8 March 2010

REPORT ON G20
TRADE AND INVESTMENT MEASURES[1]

(SEPTEMBER 2009 TO FEBRUARY 2010)

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We are pleased to submit this second Report on G20 trade and investment measures in response to the G20 Leaders' request made at their Summit meeting in Pittsburgh on 25 September 2009. This Report covers measures taken in the period from 1 September 2009 until mid-February 2010.

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Introduction

This second Report has been prepared in response to the request of the Group of Twenty (G20) to the WTO, together with other international bodies, within their respective mandates, to monitor and report publicly on G20 adherence to undertakings on resisting protectionism and promoting global trade and investment. G20 Leaders meeting in Pittsburgh on 25 September 2009 reaffirmed the commitment made at their previous meeting in London and stated in their Declaration (under the heading "An Open Global Economy"):

- *Continuing the revival in world trade and investment is essential to restoring global growth. It is imperative we stand together to fight against protectionism. We welcome the swift implementation of the $250 billion trade finance initiative. We will keep markets open and free and reaffirm the commitments made in Washington and London: to refrain from raising barriers or imposing new barriers to investment or to trade in goods and services, imposing new export restrictions or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports and commit to rectify such measures as they arise. We will minimize any negative impact on trade and investment of our domestic policy actions, including fiscal policy and action to support the financial sector. We will not retreat into financial protectionism, particularly measures that constrain worldwide capital flows, especially to developing countries. We will notify promptly the WTO of any relevant trade measures. We welcome the latest joint report from the WTO, OECD, IMF, and United Nations Conference on Trade and Development (UNCTAD) and ask them to continue to monitor the situation within their respective mandates, reporting publicly on these commitments on a quarterly basis.*
- *We remain committed to further trade liberalization. We are determined to seek an ambitious and balanced conclusion to the Doha Development Round in 2010, consistent with its mandate, based on the progress already made, including with regard to modalities. We understand the need for countries to directly engage with each other, within the WTO bearing in mind the centrality of the multilateral process, in order to evaluate and close the remaining gaps. We note that in order to conclude the negotiations in 2010, closing those gaps should proceed as quickly as possible. We ask our ministers to take stock of the situation no later than early 2010, taking into account the results of the work program agreed to in Geneva following the Delhi Ministerial, and seek progress on Agriculture, Non-Agricultural Market Access, as well as Services, Rules, Trade Facilitation and all other remaining issues. We will remain engaged and review the progress of the negotiations at our next meeting.*[1]

Part I of the Report provides a brief overview of recent trends in global trade and investment flows. Part II, which has been prepared by the WTO Secretariat, deals with trade and trade-related measures. Part III has been prepared jointly by the OECD and UNCTAD Secretariats and deals with investment and investment-related measures.[2]

The Report covers relevant developments in the period from 1 September 2009 to mid-February 2010. The country-specific measures listed in the Annex Tables 1 to 3 are <u>new</u> measures taken by G20 members during this period. Measures and government programmes (such as the economic stimulus packages) implemented before this date are not listed in these annexes, although

[1] G20 Summit Declaration, "A Framework for Strong, Sustainable, and Balanced Growth", Pittsburgh, 25 September 2009.

[2] The IMF was consulted during the preparations of this part of the Report.

most of them are still in place and financial support continues to be granted and disbursed to eligible sectors.[3]

Information about the measures covered by the Report has been collected from formal notifications submitted by G20 members and from other official and public sources. With regard to the undertaking of the G20 to notify promptly these measures, 15 members of the G20 provided information on trade and trade-related measures that they had taken themselves; one other G20 member notified only measures that had been taken by others. All information collected was sent for verification to the G20 member concerned. Where it has not been possible to verify formally a measure, that fact is noted in the Annex Tables to the Report.

[3] A detailed listing of all these programmes and measures was included in the first Report on G20 Trade and Investment Measures dated 14 September 2009.

