors, including foreign investors.

In Toronto, G20 Leaders took the welcome decision to renew for a further three years, until the end of 2013, their commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO-inconsistent measures to stimulate exports, and to rectify such measures as they arise. In the months ahead, G20 governments need to firmly respect the letter as well as the spirit of that commitment. A premium must be placed on removing existing restrictions.

Keeping trade and investment open has been and continues to be crucial in providing sustainable opportunities for countries to emerge from the global crisis, in particular at times of growing difficulties for many in their public finances.

This is why we call on G20 governments to inject a sense of urgency towards concluding the Doha Round. G20 leaders should send a clear political signal that they are ready to walk the last mile of the Doha Round negotiations.

WTO OMC

REPORT ON G20 TRADE MEASURES
(MAY 2010 TO OCTOBER 2010) [1]

EXECUTIVE SUMMARY

Trade protectionism kept at bay, but slippage continues

Since their Toronto Summit last June, G20 governments have continued to exercise restraint over the imposition of new trade restrictions. The number of new measures imposed by G20 countries is still increasing, but more slowly than in the past and with a welcome decline so far this year in the initiation of new trade remedy actions (anti-dumping duties, countervailing measures and safeguards).

Type of restrictive measure	1st G20 Report Apr.-Aug. 2009	2nd G20 Report Sep. 2009-Feb. 2010	3rd G20 Report Mar.-May 2010	4th G20 Report May-Oct. 2010
Trade remedy	50	52	24	33
Border	21	29	22	14
Export	9	7	5	4
Other	0	7	5	3
Total	80	95	56	54

New restrictive measures introduced in this period cover 0.3 per cent of total G20 imports, and 0.2 per cent of total world imports.

	October 2008 - October 2009	November 2009 - May 2010	May 2010 - October 2010
In total world imports	0.8	0.4	0.2
In total G20 imports	1.0	0.5	0.3

Import tariffs and taxes have been raised on a few products, notably dairy products, plastic products and agricultural equipment, and a number of new export restrictions have been imposed on raw materials, food products and some minerals.

Although not recorded in this Report as new measures, support programmes introduced in the wake of the financial crisis continue to be applied by some G20 governments in favour of agriculture and selected manufacturing sectors, including the targeting of exports.

[1] This is intended to be a purely factual report and is issued under the sole responsibility of the Director-General of the WTO. It has no legal effect on the rights and obligations of WTO Members, nor does it have any legal implication with respect to the conformity of any measure noted in the report with any WTO Agreement or any provision thereof. This report is without prejudice to Members' negotiating positions in the Doha Round.

In the area of trade in services, G20 countries are maintaining the general thrust of their trade policies and levels of market openness.

Accumulation of restrictive measures is a concern due to the slow rate of removal of old measures

Satisfaction that slippage towards trade restriction has not been more pronounced must be tempered by concern that even a slow but steady increase in trade restrictions leads over time to accumulating damage to trade flows, and by the limited progress that G20 countries have made towards unwinding their measures as the circumstances that led to their imposition recede. Since October 2008, on aggregate, new G20 trade restrictions have grown to cover 1.8 per cent of G20 imports and 1.4 per cent of total world imports. Only around 15 per cent of the trade restrictive measures introduced since the outbreak of the crisis have been removed so far, which indicates that the bulk of them still remain in force.

The sectors most severely affected by restrictive measures during the period under review include mainly electrical machinery, mineral fuels and oils, and machinery and mechanical appliances. Certain sectors, which were already relatively heavily protected before the crisis, continue to be targeted by restrictive measures. This creates a danger of chronic protection of these sectors hampering structural adjustment at home and denying export opportunities abroad.

Most of the instances of removal of trade restrictions has been in the area of trade remedy actions, which have their own dynamic in terms of elimination of measures. The majority of other border measures imposed in the context of the financial crisis and its aftermath are still in place.

An increasing number of trade facilitating measures

A welcome development is that the steady increase in the number of trade facilitating measures. During the review period, some G20 governments took actions to further open their trade regimes, in particular by reducing import tariffs, although in some instances these reductions were implemented only on a temporary basis, and by streamlining trade-related border procedures.

In the area of trade in services, some G20 governments have introduced significant changes to their foreign investment regimes in order to allow broader presence of foreign suppliers in various service sectors. Reliance on state support for financial institutions has declined, particularly in the United States.

World trade is recovering fast

World trade has recovered far more strongly than output from its worst decline in many decades. The volume of world trade in July 2010 was roughly equal to its level of July of 2008, and very close to the pre-crisis peak in April of that year. The volume of world merchandise exports is forecast by the WTO to grow by 13.5 per cent in 2010, following a plunge of more than 12 per cent in 2009. Merchandise exports of developed countries are expected to expand by 11.5 per cent in volume terms while the rest of the world is expected to see an increase of 16.5 per cent.

However, very rapid trade growth in the first half of 2010 appeared to slow down over the summer months, and clearly there are uncertainties ahead for continued trade expansion as G20 countries work to put in place the macroeconomic conditions needed for strong, sustained and balanced economic growth.

The business environment for trade finance has continued to improve since the middle of 2009. However, traders in low-income countries remain subject to significant difficulties in having access to trade finance at affordable prices. Access to trade finance has become particularly problematic for African firms. Concerns remain that too stringent regulation and regulatory assymetries across jurisdictions may have a negative impact on the cost and availability of trade finance. The WTO Expert Group on Trade Finance is continuing to explore sustainable solutions for these countries.

But, protectionist pressures are increasing

The last few months have seen a dangerous increase in protectionist pressures generated by global imbalances, at a time when the political consensus in favour of open trade and investment is already under strain from stubbornly high levels of unemployment in many G20 countries. Higher risks for the world economy are being generated by turbulences in currency markets and by government decisions that some may perceive as a deliberate pursuit of an exchange-rate-induced comparative advantage. The underlying causes of this dangerous cocktail of large trade imbalances, persistent high levels of unemployment and disorderly movements in currencies are macroeconomic in nature. Restricting trade cannot correct those imbalances, but it may easily provoke retaliation which would seriously threaten jobs and growth worldwide.

Above all in current circumstances, there is a need to maintain the spirit of international cooperation and level of policy coherence to tackle global economic problems that the G20 demonstrated throughout 2009 and the first half of this year. Restricting trade has nothing to offer to the G20 goal of strong, sustained and balanced economic growth. Avoiding an escalation of trade tensions and completing the Doha Round of multilateral negotiations is more central than ever to trade-led expansion of output and jobs worldwide. The G20 has it in its power to turn that promise into reality.

I. INTRODUCTION

1. This fourth Report on G20 measures reviews trade and trade-related developments in the period from mid-May 2010 to mid-October 2010. Reports covering previous periods were issued on 14 June 2010, 8 March 2010, and 14 September 2009.[2]

2. The country-specific measures listed in Annex Tables 1 and 2 are new measures taken by G20 members during the covered period. Measures and programmes implemented before May 2010 are not listed in these annexes, although most of them may still be in place. A summary table, provided separately, lists all measures taken since the beginning of the WTO's trade monitoring exercise indicating the status of the listed measures.

3. Information about the measures covered by the Report has been collected from inputs submitted by G20 members and from other official and public sources. Thirteen G20 members (counting the EU and its G20 Member States separately) provided information on trade and trade-related measures they had taken; one other G20 member notified only the measures that had been taken by others. Argentina, Brazil, China, India, Saudi Arabia, and South Africa did not reply to the Director-General's initial request for inputs. All information collected was sent for verification to the G20 member concerned.[3] Where it has not been possible to verify formally a measure, that fact is noted in the Annex Tables.

II. TRADE AND TRADE-RELATED POLICY DEVELOPMENTS

A. OVERVIEW

4. During the period under monitoring (mid-May to mid-October 2010) most G20 governments have largely continued to resist protectionist pressures, and in some instances have instead pursued trade opening actions. Although some G20 countries put in place new measures that restrict and/or distort trade, or that potentially can restrict or distort trade, G20 governments continue to be relatively restrained overall in their use of protectionist trade measures.

5. The number of potentially trade restrictive measures taken by G20 countries appears to be on a declining trend. Table 1 gives the evolution of these numbers based on this report and on previous G20 trade monitoring reports. The measures counted in the table are not all comparable, in particular in terms of their potential impact on trade flows. Some measures may apply to one specific product or import origin, while others may affect a basket of products from all origins. An additional difficulty is that not all measures categorized as trade restrictive may have been adopted with such an intention.[4] Nevertheless, an attempt was made to maintain a consistent approach throughout the various reports in the counting and aggregation of individual measures by period so as to illustrate the main trends.

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[2] These reports have been prepared in response to the request of the G20 to the WTO, together with other international bodies, to monitor and report publicly on G20 adherence to their undertakings on resisting protectionism and promoting global trade and investment. G20 Leaders meeting in Toronto on 26-27 June 2010 renewed their commitment for a further three years, until the end of 2013, to "refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports, and committed to rectify such measures as they arise" (G20 Toronto Summit Declaration, June 26-27, 2010).

[3] Five G20 countries did not reply to the WTO Secretariat's request to verify measures that had been attributed to them.

[4] The inclusion of any measure in this table and in the Annex Tables implies no judgement by the WTO Secretariat on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in the tables implies any judgement, either direct or indirect, on the consistency of any reported measure with the provisions of any WTO Agreement, or such measure's relationship with the global financial crisis.

Table 1
Trade and trade-related restrictive measures by G20 economies

Type of measure	1st Report (Apr. to Aug. 2009)	2nd Report (Sep. 2009 to Feb. 2010)	3rd Report (Mar. to mid-May 2010)	4th Report (mid-May to mid-Oct. 2010)
Trade remedy	50	52	24	33
Border	21	29	22	14
Export	9	7	5	4
Other	0	7	5	3
Total	80	95	56	54

Note: Measures included in this table are those that restrict or have the potential to restrict and/or distort trade. The table does not include government support measures listed in Annex 2. Measures counted under the third G20 report cover only a 3-months period.

6. The WTO Secretariat has calculated that new import restrictive measures introduced by G20 countries from mid-May until mid-October 2010, along with new initiations of investigations into the imposition of trade remedy measures, cover around 0.2 per cent of total world imports, and 0.3 per cent of total G20 imports (Table 2).[5] These estimates provide another illustration of the fact that trade restrictive measures are overall on the decline.

Table 2
Share of trade covered by G20 restrictive measures
(Per cent)

	October 2008 - October 2009[a]	November 2009 - May 2010[a]	May 2010 - October 2010[b]
In total world imports	0.8	0.4	0.2
In total G20 imports	1.0[c]	0.5	0.3

a Based on 2008 import figures.

b Based on 2009 import figures.

c Figure differs from the one shown previously due to updated G20 import figures.

Source: WTO Secretariat calculations, based on UNSD Comtrade database using import figures. Import figures for G20 include intra-EU27 imports.

7. The reported trade restrictive measures by G20 countries affect a relatively wide range of products.

8. In terms of number of trade measures, the sectors most frequently affected during the period under review include: electrical machinery and equipment; chemical products; mineral fuel; machinery and mechanical appliances; iron and steel; cereals; plastic products; and dairy products.

9. The sectors most heavily affected in terms of trade coverage of restrictive measures were electrical apparatus for line telephony, bio diesel, and automatic data processing machines (Table 3).

10. The large majority of G20 actions since mid-May 2010 have been trade remedies, in particular the initiation of new anti-dumping investigations, followed by increases in tariffs and other import-related taxes. Among the non-verified measures, the most frequent actions were related to export taxes or restrictions, non-tariff measures (import bans, licences, or other border controls), and government measures aimed at favouring domestic industries or products. The most frequently reported export measures concern restrictions on some agricultural products (export bans and quotas affecting grains) and some minerals (export quota reductions and reported informal bans on rare earth minerals) (Table 4).

[5] These percentages represent the trade coverage of the measures; they do not indicate the size of their impact (reduction in trade). The value of trade covered is calculated using the UN Comtrade database, and is counted at the six-digit tariff line level.

Table 3
G20 restrictive measures, mid-May 2010 to mid-October 2010
(Per cent)

HS Chapters	Share in total
Total imports affected	**100.0**
Agriculture (HS 01-24)	**5.1**
HS04 - Dairy produce	0.1
HS15 - Animal and vegetable fats and oils	0.0
HS21 - Miscellaneous edible preparations	0.9
HS22 - Beverages, spirits	3.4
HS24 - Tobacco and manufactured products	0.7
Industry products (HS 25-97)	**94.9**
HS 27 - Mineral fuels and oils	31.5
HS 28 - Inorganic chemicals	0.5
HS 29 - Organic chemicals	0.8
HS 33 - Essential oils, cosmetic preparations	0.7
HS 34 - Soap, washing preparations	0.0
HS 38 - Miscellaneous chemical products	1.2
HS 39 - Plastic and articles thereof	2.2
HS 40 - Rubber and articles thereof	0.1
HS 42 - Articles of leather	0.1
HS 52 - Cotton	0.6
HS 54 - Man-made filaments	0.1
HS 55 - Man-made staple fibres	0.1
HS 69 - Ceramic products	1.2
HS 70 - Glass and glassware	0.6
HS 72 - Iron and steel	0.2
HS 73 - Articles of iron and steel	0.6
HS 83 - Miscellaneous articles of base metals	0.1
HS 84 - Machinery and mechanical appliances	11.1
HS 85 - Electrical machinery and parts thereof	43.1
HS 90 - Optical and other precision instruments	0.1

Note: Calculations are based on 2009 import figures.

Source: WTO Secretariat estimates, based on UNSD Comtrade database.

Table 4
Illustrative list of export restrictive measures, mid-May to mid-October 2010

Country	Measure
Verified information	
Argentina	Temporary export ban on ferrous waste and scrap, remelting scrap ingots of iron or steel until 9 July 2010. The export ban was extended until 5 July 2011.
Indonesia	New regulation stipulating that exports of mining products, crude palm oil, coffee, rubber, and cocoa with an export value exceeding US$1 million must be supported by letters of credit issued by domestic banks. The regulation was cancelled on 24 June 2010.
Russian Federation	Modification of export tariffs (from €100/m^3 (US$140.2/$m^3$) to 25%, but not less than €15/m^3 (US$21/$m^3$)) for certain types of wood chips. Effective as from 21 July 2010.
Russian Federation	Temporary ban on exports of certain crops such as wheat, barley, rye, and maize, from 15 August 2010 to 31 December 2010. Decree No. 654, adopted on 30 August 2010, authorized some limited grain exports before the end of 2010. Export ban duration extended until November 2011.
Russian Federation	Decree No. 1173 regulating the exports and imports of precious metals and gems. Traders are allowed to export only if they supply a sufficient amount to the State Reserves. Belarus and Kazakhstan (Custom Union members) are exempted.

Table 4 (cont'd)

Country	Measure
Non-verified information	
Argentina	To obtain non-automatic meat export licensing traders are required for each 2 tonnes exported, to sell at "official prices" 1 tonne of meat (cortes populares) for local consumption.
China	Elimination of export tax rebates on certain products such as steel (9%), starch, ethanol and semi-finished copper products (5%), as from 15 July 2010.
China	Reduction of export quotas on "rare earth" minerals, as from August 2010.
India	Extension of export ban on certain products such as wheat and rice.
India	Export ban on cotton implemented in April 2010 was lifted in May 2010. As from May 2010, imposition of stricter export licensing requirements and additional tax of Rs 2,500/tonne (US$56.45/tonne).
Indonesia	Introduction of export tariffs (from zero to 15%) on raw cocoa.
Turkey	Stricter export licensing requirements (additional conditions prior to export) on copper scrap.
Turkey	Cancellation of flour wheat exports (40,000 metric tonnes) to Indonesia.

Source: Annex 1.

11. Once again, serious concerns were raised by a number of countries about the restrictive impact on their exports of abusive customs procedures and bureaucratic delays in some of their G20 trading partners, as well as some SPS and TBT actions taken by some G20 countries. Country-specific SPS and TBT measures are not included in Annex 1. However, the trends in the overall number of such measures are presented in subsequent sections of this Report.

12. Another area of concern to some G20 countries is proposed legislation in some of their trading partners (still under consideration or national debate), which although not yet in force may have a significant chilling effect on trade, and in some cases may create trade tensions.

13. During the period under monitoring, there have also been instances of measures taken to further facilitate trade, in particular through the reduction of import tariffs (although some reductions are on a temporary basis) or the streamlining of customs procedures. A rough counting of all trade and trade-related measures by G20 economies shows that the share of trade facilitating measures has been steadily increasing; 48 per cent of all trade and trade-related measures taken during the period covered by this Report were facilitating measures, compared with 43 per cent in the third G20 report, 29 per cent in the second report, and 15 per cent in the first report.

14. Trade facilitating measures were taken by, for example, Argentina, Brazil, Mexico, the Russian Federation, and Turkey. In other cases, longer-term programmes of gradual tariff reductions are maintained and enhanced; for example, Mexico's tariff reduction programme covering 97 per cent of manufactured products brought the average tariff rate down from 10.6 per cent in 2008 to 5.3 per cent in January 2010, and it will further be reduced to 4.3 per cent by 2013 - by which time, 63 per cent of Mexico's tariff lines will be duty-free.

15. A number of trade remedy actions were also ended by many G20 countries during the period under monitoring, involving the termination of investigations or the removal of trade remedy duties imposed during previous periods. Although these actions may result from quasi-automatic procedures, and some of them were related to actions undertaken some time ago, they nevertheless constitute measures facilitating trade.

16. In the area of trade in services, G20 countries are maintaining the general thrust of their services trade policies and levels of market openness. Some of them have even introduced significant changes to their foreign investment regimes, in order to allow broader presence of foreign suppliers in various service sectors. Reliance on state support to financial institutions is gradually declining.

17. A Summary Table separately annexed to this Report provides information on the status of all measures taken by G20 economies since the outbreak of the global financial crisis.[6] Since October 2008, 381 measures were taken by G20 economies which restrict or can potentially restrict and distort trade. Around 15 per cent of those measures have been removed so far, which indicates that the bulk of measures introduced since the outbreak of the crisis still remain in force.

18. Even though, in some instances, G20 countries continue to impose new trade restrictive measures, overall trade protectionism continues to be relatively contained. While some high profile trade disputes came to the WTO this year, the number of dispute settlement cases clearly indicates that there has been no surge of trade disputes. Through September 2010, 12 disputes have been brought to the WTO. This compares with 14 disputes in 2009, 17 in 2008, 13 in 2007, and 20 in 2006.

B. TRADE REMEDIES

19. The use of trade remedies seems to be overall on a downward path. The initiation of new trade remedy investigations by the G20 countries has decreased significantly in 2010 so far compared with the corresponding period in 2009. In order to capture the essence of the recent developments with respect to the use of trade remedies, the analysis is based on a comparison of the period January-September 2010 with January-September 2009.

20. As noted in the last monitoring Report, contrary to expectations, 2009 ended with fewer anti-dumping initiations compared with 2008 despite the global economic crisis. The number of anti-dumping investigations[7] initiated by G20 members in 2009 was 20 per cent less than in 2008, a significant decline. The figures in Table 5 show that this downward trend is continuing. The total number of anti-dumping investigations initiated by G20 countries fell by almost 20 per cent in the period January-September 2010 compared with the same period in 2009. The two G20 countries that increased the most anti-dumping investigations during this period are Brazil and India.

21. During the first nine months of 2010, the product coverage of anti-dumping investigations remained largely the same as in January-September 2009. In both periods, metals topped the list, followed by chemicals and plastics. However, some changes are worth noting. Chart 1 shows that from 2009 to 2010, the share of initiations on metals went up from 22 to 29 per cent whereas the shares of textiles and machinery dropped.

Table 5
Initiations of anti-dumping investigations

G20 Members	January - September 2009	January – September 2010**
Argentina	23	7
Australia	5	7
Brazil	4	24
Canada	5	2
China	15	4
EU	10	13
India	23	32
Indonesia	6	0

Table 5 (cont'd)

[6] The Summary Table consolidates all the country-specific information provided in this report and in previous reports. An attempt was made to indicate the most up-to-date status of the measures. However, in some cases no relevant information was provided by the countries concerned, which may explain to some extent the very low share of removal of restrictive measures.

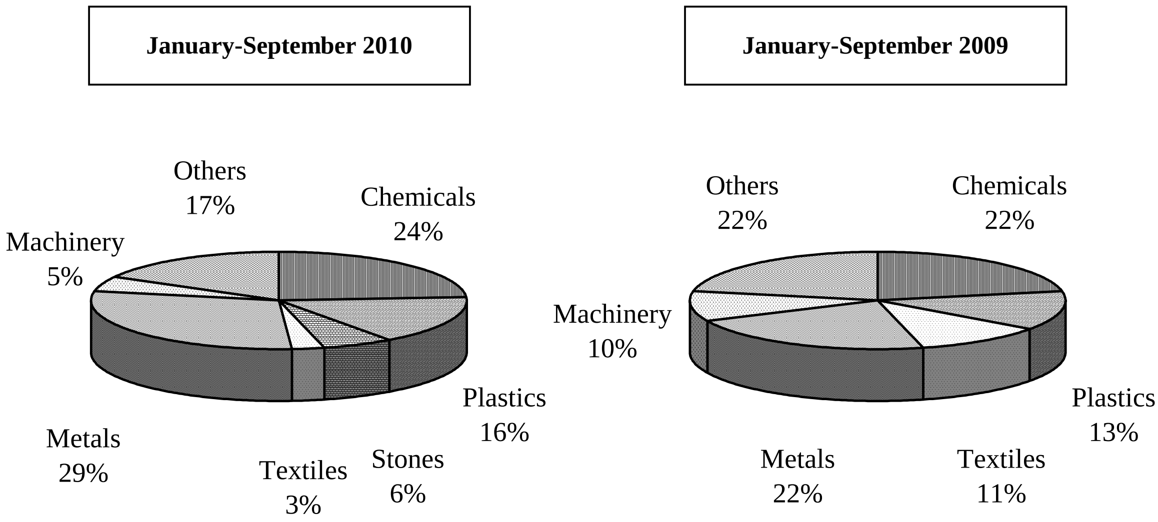
[7] The initiation of an investigation provides a more timely indication of potential trend changes in trade remedy action than the final imposition of anti-dumping or countervailing duties, since investigations can take as long as 12 months or more to complete. The initiation of an investigation does not necessarily result in the imposition of a final measure, but the frequency of initiations can be used as a proxy for the degree of pressure exerted on governments to raise trade barriers at a particular time.

G20 Members	January - September 2009	January – September 2010**
Japan	0	0
Korea, Rep. of	0	3
Mexico	2	1
Russian Federation*	6	0
Saudi Arabia	0	0
South Africa	2	0
Turkey	6	1
United States	12	2
TOTAL	**119**	**96**

* Data for the Russian Federation collected from unofficial sources.

** Data for July-September 2010 collected from various unofficial sources and unverified.

Chart 1
Product coverage of anti-dumping investigations



Source: WTO Secretariat estimates.

22. The previous monitoring report noted that countervailing duty investigations initiated by the G20 members had registered an important increase from 2008 to 2009. That trend seems to have been reversed in the first nine months of 2010. Table 6 shows that the number of countervailing duty investigations initiated by the G20 members decreased from 19 in January-September 2009 to 7 in January-September 2010. This seems to be the result of fewer initiations by the United States and the European Union.

Table 6
Initiations of countervailing duty investigations

G20 Member	January - September 2009	January – September 2010*
Australia	1	1
Canada	1	0
China	2	1
EU	5	3
India	1	0
United States	9	2
TOTAL	**19**	**7**

* Data for July-September 2010 unverified and collected from various unofficial sources.

23. The number of safeguards investigations initiated by the G20 members recorded a slight decrease from January-September 2009 to January-September 2010 (Table 7). While this signifies that the increased use of safeguard measures in 2009 is cooling down, the majority of the initiations in January-September 2009 were undertaken by one Member, and that of January-September 2010 was undertaken by another Member.

Table 7
Initiations of safeguards investigations*

G20 Member	January - September 2009	January - September 2010
European Union	0	1
India	10	0
Indonesia	0	7
Mexico	0	1
Russian Federation	2	1
Turkey	1	0
TOTAL	**13**	**10**

* All data except those pertaining to the Russian Federation have been compiled from official notifications by WTO Members.

C. SANITARY AND PHYTOSANITARY MEASURES

24. During the period from 15 May to 15 October 2010, 228 regular notifications and 5 emergency notifications were submitted by G20 Members, constituting 63 per cent of the total number of regular notifications submitted during this period, and 18 per cent of the total number of emergency notifications.[8] This compares with 146 regular notifications and 9 emergency notifications by this group during the same period in 2009.

25. At the SPS Committee meetings of June and October 2010, 12 new trade concerns were raised. Of these, nine concerned measures imposed by members of the G20. In addition, during this period, complaints were also raised about eight other measures maintained by G20 members that had been the subject of previous complaints in the Committee.

[8] The SPS Agreement provides several mechanisms to monitor the imposition of trade restrictions. All WTO Members are obliged to provide an advance notification of proposed new SPS requirements, except for measures taken in response to emergency situations for which notification is to be provided immediately upon taking the measure. Other Members have the opportunity to comment on these notified measures, both directly to the notifying Member and/or by raising the issue at a regular meeting of the SPS Committee.

D. TECHNICAL BARRIERS TO TRADE (TBT)

26. During the period May 2010 to September 2010, the number of notifications made to the TBT Committee dropped to 519 (compared with 720 in the previous five months).[9] The percentage of notifications made by G20 Members declined slightly from 46 per cent of all notifications in 2009 to 38 per cent in the first 9 months of 2010. Among G20 Members, Saudi Arabia continued to submit a large number of notifications (85 in 2010 compared with 89 in 2009), and China's notifications have dropped to 33 in 2010 compared with 201 in 2009, which ends a 5-year trend of continuously increasing notifications by China.

27. The number of specific trade concerns raised and discussed at the TBT Committee has grown significantly over the last four years.[10] In 2009, 75 specific concerns were raised, up from 59 in 2008. The significant increase in specific trade concerns raised in the TBT Committee over the last few years may, to a certain extent, be an indication of the increased participation of Members in the work of the Committee; it may also indicate an enhanced awareness of the importance of the implementation of the requirements in the TBT Agreement. The most frequently invoked reason for raising a concern is the need for more information or clarification about the measure at issue. The review of specific trade concerns in the Committee is thus an important monitoring mechanism.

28. Measures maintained by G20 Members have been discussed more often than those by other WTO Members. More specifically, 80 per cent of the specific trade concerns raised for discussion to date were about proposed draft measures or existing measures maintained by G20 Members.[11]

E. POLICY DEVELOPMENTS IN TRADE IN SERVICES

29. G20 countries are maintaining the general thrust of their services trade policies and levels of market openness. Some of them have even introduced significant changes to their foreign investment regimes, in order to allow broader presence of foreign suppliers in various service sectors. The following paragraphs illustrate some of the related measures taken during the period under review.

