

OECD, WTO and UNCTAD call on G20 for stronger commitment to more open trade and investment

September 14, 2009

The OECD, World Trade Organisation and the UN's Conference of Trade and Development have called on the leaders of the G20 countries to make a stronger commitment to open trade and investment as the global economy begins its recovery from the crisis.

In a combined report on G20 Trade and Investment Measures, Angel Gurría, Secretary-General of the OECD, Pascal Lamy, Director-General of the WTO and Supachai Panitchpakdi, Secretary-General of UNCTAD said G20 leaders must remain vigilant against protectionism.

"The global crisis cannot be deemed to be over yet, despite welcome recent indications of economic recovery in some parts of the world. Growing unemployment due to the crisis will continue to fuel protectionist pressures for the years to come," they said.

"It is the responsibility of all world leaders, in particular those of the G20 members, to take the appropriate policy actions so that trade and international investment can help economies recover from the global crisis on a sustained basis. In this regard, G20 leaders should undertake a stronger commitment to open markets and make concrete their call to conclude the Doha Round in 2010."

WTO and OECD rules have acted as a safety harness preventing the adoption of wide-scale protectionist policies. The heads of the three organisations said they were encouraged by investment policies in the G20 countries as they had, on the whole, increased openness and clarity for foreign investors. At the same time, some governments have established support schemes that can discriminate against foreign-controlled companies or raise barriers to outward investment flows.

The OECD, WTO and UNCTAD heads also warned that some of the fiscal stimulus packages introduced to tackle the crisis contain elements that favour domestic goods and services at the expenses of imports.

"It is urgent that governments start planning a coordinated exit strategy that will eliminate these elements as soon as possible," they said.

The report sees the volume of world merchandise trade falling by 10 per cent in 2009 and foreign direct investment plummeting by 30- 40 per cent this year, due largely to a sharp collapse of investment flows in OECD countries.

The report has been prepared for G20 leaders at the Pittsburgh Summit. The organisations will continue to monitor trade and investment measures, as requested at the London Summit on 2 April 2009.

The report of G20 Trade and Investment Measures is available here.

>> Read the press release issued by the WTO. <http://www.wto.org/>

>> Read the press release issued by UNCTAD. <http://www.unctad.org/>

This news can also be viewed at: <http://www.oecd.org/>