



18 November 2020

**REPORTS ON G20
TRADE AND INVESTMENT MEASURES¹
(MID-MAY TO MID-OCTOBER 2020)**

¹ These reports are issued under the responsibility of the Director-General of the WTO, the Secretary-General of the OECD, and the Secretary-General of UNCTAD. They have no legal effect on the rights and obligations of Members of the WTO, OECD, or UNCTAD. The inclusion of any measure in these reports or in their Annexes implies no judgement by the WTO, OECD, or UNCTAD Secretariats on whether a measure, or its intent, is protectionist in nature. Moreover, nothing in the reports implies any judgement, either direct or indirect, as to the consistency of any measure with the provisions of any WTO, OECD, or UNCTAD agreements or any provisions thereof.

Joint Summary on G20 Trade and Investment Measures

We are pleased to submit our reports on G20 trade and investment measures. They are presented under the mandate provided by G20 Leaders to the WTO, OECD and UNCTAD and cover trade and investment measures implemented by G20 members during the period from mid-May to mid-October 2020.

These reports are again delivered against the backdrop of the COVID-19 pandemic and the huge human, economic and social toll which it is bringing upon the world. With the pandemic and new lockdowns affecting large numbers of countries, governments continue to struggle to bring the health crisis under control and to mitigate harm. Designing policies that effectively protect the health of populations and at the same time keep economies alive remains a daunting challenge. Greater investments in health and social protection will be fundamental towards protecting the most vulnerable in society. And open supply chains are essential for preventing further economic slump.

The WTO Trade Report presents a very different narrative on trade compared to the last report of June 2020, which only captured the very early developments of the COVID-19 pandemic and which had not yet seen the full impact of the global health crisis. Although world trade had already been slowing before the pandemic, merchandise exports in nominal USD terms was down 21% in Q2 compared to the previous year while commercial services exports was down 30%. The trade coverage of both regular facilitating and restrictive import measures dropped to USD 36.8 billion (down from USD 735.9 billion in the previous period) and to USD 42.9 billion (down from USD 417.5 billion) respectively. This was likely as a result of the sharp decline in overall global trade flows, the diversion of governments' attention towards responding to the pandemic – through trade policy as well as other areas, and a general commitment to keep trade flowing.

At the same time, the trade coverage of COVID-19 related trade-facilitating measures on goods implemented since the beginning of the pandemic was estimated at USD 155 billion, some USD 44 billion more than that of the COVID-19 trade-restrictive measures. Of the 133 COVID-19 trade and trade-related measures recorded for G20 economies since the outbreak of the pandemic, 63% were of a trade-facilitating nature and 37% were trade restrictive. Almost three out of every ten COVID-19 restrictive measures on goods taken by G20 economies had been repealed by mid-October. In the services sectors heavily impacted by the pandemic, most of the 68 COVID-19 related measures adopted by G20 economies appeared to be trade facilitating. Over 400 support measures in direct response to the pandemic and collectively worth several trillion dollars were put in place by G20 economies up until mid-October. These emergency support measures are central to governments' strategies to address the pandemic-induced economic downturn, appear to be temporary in nature and are important to preparing the ground for a strong recovery in which trade can play an important role.

The ongoing COVID-19 pandemic also brings significant changes to G20 members' international investment policies. In particular, COVID-19 has accelerated the introduction and strengthening of policies to counter threats to essential security interests that may be associated with foreign investment in the health sector. Overall, risk-related investment policy making has reached a historic all-time high in the first nine and a half months of 2020.

That new measures often relate to health industries suggests that they remain by and large narrowly targeted to identified areas of risk. A very significant expansion of investment screening mechanisms could however open the door for overreach. Considering the role of international investment in attenuating the deepening economic crisis, governments should continue creating conditions under which international investment can flourish, while at the same time protecting their essential security interests. Collectively, governments are responsible for upholding the principles of fairness, transparency and predictability. International instruments, guidelines and policy frameworks developed by the international organisations can be instrumental in this regard.

International cooperation on trade and investment among G20 countries will remain essential to overcoming the challenges posed by the COVID-19 pandemic and to promoting a strong economic recovery. The call by G20 leadership that emergency trade and investment measures be targeted, transparent, temporary and proportionate remains key. This is critical, in particular, to ensure that the large government support programs, which have been at the core of the necessary response to the crisis, do not become a source of distortions and unfair competition in the future.

International dialogue, cooperation and monitoring are needed more than ever. The WTO, the OECD and UNCTAD will continue to monitor policy developments and provide platforms for a multilateral dialogue on how to mitigate the negative impacts of the crisis on trade and investment and lay the foundation for a global sustainable recovery.

Angel Gurría
Secretary-General
OECD

Yonov Frederick Agah
Deputy Director-General
WTO

Mukhisa Kituyi
Secretary-General
UNCTAD