30. The Republic of Korea modified its legislation regarding FDI on 5 October to make investment conditions more favourable for foreign firms. The modifications include the designation of FDI zones in service sectors, such as knowledge services, tourism, logistics, finance and education, as well as the offering of more incentives to these businesses. The minimum amount of FDI subject to compulsory registration with the government was raised from 50 million won to 100 million won. In the case of education services, the conditions for the establishment of foreign education institutes were relaxed in free economic zones and the Jeju International Free City. The new rules will become effective at the end of the year.

31. On 25 May, Indonesia issued a new regulation on business services (the Investment Negative List), which allows further foreign participation in several service sectors. In construction services for

[9] Under the TBT Agreement, WTO Members are required to make a notification if a proposed regulation may have a significant effect on trade of other Members. Since the Agreement entered into force, over 12,500 notifications of new or changed regulations have been submitted by 111 WTO Members.

[10] WTO Members also use the TBT Committee as a forum to discuss specific trade concerns that relate to technical regulations, standards or conformity assessment procedures. These "specific trade concerns" normally refer to proposed draft measures notified to the TBT Committee or to the implementation of existing regulations. The Committee's discussions on specific trade concerns provide an opportunity for a multilateral review that enhances the transparency and predictability of standards, technical regulations and conformity assessment procedures. Since the TBT Agreement entered into force, 271 specific trade concerns have been discussed in the Committee.

[11] Two examples illustrating G20 measures discussed at the last TBT Committee meeting are: Canada's Cracking Down on Tobacco Marketing Aimed at Youth Act (Bill C-32 amendment to the Tobacco Act) adopted by the Canadian Parliament in October 2009; and the United States' proposed regulation on the transportation of lithium batteries in aircraft.

large projects, the foreign ownership thresholds have been raised from 55 to 67 per cent. In education, foreign ownership in the formal education sector has been raised from 45 to 100 per cent, subject to receipt of certain approvals; foreign participation in the non-formal education sector (e.g. computer, beauty and language schools) will be raised from 45 to 49 per cent. Foreign investment of up to 49 per cent will be allowed in film-related businesses, which were previously closed to foreign participation; as well as on postal services. Foreign ownership of up to 90 per cent will be permitted in operation and maintenance services for geothermal power facilities, and up to 95 per cent in geothermal drilling businesses and in the generation of electricity from geothermal power. In the healthcare sector, foreign ownership of up to 67 per cent will be allowed in relation to all hospitals across Indonesia (previously, foreign investors were only allowed to own up to 65 per cent of shares in hospitals in certain provinces only). The regulation has also clarified that foreign ownership of up to 49 per cent will be permitted not only in sea and air transport services but also in land transport services. ASEAN investors may benefit from higher limits on foreign investment in certain sectors, such as cargo handling (60 per cent), vessel ownership (60 per cent), motel and lodging services (51 per cent against 49 per cent for all other investors), and recreation (100 per cent).

32. The Indian government has also implemented policy changes in some service sectors, such as distribution, and financial services. The new Consolidated FDI Policy, effective from 1 October, removes the so-called restrictions on internal use for wholesale cash-and-carry distribution (i.e. the condition that wholesale sales made to group companies should be for internal use only). The new policy also relaxes the norms for downstream investment by non-banking finance companies (NBFCs), thus allowing NBFCs with 100 per cent foreign investment and a minimum capitalization of US$50 million to set up subsidiaries for specific NBFC activities, without bringing additional capital towards minimum capitalization.

33. In addition, the Telecom Regulatory Authority of India (TRAI) has recommended raising FDI limits for a number of services within the broadcasting sector. As a result, the limit for such broadcast carriage services as direct-to-home (DTH), IPTV, and Mobile TV would increase to 74 per cent, from 49 per cent in most cases. The FDI limit for FM radio broadcasting is proposed to be raised from 20 to 26 per cent. The limit for cable networks multi-system operators (national or state level) would go from 49 to 74 per cent, provided they undertake an upgrade to digitisation and addressability. On the other hand however, the FDI limit would be lowered from 49 to 26 per cent for local cable operators. The TRAI has also recommended that all foreign investment of 26 per cent and above in the sector be subject to Government approval through the Foreign Investment Promotion Board - foreign investment of less than 26 per cent would be authorized automatically.[12]

34. Telecommunications has continued to be one of the most vibrant sectors in G20 countries. Rollout of new technologies and infrastructure continues, with governments moving to issue licences or revise existing licences and to award or re-allocate spectrum to make continued evolution possible. New mobile technologies are coming on line, broadband services are continuing to expand, and the introduction of mobile resale works is becoming more common. Through the introduction of improvements in regulatory framework, governments have largely accommodated these developments, which are perceived as conducive to economic growth. Technology-neutral licensing regimes have been helpful so far where they have been implemented, but have not yet become widespread. Market access restrictions are now fairly uncommon or are being relaxed in most G20 economies. Canada, for example, lifted foreign equity restrictions on foreign ownership of Canadian satellites used for telecommunications services in July[13] and announced one month later that

[12] Telecom Regulatory Authority of India, "Recommendations On Foreign Investment Limits for Broadcasting Sector", 30 June 2010; and Financial Express, "FDI in DTH raised to 74 per cent, FM radio to 26 per cent", 1 July 2010.

[13] The changes to the foreign ownership restrictions on satellite services are included in the 2010 Federal Budget omnibus legislation, passed by the Canadian Parliament on 12 July 2010. Section 2184 of Bill C-9 (Jobs and Economic Growth Act) amended the Telecommunications Act to allow foreign ownership of satellites. See also "A Closer Look at the Liberalization of Foreign-Ownership Restrictions for Satellites in Canada", Blakes Bulletin, Blakes Communication Group, September 2010.

submissions were available on-line under its public consultations on possible policies on its remaining foreign equity restrictions.

35. With market access fairly open, therefore, reforms have focused on regulatory frameworks. Argentina, China, India, and Turkey, for example, have recently instituted number portability, a pro-competitive requirement already common in other G20 markets. Regulators remain vigilant over pricing and potential anticompetitive practices, particularly where access concerns predominate as in the areas of access to Internet backbone and on call termination rates. Sweden, for example, consulted on new proposals for cost-oriented mobile termination rates in April, and Finland issued a decision on overpricing in the wholesale broadband access market in May. In Germany, Vodaphone announced in September that it would seek legal action against Deutsche Telekom regarding its bit stream access services. In some cases, market developments, such as broadband network rollout, have spurred significant mergers and acquisitions (M&A), which have sometimes been examined by regulators to determine the potential effects on the competitive landscape. Security concerns have caused tensions in some G20 countries (India and Saudi Arabia) as regards Blackberry mobile services, but these appear to have been largely resolved. Most government spectrum auctions supporting the rollout of new services and technologies run smoothly, although in rare cases they have been subject to delays or complaints.

36. Regarding trade in services through the movement of natural persons (Mode-4), the Southwest Border Security Bill was signed into law in the United States on 13 August. The legislation funds security upgrades along the US-Mexican border, using, *inter alia*, the revenue generated by a fee hike for H 1B (non-agricultural specialty worker) and L-1 (intra-company transfer) visas. The increased visa fees apply only to companies employing at least 50 employees and having more than 50 per cent of their workforce under visas status. The higher fees will remain in effect until 30 September 2014.

37. India has recently announced the elimination of the 1 per cent quota rule for employment (E) visa applications for highly skilled and/or qualified professionals. The employment visa quota had been introduced in December 2009. However, Indian authorities will now require that nearly all employment visa applicants earn a minimum annual base salary equivalent to US$25,000. Previously, only certain employees in the information technology sector in India were subject to the minimum salary requirement. The Indian authorities have also issued new guidelines that clarify the maximum validity and extension periods for business (B) visa holders. Multiple entry B visas may be granted for a period of up to five years, and each stay may be restricted to six months. U.S. nationals may be issued business visas with a ten year validity period. Previously, B visas were generally granted for a one year, except to nationals of certain countries.

38. On 1 July, a new work permit programme for highly skilled foreign workers entered into force in the Russian Federation. Under the programme, highly qualified specialists working either for Russian entities or for branches of foreign firms (but not representative offices) are exempt from work-permit quota restrictions and benefit from a streamlined, faster procedure. Work permits issued under the programme are valid for three years.

39. On 19 July 2010, the UK government introduced a limit on the number of admitted foreign workers. The limit will be in effect until 1 April 2011, when it will be replaced by a long-term cap system that is being developed.[14]

[14] Under the interim cap, 600 Tier 1 ("General" status, highly skilled, self-employed or non-sponsored foreign specialists) entries will be allowed per month, an increase over the 5,400 Tier 1 workers admitted in the course of 2009. The number of new Tier 2 ("General" status, skilled, sponsored employees) applicants is also limited, reportedly to 95 per cent of the number of Certificates of Sponsorship issued by employers between 19 July 2009 and 31 March 2010. Tier 2 (Intra Company Transfer) applications are not affected by the cap.

40. As countries move ahead revamping their financial regulatory frameworks, notably in Europe and the United States, but also in other G20 countries through more targeted regulation, and as the financial sector returns to normal market conditions, reliance on state support for financial institutions has gradually declined.

41. In the EU, for example, as of 15 September, the effective use of the possibilities for state guaranteed funding and of recapitalization measures taken together amounted to €1,235.2 billion, significantly less than one third of the total.[15] Data also show that reliance of financial institutions on state guarantees, which account for over three quarters of all crisis measures approved, is declining. State-guaranteed bonds issued in the first quarter of 2009 averaged 30 per cent of banks' total funding, compared with some 4 per cent in December 2009. EU Member States like France, Italy and the UK have already decided not to prolong their guarantee schemes, while others, like the Netherlands, have tightened the pricing conditions of their schemes. Some guarantee schemes have never been used, like those introduced by Finland, Poland and the Slovak Republic.

42. In the case of the United States, 3 October 2010 (the second anniversary of the Emergency Economic Stabilization Act) marked the end of the authority given to the Treasury under the TARP to make new financial commitments. The most recent data show that the bulk of investments and commitments under TARP occurred in 2008 and, to a lesser extent, in 2009. Furthermore, as of 30 September 2010, US$474.8 billion has been committed under different TARP programmes, of which US$387.4 billion has actually been paid out, and US$204.4 billion already repaid to the U.S. Treasury.[16]

III. GOVERNMENT SUPPORT MEASURES

43. G20 governments continue to provide economic and financial support measures, mainly to help specific sectors heavily affected by the global crisis. Factual information on the country-specific measures implemented between mid-May and mid-October 2010 is given in Annex 2. Government support measures remained broadly the same as in previous periods reviewed, and lower than during the period immediately following the outbreak of the global financial crisis (27 government support measures were reported for this period, 17 for the period from March to May 2010, 22 for September 2009 to February 2010, and 59 for April to August 2009). A large number of the cases reported concern the prolongation of existing measures (mostly related to state aid programmes) rather than new actions. State aid granted by EU Member States represents the majority of the reported measures.[17]

44. Support programmes during this period took mainly the form of additional state aid measures, export support (export credit insurance and guarantees) and temporary direct grants to certain companies. Government support mainly benefited the agriculture sector, but some aid programmes were also available to other sectors such as transport, aluminium production, chemicals, shipbuilding, and cars. Most stimulus packages include specific measures in favour of SMEs.

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[15] Altogether, the Commission has approved (as of 15 September 2010) crisis measures put forward by Member States for an overall maximum volume of €4,131.1 billion. Within that figure, approved recapitalization measures amounted to €503.1 billion (of which only €241.6 billion or 48 per cent has been actually implemented), while approved guarantee umbrellas amounted to €3,149.8 billion, of which only €993.6 billion or 32 per cent has been issued.

[16] "TARP – Monthly 105(a) Report – September 2010", US Treasury, 12 October 2010, available at: http://www.financialstability.gov/docs/105CongressionalReports/September%20105(a)%20report_FINAL.pdf.

[17] This may be because it is more difficult to obtain country-specific information on this type of measures (than for traditional trade and trade-related measures) for other countries, and that the information on approvals of EU state aid is readily available online.

IV. RECENT DEVELOPMENTS IN TRADE FINANCE

45. The WTO Expert Group on Trade Finance met on 22 October 2010 to take stock of the current market situation, with a focus on factors such as liquidity, risks and price patterns, consider the latest developments regarding regulatory issues, and discuss whether smaller traders and small bankers, notably in low-income countries, continued to be adversely affected by the tightening of international lending conditions.

46. The business environment for trade finance has continued to improve since the middle of 2009, with falling prices and increasing transaction volumes. However, trade finance volumes have exhibited high volatility around an upward trend, and recovery has been uneven across countries. The recovery in market conditions was driven mainly by increased trade within North America, Europe, and Asia, and between Asia and the rest of the world. In these areas, spreads had returned almost to pre-crisis levels, with a difference between traditional trade finance instruments (letters of credit), for which prices fell to very low levels on the "best" Asian risks, and the so-called funded trade finance products (on-balance sheet, open-account transactions), for which higher prices reflected relatively large liquidity premia. The later prices were still up to 40-50 per cent higher than before the global financial crisis.

47. Traders in low-income countries remain subject to significant difficulties in having access to trade finance at affordable prices, particularly for import finance. The same applies to small and medium-sized enterprises in developed countries that rely on small or medium-sized banks. This is because capital had become scarcer and the selectivity of risks greater. In addition, new and diverse regulatory requirements, including more stringent know-your-customer (KYC) standards on counterparty banks and traders in poorly rated countries, are deterring international banks from doing business in these areas altogether, because the increasing cost of compliance has reduced already low margins to negligible levels. As a result, the "lower end" of the trade finance market relies increasingly upon development bank risk-mitigation instruments.

48. While liquidity has returned in general to Asia, the Asian Development Bank is focusing its trade finance risk-mitigation capacity towards banks in countries such as Pakistan, Bangladesh, Viet Nam, and Mongolia. The same applies to Latin America, where smaller central American countries also need support, and in Central and Eastern Europe, where banks from Ukraine, Kazakhstan, and other neighboring countries rely on support from the EBRD trade finance instruments. While there are wide differences in Africa, international banks are pulling away from some countries. The level of perceived risk is high even for counterparties that have traditionally been considered as low, and the demand for risk mitigation by the African Development Bank is above existing resources, despite its US$1 billion commitment to support trade finance. Banks and traders in a large number of countries are increasingly left out of mainstream trade finance markets.

49. With respect to regulatory issues, too stringent regulation and regulatory asymmetries across jurisdictions may have a negative impact on the cost and availability of trade finance. While each regulation taken individually could make sense, be it leverage ratios, or additional informational requirements (KYC), their accumulation on financial institutions, applied differently in different jurisdictions, is creating not only regulatory uncertainty but also a tendency to implement regulation more conservatively, always in the direction of the highest industry standards; in the end, this also contributes to the drying up of the low-end of the trade finance market. In addition to Basel II and Basel III regulations, the future introduction of a leverage ratio and of the net stable funding ratio would also affect export credit agencies in their private sector business, by decreasing the availability of export credit guarantees. The net stable funding ratio would be especially detrimental to emerging economies, where the existence of secondary markets for trade bills is limited.

50. The Asian Development Bank and the International Chamber of Commerce have compiled data on loss default for trade finance, in the context of a pilot registry. The data collected for the past

five years confirm that trade finance products are very low-risk (a loss default rate of less than 0.02 per cent).

51. Concerns remain about the funding of low income countries' trade. Access to trade finance has become particularly problematic for African firms. In the short-run, the AfDB is considering to continue to outsource proceeds to financial partners and increase partnership with the Asian Development Bank, to support trade between Africa and Asia. However, in the long run, the AfDB is still considering the development of an in-house facility, similar to other regional development banks, on a demand basis.

V. ECONOMIC AND TRADE TRENDS

52. The world economy is still in a recovery phase following the recent global financial crisis. Developing economies have performed relatively well recently, while output growth in developed economies has been more sluggish. The slow pace of job creation in some developed countries has left unemployment rates at historically high levels. The IMF expects world output to remain positive throughout the remainder of 2010, despite slower growth for developed economies in the second half of the year.[18] A 4.8 per cent increase in world GDP is projected for this year, with developed and developing economies growing 2.7 per cent and 7.1 per cent, respectively. The pace of expansion should moderate in 2011, when world output is expected to grow 4.2 per cent, with 2.2 per cent growth in developed economies and 6.4 per cent in developing countries.

53. World trade has rebounded more strongly than output. Developing economies have been the main drivers of this recovery. Chart 2 shows year-on-year growth in the current dollar value of world merchandise trade, as well as the relative contributions of developed and developing countries, through the first half of this year. World exports recorded a 26 per cent increase year-on-year in dollar terms in the second quarter of 2010, more than half of which was due to shipments from developing economies. The WTO forecasts 13.5 per cent growth for world merchandise trade in 2010 in volume terms (i.e. adjusted to account for changes in prices and exchange rates), with exports of developed and developing economies rising 11.5 per cent and 16.5 per cent, respectively.

54. The rate of trade growth has slowed more recently in some countries. Exports from the United States peaked in March and have been flat since then. EU shipments dipped in the spring and later in the summer, possibly due to the increased level of economic uncertainty as a result of the sovereign debt crisis. Exports from Japan and China also dipped in August but bounced back in September (Chart 3).

55. The impact of the global crisis remains significant in the jobs area. Since 2007, global unemployment is estimated to have increased by 30 million. A recent ILO study indicates that it will take five more years for the job market in many countries to return to pre-recession levels.[19] A Report on Seizing the Benefits of Trade for Employment and Growth, prepared by the Secretariats of the OECD, ILO, World Bank, and the WTO, will be presented to the G20 Summit in Seoul. The message from that Report is that open markets can contribute to growth and better employment outcomes; this was true before the global crisis and it remains true today. In the near term, given pressures on governments, the financial sector, and households to strengthen balance sheets, further trade opening can generate an additional stimulus that will create employment opportunties for the world as a whole. The Report considers not only further liberalization of trade in goods and services, but also highlights the importance of complementary action at the national and international levels to facilitate adjustment and ensure that the benefits of trade are widely shared.

56. After the narrowing of current account surpluses and deficits during the global downturn, the IMF is projecting a limited increase of global imbalances for the next two years. The widening of

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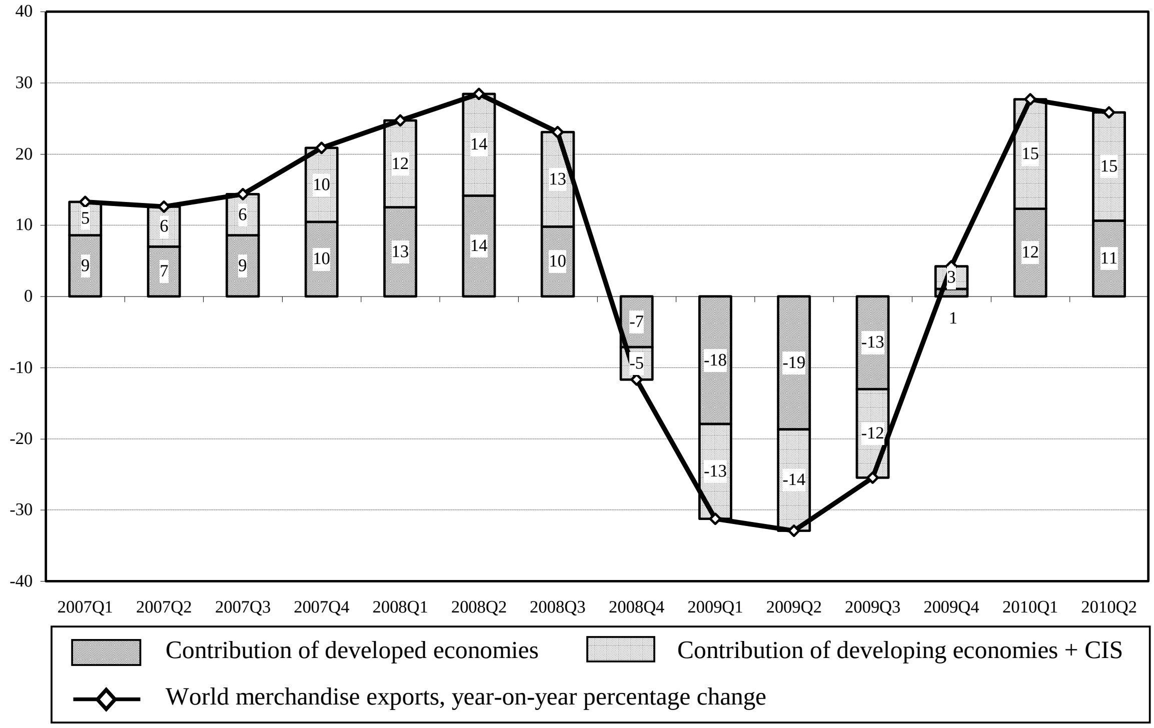
[18] IMF, World Economic Outlook, October 2010.
[19] ILO's Annual World of Work Report, 1 October 2010.

current account imbalances appears to be so far moderate, although for some they can be politically sensitive, perhaps because the crisis has not resulted in major reversals in their underlying macroeconomic fundamentals, notably savings and investment positions throughout the world.

Chart 2
Contributions to year-on-year growth in world merchandise exports, 2007Q1 - 2010Q2

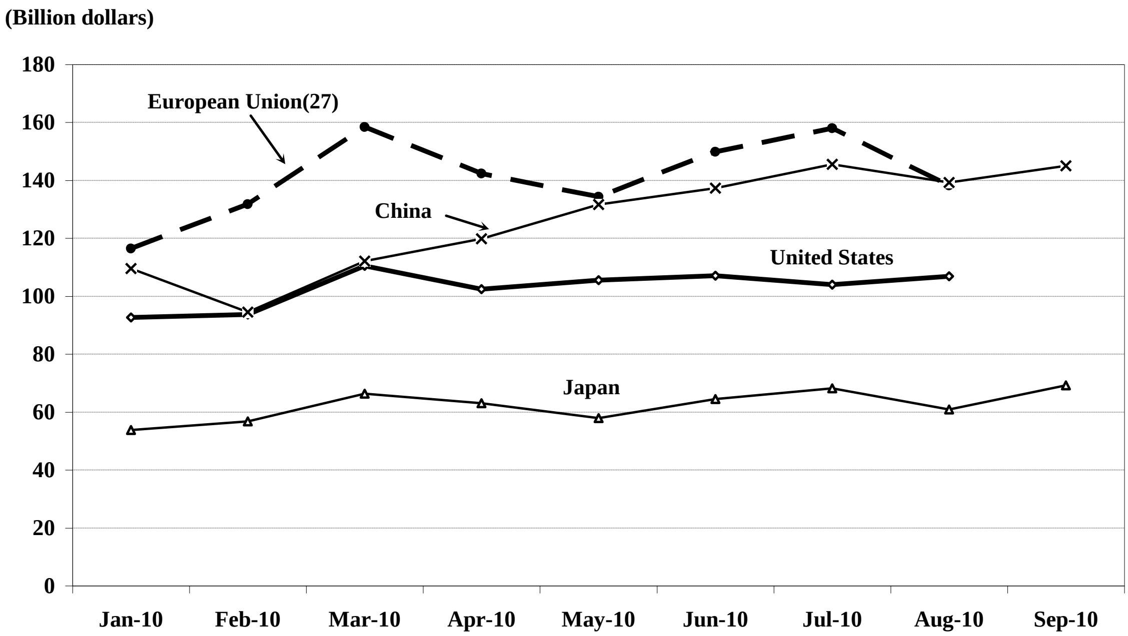
Percentage



Note*:* Due to scarce data availability, Africa and Middle East regional totals are under-represented by about 5% and 15% respectively.

Source: WTO Secretariat estimates based on data compiled from IMF International Financial Statistics; Eurostat Comext Database; Global Trade Atlas and National Statistics.

Chart 3
Monthly merchandise exports of selected G20 economies



Source: **National Statistics.**

57. World trade flows have staged a significant recovery since their steep plunge in late 2008 and early 2009. According to estimates from the Netherlands Bureau for Economic Policy Analysis, the volume of world trade (average of exports and imports) was up 17 per cent in July 2010 from a year earlier, as exports of developed economies advanced 14.7 per cent and those of developing economies rose nearly 20 per cent (Chart 4).[20]

58. However, the rate of trade expansion appears to have slowed recently. World trade volume was down 0.8 per cent in July after an increase of 0.8 per cent in the previous month. Year-on-year growth in July was also smaller for the second month in a row, down from 22.6 per cent in May to 17 per cent in July. The pause in quarterly trade growth may be partly explained by weaker demand for imports in developed countries as their economies decelerate. Smaller year-on-year increases are also to be expected as the impact of the low base in the first half of 2009 diminishes over time. Both of these factors should reduce year-on-year growth rates for world trade in the remaining months of 2010, dragging the expansion for the year down closer to the current forecast of 13.5 per cent growth.

59. The global economic recovery will probably remain fragile until more progress is made to bring down unemployment in developed economies, since a high rate of joblessness causes households to limit consumption and reduces incentives for firms to invest. Chart 5 shows GDP growth and unemployment rates for selected G20 countries. As of Q2, the U.S. unemployment rate remained stuck at just under 10 per cent, and output growth, while still positive, was down for the second quarter in a row. Germany and Brazil are unusual in that their current unemployment rates are lower than they were before the economic crisis. In both cases joblessness has fallen from near 10 per cent in 2007 to around 7 per cent today.

60. Absent any unforeseen macroeconomic or financial shocks, trade should continue its recent upward trajectory, but the rate of expansion should slow as countries revert to their previous trends.