Summary

1. The volume of world trade is estimated to have fallen by around 12 per cent in 2009, back to a level at which it stood in 2006. There is recent evidence of a resumption of growth in world trade and output, particularly an apparently strong recovery of trade growth in the Asia-Pacific region in the past few months that has been led by China and some other East Asian economies. Foreign direct investment has also experienced a widespread fall in 2009 that affected all countries and regions, but a fragile recovery is expected to build-up during the course of 2010.[4] However, for the time being the sustainability of more general, global economic recovery is uncertain. At least some of the recent growth has been attributable to government stimulus spending and inventory re-stocking, both of which, in principle, will be temporary. Although global economic prospects appear to have improved in recent months, and composite leading indicators from the OECD point to recovery and expansion among the world's major economies (G7 plus Brazil, China, India and Russia), many factors could weigh on the sustainability of trade growth in 2010 including macroeconomic and trade policies.[5]

2. The trade and investment policy response to the global recession has so far been relatively muted. There has been no indication of a significant intensification of trade or investment restriction since the last Report to the G20 in September 2009. However, past experience shows that prolonged periods of job losses and unemployment are one of the main catalysts for more restrictive policymaking. The ILO reported recently that 27 million people around the world lost their jobs in 2009, taking the global unemployment rate to its highest level ever and the number of jobless to over 200 million people. Unemployment rates are expected to remain high throughout 2010. Coupled with uncertainties about when, and how strongly, sustained global economic growth will resume, this points to the need for G20 governments to remain vigilant in opposing protectionism, to devise and announce publicly as soon as possible exit strategies from any trade restrictions or other measures with trade restrictive or distorting effects that were taken in response to economic conditions last year, so as to undercut protectionist pressures in favour of making these measures permanent. They also need to work diligently and quickly to strengthen the multilateral trading system and to improve multilateral market access by concluding the Doha Round. International trade and investment offers one of the surest routes forward to non-inflationary and sustained global economic recovery.

3. Since September 2009, recourse to new trade restrictions by G20 members has been less pronounced than in the period covered by the first G20 Report. Although some G20 members continued to implement new trade restrictive policies, in apparent contradiction to their pledges at London and Pittsburgh, the overall extent of these restrictions has been limited and an escalation of protectionism has continued to be avoided. There have been fewer instances than in earlier periods of G20 members taking potentially trade restrictive measures, and more cases of trade opening measures and of the termination of investigations into "unfair" trade practices without the imposition of new trade remedy measures. The WTO Secretariat has calculated that new import restricting measures introduced since 1 September 2009 until mid-February 2010 by G20 members, along with new initiations of investigations into the imposition of trade remedy measures (at least some of which may never result in the actual imposition of the measures or the restriction of trade), cover around 0.7 percent of G20 imports, or around 0.4 percent of total world imports.[6] If one measure alone, involving an increase of import tariffs on fuel imports, were to be excluded from the calculation, the trade coverage would amount to around 0.4 percent of G20 imports, or 0.2 percent of world imports.

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[4] UNCTAD Global Investment Trends Monitor, 19 January 2010.

[5] OECD Composite Leading Indicators (CLIs) news release, 5 February 2010.

[6] This share represents the trade coverage of the measures; it does <u>not</u> indicate the size of the reduction in trade caused by the measures which, other than in the case of prohibitively high restrictions, is considerably less. The value of trade covered is counted at the six-digit tariff line level, which is the most disaggregated level available from UN Comtrade. For many import restrictions, this <u>overstates</u> the value of trade affected by the measure, in some cases potentially by quite a lot.

The equivalent trade coverage of G20 measures in the previous report was 1.3 percent and 0.8 per cent, respectively.

Share of trade covered by G20 import-restricting measures
(Per cent)

	October 2008 to October 2009	September 2009 to February 2010
Share in total world imports	0.8	0.4
Share in total G20 imports	1.3	0.7

4. Most G20 members continue to manage successfully the political process of keeping domestic protectionist pressures under control, despite a difficult environment for some of them where employment levels and new job opportunities are shrinking. It is a positive sign that G20 Leaders continue to reaffirm their commitment to maintaining open trade and investment regimes and their determination to withstand domestic protectionist pressures. Opening markets and facilitating investment flows is the best way to fight the global crisis, contribute to the resumption of economic growth, and provide opportunities for job creation.