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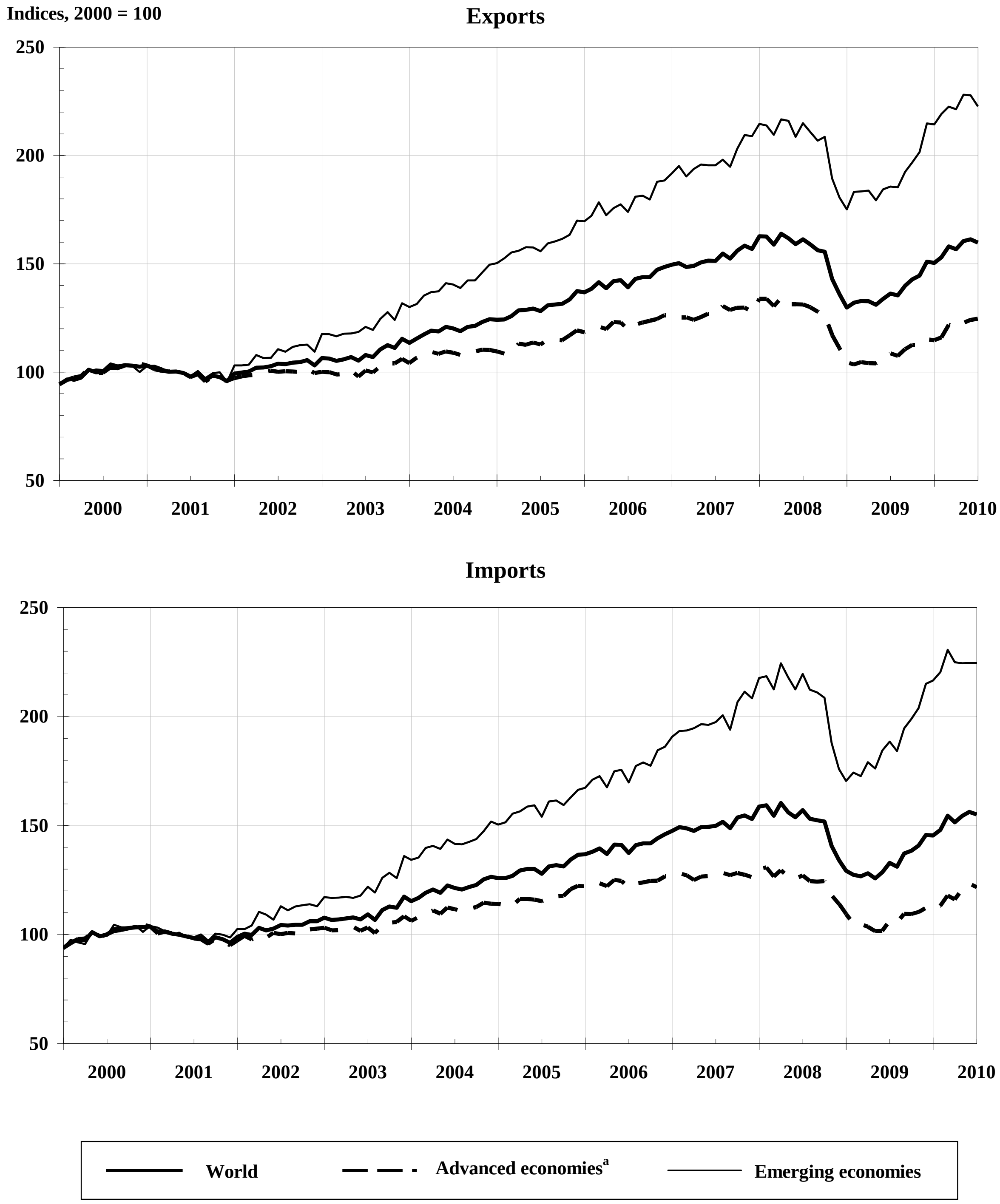
[20] CPB Netherlands Bureau for Economic Policy Analysis, Trade Monitor, 23 September 2010.

Chart 4
Volume of monthly exports and imports, January 2000 - July 2010



a OECD minus Turkey, Mexico, Republic of Korea, and Central European countries.

Source: CPB Netherlands Bureau for Economic Policy Analysis.

Chart 5
GDP growth and unemployment rates of selected G20 economies, Q1 2007 - Q2 2010
(Annualized percentage change over previous quarter and percentage of labour force)

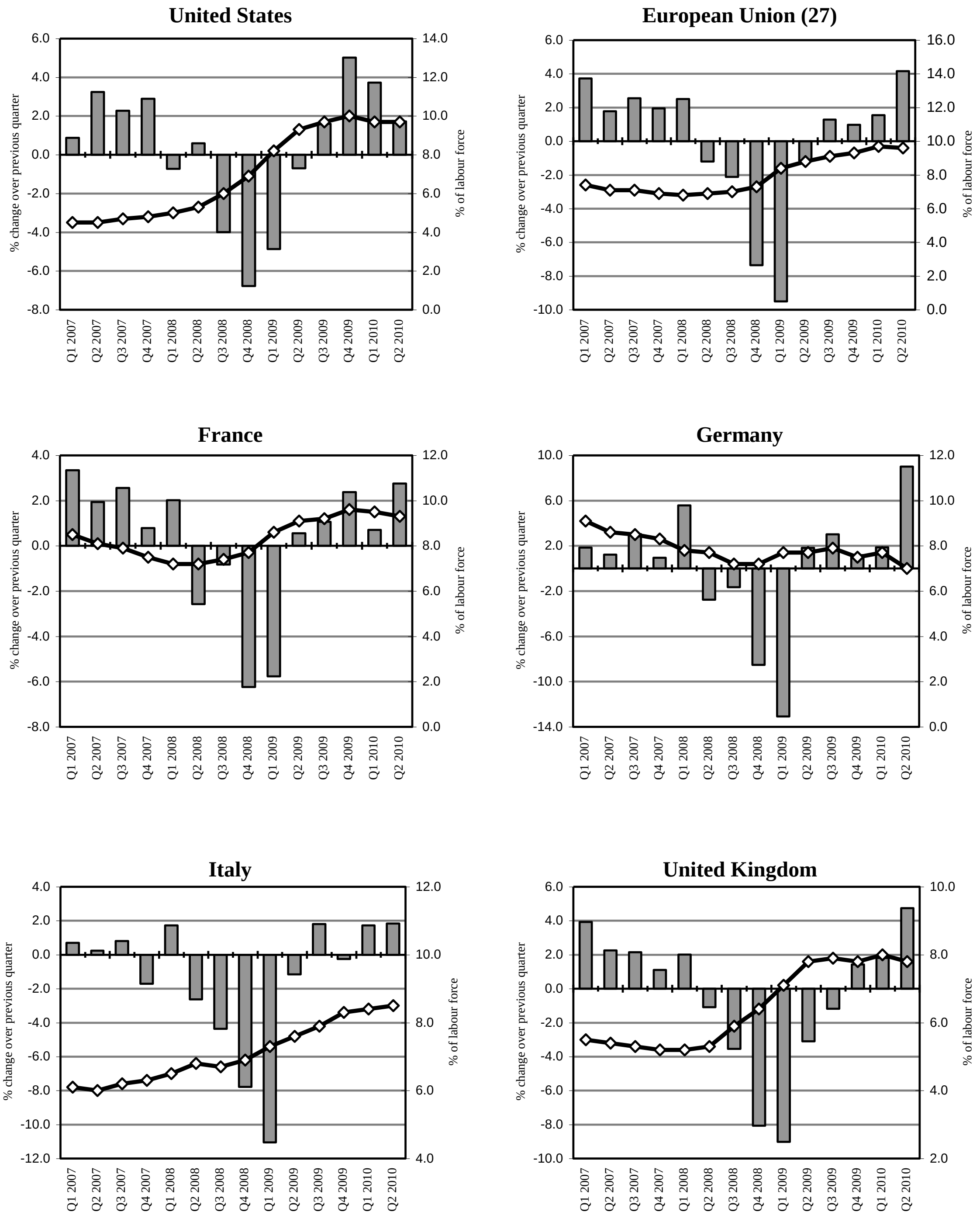
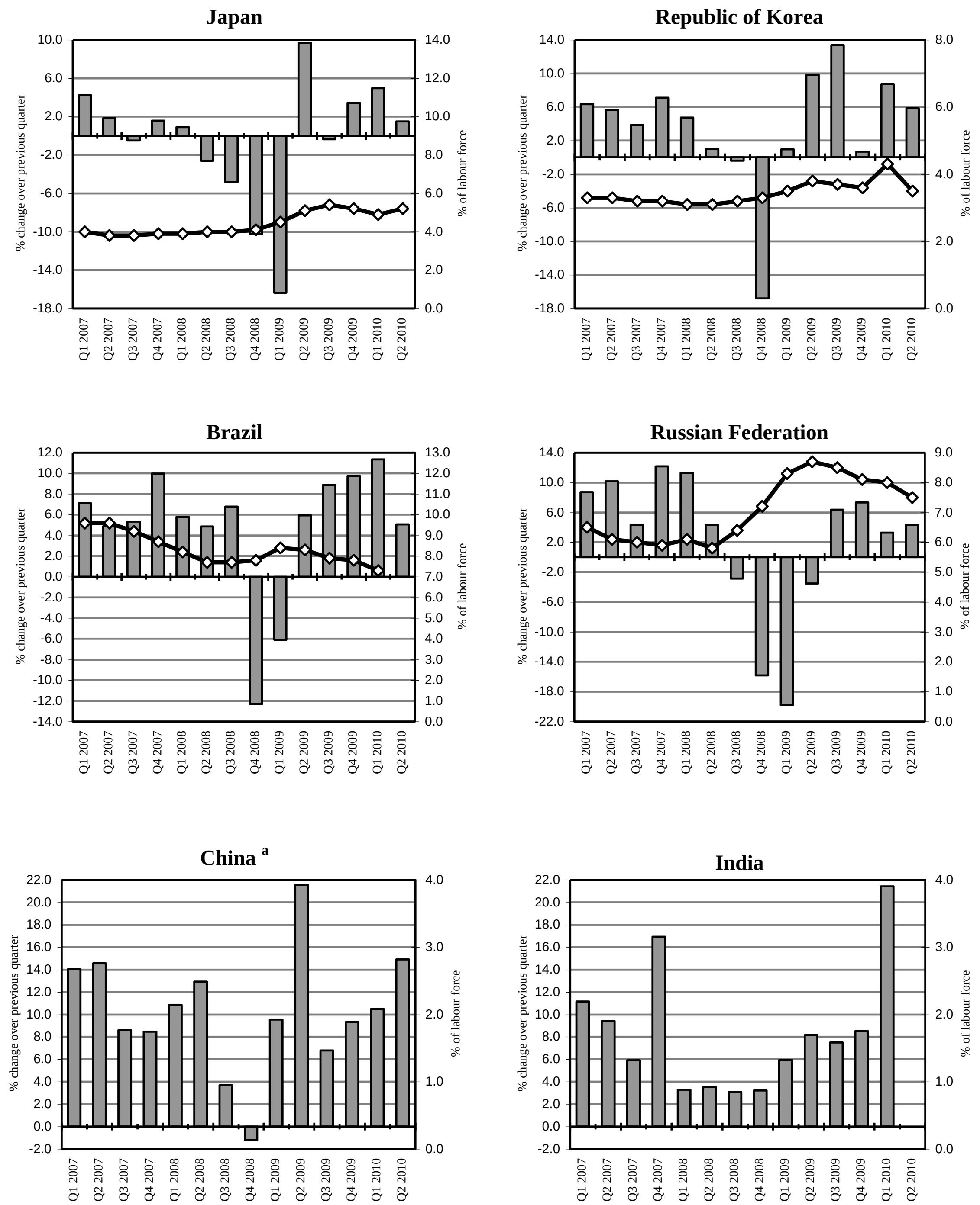
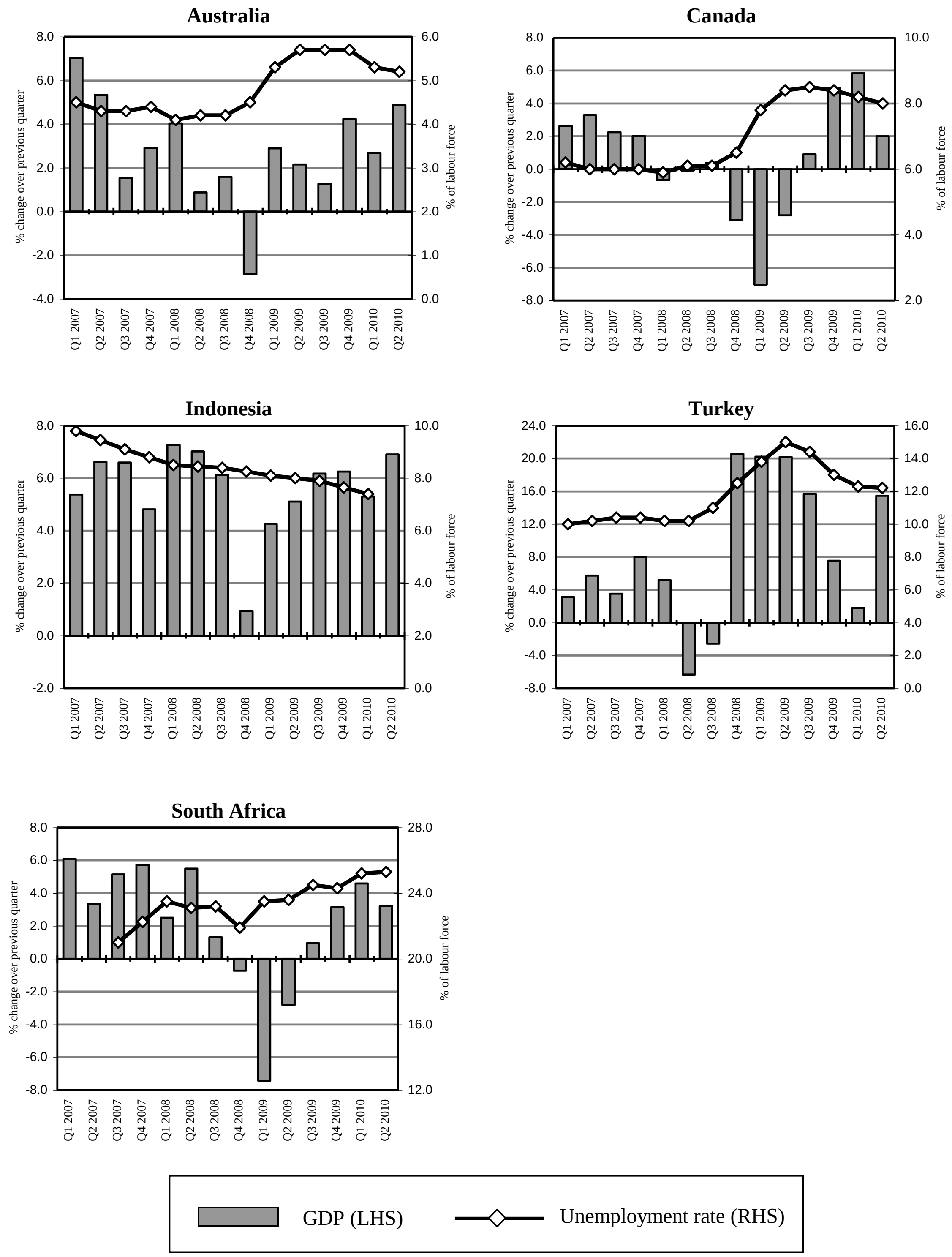


Chart 5 (continued)



a GDP growth estimated based on year-on-year changes reported by China's National Bureau of Statistics.

Chart 5 (continued)



***Source* :** Organisation for Economic Cooperation and Development (OECD) and National Statistics.

Merchandise trade in volume terms

61. Exports by developing economies have grown faster in volume terms than those by developed economies, 20 per cent year-on-year compared with 15 per cent. Among developing economies, those in Asia recorded an even stronger increase of 25 per cent, higher than any other region. The developed economy with the fastest export growth during the same period was Japan, which saw its shipments to the rest of the world rise by nearly 30 per cent year-on-year in July. Together, these data suggest a strong Asian component in the resurgence of trade since the collapse of last year.

62. World trade volume in July 2010 was roughly equal to its level of July of 2008, and very close to the pre-crisis peak from April of that year. Meanwhile, exports and imports of emerging economies in July were both above their pre-crisis highs, while developed economies were below their previous peaks.

2. Merchandise trade in value terms

63. Chart 6 shows merchandise exports and imports of selected G20 economies in current U.S. dollars through August or September depending on data availability. The largest economies (the United States, the European Union, Japan and China) still appear to be trending upward, although their pace of trade expansion may be slowing. China's imports have not kept pace with exports in recent months, while imports by the Republic of Korea have been flat since April.

64. Exports and imports by the United States were up 22 per cent and 31 per cent year-on-year in August, up slightly from July when the country recorded 21 per cent year-on-year growth in both exports and imports. For the year to date, the dollar value of U.S. exports was up 23 per cent while imports increased by 26 per cent. In July, the country's trade deficit widened to US$69 billion from US$47 billion in January of this year and US$32 billion in February 2009.

65. The dollar value of world exports in the first half of 2010 rose around 26 per cent year-on-year compared with the same period in 2009, but part of this was due to higher prices for fuels and other commodities compared to a year earlier (Chart 7). Excluding fuels and mining products, the increase was lower, at around 22 per cent, with developed economies' exports growing by around 12 per cent and developing countries by nearly 30 per cent.

66. The faster export growth of developing economies has been supported by rising trade between developing countries. Intra-trade of developing economies excluding fuels and mining products was up 38 per cent year-on-year in the first half of 2010, while intra-trade of developed economies increased by 12 per cent.

Chart 6
Monthly merchandise exports and imports of selected G20 economies, Jan 2007 - Sept 2010

(US$ billion)

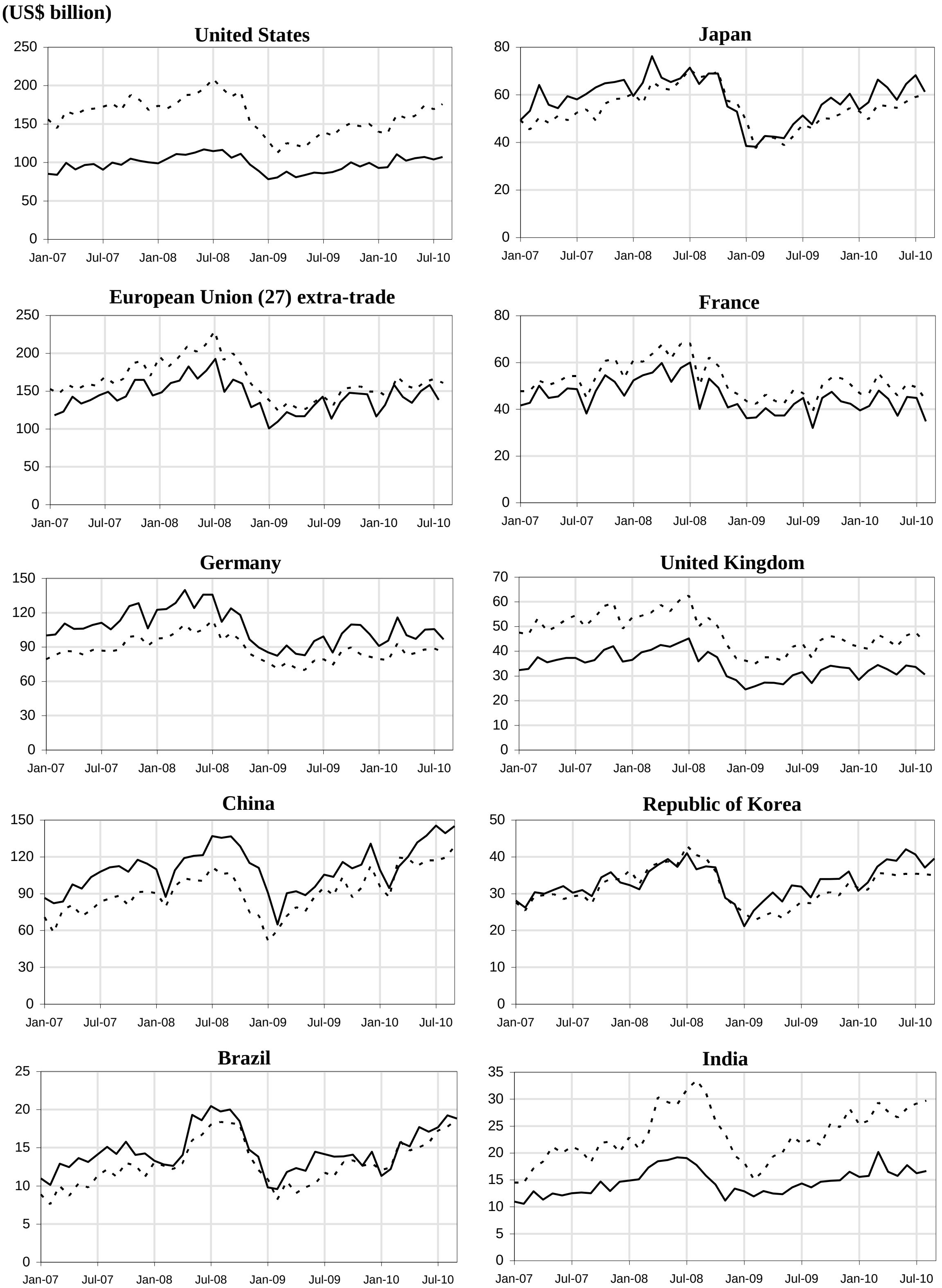
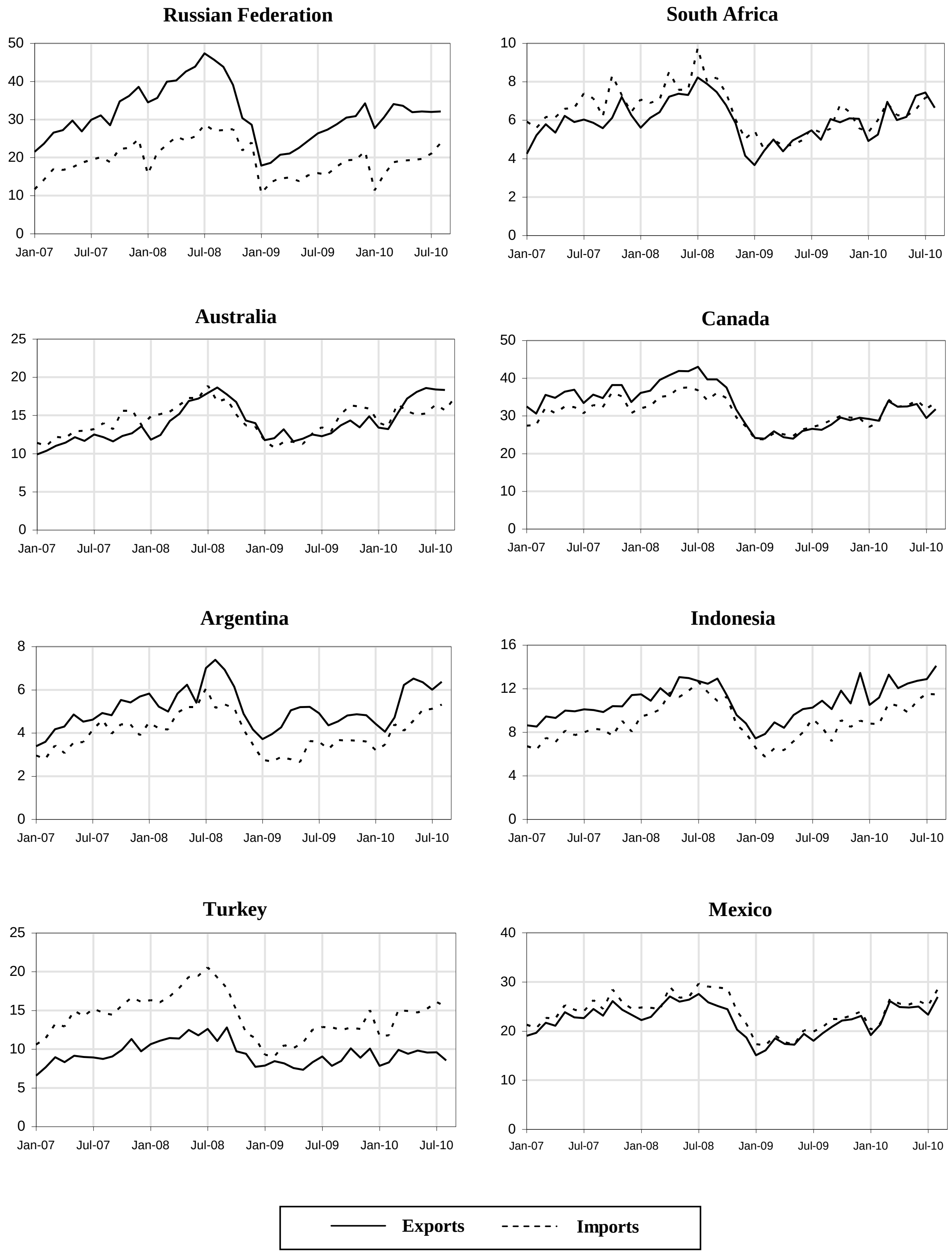
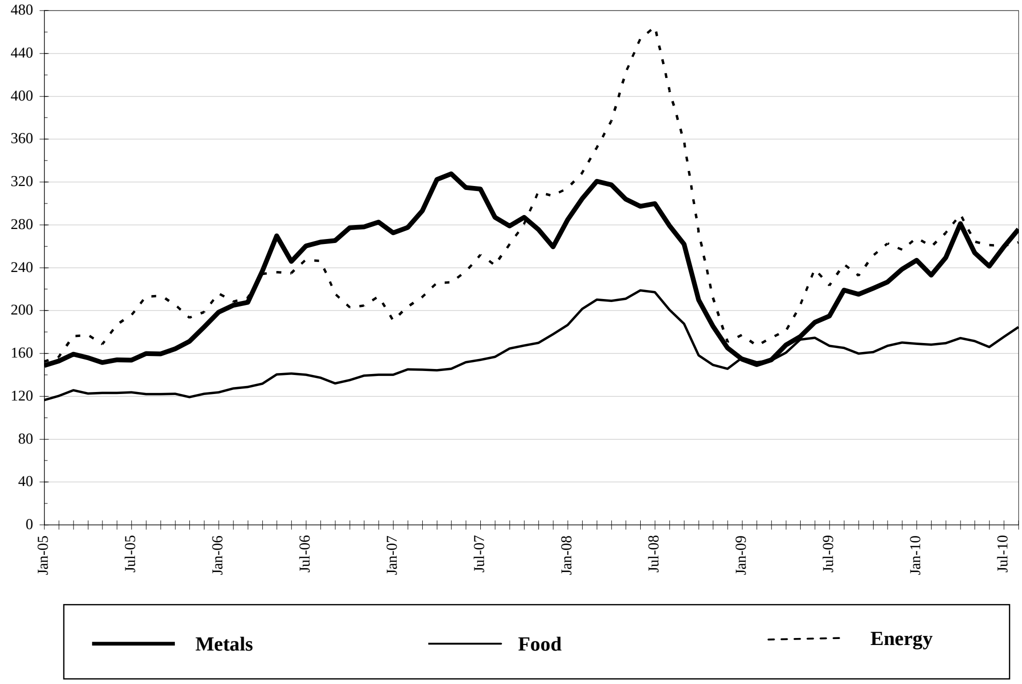


Chart 6 (continued)



Source : IMF, International Financial Statistics; Global Trade Information Services, GTA database; national statistics.

Chart 7
Prices of selected primary commodities, January 2005 - August 2010
(Indices, 2000=100)



Source : IMF, Primary Commodity Prices.

3. Trade in commercial services

67. Timely data on trade in commercial services is less widely available than data on trade in goods. Figures that do exist show exports of developing economies growing faster than those of developed economies, just as in the case of merchandise trade.

68. The dollar value of U.S. services exports between January and August was up nearly 10 per cent year-on-year, led by travel services, which registered a 15 per cent increase. During the same period, Japan's total exports of commercial services rose nearly 9 per cent, while Brazil's grew by 16 per cent.

69. Services exports in the first half of 2010 increased 5 per cent for the European Union including intra-EU trade, 7 per cent for the Russian Federation, and 41 per cent for China. The Chinese increase was led by other commercial services (including financial services) which jumped by 55 per cent. The European Union might have recorded a bigger increase in the first half of 2010 if not for a 5 per cent decline in travel services in the second quarter. EU exports were up 9 per cent year-on-year in the first quarter of this year, but this figure fell to 1 per cent in the second quarter.

ANNEX 1

G20 - Trade and trade-related measures[1]
(Mid-May 2010 - Mid-October 2010)

VERIFIED INFORMATION

Country/Member State	Measure	Source/Date	Status
Argentina	Temporary export ban on ferrous waste and scrap, remelting scrap ingots of iron or steel (NCM 7204.10.00; 7204.21.00; 7204.29.00; 7204.30.00; 7204.41.00; 7204.49.00; 7204.50.00) until 9 July 2010.	WTO Document WT/TPR/OV/W/3 of 14 June 2010.	The export ban was extended until 5 July 2011.
Argentina	Termination on 8 July 2010 of anti-dumping duty on imports of voile (NCM 5407.61.00; 5407.69.00) from Brazil (imposed on 8 September 2009).	WTO Document G/ADP/N/188/ARG of 7 October 2009 and Resolución No. 9/2010 Comercio Exterior - Ministerio de Industria (8 July 2010).	
Argentina	Update of the list of "criterion values" (valores criterio de carácter precautorio) introduced over the period June-August 2010 for imports of a number of products such as blank CD/DVDs (NCM 8523.40.11); auto accessories (NCM 8708.99.90); glasses (NCM 9003.11.00; 9003.19.10; 9003.19.90; 9004.90.10); bags (NCM 4202.92.00; 4202.99.00); polyester yarn (NCM 5509.21.00; 5509.22.00); copper pipes (NCM 7411.10.10; 7411.21.10); chlorodifluoromethane (NCM 2903.49.11); and yarn (NCM 5402.45.20) from certain specified origins.	Resoluciones Generales AFIP Nos. 2871/2010, 2872/2010, 2874/2010, 2891/2010, 2893/2010, 2895/2010, and 2899/2010 (various dates).	
Argentina, Brazil, Paraguay and Uruguay (Mercosur)	Establishment of a new common Custom Code with guidelines on the elimination of double-taxation of imports from Non-Mercosur countries that are unloaded in one Mercosur member and forwarded to another.	Decisiones Nos. 10/10 and 27/10 del Consejo del Mercado Común (2 August 2010).	
Argentina, Brazil, Paraguay and Uruguay (Mercosur)	Trade facilitation measure with the establishment of a Common Customs Document "Documento Único Aduanero del Mercosur (DUAM)".	Decisión No. 17/10 del Consejo del Mercado Común (2 August 2010).	
Australia	Initiation on 22 June 2010 of anti-dumping investigation on imports of "biodiesel" - fuel manufactured by chemically altering non-fossil origin feedstocks (including recycled materials from these sources) through a process of transesterification and/or esterification to form mono-alkyl esters - whether in pure form (B100) or in a blend with a biodiesel percentage in excess of 20% (B20) (HS 2710.11.80; 2710.19.80; 2710.91.80; 2710.99.80; 3824.90.20; 3824.90.30) from the United States.	WTO Document G/ADP/N/202/AUS of 7 September 2010.	

Annex 1 (cont'd)

[1] The inclusion of any measure in this table implies no judgement by the WTO Secretariat on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in the table implies any judgement, either direct or indirect, on the consistency of any measure referred to with the provisions of any WTO agreement or such measure's impact on, or relationship with, the global financial crisis.

Country/Member State	Measure	Source/Date	Status
Australia	Initiation on 22 June 2010 of countervailing investigation on imports of "biodiesel" - fuel manufactured by chemically altering non-fossil origin feedstocks (including recycled materials from these sources) through a process of transesterification and/or esterification to form mono-alkyl esters - whether in pure form (B100) or in a blend with a biodiesel percentage in excess of 20% (B20) (HS 2710.11.80; 2710.19.80; 2710.91.80; 2710.99.80; 3824.90.20; 3824.90.30) from the United States.	WTO Document G/SCM/N/212/AUS of 8 September 2010.	
Australia	Increase of excise rates (from \$A 0.02854/l to \$A 0.03556/l (US\$0.02798/l to US\$0.03486/l)) for imports of aviation fuel (HS 2710.11; 2710.19; 2710.99), as from 1 July 2010.	Australian Customs Notice No. 2010/29 (30 June 2010).	
Australia	Termination on 19 and 27 July 2010 (following a continuation inquiry) of anti-dumping duties on imports of linear low density polyethylene (HS 3901.10; 3901.90) from Indonesia (imposed on 27 July 2000).	WTO Document G/ADP/N/202/AUS of 7 September 2010 and Customs Dumping notice 2010/10.	
Australia	Initiation on 30 July 2010 of anti-dumping investigation on imports of linear-low density polyethylene (LLDPE), in various grades, in pelletised form, with a density of less than 0.94 g/cm^3 (HS 3901.10.00; 3901.90.00) from Canada, Korea, and the United States.	Permanent Delegation of Australia to the WTO (8 October 2010).	
Australia	Consumer price index adjustment for the calculation of new rates of customs duties for certain products such as alcoholic beverages (HS 2203; 2204; 2205; 2206; 2207; 2208) and tobacco products (HS 2401; 2402; 2403) resulting in increase of the customs and excise duties, as from 2 August 2010.	Australian Customs Notice No. 2010/38 (30 July 2010).	
Australia	Termination (without measure) on 4 August 2010 of anti-dumping investigation on imports of certain plywood sheeting, of conifer and non-conifer species, in various widths and grades ranging from high quality appearance structurally-certified grades with minimal imperfections, through to non-structural non-appearance grades to which no manufacturing standard applies (HS 4412.31.00; 4412.32.00; 4412.39.00) from Brazil, Chile, China, and Malaysia (initiated on 3 December 2009).	WTO Document G/ADP/N/202/AUS of 7 September 2010 and Permanent Delegation of Australia to the WTO (8 October 2010).	
Australia	Termination (without measure) on 23 August 2010 of anti-dumping investigation on imports of hollow structural sections (HS 7306.30; 7306.61; 7306.69) from China and Malaysia (initiated on 18 December 2008).	WTO Document G/ADP/N/202/AUS of 7 September 2010 and Permanent Delegation of Australia to the WTO (8 October 2010).	First terminated on 20 May 2009 for imports from Malaysia, and 6 June 2009 for imports from China, but investigation resumed on 31 August 2009, following an appeal to the Trade Measures Review Officer.
Australia	Termination (without measure) on 23 August 2010 of countervailing investigation on imports of hollow structural sections (HS 7306.30; 7306.61; 7306.69) from China (initiated on 18 December 2008).	WTO Document G/SCM/N/212/AUS of 8 September 2010 and Permanent Delegation of Australia to the WTO (8 October 2010).	First terminated on 6 June 2009, but investigation resumed on 31 August 2009, following an appeal to the Trade Measures Review Officer.

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
Brazil	Initiation on 1 June 2010 of anti-dumping investigation on imports of emulsion styrene-butadiene rubber "E-SBR 1502 and E-SBR 1712" (NCM 4002.19.19) from Korea.	WTO Document G/ADP/N/202/BRA of 6 September 2010.	
Brazil	Reduction of import tariffs (to 2%) on certain products such as electrodes (quota 10,000 tonnes) (NCM 8545.19.90), for a period of 12 months.	CAMEX Resolutions No. 25 (29 April 2010) and 47 (24 June 2010).	Measure abolished as from 1 July 2010.
Brazil	Temporary reduction of import tariffs (to 2%) on 7 informatics and telecommunication tariff lines (NCM 8471.60.90; 8517.62.59.011; 8517.62.59.012; 8517.62.59.013; 8517.62.59.014; 8517.62.77; 8517.62.91), until 31 December 2011.	CAMEX Resolutions Nos. 35 (26 May 2010) and 45 (24 June 2010).	
Brazil	Reduction of import tariffs (to 2%) on 276 capital goods tariff lines (NCM Chapters 68; 82; 84; 85; 86; 89; 90; 94), until 31 December 2011.	CAMEX Resolutions Nos. 34 (26 May 2010) and 46 (24 June 2010).	
Brazil	Reduction of import tariffs (to 2%) for certain products such as paper and paper board (NCM 4810.13.90) (quota 4,500 tonnes); flat-rolled products of iron or non-alloy steel not clad, plated or coated (NCM 7208.51.00) (quota 800 tonnes); flat-rolled products of iron or non-alloy steel clad, plated or coated (NCM 7210.90.00) (quota 250 tonnes); and aluminium casks, drums cans, boxes and similar containers (NCM 7612.90.19) (quota 1,900 million units).	CAMEX Resolutions Nos. 39 (2 June 2010), 42 (17 June 2010), and 52 (28 July 2010).	
Brazil	Creation of new tariff lines, in some cases resulting in a decrease of import tariffs on products such as methylcellulose (NCM 3912.39.10) (from 14% to 2%), and copper foil (NCM 7410.21.10) (from 12% to 4%), as from 1 July 2010.	CAMEX Resolution No. 39 (2 June 2010).	
Brazil	Inclusion of certain products on its national list of exemptions to the Mercosur Common Tariff, resulting in a decrease of import tariffs for frozen sardines (to 2%) (NCM 0303.71.00), terephthalic acid and its salts (to zero - quota 132,000 tonnes) (NCM 2917.36.00), and crane lorries (NCM 8705.10.10)	CAMEX Resolution No. 47 (24 June 2010).	
Brazil	Initiation on 7 July 2010 of anti-dumping investigation on imports of colourless flat glass, clear, produced by float process, with a thickness between 2 and 19 mm (NCM 7005.29.00) from China and Mexico.	Circular No. 27 Ministério do desenvolvimento, indústria e comércio exterior - Secretaria de comércio exterior (7 July 2010).	
Brazil	Initiation on 13 July 2010 of anti-dumping investigation on imports of N-Butanol (NCM 2905.13.00) from the United States.	Circular No. 28 Ministério do desenvolvimento, indústria e comércio exterior - Secretaria de comércio exterior (13 July 2010).	
Brazil	Initiation on 22 July 2010 of anti-dumping investigation on imports of toluene diisocyanate (TDI-80/20) (NCM 2929.10.21) from Argentina and the United States.	Circular No. 32 Ministério do desenvolvimento, indústria e comércio exterior - Secretaria de comércio exterior (22 July 2010).	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
Brazil	Termination (without measure) on 5 August 2010 of anti-dumping investigation on imports of flasks of glass up to 20ml (NCM 7010.90.90) from India (initiated on 18 August 2009).	WTO Document G/ADP/N/195/BRA/Rev.1 of 31 March 2010 and Permanent Delegation of Brazil to the WTO (20 October 2010).	
Brazil	Reduction of import tariffs (to 2%) on 436 capital goods tariff lines (NCM Chapters 73; 82; 84; 85; 86; 87; 89; 90), until 30 June 2012.	CAMEX Resolution No. 53 (5 August 2010).	
Brazil	Temporary reduction of import tariffs (to 2%) on 10 informatic and telecommunication tariff lines (NCM 8541.40.32.002; 8541.40.32.003; 8541.40.32.004; 8543.70.99.028; 8543.70.99.066; 8543.70.99.067; 8543.70.99.068; 8543.70.99.069; 8543.70.99.070; 9030.40.90), until 30 June 2012.	Resolution CAMEX No. 54 (5 August 2010).	
Brazil	Initiation on 26 August 2010 of anti-dumping investigation on imports of flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated, of a thickness of 4.75 mm or more (NCM 7208.51.00; 7208.52.00) from the Democratic People's Republic of Korea; Korea; Mexico; Romania; Russia; Spain; Chinese, Taipei; and Turkey.	Circular No. 37 Ministério do desenvolvimento, indústria e comércio exterior - Secretaria de comércio exterior (24 August 2010).	
Brazil	Temporary reduction of import tariffs (from 10% to zero) on cotton (quota 250,000 tonnes) (NCM 5201.00.20; 5201.00.90), for the period 1 October 2010 to 31 May 2011 (beneficiary textiles sector). (Included on its national list of exceptions of the Mercosur Common Tariff).	CAMEX Resolution No. 70 (14 September 2010).	
Brazil	Reduction of import tariffs (to 2%) on 116 auto part tariff lines (NCM Chapters 39, 40, 73, 76, 84, 85, 87, 90, 94).	CAMEX Resolution No. 71 (14 September 2010).	
Canada	Termination on 6 May 2010 of anti-dumping duties (provisional) on imports of faced rigid cellular polyurethane-modified polyisocyanurate thermal insulation board (HS 3921.13.99) from the United States (imposed on 6 January 2010).	WTO Document G/ADP/N/202/CAN of 22 September 2010.	
Canada	Termination on 15 June 2010 (finding rescinded) of anti-dumping duties (definitive) on imports of laminate flooring (HS 4411.13; 4411.14; 4411.92) from China and France (imposed on 16 June 2005).	WTO Document G/ADP/N/202/CAN of 22 September 2010.	
Canada	Termination on 15 June 2010 (finding rescinded) of countervailing duties (definitive) on imports of laminate flooring (HS 4411.13; 4411.14; 4411.92) from China (imposed on 16 June 2005).	WTO Document G/SCM/N/212/CAN of 22 September 2010.	
Canada	Initiation on 20 September 2010 of anti-dumping investigation on imports of metal bar grating of carbon, alloy, or stainless steel, consisting of load-bearing pieces and cross pieces, produced as standard grating or heavy-duty grating, in panel form, whether galvanized, painted, coated, clad or plated (HS 7308.90.90) from China.	Canada Border Services Agency Notice 4214-29 AD/1389 (20 September 2010).	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
Canada	Initiation on 20 September 2010 of countervailing investigation on imports of metal bar grating of carbon, alloy, or stainless steel, consisting of load-bearing pieces and cross pieces, produced as standard grating or heavy-duty grating, in panel form, whether galvanized, painted, coated, clad or plated (HS 7308.90.90) from China.	Canada Border Services Agency Notice 4218-28 CV/126 (20 September 2010).	
China	New customs regulation aiming at strengthening the management of imports and exports of samples and advertising articles, as from 1 July 2010.	Announcement of the General Administration of Customs No. 33/2010 (25 May 2010).	
EU	Initiation on 20 May 2010 of anti-dumping investigation on imports of ring binder mechanisms which consist of at least two steel sheets or wires with at least four half-rings made of steel wire fixed on them and which are kept together by a steel cover (HS 8305.10.00) from Thailand.	WTO Document G/ADP/N/202/EEC of 5 October 2010.	
EU	Initiation on 20 May 2010 of anti-dumping investigation on imports of open mesh fabrics made of glass fibres, with a cell size of more than 1.8 mm both in length and in width and weighing more than 35 g/m^2 (HS 7019.40.00; 7019.51.00; 7019.59.00; 7019.90.91; 7019.90.99) from China.	WTO Document G/ADP/N/202/EEC of 5 October 2010.	
EU	Termination on 26 May 2010 of anti-dumping duties on imports of magnesium oxide, namely natural caustic calcined magnesite (HS 2519.90.90) from China (imposed on 25 May 2005).	WTO Document G/ADP/N/202/EEC of 5 October 2010.	
EU	Initiation on 19 June 2010 of anti-dumping investigation on imports of glazed and unglazed ceramic flags and paving, hearth or wall tiles; glazed and unglazed ceramic mosaic cubes and the like, whether or not on a backing (HS 6907.10.00; 6907.90.10; 6907.90.91; 6907.90.93; 6907.90.99; 6908.10.10; 6908.10.90; 6908.90.11; 6908.90.21; 6908.90.29; 6908.90.31; 6908.90.51; 6908.90.91; 6908.90.93; 6908.90.99) from China.	WTO Document G/ADP/N/202/EEC of 5 October 2010.	
EU	Initiation on 30 June 2010 of anti-dumping investigation on imports of wireless wide area networking (WWAN) modems with a radio antenna and providing Internet Protocol (IP) data connectivity for computing devices and including Wi-Fi routers comprising a WWAN modem (WWAN/Wi-Fi routers) (HS 8471.80.00; 8517.62.00) from China.	WTO Document G/ADP/N/202/EEC of 5 October 2010.	
EU	Initiation on 30 June 2010 of safeguard investigation on imports of wireless wide area networking (WWAN) modems with a radio antenna and providing Internet Protocol (IP) data connectivity for computing devices and including Wi-Fi routers comprising a WWAN modem (WWAN/Wi-Fi routers) (HS 8471.80.00; 8517.62.00).	Commission Notice 2010/C 171/07 and Commission Regulations No. 570/2010 (30 June 2010) and 811/2010 (15 September 2010).	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
EU	Termination (without measure) on 15 July 2010 of anti-dumping investigation on imports of certain stainless steel fasteners and parts thereof (HS 7318.12.10; 7318.14.10; 7318.15.30; 7318.15.51; 7318.15.61; 7318.15.70) from India and Malaysia (initiated on 13 November 2009).	Commission Decision (2010/392/EU) (14 July 2010).	
EU	Termination (without measure) on 15 July 2010 of countervailing investigation on imports of certain stainless steel fasteners and parts thereof (HS 7318.12.10; 7318.14.10; 7318.15.30; 7318.15.51; 7318.15.61; 7318.15.70) from India and Malaysia (initiated on 13 August 2009).	Commission Decision (2010/393/EU) (14 July 2010).	
EU	Termination on 15 July 2010 of anti-dumping duties on imports of bicycles and other cycles (including delivery tricycles, but excluding unicycles) not motorized (HS 8712.00.10; 8712.00.30; 8712.00.80) from Viet Nam (imposed on 12 July 2005).	Commission Notice 2010/C 188/06 (13 July 2010).	
EU	Initiation on 23 July 2010 of anti-dumping investigation on imports of Tris (2-chloro-1-methylethyl) phosphate "TCPP" (HS 2919.90.00) from China.	Commission Notice (2010/C 201/05) (23 July 2010).	
EU	Initiation on 11 August 2010 of countervailing investigation on imports of "biodiesel" - fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, in pure form or in a blend containing by weight more than 20% of fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin (HS 1516.20.98; 1518.00.91; 1518.00.99; 2710.19.41; 3824.90.91; 3824.90.97) from Canada and Singapore (possible circumvention of countervailing measures of imports from the United States imposed in 2009).	Commission Regulation No. 721/2010 (11 August 2010).	
EU	Initiation on 13 August 2010 of anti-dumping investigation on imports of "biodiesel" - fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, in pure form or in a blend containing by weight more than 20% of fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin (HS 1516.20.98; 1518.00.91; 1518.00.99; 2710.19.41; 3824.90.91; 3824.90.97) from Canada and Singapore (possible circumvention of anti-dumping measures of imports from the United States imposed in 2009).	Commission Regulation No. 720/2010 (11 August 2010).	

Annex 1 (cont'd)

Country/Member State	**Measure**	**Source/Date**	**Status**
EU	Initiation on 13 August 2010 of anti-dumping investigation on imports of saturated fatty alcohols with a carbon chain length of C8, C10, C12, C14, C16 or C18 (not including branched isomers) including single saturated fatty alcohols (also referred to as "single cuts") and blends predominantly containing a combination of carbon chain lengths C6-C8, C6-C10, C8-C10, C10-C12 (commonly categorized as C8-C10), blends predominantly containing a combination of carbon chain lengths C12-C14, C12-C16, C12-C18, C14-C16 (commonly categorized as C12-C14) and blends predominantly containing a combination of carbon chain lengths C16-C18 (HS 2905.16.85; 2905.17.00; 2905.19.00; 3823.70.00) from India, Indonesia, and Malaysia.	Commission Notice (2010/C 219/05) (13 August 2010).	
EU	Initiation on 19 August 2010 of anti-dumping investigation on imports of plastic sacks and bags, containing at least 20% by weight of polyethylene and of sheeting of a thickness not exceeding 100 micrometers (HS 3923.21.00; 3923.29.10; 3923.29.90) from China (possible circumvention of anti-dumping measures imposed in 2006 - Xiamen Xingxia Polymers Co. Ltd.).	Commission Regulation No. 748/2010 (19 August 2010).	
EU	Termination on 28 August 2010 of anti-dumping duties on imports of grain oriented flat-rolled products of silicon-electrical steel "GOES" of all widths (HS 7225.11.00; 7226.11.00) from the United States (imposed on 27 August 2005).	Commission Notice 2010/C 230/21 (26 August 2010).	
EU	Initiation on 16 September 2010 of countervailing investigation on imports of wireless wide area networking (WWAN) modems with a radio antenna and providing Internet Protocol (IP) data connectivity for computing devices and including Wi-Fi routers comprising a WWAN modem (WWAN/Wi-Fi routers) (HS 8471.80.00; 8517.62.00) from China.	Commission Notice 2010/C 249/08 (16 September 2010).	
EU	Termination on 17 September 2010 of anti-dumping duties on imports of woven fabrics of synthetic filament yarn containing 85% or more by weight of textured and/or non-textured polyester filament, dyed (including dyed white) or printed (HS 5407.51.00; 5407.52.00; 5407.54.00; 5407.61.10; 5407.61.30; 5407.61.90; 5407.69.10; 5407.69.90) from China (imposed on 12 September 2005).	Commission Notices Nos. 2010/C 104/07 (23 April 2010) and 2010/C 248/06 (15 September 2010).	
EU	Termination (without measure) on 29 September 2010 of anti-dumping investigation on imports of certain polyethylene terephthalate (PET) (HS 3907.60.20) from Iran, Pakistan, and the United Arab Emirates (initiated on 3 September 2009).	WTO Document G/ADP/N/202/EEC of 5 October 2010, EU Regulation No. 472/2010 (31 May 2010) and Commission Decision (2010/577/EU) (28 September 2010).	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
EU	Initiation on 30 September 2010 of anti-dumping investigation on imports of certain seamless pipes and tubes of stainless steel, other than with attached fittings suitable for conducting gases or liquids for use in civil aircraft (HS 7304.11.00; 7304.22.00; 7304.24.00; 7304.41.00; 7304.49.10; 7304.49.93; 7304.49.95; 7304.49.99; 7304.90.00) from China.	Commission Notice 2010/C 265/09 (30 September 2010).	
EU	Termination on 8 October 2010 of anti-dumping duties on imports of trichloroisocyanuric acid and preparations "symclosene" (HS 2933.69.80; 3808.94.20) from the United States (imposed on 3 October 2005).	Commission Notice 2010/C 271/28 (7 October 2010).	
India	Initiation on 20 May 2010 of anti-dumping investigation on imports of sewing machines needles (HS 8452.30) from China.	WTO Document G/ADP/N/202/IND of 23 September 2010.	
India	Initiation on 31 May 2010 of anti-dumping investigation on imports of sodium hydroxide "caustic soda" (HS 2815.11; 2815.12) from Norway; Chinese, Taipei; and Thailand.	WTO Document G/ADP/N/202/IND of 23 September 2010.	
India	Termination (duty lapsed) on 7 June 2010 of anti-dumping duties on imports of acrylonitrile butadiene rubber (NBR)-IV (HS 4002.59.00) from Brazil, the EU (excluding Germany), and Mexico (imposed on 7 June 2005).	WTO Document G/ADP/N/202/IND of 23 September 2010.	
India	Initiation on 8 June 2010 of anti-dumping investigation on imports of paranitroaniline (PNA) "4-nitroaniline, 1-amino-4-nitrobenzene, or p-nitrophenylamine" (HS 2921.42.26) from China.	WTO Document G/ADP/N/202/IND of 23 September 2010.	
India	Deregulation of oil prices, reducing government subsidies, in order to reduce budget deficit.	Permanent Delegation of India to the WTO (Statement at TPRB Meeting 8 July 2010).	
India	Initiation on 16 August 2010 of anti-dumping investigation on imports of cold rolled flat products of stainless steel of 400 series having a width of less than 600 mm including all ferritic and martensitic grades excluding razor blades steel (HS 7220.20.10; 7220.20.21; 7220.20.22; 7220.20.29; 7220.20.90; 7220.90.10; 7220.90.21; 7220.90.22; 7220.90.29; 7220.90.90) from EU, Korea, and the United States.	Notification No. 14/19/2010-DGAD Ministry of Commerce & Industry - Department of Commerce (16 August 2010).	
India	Initiation on 16 August 2010 of anti-dumping investigation on imports of cold rolled flat products of stainless steel of 200 series having a width of less than 600 mm including all austenitic grades having nickel content of less than 6% (HS 7220.20.10; 7220.20.21; 7220.20.22; 7220.20.29; 7220.20.90; 7220.90.10; 7220.90.21; 7220.90.22; 7220.90.29; 7220.90.90) from China, United Arab Emirates, and the United States.	Notification No. 14/21/2010-DGAD Ministry of Commerce & Industry - Department of Commerce (16 August 2010).	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
India	Initiation on 20 August 2010 of anti-dumping investigation on imports of soda ash "disodium carbonate" (Na_2CO_3) (HS 2836.20) from China, EU, Iran, Kenya, Pakistan, Ukraine, and the United States.	Notification No. 14/17/2010-DGAD Ministry of Commerce & Industry - Department of Commerce (20 August 2010).	
India	Initiation on 26 August 2010 of anti-dumping investigation on imports of opal glassware of all types (HS 7013) from China and the United Arab Emirates.	Notification No. 14/24/2010-DGAD Ministry of Commerce & Industry - Department of Commerce (26 August 2010).	
Indonesia	Termination (without measure) on 14 June 2010 of safeguard investigation on imports of aluminium foil food container/aluminium tray and plain lid (HS 7612.90.90) (initiated on 19 January 2010).	WTO Document G/SG/N/9/IDN/3 of 9 July 2010.	
Indonesia	Additional requirements on imports of cosmetic and traditional herbal medicines (HS 2106.90; 3301.29; 3301.90; 3303; 3304; 3305; 3306; 3307; 3401; 8539.31.90). Amendment to the Decree incorporating 41 additional tariff lines, comprising of 7 traditional and herbal medicines; 33 cosmetic products; and 1 electronic product; effective as from 21 June 2010.	Permanent Delegation of Indonesia to the WTO (11 October 2010) and Decrees No. 23/M-DAG/PER/5/2010 (21 May 2010) and No. 56/M-DAG/PER/12/2008.	
Indonesia	New regulation stipulating that exports of mining products, crude palm oil, coffee, rubber, and cocoa with an export value exceeding US$1 million must be supported by letters of credit issued by domestic banks.	Permanent Delegation of Indonesia to the WTO (11 October 2010) and Decree No. 27/M-DAG/PER/6/2010 (24 June 2010).	The regulation was cancelled on 24 June 2010.
Indonesia	Initiation on 25 June 2010 of safeguard investigation on imports of cotton yarn other than sewing thread (HS 5205.12.00; 5205.21.00; 5206.12.00; 5206.14.00).	WTO Document G/SG/N/6/IDN/11 of 16 July 2010.	
Indonesia	Initiation on 25 June 2010 of safeguard investigation on imports of woven fabrics of cotton (HS 5208.11.00; 5208.12.00; 5208.13.00; 5208.19.00; 5208.23.00; 5208.29.00; 5209.29.00; 5210.11.00; 5211.11.00; 5211.12.00; 5212.11.00).	WTO Document G/SG/N/6/IDN/12 of 16 July 2010.	
Japan	The Postal Reform Bill was approved by the Cabinet on 30 April 2010. Its main contents were: (i) Japan Post Group to be reorganized from 5 to 3 companies; (ii) to ensure universal services such as postal services, savings, and life insurances, to be integrally available at post offices in a simple and user-friendly manner; and (iii) to ensure that Japan Post Group be able to provide postal services equally and universally throughout the country. The Japanese government intends to ensure the consistency with its GATS and other international agreements in the future operation, and relevant laws and regulations.	Permanent Delegation of Japan to the WTO (10 October 2010) and WTO Document WT/TPR/OV/W/3 of 14 June 2010.	On 8 October 2010 the Cabinet approved a revised Bill.
Korea, Rep. of	Termination (without measure) on 16 June 2010 of anti-dumping investigation on imports of propylene oxide (HS 2910.20) from Japan (initiated on 29 January 2010).	WTO Document G/ADP/N/202/KOR of 5 October 2010.	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
Mexico	Initiation on 3 July 2010 of safeguard investigation on imports of spiral-welded steel pipes and tubes of 30 inches in diameter and 11.5 metres in length, manufactured in accordance with the specifications of American Petroleum Institute (API), Standard API 5L (HS 7305.19.01).	WTO Document G/SG/N/6/MEX/2 of 19 July 2010.	
Mexico	Federal Programme "Programa de Regulación Base Cero" aimed at reducing and/or eliminating unnecessary trade procedures, as well as facilitating customs formalities, as from January 2010. Further trade facilitating measures implemented on 17 August 2010.	Permanent Delegation of Mexico to the WTO (8 October 2010).	
Russian Federation	Extension of duty-free access for certain metal processing equipments (HS 8455.22).	WTO Document WT/TPR/OV/W/3 of 14 June 2010.	Measure taken on a permanent basis.
Russian Federation	Prolongation in January 2010 of the temporary import tariff increase on butter and certain types of dairy products (by €0.35/kg up to €0.4/kg (US$0.49/kg to US$0.56/kg)); and milk and dairy cream (by 5% up to 25%).	WTO Document WT/TPR/OV/W/3 of 14 June 2010.	Measure taken on a permanent basis.
Russian Federation	Modification of export tariffs (from €100/m^3 (US$140.2/$m^3$) to 25%, but not less than €15/m^3 (US$21/$m^3$)) for certain types of wood chips (HS 4403.10.00).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 21 July 2010.
Russian Federation	Elimination of import restrictions on pork (HS 0203) from France, the Netherlands, and the United States.	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from September 2010.
Russian Federation	Local content requirement obligations and 15% price preference for domestically produced telecom equipments.	Permanent Delegation of the Russian Federation (20 October 2010).	
Russian Federation	Temporary ban on exports of certain crops such as wheat (HS 1001.10), barley (HS 1003), rye (HS 1002), and maize (HS 1005), from 15 August 2010 to 31 December 2010. Export ban duration extended until November 2011.	Permanent Delegation of the Russian Federation (20 October 2010).	Decree No. 654, adopted on 30 August 2010, authorized some limited grain exports before the end of 2010.
Russian Federation	Decree No. 1173 regulating the exports and imports of precious metals and gems. Traders are allowed to export only if they supply a sufficient amount to the State Reserves. Belarus and Kazakhstan (Custom Union members) are exempted.	Permanent Delegation of the Russian Federation (20 October 2010).	
Belarus, Kazakhstan, Russian Federation	Increase of specific import tariffs (from €0.3/kg to €0.6/kg (US$0.42/kg to US$0.84/kg)) on top of import duty (15%)) on certain types of processed cheese (HS 0406.30.10; 0406.30.31; 0406.30.39; 0406.30.90).	Permanent Delegation of the Russian Federation (20 October 2010).	Effective as from 24 May 2010.
Belarus, Kazakhstan, Russian Federation	Modification of import tariffs (from 15% but not less than €0.12/kg to €0.4/kg (US$0.17/kg to US$0.56/kg)) for palm oil in tare exceeding 200,000 kg net weight or below (HS 1511.10.90).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 3 July 2010.
Belarus, Kazakhstan, Russian Federation	Elimination of import tariffs on wood sheets for veneering of a thickness not exceeding 1 mm (HS 4408.39.31).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 3 July 2010.
Belarus, Kazakhstan, Russian Federation	Reduction of import tariffs (from 15% to 5%) on certain form of safety glass (HS 7007.19.80).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 3 July 2010.

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
Belarus, Kazakhstan, Russian Federation	Elimination of import tariffs on photosensitive semiconductor devices (HS 8541.40.90).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 3 July 2010.
Belarus, Kazakhstan, Russian Federation	Introduction of import tariffs (15%) on plastic parts for frames and mountings for spectacles, goggles or the like (HS 9003.90.00).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 29 July 2010.
Belarus, Kazakhstan, Russian Federation	Elimination of import tariffs on Tungsten (wolfram) waste and scrap (HS 8101.97.00).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 19 August 2010.
Belarus, Kazakhstan, Russian Federation	Elimination of import tariffs on cermets waste and scrap (HS 8113.00.40).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 19 August 2010.
Belarus, Kazakhstan, Russian Federation	Reduction of import tariffs (from 20% to 15%) on wines (HS 2204.29) imported in tare exceeding 227 litres.	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 23 September 2010.
Belarus, Kazakhstan, Russian Federation	Increase of import tariffs (from 5% to 15%) on grape must (HS 2204.30.98).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 23 September 2010.
Belarus, Kazakhstan, Russian Federation	Increase of import tariffs (from 10% to 15%, but not less than €1/kg (US$1.4/kg)) on plastic caps and capsule for bottles (HS 3923.50.10; 3923.50.90).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 23 September 2010.
Belarus, Kazakhstan, Russian Federation	Increase of specific import tariffs (from €6.9/unit to €20/unit (from US$9.7/unit to US$28/unit)) on top of the current import duty (20%) on retreated tyres (HS 4012.11.00; 4012.20.00).	Permanent Delegation of the Russian Federation (11 October 2010).	Effective as from 23 September 2010.
Belarus, Kazakhstan, Russian Federation	Increase of import tariffs (from zero to 5%) on certain agricultural equipments (HS 8428.90.71; 8428.90.79; 8436.10.00).	Permanent Delegation of Belarus to the United Nations (19 October 2010).	Effective as from 16 October 2010.
Turkey	Reduction of import tariffs (from 135% to 20-40%) for certain live bovine animals (HS 0102) and sheep (HS 0104); and for bovine meat (HS 0202) (from 225% to 30%), as from August 2010.	Permanent Delegation of Turkey to the WTO (8 October 2010).	
Turkey	Termination on 28 July 2010 of anti-dumping duties (definitive) on imports of colour TV receivers with integral picture tube - 174.CHC (HS 8528) from China (imposed on 28 July 2005).	WTO Document G/ADP/N/202/TUR of 6 August 2010 and Permanent Delegation of Turkey to the WTO (8 October 2010).	
Turkey	Termination on 28 July 2010 of anti-dumping duties (definitive) on imports of new pneumatic tyres of rubber for motor cars (HS 4011.10) from China (imposed on 20 August 2005).	WTO Document G/ADP/N/202/TUR of 6 August 2010 and Permanent Delegation of Turkey to the WTO (8 October 2010).	
Turkey	Initiation on 5 August 2010 of anti-dumping investigation on imports of cord wire of base metals (HS 8311.20; 8311.30) from China.	Permanent Delegation of Turkey to the WTO (8 October 2010).	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
United States	Termination on 30 July 2010 of countervailing duties on imports of welded-wire rack decking produced from carbon or alloy steel wire that has been welded into a mesh pattern (HS 7217.10.10; 7217.10.20; 7217.10.30; 7217.10.40; 7217.10.50; 7217.10.60; 7217.10.70; 7217.10.80; 7217.10.90; 7217.20.15; 7217.20.30; 7217.20.45; 7217.20.60; 7217.20.75; 7326.20.00; 7326.90.10; 7326.90.25; 7326.90.35; 7326.90.45; 7326.90.60; 7326.90.85; 9403.20.00; 9403.90.80) from China (imposed on 9 November 2009).	WTO Document G/SCM/N/203/USA of 18 March 2010 and Permanent Delegation of the United States to the WTO (20 October 2010).	
United States	Termination on 30 July 2010 (without measure) of anti-dumping investigation on imports of welded-wire rack decking produced from carbon or alloy steel wire that has been welded into a mesh pattern (HS 7217.10.10; 7217.10.20; 7217.10.30; 7217.10.40; 7217.10.50; 7217.10.60; 7217.10.70; 7217.10.80; 7217.10.90; 7217.20.15; 7217.20.30; 7217.20.45; 7217.20.60; 7217.20.75; 7326.20.00; 7326.90.10; 7326.90.25; 7326.90.35; 7326.90.45; 7326.90.60; 7326.90.85; 9403.20.00; 9403.90.80) from China (initiated on 2 July 2009).	WTO Document G/ADP/N/188/USA of 18 September 2009 and Permanent Delegation of the United States to the WTO (20 October 2010).	
United States	US Manufacturing Enhancement Act of 2010 "Miscellaneous Tariff Bill" extending until 31 December 2012 temporary suspensions of import tariffs on certain products such as raw materials, chemicals, yarns, and items not manufactured locally.	Permanent Delegation of the United States to the WTO (20 October 2010).	
United States	Extension of the dairy incentive programme for the period July 2010 to June 2011.	Permanent Delegation of the United States to the WTO (20 October 2010).	
United States	Final ruling on the Recovery Act Buy-American Requirements (Federal Acquisition Regulation, replacing an interim Rule), establishing that iron and steel construction materials are exempt from this provision, only when those materials do not consist wholly or predominantly of iron and steel.	Permanent Delegation of the United States to the WTO (20 October 2010).	

NON-VERIFIED INFORMATION

Country/Member State	Measure	Source/Date	Status
Argentina	Reintroduction of import licensing requirement for certain products such as tyres, electrical transformers, printed material, and advertising material.	Press reports (1 June 2010).	
Argentina	Internal Note 232 from the Secretary of State for Internal Trade requiring health certificates issued by the National Food Institute to be approved by the Secretary of State for Internal Trade. The measure is reportedly restricting food imports, and causing long delays in the granting of certificates enabling the release of imports from ports.	Meeting of the WTO's Council for Trade in Goods (5 July 2010) and MercoPress - South Atlantic News Agency (5 July 2010).	

Country/Member State	Measure	Source/Date	Status
Argentina	To obtain non-automatic meat export licensing traders are required for each 2 tonnes exported, to sell at "official prices" 1 tonne of meat (cortes populares) for local consumption.	Press reports (October 2010).	
Brazil	New Decree allowing tax breaks for exports "drawback suspension", and for companies investing in technological innovation, as a complement to the existing "drawback exemption".	WTO Reporter (8 August 2010).	
Brazil	Initiation on 29 September 2010 of anti-dumping investigation on imports of nitrile rubber from Argentina, France, Korea, India, Poland, and the United States.	Press reports (29 September 2010).	
China	New controls on exports of rare minerals through the establishment of mining rights to selected state-owned firms.	Agence France Press (2 June and 6 October 2010).	
China	Elimination of export tax rebates on certain products such as steel (9%), starch, ethanol and semi-finished copper products (5%), as from 15 July 2010.	Agence France Presse (23 June 2010).	
China	New guidelines issued by the National Development and Reform Commission for purchase of domestic wheat and rapeseed. Measure reportedly includes support prices, and subsidy.	Grain Market Report GMR No. 401 (24 June 2010).	
China	Reduction of export quotas (from 28,417 to 7,976 metric tonnes) on "rare earth" minerals, as from August 2010.	South China Morning Post (10 July 2010) and Financial Post (12 July 2010).	
China	Temporary import ban on meat and edible meat offal entering through the port of Hong Kong, China.	El Pais Digital (20 July 2010).	
China	New import tariff reduction (by 30%) for certain agricultural and industrial products.	Xinhua (22 July 2010).	
China	Multi-Level Protection Scheme limiting the use of foreign computer security technology on certain sectors such as oil, gas, banking, and telecommunications.	Press reports (26 August 2010).	
China	Initiation on 30 August 2010 of anti-dumping investigation on imports of potato starch from the EU.	Press reports referring to MOFCOM Public Notice No. 48/2010 (30 August 2010).	
China	Import ban on Canadian boneless beef from cattle under 30 months progressively being lifted as from 1 October 2010.	Reuters (3 September 2010).	
China	Trade facilitation measures (streamline import regulations and import financing) on new technologies and energy products.	AGEFI (7 September 2010).	
India	Transfer of work clothing and other worn articles to the restricted list. Imposition of import licensing requirements for this items.	Press reports (19 May 2010).	
India	Withdrawal of tyres and other polyester (HS 5402.47.00) from the import restricted list.	Press reports (26 May 2010).	
India	Special authorization to export 10,000 tonnes of white sugar to the EU.	Reuters Limited (15 June 2010).	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
India	Extension of the import ban on dairy products, including chocolates (HS 0401; 0402; 0403; 0404; 0405; 0406; 1806) from China, for another six months.	The Economic Times (24 June 2010).	
India	Increase of the minimum support price for paddy rice (from Rs 50/100 kg to Rs 1,000/tonne (from US$1.13/100 kg to US$22.58/tonne).	Grain Market Report GMR No. 401 (24 June 2010).	
India	Guidelines from the Ministry of New and Renewable Energy requiring that components used in the manufacturing of solar photovoltaic modules be manufactured locally, under the Jawaharlal Nehru National Solar Mission.	HT Media Limited (6 July 2010).	
India	Stricter rules on telecommunication equipment (to secure its mobile networks) which reportedly included a temporary ban on sales of non-branded mobile phones and telecom products.	Financial Times (2 August 2010).	The ban was lifted on 22 August 2010.
India	Elimination of export ban on certain variety of premium aromatic basmati rice (smaller grain size).	Press reports (17 August 2010).	
India	"Duty Entitlement Passbook Scheme". Extension of financial export incentives (tax rebates) until 30 June 2011 (the scheme was supposed to expire on 31 December 2010). Support benefits mainly the textiles, leather and jute sectors.	Dow Jones Newswires (23 August 2010) referring to the "Annual Supplement to the Foreign Trade Policy 2009-14".	
India	Extension of export ban on certain products such as wheat and rice.	Reuters Limited (23 August 2010).	
India	Amendments to the "Focus Product Scheme" granting an additional benefit (2%) over the current duty credit of 5% of the FOB value of exports.	Press reports (23 August 2010).	
India	"Export Promotion Capital Goods Scheme" (EPCGS) enabling the import of capital equipment at reduced rates of duty. The scheme was introduced in August 2009 and valid for two years (31 March 2011). The EPCGS was extended until 31 March 2012.	Press reports referring to MOFCOM Notification No. 1(RE-2010)/2009-2014 (23 August 2010).	
India	Reported measures introducing local content requirements for solar energy projects.	Washington Trade Daily Volume 19, Number 188 (22 September 2010).	
India	Export ban on cotton implemented in April 2010 was lifted in May 2010. As from May 2010, imposition of stricter export licensing requirements and additional tax of Rs 2,500/tonne (US$56.45/tonne).	Press reports (May 2010).	
Indonesia	Introduction of export tariffs (from zero to 15%) on raw cocoa.	Press reports referring to Regulation 67/2010 (various dates).	
Russian Federation	Reported import ban on wines (HS 2204; 2205) from Moldova.	Press reports (27 July 2010).	
Russian Federation	Temporary price controls scheme, fixing maximum retail prices on "socially important food products" such as meat, fish, dairy products, eggs, oil, wheat, fruits, and vegetables.	Press reports (17 August 2010).	

Annex 1 (cont'd)

Country/Member State	Measure	Source/Date	Status
South Africa	Reduction of import tariff (from 10% to zero) on glass ampoules.	SMS-siemagsa.com (24 September 2010).	
South Africa	Increase of import tariffs between May and August 2010 for certain products such as glycerol (from zero to 10%), lysine and associated feed supplements (from zero to 10%), calcium proportionate (from zero to 15%), and non-organic pigments (from zero to 10%).	Press reports (various dates).	
Turkey	Stricter export licensing requirements (additional conditions prior to export) on copper scrap.	Press reports (21 May 2010).	
Turkey	Cancellation of flour wheat exports (40,000 metric tonnes) to Indonesia.	Dow Jones Newswires (10 August 2010).	

ANNEX 2

G20 - General Economic Stimulus Measures[23] (Mid-May 2010 – Mid-October 2010)

VERIFIED INFORMATION

Country/ Member State	Measure	Source/Date	Status
Canada	Investment in Forest Industry Transformation Programme (IFIT) (Can$100 million over four years (US$97.1 million)), for projects that implement innovative technologies for a more economically competitive and environmentally sustainable forest sector.	Permanent Delegation of Canada to the WTO (20 October 2010).	
EU			
Bulgaria	Temporary aid scheme allowing direct grants of up to (€500,000 (US$700,800)) per company. (Beneficiary: companies that were not in difficulty on 1 July 2008).	Public information available on the European Commission's website transmitted by the EU Delegation (10 October 2010) and EU State Aid N 333/10.	Decision adopted on 10 September 2010.
Cyprus	Rescue aid (€1.6 million (US$2.24 million)), in the form of state loan guarantee, for the agricultural sector.	EU State Aid N 60/10 (6 May 2010).	
Germany	EU State aid (overall budget €45 million (US$63.1 million), and annual budget €22 million (US$30.8 million)) "Änderung der Regelung für Innovationsbeihilfen an den Schiffbau" for shipbuilding sector.	EU State Aid N 116/10 (10 May 2010).	Effective from 1 May 2010 to 31 December 2010
Germany	Aid scheme (€2,050 million (US$2,873 million)) for all sectors (Änderung der sog., Bundesregelung Kleinbeihilfen" im Bereich der Nachrangdarlehen)	EU State Aid N 255/10 (31 August 2010).	Effective from 1 September 2010 to 31 December 2010.
Greece	State aid to aluminium of Greece SA.	EU State Aid C 2/10 (ex NN 62/09) (16 April 2010).	
Hungary	Short-term export credit insurance scheme (€183 million (US$256.5 million)).	EU State Aid N 187/10 (July 2010).	Effective from 5 July 2010 to 31 December 2010.
Hungary	Amendment of the Temporary Framework Guarantee Scheme which determines the maximum amount of the investment loan that can be covered by a guarantee on the basis of the EU 27 average labour costs.	Public information available on the European Commission's website transmitted by the EU Delegation. EU State Aid N 56/10 (6 August 2010).	
Ireland	Amendment to the Framework Scheme - limited amounts of compatible aid, increasing its overall budget (from €100 million (US$140.2 million) to €350 million (US$490.6 million)) and the maximum number of beneficiaries (from 1,000 firms to 2,000 firms).	Public information available on the European Commission's website transmitted by the EU Delegation. EU State Aid N 473/09 (15 December 2009).	
Latvia	Short-term export credit insurance scheme for temporarily non-marketable risks related to exports into EU markets and into individual OECD countries.	Public information available on the European Commission's website transmitted by the EU Delegation. EU State Aid N 84/10 (10 June 2010).	Effective from 1 July 2010 to 31 December 2010.
Latvia	Aid scheme (LVL 55.8 million (US$109.4 million)), in the form of direct grant for the agriculture sector (in compliance with the Rural Development Programme 2007-13).	EU State Aid N 256/10 (17 August 2010).	Effective until 31 December 2013.

Annex 2 (cont'd)

[23] The inclusion of any measure in this table implies no judgement by the WTO Secretariat on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in the table implies any judgement, either direct or indirect, on the consistency of any measure referred to with the provisions of any WTO agreement or such measure's impact on, or relationship with, the global financial crisis.

Country/ Member State	Measure	Source/Date	Status
Lithuania	Short-term export credit insurance (LTL 100 million (US$40.5 million)). The Commission authorized, under EU State aid rules, a measure adopted by Lithuania to limit the adverse impact of the current financial crisis on exporting firms.	EU State Aid N 659/09 and WTO Document WT/TPR/OV/W/3 of 14 June 2010.	Effective until 31 December 2010.
Netherlands	Aid scheme (€21 million for seven years (US$29.4 million)), in the form of loan, guarantee, and interest subsidy for rescuing and restructuring firms in difficulty.	EU State Aid N 281/09 (24 March 2010).	Effective until 1 February 2017.
Poland	Soft loan (overall budget Zl 150 million (US$52.3 million)) for chemical and pharmaceutical industry (Zaklady Chemiczne "Police" SA).	EU State Aid N 693/09 (26 May 2010).	Effective from 1 June 2010 to 30 November 2010.
Poland	Soft loan (overall budget Zl 12.5 million (US$4.4 million)) for manufacturing industry (Fabryka Lozysk Tocznych Krasnik SA).	EU State Aid N 104/10 (2 June 2010).	Effective from 1 June 2010 to 30 November 2010.
Poland	Soft loan (Zl 8 million (US$2.8 million)) for manufacturing industry (Zaklady Sprzetu Precyzyjnego "Niewiadów" S.A.).	EU State Aid N 126/10 (25 June 2010).	Effective from 15 June 2010 to 15 December 2010.
Poland	Amendments to the Temporary Framework - Limited amounts of compatible aid (initially adopted on 17 August 2009). (Beneficiaries: all firms from all sectors having an economic activity in Poland).	Public information available on the European Commission's website transmitted by the EU Delegation. EU State Aid N 22/10, N 50/10 and N 86/10.	Effective from 15 July 2010.
Slovak Rep.	Aid scheme (€80.5 million (US$112.8 million)), in the form of temporary reduction of the mineral oil tax, for the agricultural sector.	EU State Aid N 111/10 (28 April 2010).	Effective from 1 May 2010 to 31 December 2012.
Slovak Rep.	Aid scheme (overall budget €400 million (US$560.6 million)), for all sectors (except agricultural primary production and fishing industry), valid until 31 December 2010. The scheme provides aid in the form of remission of debt.	EU State Aid N 711/09 (2 February 2010).	
Spain	Aid scheme (direct grant) for investment in agricultural holdings (€8.3 million (US$11.6 million)).	EU State Aid N 87/10 (28 April 2010).	Effective from 30 June 2010 to 31 December 2013.
Spain	Guarantee scheme for businesses facing funding problems, for the year 2010.	Public information available on the European Commission's website transmitted by the EU Delegation. EU State Aid N 68/10 and 157/10 (20 April 2010).	
United Kingdom	Extension of the short-term provision of small amounts (£20 million (US$31.7 million)) to primary agricultural producers.	EU State Aid N 71/10 (28 April 2010).	Effective until 31 December 2010.
Japan	New stimulus package (US$60 billion) approved by the Cabinet on 8 October 2010.	Permanent Delegation of Japan to the WTO (20 October 2010).	
Russian Federation	Cash-for-clunkers plan (Rub 10 billion (US$324.67 million)) allocated in the Federal Budget for 2010. Rub 50,000 (US$1,623) for vehicles older than 10 years. Both foreign and domestic old cars can be utilized under this programme, but only new domestic cars can be bought with the discount. The plan is part of the "Plan of Industry Support".	WTO Document WT/TPR/OV/W/3 of 14 June 2010 and Permanent Delegation of the Russian Federation (20 October 2010).	The plan was extended until the end of 2011.
Russian Federation	Prolongation of subsidies granted in 2009 to producers of agricultural machinery and automotive industry.	Permanent Delegation of the Russian Federation (20 October 2010)	
Russian Federation	Government support (Rub 2 billion (US$64.9 million)) for exporting SMEs.	Permanent Delegation of the Russian Federation (20 October 2010)	
United States	Small Business Jobs Act of 2010 including temporary tax credits and expansion of loan programmes for SMEs.	Permanent Delegation of the United States to the WTO (20 October 2010).	Effective as from 27 September 2010.

4 November 2010

Fourth Report on G20 Investment Measures[1]

At the London, Pittsburgh and Toronto Summits, G20 Leaders committed to foregoing protectionism and requested public reports on their adherence to this commitment. Several G20 member countries reiterated this commitment at the UNCTAD World Investment Forum 2010, held on 6-9 September 2010 in Xiamen, China and at the Meeting of the OECD Council at Ministerial Level, held on 27-28 May 2010 in Paris, France. The present document is the fourth report on investment and investment-related measures in response to this mandate.[2] It has been prepared jointly by the OECD and UNCTAD Secretariats and covers investment policy and investment-related measures taken between 21 May 2010 and 15 October 2010.

I. INVESTMENT DEVELOPMENTS IN G20 MEMBERS

Foreign direct investment (FDI) flows to G20 countries declined sharply by 36% in the second quarter of 2010, after four quarters of modest recovery in the wake of the financial crisis (Figure 1). As the economic recovery remains fragile and new risk factors (such as competitive devaluations) are emerging, G20 and global FDI flows for 2010 as a whole are estimated to remain stagnant. That implies that 2010 FDI flows will still be some 25% lower than the average of the last three pre-crisis years (2005-2007). A new FDI boom remains a distant prospect.[3]

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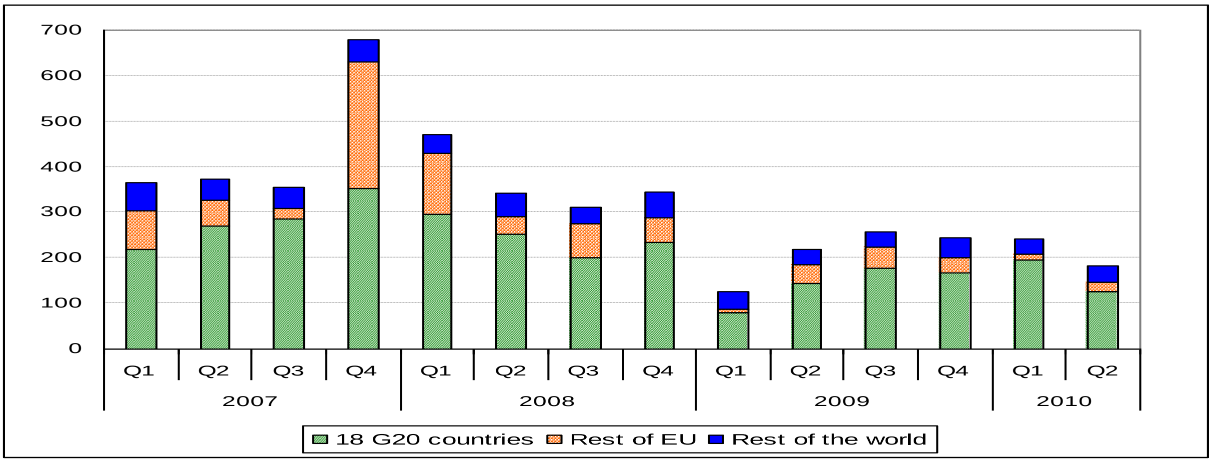
1 Information provided by OECD and UNCTAD Secretariats.

2 Earlier reports by WTO, OECD and UNCTAD to G20 Leaders are available on the websites of the OECD and UNCTAD.

3 For further information and analysis on recent trends, see UNCTAD's "Global Investment Trends Monitor" Issue No. 4, October 2010 (www.unctad.org/en/docs/webdiaeia20101_en.pdf). See also OECD, *Investment News*, Issue 13, June 2010 (www.oecd.org/investment).

Figure 1. Global FDI inflows by group of countries, 2007/Q1-2010/Q2 (USD billion)*



* Global FDI data are only for 67 countries that account for roughly 90% of global FDI flows and that are included in the UNCTAD's Global FDI index. Saudi Arabia is not included because quarterly data was not available. *Source*: UNCTAD.

II. INVESTMENT POLICY MEASURES

During the 21 May 2010–15 October 2010 reporting period, 17 G20 members took some sort of investment policy action (investment-specific measures, investment measures relating to national security, emergency and related measures with potential impacts on international investment, international investment agreements).[4] Emergency measures with potential impacts on international investment continued to account for most of the measures during the period (Table 1).

Table 1: Investment and investment-related measures taken or implemented between 21 May 2010 and 15 October 2010

	Investment-specific measures	Investment measures related to national security	Emergency and related measures with potential impacts on international investment*	International investment agreements
Argentina				
Australia	•		•	
Brazil	•			
Canada	•		•	•
China	•			•
France			•	•
Germany			•	•
India	•			
Indonesia	•			
Italy			•	•
Japan			•	
Korea, Republic of	•		•	•
Mexico				
Russian Federation			•	•
Saudi Arabia	•			
South Africa			•	
Turkey				•
United Kingdom			•	•
United States			•	
European Union				•

* Emergency and related measures include ongoing implementation of existing measures and introduction of new measures that were implemented at some point in the reporting period.

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4 Annex 2 contains detailed information on the coverage, definitions and sources of the information in this report.

(1) Investment-specific measures

Eight G20 members took investment-specific measures (those not designed to address national security or emergency concerns) during the reporting period. Measures include the following:

- Australia tightened the rules applicable to foreign investment in residential real estate.
- Brazil reinstated restrictions on rural land-ownership for foreigners by modifying the way a law dating back to 1971 is to be interpreted. The reinterpreted law establishes that, on rural land-ownership, Brazilian companies which are majority owned by foreigners are subject to the legal regime applicable to foreign companies.
- Canada removed foreign ownership restrictions regarding international submarine cables, earth stations that provide telecommunications services by means of satellites, and satellites.
- China increased the threshold that triggers central level approval for foreign-invested projects in the "encouraged" or "permitted" categories. China also extended existing business permits of foreign-controlled companies for retail distribution to online sales over the internet.
- India sought to make its foreign investment regulations more accessible to investors by consolidating regulations relating to FDI and cross-border capital flows.
- Indonesia amended its rules that determine to what extent foreigners can invest in specific industries in the country. Among others, the changes further liberalise foreign investment in construction services, film technical services, hospital and healthcare services, and small scale electric power plants.
- The Republic of Korea extended FDI zones for the services sector.
- Saudi Arabia allowed foreign investors to invest in an exchange-traded fund of Saudi Arabian shares.

Three countries took measures designed to reduce the volatility of short term capital flows:

- Brazil doubled the tax levied on non-residents' investment in fixed-income securities to 4%.
- Indonesia introduced a one-month minimum holding period on Sertifikat Bank Indonesia (SBIs), a debt instrument, and tightened banks' net foreign exchange positions.
- The Republic of Korea introduced limits on forward exchange positions of banks; restricted the use of foreign currency loans granted by financial institutions established in the Republic of Korea to residents to overseas purposes; and tightened regulations on banks' foreign exchange liquidity ratio.

The measures show some continued moves toward eliminating restrictions and improving clarity for investors (Canada, China, India, Indonesia, the Republic of Korea and Saudi Arabia), but also some steps toward increasing restrictions (Australia, Brazil, Indonesia, and the Republic of Korea).

(2) Investment measures related to national security

None of the G20 members took investment measures related to national security in the reporting period.

(3) Emergency and related measures with potential impacts on international capital movements

Emergency measures continued to be the most frequent measure covered by this report (Table 1). While the report does not record cases of overt discrimination against foreign investors in the design of these programmes, discrimination might be present in their implementation. In addition, these measures have direct impacts on competitive processes, including those operating through international investment.

The evolution of support schemes in different economies and in the financial and non-financial sectors shows varying patterns (Table 2). More than two years after the financial crisis struck, G20 countries have almost stopped introducing new emergency schemes but numerous existing ones continue to be open for new entrants. Other schemes have already been discontinued and assets and liabilities resulting from the interventions are being wound down.

Table 2: Status of emergency measures in financial and non-financial sectors

	Financial sector				Non-financial sectors			
	At least one emergency scheme was closed for new entry of firms in the reporting period	At least one emergency scheme continued to be open for new entrants on 15 October 2010	At least one new scheme was introduced in the reporting period	Legacy assets still held by government on 15 October 2010	At least one emergency scheme was closed for new entry of firms in the reporting period	At least one emergency scheme continued to be open for new entrants on 15 October 2010	At least one new scheme was introduced in the reporting period	Legacy assets still held by government on 15 October 2010
Argentina								
Australia	•			•				
Brazil								
Canada				•		•		•
China								
France				•		•		•
Germany		•		•		•		•
India								
Indonesia								
Italy		•	•	•		•		•
Japan	•	•		•		•		•
Korea, Republic of		•		•		•		•
Mexico								
Russian Federation						•		•
Saudi Arabia								
South Africa						•		•
Turkey								
United Kingdom				•		•		•
United States	•		•	•	•	•	•	•
European Union								

Two countries introduced new emergency schemes: Italy reintroduced a scheme for the financial sector that it had discontinued earlier, and the United States established a new support scheme. Ten countries continued to implement emergency measures with potential impact on international investment at the end of the reporting period. Many schemes, especially broad support schemes for the real economy, remain open to new entrants.

Only three G20 members, Australia, Japan and the United States, closed one or more support schemes for the financial sector during the reporting period. Also, emergency schemes dedicated to non-financial sectors are, for the most part, still open for new entrants. At the end of the reporting period on 15 October 2010, 35 of the 36 schemes listed in this and earlier reports to G20 Leaders are still open for new entrants – only one scheme, in the United States, has so far been discontinued.

Emergency measures have left significant legacy assets and liabilities

Even where schemes have been closed to new entrants, some G20 members continue to hold assets and liabilities left as a legacy of emergency measures. This legacy is significant and continues to influence market conditions even after the closure of programmes to new entry. At the end of the reporting period, 9 countries held legacy assets and liabilities resulting from emergency schemes for the financial sector and 10 countries held them as a result of schemes dedicated to non-financial sectors. Total outstanding public commitments under emergency programmes – equity, loans and guarantees – on 15 October 2010 exceeded USD 2 trillion.[5] In the financial sector, public expenditure commitments for certain individual companies represented hundreds of billions of USD. For instance, the German government's financial commitment for a special purpose vehicle – "bad bank" – exceeds USD 220 billion, and a British bank benefits from a guarantee of assets of over GBP 280 billion. In the United States, Government Sponsored Enterprises operating in the mortgage lending sector now benefit from an explicit unlimited guarantee.

As of 15 October 2010, several hundred financial firms continue to benefit from public support, and only about 15% of the financial firms that had received crisis-related support have fully reimbursed loans, repurchased equity or relinquished public guarantees. In non-financial sectors, over 30,000 individual firms have benefitted or continue to benefit from emergency support; governments estimate that the total number of firms that will receive crisis related aid will exceed 40,000 companies. Individual companies operating in the non-financial sectors have received advantages worth several billion USD.

Unwinding the financial positions of governments may create new risks for disguised discrimination against foreign investors

Some governments have begun to unwind financial positions – assets or liabilities – acquired as part of their crisis response. These actions took several forms: sales by governments of their stakes in companies (United Kingdom and United States) or paying down of loans or relinquishing state-guarantees by companies participating in the programmes (France, Germany, and the United States).

Only one country – India – has so far dismantled all emergency programmes for the financial sector and has no outstanding legacy assets or liabilities. Two countries have dismantled guarantee or capital injection programmes for the financial sector, but still have outstanding legacy assets or liabilities left over from these programmes (Australia and the United Kingdom). Three countries have guarantee or capital injection programmes that are still open for new entrants (Germany, Italy, and Japan).

The disposal of assets acquired as part of governments' emergency response to the crisis may again influence international capital flows and, depending on the approach chosen for disposal, may entail risks of discrimination against foreign investors. Not all governments have communicated their approach and timelines for unwinding financial positions they have taken as part of their crisis response. The few cases where governments have already disposed of assets show a range of methods. In France, Germany and the United States, financial institutions have repurchased government participations at predetermined prices at the moment of their choice. The United States has also disposed of some positions on the market through sales agents and has auctioned off warrants.

Governments are not always in a position to determine the timing of their exit. Liabilities, in particular public guarantees, will come to term when the underlying loans mature. In many cases, public guaranteed loans have maturities of 3 to 5 years. The design of some recapitalisation schemes also limits or excludes the choice of the timing of exit. In some cases, where governments have acquired equity positions in financial institutions (for instance in France and Germany) they cannot unilaterally decide to unwind their positions. Special purpose vehicles that take over and unwind illiquid assets ("bad banks") will also operate for years to come to limit losses. Germany for instance estimates that it will take a decade for one of its two bad banks to unwind positions with a nominal value of over EUR 173 billion. The potential impact on competitive conditions of legacy assets and liabilities is thus likely to persist for the years to come.

(4) International investment agreements

During the reporting period, G20 members continued to negotiate or pass new international investment agreements (IIAs), thereby further enhancing the openness and predictability of their policy frameworks governing investment. Between 21 May and 15 October 2010, six bilateral

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[5] The US has abolished the cap on the funding commitment for guarantees until end 2012 under one of its emergency programmes; this decision is not taken into account for the calculation of the estimate.

investment treaties[6] and three other agreements with investment provisions were concluded by G20 members (Table 3).[7]

These agreements differ in terms of content, ranging from the Canada-Panama FTA that includes substantive investment provisions that are typically found in BITs (and that also grants pre-establishment rights) to the EU agreement with the Republic of Korea that takes a commercial presence approach and includes provisions on the transfer of funds.

Table 3: G20 Members' International Investment Agreements

	Bilateral Investment Treaties (BITs)		Other IIAs		
	Concluded 21 May – 15 October 2010	Total as of 15 October 2010	Concluded 21 May – 15 October 2010	Total as of 15 October 2010	Total IIAs as of 15 October 2010
Argentina		58		16	74
Australia		22		16	38
Brazil		14		16	30
Canada	1	29	1	22	51
China	1	126		14	140
France		102	1	65	167
Germany		135	1	65	200
India		78		11	89
Indonesia		62		21	83
Italy		94	1	65	159
Japan		15		18	33
Korea, Republic of		91	2*	17	108
Mexico		28		16	44
Russian Federation	2	67		3	70
Saudi Arabia		21		10	31
South Africa		46		9	55
Turkey	2	82		19	101
United Kingdom		104	1	65	169
United States		47		59	106
European Union			1	62	62

* Includes a FTA between the Republic of Korea and Peru. Negotiations were concluded but the FTA has not yet been signed.

Furthermore, following the entry into force of the Lisbon Treaty in December 2009, which shifted certain responsibilities in the field of FDI from the Member States to the EU, the European Commission issued two policy documents in July 2010 laying down future pathways of a common European investment policy.[8]

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6 Agreement between Canada and the Slovak Republic for the Promotion and Protection of Investments (20 July 2010); Agreement on the Promotion and Protection of Investments between China and the Libyan Arab Jamahiriya (4 August 2010); Investment Promotion and Protection Agreement between the Russian Federation and Singapore (27 September 2010); Agreement on Promotion and Reciprocal Protection of Investments between the Russian Federation and the United Arab Emirates (28 June 2010); Bilateral Investment Treaty between Turkey and Kuwait (27 May 2010); Bilateral Investment Treaty between Turkey and Senegal (15 June 2010).

7 Canada and Panama signed an FTA on 14 May 2010; the Republic of Korea and Peru concluded negotiations of an FTA on 30 August 2010; and the Republic of Korea and the EU signed an FTA on 6 October 2010. Substantive progress was made on several other ongoing FTA negotiations of the EU (with Canada, India, and Singapore). Although the Canada-Panama FTA was signed before the reporting period, it is included in this Report, since information on this agreement has not been included in the last OECD-UNCTAD report on G20 investment measures. G20 members also signed seven double taxation treaties (DTTs). As of mid-October 2010, there were over 2,763 BITs, 2,889 DTTs and approximately 307 FTAs, or economic cooperation agreements containing investment provisions ("other IIAs"), making a total of 5,959 IIAs.

8 "*Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, Towards a comprehensive European*

III. OVERALL POLICY IMPLICATIONS

G20 members have continued to honour their pledge not to retreat into investment protectionism. On the contrary, the majority of investment measures taken during the review period carry on the trend towards investment liberalisation and facilitation.

However, these findings provide no grounds for complacency. Recent measures by some G20 emerging markets attest to these countries' concerns about the impacts of global macroeconomic imbalances on their economies. If these imbalances and related risks for other countries are not dealt with in a credible manner, the resulting policy tensions could degenerate into a protectionist spiral. In non-financial sectors, risks of discrimination against foreign investors are still real as well. G20 Leaders will want to continue their vigilance in this area.

Managing the investment impacts of emergency measures taken in response to the crisis still constitutes a great challenge for G20 governments. These measures could be applied in a discriminatory way toward foreign investors. In addition, they pose serious threats to market competition in general and to competition operating through international investment in particular.

Governments have, in some cases, begun dismantling and unwinding emergency schemes. This process will take several years. Again in this phase, risks of protectionism may arise. Governments' choice of the approach and timing of unwinding will determine the prevalence of these risks and thus the trust and confidence that investors will have in governments' fairness and openness.

It remains a crucial challenge for G20 Leaders to ensure that emergency programmes are wound down as quickly as is prudent, given remaining systemic concerns and the continued fragility of the economic recovery. Assets that were acquired as a legacy of crisis-related schemes should be disposed of in a timely, non-discriminatory and open manner. Exit strategies should be transparent and accountable and should not be used as a pretext to discriminate directly or indirectly against certain investors, including foreign investors.

There are also grounds for concern that support policies are becoming an entrenched feature of the policy landscape in some countries. The fact that many emergency schemes are still operating two years after the crisis points to the political dilemmas facing governments. Although there may be a few cases where concerns about systemic stability persist, there is now a growing risk that governments are being captured by a logic for subsidisation from which it is difficult to escape. Internationally, government subsidies in one country create pressure on governments elsewhere to subsidise or shoulder the structural adjustment shifted on to them by other subsidising governments.

G20 Leaders should also be mindful of the risks for international investment resulting from global macroeconomic imbalances. These pose two types of problems for international investment policy makers. First, in a general way, global macroeconomic imbalances and related policy tensions detract from investor confidence and therefore dampen investment, both domestic and international. Second, countries have begun adopting policies (capital controls and financial regulations with similar effects) aimed at buffering their economies from volatility of foreign exchange markets and capital flows induced by these imbalances. Such policies will, if they become entrenched, lead to fragmentation of international capital markets along national lines and may be difficult to dismantle once in place. Progress by G20 Leaders in credibly addressing global macroeconomic imbalances will help create an environment in which international investment can make its full contribution to global prosperity and sustainable growth.

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international investment policy", 7 July 2010, COM(2010)343final and "*Proposal for a Regulation of the European Parliament and of the Council establishing transitional arrangements for bilateral investment agreements between Member States and third countries*", 7 July 2010, COM(2010)344final.

ANNEX 1

Investment and investment-related measures
(21 May 2010 – 15 October 2010)

	Description of Measure	Date	Source
Argentina			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Australia			
Investment policy measures	Changes to the Australian Government's foreign investment policy reintroducing the requirement for temporary residents to notify purchases of residential real estate came into effect on 26 May 2010.	26 May 2010	Foreign Acquisitions and Takeovers Amendment Regulations 2010 (No. 2).
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 30 June 2010, Australia's car dealership financing special purpose vehicle (OzCar) ceased to provide financing as scheduled and is being wound up. OzCar had been activated on 1 September 2009 and provided, with funding from the four major Australian banks, temporary liquidity support to eligible participating car dealership financiers. The Government supported the SPV by guaranteeing the monthly interest payments and the repayment of principal on the final maturity date, 1 January 2012.	Until 30 June 2010.	
Brazil			
Investment policy measures	On 23 August 2010 Brazil reinstated restrictions on rural land-ownership for foreigners. The measure results from the publication of a Presidential Order, approving a Government Legal Opinion (Parecer CGU/AGU No. 01/2008) on the application of Law 5709 of 7 October 1971 to foreign owned Brazilian companies. The reinterpreted law establishes that, on rural land-ownership, Brazilian companies which are majority owned by foreigners are subject to the legal regime applicable to foreign companies. The Law permits resident foreigners to acquire up to three 'rural modules' modules without seeking approval and limits foreign acquisition to fifty modules. Acquisitions of between three and fifty modules require approval by the Ministry of Agricultural Development. Foreign companies can only acquire rural land for agricultural, cattle-raising, industrial or development projects. No more than 25% of the rural areas of any municipality may be owned by foreigners, and no more than 10%	23 August 2010	"*Presidential Order approving Parecer CGU/AGU No. 01/2008-RVJ*", 23 August 2010; "Law 5709, 7 October 1971"

	Description of Measure	Date	Source
	may be owned by foreigners of the same nationality. The policy change does not affect transactions made by Brazilian companies controlled by foreigners closed before its publication on 23 August 2010.		
	On 5 October 2010, an increase of the tax levied on non-residents' investment in fixed-income securities to 4% came into effect. The previous rate of 2% was introduced on 19 October 2009 to prevent strong capital inflows that could lead to asset price bubbles and to ease upward pressure on the Real. The 2% levy on investments in the capital markets remained unchanged.	5 October 2010	Decree No. 7.323 of 4 October 2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Canada			
Investment policy measures	On 12 July 2010, the Jobs and Economic Growth Act received royal assent. Among others, the Act removes restrictions on foreign ownership of satellites, earth stations that provide telecommunications services by means of satellites and international submarine cables.	12 July 2010	*An Act to Implement Certain Provisions of the Budget tabled in Parliament on March 4, 2010 and Other Measures*, 12 July 2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Canada continued to implement some of the components of the Economic Action Plan, the country's framework for response measures to the crisis, which was initially announced on 27 January 2009. The plan consists of components of support to financial and non-financial sectors.		"*Canada's Economic Action Plan – Sixth report to Canadians*", Government of Canada, 27 September 2010.
	While most of the support programmes for the financial sector, provided under the CAD 200 billion Extraordinary Financing Framework, were phased out on 31 March 2010, Canada continues to hold assets and liabilities that result from the implementation of the components of this programme.		
	– Under the *Insured Mortgage Purchase Program*, Canadian financial institutions could access stable long-term government financing in exchange for high-quality mortgage assets. The overall budget limit was set at CAD 125 billion. Over CAD 69 billion have been provided to banks and other lenders through reverse auctions until the programme's expiry on 31 March 2010.		"*Canada's Economic Action Plan – Sixth report to Canadians*", Government of Canada, 27 September 2010, p. 131; "*The insured Mortgage Purchase Program*", Parliamentary Information and Research Service, 13 March 2009.
	– The *Canadian Secured Credit Facility*, which was designed to support the financing of vehicles and equipment and to stimulate private lending to these sectors, also expired on 31 March 2010. Under the facility that was operated by the Business Development Bank of Canada (BDC) the Government had committed to purchase up to CAD 12 billion of newly issued term asset-backed securities backed by loans and leases on vehicles and		"*Canada's Economic Action Plan – Sixth report to Canadians*", Government of Canada, 27 September 2010, p. 131.

	Description of Measure	Date	Source
	equipment and dealer floor plan loans. Approximately CAD 3.4 billion has been utilized. Mainly multinational financial corporations used the programme.		
	At the end of the reporting period on 15 October 2010, the components of the Economic Action Plan that provide support to the non-financial sectors were still open for new entrants:		
	– Canada continued to implement the *Business Credit Availability Program* that seeks to improve access to financing for Canadian businesses. The programme, which is operated by Export Development Canada (EDC) and the Business Development Bank of Canada (BDC), offers direct lending and other types of support and facilitation at market rates to businesses with viable business models whose access to financing would otherwise be restricted. As part of the Economic Action Plan, both institutions' capital limits. Between February 2009 and 31 July 2010, over 13,000 companies had received support of a gross volume of about CAD 8 billion under the programme.	Ongoing	"*Canada's Economic Action Plan – Sixth report to Canadians*", Government of Canada, 27 September 2010, pp. 135; Business Credit Availability Program website, Department of Finance.
	– Canada continued to operate the *Vehicle and Equipment Financing Partnership*, which had been introduced as part of the Business Credit Availability Program in Budget 2010 with an initial allocation of CAD 500 million in funding. The partnership expands financing options for small and medium-sized finance and leasing companies to ensure access to financing to acquire vehicles and equipment.		"*Canada's Economic Action Plan – Sixth report to Canadians*", Government of Canada, 27 September 2010, pp. 135.
	– Canada continued to implement the support to companies in various industry sectors including access to financing for firms operating in forestry, agriculture, as well as to SMEs.	Ongoing	"*Canada's Economic Action Plan – Sixth report to Canadians*", Government of Canada, 27 September 2010, pp. 115, 188, 120.
	Canada and Ontario maintained holdings in Chrysler (2%) and General Motors (11.7%), arising from earlier loans and debtor-in-possession financing of CAD 14.58 billion combined. The governments of Canada and Ontario also continue to hold USD 403 million preferred shares in New GM. By 20 April 2010, General Motors completed the repayment of its entire CAD 1.5 billion interim loan from Canada and Ontario.	Ongoing	"*Canada's Economic Action Plan – Sixth report to Canadians*", Government of Canada, 27 September 2010, p. 115.
China			
Investment policy measures	On 10 June 2010, the Ministry of Commerce released a circular that increases the threshold that triggers central level approval for foreign-invested projects in the "encouraged" or "permitted" categories to USD 300 million, up from USD 100 million. The Circular implements a policy change announced in the Opinions on Foreign Investment that the State Council had released on 6 April 2010.	10 June 2010	*Circular of the Ministry of Commerce on Delegating Approval Authority over Foreign Investment to Local Counterparts*, No. 209/2010.
	On 19 August 2010, the Ministry of Commerce released a circular that extends existing business permits of foreign-controlled companies for retail distribution to online sales over the internet.	19 August 2010	*Circular of the General Office of the Ministry of Commerce on Issues Concerning Examination and Approval of Foreign-Invested Projects of Selling Goods via the Internet and Automat*, No. 272/2010.
Investment	None during reporting period.		

	Description of Measure	Date	Source
measures relating to national security			
Emergency and related measures with potential impacts on international investment	None during reporting period.		
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	France continued to hold equity of one French bank – BPCE – that participated in France's recapitalisation scheme. Under the scheme, the *Société de prise de participation de l'État* (SPPE), a wholly state-owned investment company, bought securities from eligible banks. BPCE, which had received a capital injection of EUR 7.05 billion, has reimbursed parts of SPPE's holdings in March, August and October 2010 but preference shares of EUR 1.2 billion as well as EUR 1.7 billion in perpetual subordinated debt remain outstanding. The bank has committed to reimburse the remaining capital until 2013 when its strategic plan comes to term. The reimbursement of 15 October 2010 also leads to the departure of the two government representatives from the bank's board of directors. Six French banks had initially participated in the scheme until late 2009, when five of the banks reimbursed the capital. The scheme includes obligations for beneficiary banks with regard to financing the real economy the observance of which are monitored locally and nationally. A mediation system is also planned to ensure compliance with the obligations. The programme had a budget ceiling of EUR 21 billion.		European Commission decisions N613/2008, N29/2009, N164/2009 and N249/2009; "*Faits marquants BPCE : juillet 2009-août 2010*", BPCE press information, 5 August 2010 ; "*Nouvelle composition du conseil de surveillance de BPCE*", BPCE press release, 6 October 2010 ; "*BPCE finalise la cession de la Société Marseillaise de Crédit*", BPCE press release, 22 September 2010.
	France continued its support to the Dexia Group, jointly granted with Belgium and Luxembourg, through three main measures: – As a result of a capital injection undertaken in September 2008, France directly holds equity of Dexia for a nominal amount of EUR 1 billion while the CDC holds EUR 1.7 billion; – France continued to guarantee 36.5% of approximately EUR 44 billion debt of Dexia (Belgium and Luxembourg guarantee the remaining 60.5% and 3% of Dexia's debt, respectively; the aggregate commitment by the three States may not exceed a maximum amount of EUR 100 billion); debt issued since 30 June 2010 is no longer covered by a State guarantee; – France guarantees, jointly with Belgium, a sale option concluded by Dexia on a portfolio of impaired assets amounting to USD 17 billion; France guarantees 37.6% of the nominal value of the assets while Belgium guarantees 62.4%.		European Commission decisions NN49/2008, N583/2009 and C9/2009; "*Guarantee Agreement between the Belgian State, the French State, the Luxembourg State and Dexia SA/NV*", undated archive of the total outstanding amount of Dexia's "Guaranteed Liabilities" made available by the National Bank of Belgium; "*Positive outcome from European Commission negotiations*", Dexia press release, 6 February 2010; "*Renewal of States guarantee on Dexia's funding for one year*", Dexia press release, 18 September 2009; "*Deuxième Avenant à la Convention de Garantie Autonome*"; 17 March 2010.
	While France had discontinued its scheme for		European Commission decisions

	Description of Measure	Date	Source
	refinancing credit institutions on 30 November 2009, it continued to guarantee loans of financial institutions that had participated in the scheme. In May 2009, these guarantees covered loans of approximately EUR 50 billion, of which around EUR 10 billion had maturities of over 3 years. Overall, 13 French financial institutions, including two banks of French car companies Renault and PSA, participate in the support scheme. The scheme, which came into effect on 30 October 2008 and was extended in May 2009, established the wholly state-owned Société de Financement de l'Economie Française (SFEF, previously known as Société de refinancement des activités des établissements de crédits – SRAEC). The scheme authorised SFEF to provide medium and long-term financing to any bank authorised in France, including the subsidiaries of foreign groups. SFEF benefitted from a state guarantee and was allowed to extend lending up to EUR 265 billion. Credit institutions that benefitted from the scheme had to pay a premium over and above the normal market price and had to make commitments regarding their conduct, including the extension of loans to the real economy.		N548/2008 and N251/2009.
	France's Strategic Investment Fund (Fonds Stratégique d'Investissement, FSI), endowed with EUR 20 billion when established on 19 December 2008, continued to acquire stakes in companies including NicOx, Bontoux, Mecachrome, Avanquest, GLI International, Innate Pharma, Phoebe Ingenica, Vallourec, IPS, Gruau, Limagrain, Cylande, Inside Contactless, Mäder, CGGVeritas, Grimaud, Cerenis, and Alcan EP. All these companies except Alcan EP were under French control at the time of the investment. According to the Fund's annual report on 2009, the investment sought to accelerate the development of these enterprises by means of capital increases – or to support companies in temporary difficulties. The minority investment in Alcan EP, once part of a French consortium before its sale to Rio Tinto, seeks to anchor the company in France, according to an FSI executive board member. The large majority of the investments were made in the context of capital increases of the concerned firms. At least one acquisition was realised through the acquisition of shares on the market and in one case, the FSI also co-founded a new company in cooperation with two French automobile producers and a French state-owned research institute. The FSI also invested in or considered investing in some companies that were in financial difficulties at the time of the investment. In December 2009, for instance, the FSI acquired 30% in the holding company of Mecachrome International, then under bankruptcy protection, and in early 2010 considered an investment of EUR 10 million in Heuliez Véhicule Electrique, a new subsidiary of the automotive company Heuliez, which encountered financial difficulties, and eventually entered bankruptcy proceedings on 18 May 2010. For the first time since its establishment, the FSI carried out a significant divestment of one of its positions on 6 October 2010; the FSI sold its entire 6.8% stake in the company through a sales agent for around EUR 227 million.	Ongoing	"Le FSI annonce sa participation aux cotés de Renault, Nissan et du Commissariat à l'Energie Atomique (CEA) à la création en France d'une société commune de recherche et développement, de production, de commercialisation et de recyclage de batteries destinées aux véhicules électriques", FSI press release, 5 November 2009; "Résultats 2009 du FSI", FSI press release, 19 April 2010; "Les orientations stratégiques du Fonds stratégique d'investissement", undated strategy statement of the FSI; Comptes rendus de la Commission de l'économie, 17 February 2010. "Augustin de Romanet: 'Nous n'abandonnerons pas nos entreprises aux prédateurs'", Figaro Magazine, 9 January 2009.

	Description of Measure	Date	Source
	According to its strategic orientations, the FSI intends to be involved in the governance of the enterprises in which it has holdings. As of mid-May 2010, the FSI held stakes of or exceeding 20% in 5 companies.		
	France continued to operate its other state-owned or state co-owned funds that are mandated to assist companies to cope with the crisis and the financial difficulties that it triggered. They include notably a FSI-run programme for SMEs to assist them in strengthening their capital, and, since 1 October 2009, the *Fonds de consolidation et de développement des entreprises* (FCDE). This latter fund, endowed with capital of EUR 200 million, invests in companies that are in financial difficulties, did not succeed in obtaining sufficient investment from private investors, but have potential for development. The fonds will only take minority stakes limited to EUR 15 million. The fund's capital is contributed by the FSI (47.5%) and a consortium of private banks. Once it has received approval by the financial market authority, the fund will be managed by a body composed of its shareholders. In the meantime, the *CDC Entreprises*, a subsidiary of the public *Caisse des Dépôts*, operates the fund.		"*Le FSI lance le programme FSI-PME, destiné à renforcer les fonds propres des PME ayant des projets de croissance*", FSI press release, 5 October 2009; "*Lancement du Fond de consolidation et de développement des entreprises*", press release, Médiateur du crédit, 1 October 2009.
	France continued to implement five temporary framework schemes that it had established to support the real economy manage the consequences of the crisis until 31 December 2010. These include:		
	– A scheme for small amounts of aid of up to EUR 500 000 per undertaking in 2009-2010 combined. Over 1,000 enterprises were expected to benefit from the scheme, which came into effect on 19 January 2009.	Ongoing	European Commission decisions N7/2009, N188/2009, and N278/2009.
	– A second scheme that provides aid in form of subsidised interest rates for loans contracted no later than 31 December 2010; the subsidy may only remain in place on interest payments before 31 December 2012. The scheme came into effect on 4 February 2009, and was expected to assist more than 1000 enterprises.	Ongoing	European Commission decision N15/2009.
	– A third scheme concerning subsidized guarantees to companies for investment and working capital loans concluded by 31 December 2010. Over 500 enterprises are expected to benefit from the scheme, which came into effect on 27 February 2009.	Ongoing	European Commission decision N23/2009.
	– A fourth framework scheme, which came into effect on 3 February 2009, allows to grant loans with a reduced interest rate at most during two years and until 31 December 2010 to businesses investing in the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force). The scheme is open for companies of any size and in any sector, and the expected beneficiaries include in particular the automotive industry. The scheme may be implemented by state, regional and local authorities. The French government estimates that about 500 enterprises may benefit from this fourth scheme.	Ongoing	European Commission decision N11/2009.
	– Finally, France continued to implement a temporary aid scheme to support access to finance for the agriculture sector. This	Ongoing	European Commission decision N609/2009.

	Description of Measure	Date	Source
	framework scheme, which was introduced 2 December 2009, allows federal, regional and local authorities to provide until 31 December 2010 direct grants, interest rate subsidies, and subsidised loans and guarantees. The overall budget of the scheme is limited to EUR 700 million, and the French authorities expect up to 1,000 companies to benefit directly from the scheme.		
Germany			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The Financial Market Stabilisation Fund (SoFFin) continued to operate and was prolonged until 31 December 2010. Since its establishment on 17 October 2008, the fund is the vehicle to provide state assistance to the financial sector in response to the crisis. The fund provides guarantees and capital to financial institutions and assumes risk positions. German subsidiaries of foreign financial institutions are entitled to participate in the scheme. SoFFin also provides the umbrella for the establishment by banks of liquidation institutions ("bad banks"). The entry window for guarantees and recapitalisation measures is scheduled to expire on 31 December 2010. By 30 September 2010, SoFFin had received applications from 25 institutions with a gross volume of EUR 261.3 billion. On that date, SoFFin had granted stabilisation measures to 11 German financial institutions. The total volume of the measures was EUR 203.9 billion, of which EUR 174.58 billion were guarantees to 9 institutions. Four financial institutions received a total EUR 29.3 billion as capital. Also, SoFFin established two liquidation institutions.	Ongoing	European Commission decisions N512/2008, N625/2008, N330/2009 and N665/2009, N222/2010; "*Stabilisierungsmaßnahmen des SoFFin*", SoFFin website; Law of 17 October 2008 (Finanzmarktstabilisierungsfondsgesetz —FMStFG); "*Law on the development of financial market stabilisation/Gesetz zur Fortentwicklung der Finanzmarktstabilisierung*", in force since 23 July 2009.
	At the end of the reporting period, only a few of the positions that SoFFin has taken in financial institutions since its inception have been unwound. On 16 July 2010, Aareal Bank became the first financial institution to begin repayment of SoFFin's silent participation of EUR 525 million that the bank had received in early 2009. Aareal Bank reimbursed EUR 150 million. Over 99.9% of the overall equity holdings that SoFFin had acquired at its peak remain with the fund. No specific policy or schedule has been published for the unwinding of holdings resulting from capital injections. The unwinding of guarantees is expected to reach into 2012, as some of the guaranteed debt has maturities of up to three years. Commerzbank, for instance, in which SoFFin also has a 25% equity stake resulting from a recapitalisation measure, has issued three-year bonds guaranteed by SoFFin with a nominal value of EUR 5 billion. These bonds will mature on 13 January 2012, and the SoFFin guarantee on this debt is unconditional and irrevocable.	16 July 2010	"*Aareal Bank starts repayment of the SoFFin silent participation ahead of plan, enhances funding flexibility through a precautionary measure*", Aareal Bank Group press release, 28 June 2010.

	Description of Measure	Date	Source
	On 30 September 2010, Hypo Real Estate Holding AG (HRE) transferred impaired assets of a nominal value of EUR 173 billion to its liquidation institution that SoFFin had established on 8 July 2010. As part of this transfer, bonds guaranteed by SoFFin – and issued by HRE for its funding – in the amount of approximately EUR 124 billion were also transferred to the liquidation institution. In the meantime, the liquidation institution and HRE have reduced liquidity guarantees from SoFFin by EUR 23.5 billion. The guaranteed bonds in the amount of EUR 100.5 billion now remaining at the liquidation institution are expected to be phased out by mid-2011 at the latest. It is planned to replace the guaranteed bonds by issuances of the liquidation institution which do not feature SoFFin guarantees. The liquidation institution for HRE is the second institution established under SoFFin, following the setup of such an institution by WestLB, a state controlled bank on 11 December 2009. For HRE, the establishment of the liquidation institution follows a series of earlier interventions, including two capital increases by EUR 3 billion and EUR 1.85 billion, respectively to a total amount of EUR 8.15 billion, following a squeeze-out of remaining shareholders on 13 October 2009 that left SoFFin the sole owner of HRE. SoFFin also provided the now fully state-owned bank guarantees. SoFFin has also provided several guarantees to HRE; a SoFFin guarantee of EUR 43 billion replaced an earlier guarantee of the same amount provided by the Federal Government and a consortium of financial institutions on 21 December 2009; an additional guarantee of EUR 10 billion was reactivated on 28 May 2010, and a further guarantee of EUR 40 billion was granted on 10 September 2010 to cover a possible temporary liquidity shortfall before and during the transfer of assets. HRE will refinance its business predominantly via *Pfandbrief* issues and other covered bonds; there are no plans to use any more liquidity guarantee facilities of SoFFin in the future.	30 September 2010, 8 July 2010	European Commission decisions C15/2009, N557/2009; N161/2010; N694/2009; and N380/2010. "*SoFFin löst Liquiditätsfazilität ab – Restrukturierung der HRE schreitet voran"*, SoFFin press release, 21 December 2009; "*FMS Wertmanagement – Abwicklungsanstalt der Hypo Real Estate Gruppe (HRE) gegründet*", SoFFin press release, 8 July 2010; "*Garantierahmen der HRE temporär um bis zu 40 Mrd. Euro aufgestockt*", SoFFin press release, 10 September 2010; „*Befüllung der FMS Wertmanagement zum 30. September 2010 beschlossen*", SoFFin press release, 22 September 2010; „*HRE – Abspaltung auf die FMS Wertmanagement erfolgreich verlaufen*", SoFFin press release, 3 October 2010.
	The liquidation institution for WestLB, established under SoFFin on 11 December 2009 remains in place and holds a portfolio of non-strategic, illiquid assets with a nominal value of EUR 85.1 billion. SoFFin also continues to hold capital in WestLB resulting from a EUR 3 billion capital injection that can be turned into shares at a later stage, whereby a 49% stake in the bank may not be exceeded. WestLB is implementing a restructuring plan that requires among others that WestLB: reduce its balance sheet by 50% until March 2011, and change the bank's ownership structure through a public tender procedure before the end of 2011. These elements are designed to offset the distortion of competitive conditions that the stabilisation and support measures in favour of the bank had triggered.		European Commission decisions C43/2008, N531/2009, C40/2009 and N249/2010; "*Bundesanstalt für Finanzmarktstabilisierung errichtet Abwicklungsanstalt der WestLB*", SoFFin press release, 14 December 2009; "*SoFFin unterstützt WestLB*", SoFFin press release, 26 November 2009.
	Three additional financial institutions, which are all state-controlled, continue to benefit from state guarantees and capital as a result of earlier measures that were taken outside the SoFFin scheme:		
	– The state-controlled Nord/LB had obtained a guarantee for placing securities with a		European Commission decisions N655/2008 and N412/2009.

Description of Measure	Date	Source
maturity of not more five years of up to a total of EUR 0 billion.		
– LBBW, another state-controlled bank, had received a capital injection of EUR 5 billion and a public guarantee of EUR 12.7 billion for a period of 5 years. The bank undergoes restructuring following a restructuring plan that became effective on 15 December 2009. LBBW plans to start repaying the capital resulting from the capital injection from 2014 onwards.	15 December 2009	European Commission decisions N365/2009 and C17/2009.
– BayernLB had received State emergency aid in form of a risk shield of EUR 4.8 billion and a capital injection of EUR 10 billion. BayernLB also continues to benefit from a guarantee of EUR 5 billion, down from EUR 15 billion, under SoFFin scheme.		European Commission decisions N615/2008, N254/2009 and C16/2009.
Germany continued to implement seven support schemes for non-financial sectors:		
– Germany continued to implement its loan and guarantee programme "*Wirtschaftsfonds Deutschland*" that disposes of a gross volume of up to EUR 115 billion and is scheduled to run until 31 December 2010. It consists of a loan component (totalling EUR 40 billion) administered by the State-owned development bank (KfW) and a loan guarantee component (EUR 75 billion). Under the programme, decisions on major support measures (i.e. applications for loans in excess of EUR 150 million and loan guarantees in excess of EUR 300 million or cases of fundamental significance—increased risks, unusual loan and/or collateral structure, or special significance for regional or sectoral employment) are taken by an inter-ministerial Steering Group which takes into account inter alia the long term viability of the firm and whether or not it has access to commercial credit. By the end of August 2010, over 17,000 applications from companies have been approved. EUR 14 billion had been committed; EUR 8 billion were provided as loans, and EUR 6 billion as guarantees. At the end of August 2010, the overwhelming majority of beneficiaries were SMEs, but 46% of the volume of support went to large companies.	Ongoing	"*Kredit- und Bürgschaftsprogramm der Bundesregierung/Wirtschaftsfonds Deutschland*". Detailed documentation (in German) is provided on the website of the Federal Ministry of Economics and Technology; "*KfW Sonderprogramm 2009*", initially introduced on 5 November 2008. European Commission decision N661/2008. "*Verbesserungen im KfW Sonderprogramm für mittelständische Unternehmen*", press release, Federal Ministry of Economics and Technology, 10 December 2009.
– Germany continued to make use of its framework scheme for small amounts of aid that broadens channels for distributing existing funds earmarked for state aid. The scheme, which came into effect on 30 December 2008, authorises the government to provide businesses with aid in various forms up to a total value of EUR 500 000 each. The measures can be applied until the end of 2010. At the inception of the scheme, the German authorities expected the scheme to benefit more than 1,000 enterprises.	Ongoing	European Commission decisions N668/2008, N299/2009, N411/2009, and N255/2010.
– Germany also continued to make use of its four schemes that allow authorities at federal, regional and local levels to grant aid in various forms. The schemes include a scheme regarding subsidized guarantees for investment and working capital loans concluded by 31 December 2010. A second scheme permits authorities at federal, regional and local level, including public development banks, to provide loans at reduced interest rates. A third scheme	Ongoing	European Commission decision N27/2009; European Commission decision N38/2009; European Commission decision N39/2009; European Commission decision N426/2009.

	Description of Measure	Date	Source
	concerns the granting of risk capital. All three schemes initially came into force in February 2009 and are scheduled to expire on 31 December 2010. A fourth framework scheme, concerning reduced interests on loans to businesses investing in the production of "green" products entered into effect in August 2009. The scheme is open for companies of any size and any sector, and the expected beneficiaries include in particular the automotive industry and products related to Ecodesign measures. At the inception of the scheme, the German authorities estimated that over 1,000 companies would benefit from the schemes.		
	– Finally, Germany continued to implement a temporary aid scheme to support access to finance for the agriculture sector. The framework scheme, which came into effect on 23 November 2009, allows federal, regional and local authorities to provide until 31 December 2010 direct grants, interest rate subsidies, and subsidised loans and guarantees.	Ongoing	European Commission decision N597/2009.
India			
Investment policy measures	India took a series of measures to increase the transparency and clarity of its policies for transborder capital flows.		
	– On 30 September 2010, India issued a revised Consolidated FDI Policy that entered into force on 1 October 2010. The policy circular, which supersedes the previous edition of 1 April 2010 that brought into one circular all prior regulations on FDI, incorporates policy changes adopted since 1 April 2010 and also clarifies certain issues that arose from the earlier regulation and submissions solicited from the public.	1 October 2010	"*Consolidated FDI Policy*", Circular 2 of 2010, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry; "*Press release*", Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 30 September 2010.
	– On 1 July 2010, the Reserve Bank of India (RBI) issued a series of master circulars, some of which address international capital flows. These master circulars consolidate existing regulations, thus enhancing transparency of India's regulatory framework. The master circulars will expire on 1 July 2011 to be replaced by updated circulars. The circulars include among others: – the *Master Circular on External Commercial Borrowings and Trade Credits*; – the *Master Circular on Foreign Investment in India*; – the *Master Circular on Establishment of Liaison/Branch / Project Offices in India by Foreign Entities;* – the *Master Circular on Acquisition and Transfer of Immovable Property in India by NRIs/PIOs/Foreign Nationals of Non-Indian Origin;* – the *Master Circular on External Commercial Borrowings and Trade Credits;* – the *Master Circular on Direct Investment by Residents in Joint Venture (JV)/Wholly Owned Subsidiary (WOS) Abroad;*	1 July 2010	

	Description of Measure	Date	Source
	– the *Master Circular on Non-Resident Ordinary Rupee (NRO) Account;* – the *Master Circular on Remittance Facilities for Non-Resident Indians/Persons of Indian Origin/Foreign Nationals;* – the *Master Circular on Miscellaneous Remittances from India – Facilities for Residents*; and – the *Master Circular on Money Transfer Service Scheme*.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Indonesia			
Investment policy measures	On 16 June 2010, the Central Bank of Indonesia introduced measures to slow down short-term capital flows. These include: – a one-month minimum holding period on Sertifikat Bank Indonesia (SBIs), a debt instrument, with effect from 7 July 2010; and – regulations on banks' net foreign exchange positions.	16 June 2010	
	On 25 May 2010, Indonesia issued Presidential Regulation 36/2010 which sets out to what extent foreigners can invest in specific industries in Indonesia. The Regulation has changed business fields to be more open to include construction services, film technical services, hospital and healthcare services, and small-scale electric power plants.	25 May 2010	Presidential Regulation of the Republic of Indonesia Number 36/2010 on List of Business Fields Closed to Investment and Business Fields Open, with Conditions, to Investment
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 1 October 2010, Italy reintroduced a bank recapitalisation scheme until 31 December 2010. The scheme authorises the injection of capital by acquisition of undated debt from banks incorporated under Italian law, including subsidiaries of foreign banks. The Ministry of Economy and Finance administers the scheme and the Bank of Italy is involved in the		Article 12 of Decree-Law No 185 of 28 November 2008 and implementing decree; Article 2.1 of Decree Law No. 125 of 5 August 2010. European Commission decisions N648/2008, N97/2009, N466/2009 and N425/2010.

	Description of Measure	Date	Source
	evaluation of applicant institutions. The scheme had already run between 23 December 2008 and 31 December 2009. During that period, four institutions have been recapitalised under the scheme and retain capital at the end of the reporting period: *Gruppo Banco Popolare* (EUR 1.45 billon, 31 July 2009); *Gruppo Banca Popolare di Milano* (EUR 500 million, 4 December 2009); *Gruppo Credito Valtellinese* (EUR 200 million, 30 December 2009); and *Gruppo Monte Paschi di Siena* (EUR 1.9 billion, 30 December 2009).		
	Italy continued to implement an aid scheme for the non-financial sector that allows subsidies on interest rates for investment loans for the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force). The scheme is open for companies of any size and any sector, and the beneficiaries will include in particular the automotive industry, affected by crisis-related difficulties to access capital and declining sales, and supports specifically development and production of components that will be competitive in the future. The scheme, budgeted of up to EUR 300 million, and introduced on 26 October 2009, is open to companies of all sizes, and over 1,000 undertakings are expected to benefit directly from the scheme. Interest rate subsidies under this scheme may not be granted after 31 December 2010. The scheme is administered by the Ministry for Economic Development, but other levels of the public administration may be involved in the scheme's administration at a later stage.	Ongoing	"Decreto del Presidente del Consiglio dei Ministri del 3 giugno 2009" and "Dettagli operativi"; European Commission decision N542/2009.
	Italy also continued to implement its framework scheme for small amounts of aid. The scheme allows authorities at national, regional and local levels to provide businesses with aid in various forms up to a total value of EUR 500 000 each. The measures came into effect on 11 May 2009 and can be applied until 31 December 2010. When the scheme was introduced, the Italian authorities estimated that more than 1000 companies would benefit from aid granted under the scheme.	Ongoing	European Commission decision N248/2009.
	Italy continued to implement a further temporary aid scheme to support access to finance for the agriculture sector. The framework scheme, which came into effect on 1 February 2010, allows authorities to provide this support until 31 December 2010.	Ongoing	European Commission decision N706/2009.
Japan			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	While Japan had discontinued its Stock Purchasing Program on 30 April 2010, the Bank of Japan continued to hold assets resulting from the scheme's operation. Since its stock purchasing programme resumed on 23 February 2009, the Bank of Japan had purchased stocks held by commercial banks for a total amount of JPY 387.8 billion. Under the		"*Termination of the Stock Purchasing Program*", Bank of Japan release, 30 April 2010; "*The Bank of Japan to Resume Stock Purchases Held by Financial Institutions*", Bank of Japan release, 3 February 2009.

Description of Measure	Date	Source
programme, the Bank of Japan bought qualified listed stocks with a rating of at least BBB- at market price from certain banks that hold a current account with the Bank of Japan up to a limit of JPY 250 billion per bank and up to an overall cap of JPY 1 trillion. The stock purchase sought to reduce market risks of Japanese financial institutions resulting from volatile stock values that adversely affected management of financial institutions and credit intermediation.		
Japan continued to implement its capital injection programme. Under the programme, which is based on the Act on Special Measures for Strengthening Financial Functions, the Japanese government injects capital into deposit-taking institutions to help them properly and fully exercise their financial intermediary functions to SMEs. The programme is scheduled to expire on 31 March 2012. The overall budget for capital injections is capped at JPY 12 trillion.	Ongoing	"Financial Assistance and Capital Injection by Deposit Insurance Corporation of Japan", FSA website. www.fsa.go.jp/common/diet/170/index.html. www.fsa.go.jp/news/20/20081216-3.html.
Japan also continued to operate the share purchase programme of the Banks Shareholding Purchase Corporation (BSPC). Japan had reactivated this programme in March 2009. The programme originally expired on 31 September 2006 but it was extended to March 2012. The BSPC is an authorised corporation which can purchase shares issued and/or owned by member banks, upon request from the member banks. Currently all members are Japanese banks, but local branches of foreign banks are eligible to become members as well. The amended Act on Special Measures for Strengthening Financial Functions which was enacted in March 2009 provides a government guarantee up to JPY 20 trillion for the BSPC's operations.	Ongoing	www.bspc.jp/pdf/saikai.pdf.
On 30 September discontinued a programme under which the government-owned Japan Finance Corporation (JFC) covered parts of losses that designated financial institutions had suffered as a result of providing financing to business operators that implemented an authorized business restructuring plan. The measure had come into force under an amendment to the Act on Special Measures for Industrial Revitalisation and a related cabinet ordinance on 30 April 2009. On 8 December 2009 the government had extended the duration of the measure until the end of September 2010.	Until 30 September 2010.	Ministry of Economy, Trade and Industry press release (in Japanese); "Cabinet Ordinance to Partially Amend the Enforcement Order for the Act on Special Measures for Industrial Revitalization", Ministry of Economy, Trade and Industry press release, 24 April 2009; "Emergency Economic Countermeasures for Future Growth and Security", Cabinet Decision, 8 December 2009.
The government extended the period of crisis response operations in which the Development Bank of Japan and Shoko Chukin Bank provide two-step loans and purchase Commercial Paper from the end of March 2010 to the end of March 2011.	Ongoing	"Emergency Economic Countermeasures for Future Growth and Security", Cabinet Decision, 8 December 2009.
Japan also continued to implement measures to enhance credit supply to firms: It increased the funds available for emergency credits for SMEs from JPY 30 trillion to JPY 36 trillion and increases the volume of safety-net loans by government-affiliated financial institutions from JPY 17 trillion to JPY 21 trillion.	Ongoing	"Emergency Economic Countermeasures for Future Growth and Security", Cabinet Decision, 8 December 2009.
The state-backed Japan Bank for International Cooperation (JBIC) continued to implement temporary measures that provide Japanese companies operating abroad in developing or industrialised countries with loans and guarantees to finance their investment projects in developing countries. The support is	Ongoing	"Overseas Investment Finance for Japanese Firms to Finance Their Business Operations in Industrial Countries", JBIC release, 15 January 2009; "JBIC's Response to Global Financial

	Description of Measure	Date	Source
	provided by JBIC or through domestic financial institutions that receive two-step five-year loans from JBIC with a total volume of up to USD 3 billion. These financial institutions are required to on-lend these funds to overseas Japanese SMEs, mid-tier firms and second-tier large corporations to further support firms governed by Japanese law by financing their overseas subsidiaries' business activities. Eligible for support under the schemes are: (1) Japanese companies and their overseas subsidiaries and affiliates conducting business operations in industrial countries; and (2) major Japanese companies having equity stakes in projects in developing countries (overseas investment loans). The measure, which was initially scheduled to expire at the end of March 2010, was extended on 15 February 2010 by one year until the end of March 2011. By 31 March 2010, 130 financing operations – loans and guarantees – had been carried out with an overall amount of over JPY 2 trillion.		Turmoil", JBIC release, 15 January 2009; "JBIC's Response to Global Financial Turmoil No. 2", JBIC release, 2 April 2009; "Public Invitation to Domestic Financial Institutions to Apply for Two-Step Loans Based on 'Countermeasures to Address the Economic Crisis'", JBIC news release NR/2009-10, 26 May 2009; "JBIC Extends Emergency Measures Intended to Respond to Global Financial Turmoil", JBIC release, 26 February 2010; "JBIC's Emergency Measures in Response to Global Financial Turmoil", JBIC News Release NR/2010-4, 13 April 2010.
Korea, Republic of			
Investment policy measures	On 13 June 2010, Korea announced macro-prudential measures to mitigate volatility of capital flows, including: – Limits on banks' forward exchange positions of banks (including FX forward, FX swap, cross currency interest rate swap, non-deliverable forward, etc): 50% of domestic banks' capital; 250% of foreign bank branches' capital; – Foreign currency loans granted by financial institutions to residents can only be used for overseas purposes; – Tighter regulations on banks' FX liquidity ratio and mid- to long-term financing ratio in foreign loan portfolios.	13 June 2010	
	On 5 October, Korea extended FDI zones for the services sector through modifications to the Presidential decree on the FDI Act. The amendments bring a list designating FDI zones in the services sector such as knowledge services, tourism, finance and cultural industry. Businesses located in FDI zones will be provided with support on securing location, renting/leasing, etc.	5 October 2010	Modification of Presidential decree on the FDI Act
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The Republic of Korea continued to operate its Corporate Restructuring Fund. The fund, which is administered by Korea Asset Management Corporation (KAMCO), is to purchase until 2014 non-performing loans from financial institutions as well as assets of the companies that undergo restructuring. The fund will purchase above-mentioned loans and assets within the amount of KRW 10 trillion in 2010. The Fund disposes of up to KRW 40 trillion (USD 27 billion) through government-guaranteed bonds.	Ongoing	
	KAMCO continued to implement the ship purchase scheme and continued to purchase vessels from shipping companies to help them cope with short-term liquidity problems. The scheme was expanded in November 2009. The	Ongoing	"*Restructuring Initiatives for Shipping Industry*", Financial Services Commission Press release, 23 April 2009.

	Description of Measure	Date	Source
	shipping fund, which has a volume of KRW 4 trillion, has been established through contributions from private investors and financial institutions as well as from the Restructuring Fund managed by KAMCO. The fund was initially established on 13 May 2009 as part of efforts to facilitate restructuring of the shipping industry and began purchasing ships in July 2009.		
Mexico			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Russian Federation			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Russia continued to implement policies and programmes announced under the Anti-Crisis guidelines for 2010, which the Russian Government had issued on 30 December 2009. The guidelines stipulate that certain anti-crisis measures adopted in the Russian Government's Anti-Crisis Programme for 2009 will continue to be implemented throughout 2010 and new measures will be approved as necessary. The Anti-Crisis guidelines allocate RUB 195 billion to the implementation of the measures. The measures that Russia continues to implement include the following: – Russia continues to support "backbone" organisations, i.e. companies that have important impacts on the Russian economy and that are eligible for state support measures. An Interdepartmental Working Group allocates support in the form of capital injections, direct state support and state guarantees of loans to the 295 enterprises designated by the Government Commission on Sustained Economic Development as backbone organisations. – Russia continues to provide financial support to some large domestic companies, including car maker AvtoVAZ, United Aircraft Building Corporation, railway wagon producer Uralvagonzavod and Oboronprom industrial corporation. In late December 2009 the Government allocated RUB 28 billion to AvtoVAZ. An additional RUB 10 billion have been reserved for disbursement once the restructuring programme developed with and approved by shareholders for AvtoVAZ has been completed. This support to the company	Ongoing	"The Anti-Crisis Guidelines of the Government of the Russian Federation for 2010", Protocol No. 42 of Russian Government meeting dated 30 December 2009; "Russian Government's Anti-Crisis Programme for 2009", 9 June 2009; Cabinet meeting record, 30 December 2009. "*Priority Measures of the Russian Government – List of Anti-Crisis Measures Being Implemented by the Russian Government and the Central Bank of Russia*", Permanent Representation of the RF to the International Organisations in Geneva, Press bulletin N5, 10 February 2009.

	Description of Measure	Date	Source
	follows earlier allocations of RUB 37 billion to service the company's debts and RUB 5 billion to implement programmes to support and re-train workers. United Aircraft-Building Corporation will receive, in 2010, RUB 11 billion; Uralvagonzavod will receive RUB 10 billion. – Russia also allocated, for the whole of 2010, guarantees of RUB 80 billion to small businesses. In addition, RUB 100 billion have been allocated for loans for SMEs; this programme is implemented by the Russian Development Bank's partner banks. Productive and innovative companies are priority recipients of these support measures.		
Saudi Arabia			
Investment policy measures	On 21 June 2010, Saudi Arabia's Capital Market Authority (CMA) approved a second exchange-traded fund (ETF). The approval follows an earlier admission, announced on 16 March 2010, for Falcom Financial Services to offer an exchange-traded fund (ETF) of Saudi shares, which is accessible to non-resident foreign investors who have a bank account in Saudi Arabia. This ETF began trading on the Tawadul, the Saudi Arabian Stock Exchange, on 28 March 2010. The second ETF offers exposure to the Saudi Arabian petrochemical sector, investing almost all assets in Shariah-compliant petrochemical companies listed on the Tadawul. The two ETFs constitute the first opportunity for direct foreign investment in the Tawadul, following liberalisation in August 2008 which allowed foreign investors to buy Saudi shares indirectly by means of "total return swaps" via licensed brokers in Saudi Arabia. The swaps do not give voting rights, but the decision allowed international investors to gain direct access to individual shares.	21 June 2010	"*CMA announces offering of Exchange Traded Fund*", CMA release, 21 June 2010; "*CMA announces offering of Exchange Trade Fund*", CMA release, 16 March 2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
South Africa			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	South Africa continued to provide assistance to companies in distress through the Industrial Development Corporation (IDC), a state-owned development finance institution. Over two years, ZAR 6.1 billion is available to address the challenges of access to credit and working capital for firms in distress due directly to the crisis; companies that do not offer the prospect of long-term viability are not eligible. At the end of September 2009, IDC	Ongoing	IDC Presentation to Parliamentary Committee on Economic Development, dated 13 October 2009. Address by Mr Ebrahim Patel, Minister of Economic Development, 23 March 2010.

	Description of Measure	Date	Source
	had received 33 applications to the total value of ZAR 2.3 billion; about ZAR 1.5 billion concerned a few large applications in the automotive industry. By end-March 2010, applications to the value of ZAR 1.1 billion had been approved.		
	South Africa's Industrial Development Corporation (IDC) and the Unemployment Insurance Fund (UIF) continued to operate a ZAR 2 billion fund from which companies promising to expand employment can borrow up to ZAR 100 million. The fund was established on 14 April 2010. Successful applicants receive debt funding at fixed preferential rates. The Fund specifically targets start-ups and companies that require working capital for expansions or acquisitions.	Ongoing	"*IDC and UIF announce R2 Billion fund to create employment*", IDC media release, 14 April 2010. "*UIF Fact Sheet*", undated.
Turkey			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
United Kingdom			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The UK continued to hold positions resulting from the implementation of the Government Credit Guarantee Scheme (CGS) as well as the recapitalisation scheme; both schemes were introduced in October 2008 and were discontinued on 28 February 2010. UK-incorporated financial institutions, including subsidiaries of foreign institutions with substantial business in the UK, were eligible for the scheme. The limit on guarantees was set to GBP 250 billion, and GBP 50 billion were initially set aside for recapitalisation. As of 27 November 2009, the implementation of the schemes had led to government guarantees of debt to an amount of GBP 133 billion under the CGS, and as of 8 June 2009 the UK held GBP 14.7 billion in capital of financial institutions, down from GBP 37 billion in mid-April 2009.		European Commission decisions, N507/2008, N650/2008, N193/2009, N537/2009 and N677/2009.
	The British government continued to hold financial positions it had taken in banks as the financial crisis unfolded. Restructuring of these banks—Northern Rock, Lloyds HSOB, Royal Bank of Scotland, and Bradford&Bingley—which had come under state ownership following significant state support, moved forward as these banks began divesting as mandated in their respective restructuring plans. Thus the British government held equity in the following banks, administered by UK		"*UK Financial Investments Limited (UKFI) Annual Report and Accounts 2009/10*", UKFI, 26 July 2010.

	Description of Measure	Date	Source
	Financial Investments Ltd (UKFI):		
	– The two entities that resulted from the split of former Northern Rock on 1 January 2010 remained in government ownership. Northern Rock entered into public ownership as it had received government support including recapitalisation measures of up to GBP 3 billion, liquidity measures of up to GBP 27 billion and guarantees covering several billion GBP. The operational part, Northern Rock plc, is planned to be sold to a third party at a yet undetermined date.		European Commission press release IP/09/1600.
	– On 1 October 2010, UKFI created UK Asset Resolution Limited (UKAR) as the single holding company for Northern Rock (Asset Management) plc (NRAM) and Bradford&Bingley plc (B&B). Both Northern Rock (Asset Management) plc and Bradford & Bingley plc are fully government owned and hold illiquid assets of former Northern Rock and Bradford&Bingley, respectively. UKAR will run down past loans and eventually be liquidated. Bradford&Bingley had been split, partly sold and liquidated in September 2008.	1 October 2010	"*UK Asset Resolution Limited*", UK Financial Investments press release, 1 October 2010.
	– While Royal Bank of Scotland (RBS) continued to divest parts of its business in the reporting period as required under the restructuring plan that the European Commission had approved on 14 December 2009, the British government continued to hold, as of June 2010, 83.18% of RBS. This equity holding results from capital injections of over GBP 45 billion and guarantees of more than GBP 280 billion from the British Government under the Asset Protection Scheme.	Ongoing	European Commission decisions N422/2009 and N621/2009. "*Royal Bank of Scotland: details of Asset Protection Scheme and launch of the Asset Protection Agency*", HM Treasury release, December 2009.
	– The British government continued to hold a 41% stake in Lloyds Banking Group that results from earlier financial assistance. In line with the restructuring plan for the bank that the European Commission accepted on 18 November 2009, Lloyds divested certain assets during the reporting period.	Ongoing	European Commission decision N428/2009.
	The British Government continued to implement five temporary framework schemes for the non-financial sectors, which it had established in February and May 2009 as well as in March 2010 to support companies in the non-financial sectors. These schemes are set to expire on 31 December 2010. Three of the schemes allow authorities at national, regional, and local levels the granting subsidised public loans, loan guarantees and interest rate subsidies for investment loans for the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force). The overall budget for the three schemes combined is GBP 8 billion. The fourth framework scheme, which allows the provision of direct grants, reimbursable grants, interest rate subsidies, and subsidised public loans in 2009 and 2010 combined, has a separate budget envelope of up to GBP 1 billion. UK authorities estimate that the number of beneficiaries of the schemes exceeds 1,000 firms. The fifth scheme, introduced on 29 March 2010, allows the provision of small amounts of	Ongoing	European Commission decisions N257/2009 and N460/2009; European Commission decision N71/2009; European Commission decision N72/2009; European Commission decision N43/2009; European Commission decision N71/2010.

	Description of Measure	Date	Source
	compatible aid to primary agricultural producers.		
	The British Government continued to provide to banks, under the Working Capital Guarantee Scheme, guarantees covering 50% of the value of portfolios of working capital loans with less than 12 months to maturity. These guarantees release regulatory capital for the banks. Participating banks were required (through lending agreements) to increase lending on commercial terms to SMEs and mid-sized corporate UK businesses. Under the Working Capital Scheme all UK banks were offered guarantees up to a total of GBP 10 billion. Two banks obtained guarantees to cover GBP 2.2 billion of loans totalling GBP 4.4 billion. In November 2009 it was announced that new guarantees would not be available under the Working Capital Guarantee Scheme as similar government support had become available through the broader Asset Protection Scheme. Existing Working Capital Scheme guarantees expire on 31 March 2011 at the latest.	Ongoing	European Commission decision N111/2009.
United States			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 3 October 2010, the authority to make commitments under the Troubled Assets Relief Program (TARP) expired. Since its establishment pursuant to the Emergency Economic Stabilization Act of 2008 (EESA), it had been extended once on 9 December 2009. The overall budget of TARP was revised to USD 475 billion, down from USD 700 billion originally authorised. Prior to 3 October 2010, some TARP components had been modified while others were wound down. Operations related to the TARP components were as follows:	Ongoing	"*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – August 2010; "*TARP Repayments Reach $181 Billion*", Government Press Release, 5 April 2010; "*Troubled Asset Relief Program: Two Year Retrospective*", Department of Treasury, 5 October 2010.
	– Treasury continued to receive repayments and to dispose of assets acquired under the Capital Purchase Program (CPP). The programme was designed to strengthen the capital bases of US banks as the Treasury bought stock or warrants from individual institutions ranging from USD 300,000 to USD 25 billion. The programme was open for new entrants from 14 October 2008 until 31 December 2009. The total amount of commitments under the programme was almost USD 205 billion, and 707 US financial institutions benefitted from the scheme. During the reporting period, Treasury continued to receive repayments on the investments. As of 30 September 2010, total outstanding investment stood at USD 49.6 billion, and USD 152.8 billion had been repaid. On 30 September 2010, Treasury continued to have investments in 648 financial institutions; 87 institutions had fully bought back the capital, an additional 28 banks had switched to the CDCI and thus exited from the CPP, and 16 partially bought back the capital. There is no fixed date on which banks must redeem capital or		*TARP Transaction Report 4 October 2010* for period ending 30 September 2010; *Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008 – August 2010*, 10 September 2010; "*Warrant Disposition Report, Update June 30, 2010*", Treasury publication; "*Troubled Asset Relief Program: Two Year Retrospective*", Department of Treasury, 5 October 2010, pp. 25-27 and p. 33.

Description of Measure	Date	Source
repay Treasury.		
– The Community Development Capital Initiative (CDCI), a component introduced under TARP on 3 February 2010, concluded investments in Community Development Financial Institutions on 30 September 2010. These investments of a cumulative amount of USD 570 million in 84 financial institutions sought to strengthen local financial institutions. In 28 cases, banks had exchanged Treasury's investments under the Capital Purchase Program (CPP) into the CDCI. Investments in individual banks under the programme range from USD 7000 to almost USD 80.9 million. On 30 September 2010, none of the capital had been repaid. No fixed date is set for repayment of the capital.	Until 30 September 2010.	"*Treasury Announces Special Financial Stabilization Initiative Investments of $570 million in 84 Community Development Financial Institutions in Underserved Areas*", Treasury press release, 30 September 2010; *TARP Transaction Report 4 October 2010* for period ending 30 September 2010, p. 17.
– Treasury also disposed of parts of its stock in Citigroup which had received government investments of USD 45 billion under TARP. By end-September, 4.1 billion of the approximately 7.7 billion shares of Citigroup had been sold through Morgan Stanley as sales agent. As of 30 September 2010, Treasury held 3.6 billion shares, representing 12.4% ownership of the outstanding common stock of the bank. On 19 October 2010, Treasury entered into a fourth pre-arranged written trading plan under which Morgan Stanley, as Treasury's sales agent, has discretionary authority to sell 1.5 billion shares of Citigroup common stock under certain parameters. In January 2009, Treasury, the Federal Reserve and the Federal Deposit Insurance Corporation (FDIC) had agreed to share potential losses on a USD 301 billion pool of Citigroup's assets pursuant to the Asset Guarantee Program (AGP). As a premium for the guarantee, Treasury and the FDIC received USD 7.1 billion of preferred stock. Treasury also received warrants to purchase common stock. Following termination of the guarantee in December 2009, Treasury and the FDIC retained a total of USD 5.3 billion of the USD 7.1 billion of preferred stock which had since been converted to trust preferred securities. Of this amount, Treasury retained USD 2.23 billion, and the FDIC and Treasury agreed that, subject to certain conditions, the FDIC would transfer up to USD 800 million of trust preferred securities to Treasury at the close of Citigroup's participation in the FDIC's Temporary Liquidity Guarantee Program. On 30 September 2010, Treasury sold its Citigroup trust preferred securities and expects to receive another USD 800 million in trust preferred securities from the FDIC.		*"Treasury Announces Plan to Sell Citigroup Common Stock"*, Treasury press release TG-615, 29 March 2010; *TARP Transaction Report 4 October 2010* for period ending 30 September 2010, p. 15; *"Treasury announces further sales of Citigroup securities and cumulative return to taxpayers of $41.6 billion",* Treasury Press release, 30 September 2010; Termination Agreement, 23 December 2009.
– Treasury continues to hold assets resulting from the Automotive Industry Financing Program (AIFP). As of 30 September 2010, the US Government continues to hold a 60.8% stake in New GM after it had converted loans to GM to equity on 10 July 2009. Treasury also holds USD 2.1 billion of preferred stock in New GM and, approximately USD 1 billion in outstanding loans to Old GM. In turn, New GM has fully repaid USD 6.7 billion of loans that the company had received from the United States and Canadian and Ontario governments. Treasury has indicated the		"*Troubled Asset Relief Program: Two Year Retrospective*", Department of Treasury, 5 October 2010, p. 45; "*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – August 2010; "*Canada's Economic Action Plan – Sixth report to Canadians*", Government of Canada, 27 September 2010, p. 115.

Description of Measure	Date	Source
most likely exit strategy for the New GM common stock is a gradual sale beginning with an initial public offering (IPO) of New GM. In August 2010, New GM filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission for a proposed IPO consisting of common stock to be sold by certain of its stockholders, including Treasury. As of 30 September 2010, Treasury also owned 9.9% of the equity in New Chrysler and had USD 7.1 billion of loans outstanding to New Chrysler. Treasury also has loans of USD 3.5 billion outstanding to CGI Holding LLC. A USD 1.9 billion Treasury loan to Old Chrysler was extinguished when Old Chrysler's liquidation plan was approved in April 2010.		
– As of 30 September 2010, Treasury continues to hold a stake of 56.3% in Ally Financial (formerly GMAC), a bank holding company providing automotive finance, mortgage operations, insurance and commercial finance. The Treasury also holds USD 11.4 billion of mandatorily convertible preferred stock and USD 2.7 billion of trust preferred securities in Ally Financial. The holdings result from the conversion or exchange of existing government investments and an additional investment that took place on 30 December 2009, each under the Automotive Industry Financing Program (AIFP).		*TARP Transaction Report 4 October 2010* for period ending 30 September 2010, p. 18; "*Troubled Asset Relief Program: Two Year Retrospective*", Department of Treasury, 5 October 2010, p. 28.
The US Treasury continues to be the beneficiary of a trust (the Series C Trust) that holds securities with approximately 79.8% of the voting rights of the common stock in AIG that result from investments in AIG that were initially carried out through the Federal Reserve Bank of New York (FRNBY) in September 2008; as well as credit facilities provided since September 2008. Special governance provisions apply to the Series C Trust: The FRBNY has appointed three independent trustees who have the power to vote the stock and dispose of the stock with prior approval of FRBNY and after consultation with the US Treasury Department. In addition, the US Treasury Department also holds preferred shares of AIG. On 1 April 2010, Treasury exercised its rights pursuant to those shares to appoint two directors to the AIG board of directors. On 30 September 2010, AIG announced an agreement-in-principle with Treasury, FRBNY, and the trustees of the AIG Credit Facility Trust to restructure the company. The restructuring seeks to streamline and reduce AIG's business portfolio to prepare the subsequent exit from government support.		"*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – March 2010; "*Treasury Names Two Appointees to AIG's Board of Directors*", Treasury press release, 1 April 2010; "*Statement By The US Treasury Department on AIG Exit Plan*", 30 September 2010; "*Troubled Asset Relief Program: Two Year Retrospective*", Department of Treasury, 5 October 2010, pp. 49-57.
The Treasury has set out principles for the exercise of its voting rights in New GM, New Chrysler, Ally Financial and Citigroup (other arrangements apply to AIG, see above). These include that Treasury does not intend to participate in the day-to-day management of any company in which it has an investment. Treasury intends to exercise its right to vote only on four matters: board membership; amendments to the charter and bylaws; liquidations, mergers and other substantial transactions; and significant issuances of common shares.		*Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending March 31, 2010*, p. 51. "*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – March 2010, p. 18; "*Troubled Asset Relief Program: Two Year Retrospective*", Department of Treasury, 5 October 2010.

	Description of Measure	Date	Source
	The US also continued to grant support to companies in the non-financial sectors. Such support was provided under the American Recovery and Reinvestment Act; and under the Small Business Jobs Act, the latter being newly introduced during the reporting period. Further support to non-financial sectors had been provided under TALF until the programme's closure in June 2010.		
	The American Recovery and Reinvestment Act of 6 January 2009 provides for grants for use for energy efficiency and renewable energy property.	Ongoing	American Recovery and Reinvestment Act, 2009; "*Implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act)*", Treasury website.
	On 27 September 2010, the Small Business Jobs Act (SBJA) entered into force. Among other measures, the Act extends and enhances an existing loan guarantee programme – the Small Business Administration (SBA) Recovery loans – until 31 December 2010. The loan guarantee programme assists start-up and existing small businesses that face difficulty in obtaining loans through traditional lending channels. The SBJA allocated USD 505 million for such loans in addition to the earlier allocation of USD 680 million and preserved the 90 percent guarantee level first enacted in 2009. The Act also increases the maximum loan size to USD 5 million and expands the scope of eligible companies that can benefit from the programme.	27 September 2010	US Small Business Administration website.
	While the Term Asset-Backed Securities Loan Facility (TALF), a component of TARP, had been closed by June 2010, loans of approximately USD 33 billion provided under TALF remained outstanding on 8 September 2010, down from USD 70 billion when TALF closed. TALF loans have a maturity of three years. The TALF, part of TARP's Consumer and Business Lending Initiative and operated jointly by Treasury and the FRBNY, sought to make credit available by restarting the asset-backed securities market. Under the programme, FRBNY was entitled to extend up to USD 200 billion in loans; the amount was later reduced to USD 43 billion. Treasury provided a guarantee of up to 10 % of this amount, i.e. USD 4.3 billion. Eligible to participate in the programme were U.S. companies, including U.S.-organised subsidiaries of foreign-owned companies as long as the subsidiaries conducted significant operations or activities in the United States and the U.S. subsidiary was not directly or indirectly controlled by a foreign government.		"*Troubled Asset Relief Program: Two Year Retrospective*", Department of Treasury, 5 October 2010, p. 34; "*Term Asset-Backed Securities Loan Facility (TALF) Frequently Asked Questions*", Federal Reserve release, 3 March 2009.
European Union			
Investment policy measures	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The EU limits and controls Member States' aid to industries or individual companies under the EU competition policy framework of the Common Market as set out in articles 107-109 TFEU (previously articles 87-89 of the TEC). This regime seeks to avoid distortions of competition that could result from State aid intervening in the economy. The specific situation of the financial crisis and its impact on the real economy has led the European Commission to temporarily adapt the EU State aid policies in order to enhance Member	Ongoing	

Description of Measure	Date	Source
States' flexibility for their response to the crisis. These modifications concerned first the financial sector—from autumn 2008 onwards—and, subsequently, from December 2008 on, the real economy.		
Financial sector		
The European Commission continued to review guarantee and recapitalisation schemes that EU-member States notified or re-notified to the Commission. As set out in its earlier Communications, the Commission's approval of such schemes is limited to 6 months, requiring EU-member states to re-notify the schemes periodically if they wished to extend them. This requirement enables the Commission to ensure consistency and effectiveness; impose adjustments to the schemes, in particular in light of issues raised by Member states or other parties; and eventually withdraw approval of state aid once conditions that warranted them have abated. The regular reviews of the schemes that are publicly available and include an assessment of the operation and application of the schemes. The Commission carries out formal investigation procedures that involve a thorough review of the compatibility of the overall support that individual financial institutions had received with the restrictions imposed on state aid. The reviews constitute an element of the framework in place to control and limit discrimination of competitors and distortion of market conditions. The Council of the European Union has also agreed on common principles for exit strategies for the financial sector. It formulated agreed principles for the design of exit strategies and unwinding financial support schemes by EU-member states that are planned to start in 2011 at the latest.	Ongoing	*Communication from the Commission - The application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis*, OJ C270, 25 October 2008, p. 8; *Communication from the Commission—the recapitalisation of financial institutions in the current financial crisis: limitation of aid to the minimum necessary and safeguards against undue distortions of competition*, OJ C 10, 15 January 2009, p. 2; *Communication from the Commission on the treatment of impaired assets in the Community banking sector*, OJ C72, 26 March 2009, p. 1; "*Communication from the Commission on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the State aid rules*", OJ C 195, 19 August 2009, p. 9. *"DG Competition's review of guarantee and recapitalisation schemes in the financial sector in the current crisis"*, p. 2. *Conclusions of the Council of the European Union* (document EUCO6/09 dated 11 December 2009), paragraphs 9-11, referring to the Conclusions of the Council of the European Union (ECOFIN) (document 17066/09 dated 3 December 2009).
Automotive sector and cross-sectoral measures		
The Commission also continued to assess the compliance of member governments' support to the real economy with the state aid and internal market rules. The benchmark for assessment continue to be the standards that the Commission set out in its Temporary Community Framework for State aid measures to support access to finance in the current financial and economic crisis. The framework was initially adopted on 17 December 2008 and slightly amended on 25 February 2009, 28 October 2009 and on 8 December 2009, and is applicable from the day of its adoption until 31 December 2010. This Framework temporarily relaxes State aid restrictions based on article 107(3)(b) TFEU (formerly article 87 EU-treaty). Among other goals, the control of measures under the Framework seeks to ensure that state interventions in restructuring deals were not dependent on commitments concerning the location of production within the EU.		*Temporary framework for State aid measures to support access to finance in the current financial and economic crisis* (2009/C16/01), OJ of 22 January 2009. A consolidated version, taking into account amendments adopted on 25 February 2009 (*Communication from the Commission—Amendment of the Temporary framework for State aid measures to support access to finance in the current financial and economic crisis, and applicable from 25 February 2009 onwards*) was published in OJ C83 of 7 April 2009.

ANNEX 2

Methodology—Coverage, definitions and sources

Reporting period. The reporting period of the present document is from 21 May 2010 to 15 October 2010. An investment measure is counted as falling within the reporting period if new policies were prepared, announced, adopted, entered into force or applied during the period. That certain policies had been under development before the financial and economic crisis unfolded does not prevent it from being included in this inventory.

Definition of investment. For the purpose of this report, international investment is understood to include all international capital movements, including foreign direct investment.

Definition of investment measure. For the purpose of this report, investment measures by recipient countries consist of those measures that impose or remove differential treatment of foreign or non-resident investors compared to domestic investors. Investment measures by home countries are those that impose or remove restrictions on investments to other countries (e.g. attaching restrictions on outward investments as a condition for receiving public support).

National security. International investment law, including the OECD investment instruments, recognises that governments may need to take investment measures to safeguard essential security interests and public order. The investment policy community at the OECD and UNCTAD monitors these measures to help governments adopt policies that are effective in safeguarding security and to ensure that they are not disguised protectionism.

Emergency measures with potential impacts on international capital movements. International investment law also recognises that countries may need flexibility in designing and implementing policies that respond to crises. For example, the OECD investment instruments provide for derogations to liberalisation commitments "if its economic and financial situation justifies such a course of action" but imposes time limits on such derogations and asks members to "avoid unnecessary damage" to others.[9] The emergency measures, which in practice focus mainly on financial services and automobiles, include: *ad hoc* rescue and restructuring operations for individual firms and various schemes that give rise to capital injections and credit guarantees. Several emergency schemes that provide cross-sectoral aid to companies were adopted and these are included in the inventory.

A large number of crisis related measures was taken during the reporting period. However, the report defines measures in a manner that takes into account the need to keep the size of the report manageable, a fairly narrow definition of emergency measure has been used. The report classifies an "*emergency or related measure with potential impacts on international investment"* as: any measure that a government has identified as having been enacted to deal with the crisis; and that may have a direct or indirect impact on foreign investment and that may differentiate between domestic and foreign or non-resident investors,[10] or that raises barriers to outward investment. This includes programs that permit rescues or restructuring of individual firms, or lending, guarantees or other aid schemes for individual companies. In addition, the measures must be expected to have an impact on international capital flows (e.g. schemes that influence the pattern of entry and exit in globalised sectors such as automobiles and financial services).

Measures not included. Several types of measures are not included in this inventory:

- *Fiscal stimulus*. Fiscal stimulus measures were not accounted for unless these contained provisions that may differentiate between domestic and foreign or non-resident investors.
- *Local production requirements* were not included unless they apply *de jure* only to foreign firms.

9 See article 7 paragraphs a., d. and e. of the OECD Codes of Liberalisation.

10 The existence of differentiation does not itself imply discrimination against foreign or non-resident investors or investment.

- *Visas and residence permits*. The report does not cover measures that affect visa and residence permits as business visa and residency policy is not deemed likely to be a major issue in subsequent political and economic discussions.
- *Companies in financial difficulties for other reasons than the crisis*. A number of countries provided support to companies in financial difficulties – in the form of capital injections or guarantees – in particular to state-owned airlines. Where there was evidence that these companies had been in substantive financial difficulties for other reasons than the crisis, these measures are not included as "emergency measures".
- *Central Bank measures*. Many central banks adopted practices to enhance the functioning of credit markets and the stability of the financial system. These measures influence international capital movements in complex ways. In order to focus on measures that are of most relevance for investment policies, measures taken by Central Banks are not included unless they involved negotiations with specific companies or provided for different treatment of non-resident or foreign-controlled enterprises.

Sources of information and verification. The sources of the information presented in this report are:

- official notifications made by governments to various OECD processes (e.g. the Freedom of Investment Roundtable or as required under the OECD investment instruments);
- information contained in other international organisations' reports or otherwise made available to the OECD and UNCTAD Secretariats;
- other publicly available sources: specialised web sites, press clippings etc.