5. In the area of investment, G20 policy changes continued to point towards greater openness and clarity for foreign investors. As in the period covered by the first G20 report, a substantial number of measures were introduced to facilitate international investment and financial flows. One G20 member has introduced restrictive measures regarding short-term capital inflows.

6. While there has not been any open discrimination against foreign investors, significant risks of discrimination against foreign and non-resident investors reside in the application of emergency measures. Although the introduction of new support schemes has abated significantly and exit from emergency measures in the financial sector has begun in some countries, numerous support schemes remain in place, raising concerns about their potentially non-transparent application and discriminatory effect. Moreover, emergency measures have politicized processes of firm exit and restructuring, and government holdings acquired as part of the crisis response may jeopardise governments' impartiality in policy making and law enforcement.

7. In the area of trade, despite the overall positive assessment of policy restraint, some G20 members have continued to put in place measures that potentially restrict trade, directly or indirectly. Some have raised import tariffs and introduced new non-tariff measures. Some others have also continued to use trade defence mechanisms; the trend is downward when measured by the initiation of new anti-dumping investigations in the review period, but there has been an increase in the number of countervailing and safeguard investigations. There have also been reports from traders of generally stricter application of SPS and TBT regulations in some G20 markets, and of slower procedures and additional requirements in the administration of existing trade measures in others. As indicated in the previous report, this kind of trade obstacles is not easy to substantiate empirically, but it can be significant in raising the cost of trade transactions.

8. New trade restrictions tend to be concentrated in sectors that are already relatively highly protected, such as minerals, textiles and metal products. These sectors are also relatively labour-intensive, and as such are particularly vulnerable to pressures resulting from job losses and unemployment. These are also sectors in which developing countries tend to have a comparative advantage; their own participation in global economic recovery could be delayed or even derailed by increased protection against their key exports.

9. Most of the fiscal and financial stimulus packages that were introduced to tackle the crisis and that favoured the restoration of economic growth globally are still in place. In some quarters these programmes continue to generate concerns about some of their elements (such as specific state aids,

other subsidies, and "buy local" requirements). The scale of these packages represents a substantial injection of demand into national economies. Determining the precise impact on trade and investment of such programmes will require more detailed analysis based on extensive information about their specific design, delivery methods, and conditions attached to them. A perspective on the economic effects of these measures and programmes and an appropriate sequencing of possible exit strategies is presented in Box 1.

10. Regarding trade in services, no major measure was identified to have significantly reduced market access in G20 members, although there has been continued state intervention and government support in particular for the transport and financial services sectors. The longer state intervention in the financial markets through direct support, bail-outs and other types of guarantees to prevent the collapse of companies remains in place, the greater will be the concerns about its potential impact on global competition in this sector.

11. WTO's multilateral trade rules and its dispute settlement mechanism continue to provide a strong insurance policy against trade protectionism, as do OECD investment disciplines and UNCTAD's monitoring of national and international policies for foreign investment. However, risks of protectionism are still increasing and are likely to continue to do so until the economic recovery is well-rooted and job and business opportunities have started to grow again. The main risk is that governments, confronted with increasing levels of unemployment and persistent difficulties in some sectors, will continue to cede ground to protectionist pressures, even if only gradually, so that trade restrictions accumulate. Another risk is that certain restrictive measures remain in place as the crisis retreats, although some G20 members have notified the termination of a few previously adopted measures, in line with the G20 commitment made at Pittsburgh to "rectify" the measures introduced.

12. G20 Leaders should undertake a clear and stronger commitment to open markets and make concrete their many calls to bring the Doha Round to a rapid conclusion. This would send an unambiguous signal that protectionist measures are not the solution to this crisis and that restrictive measures taken to combat the crisis will be quickly reversed. Concluding the DDA will substantially narrow the scope for introducing new trade restrictions or raising existing ones. It would also give the global economy a much-needed lift at a time when governments are constrained in offering further fiscal or monetary stimulus, and provide valuable opportunities for job creation.

13. A strong commitment by G20 members not to introduce new trade restrictions and trade-distorting subsidies pending the conclusion of the Doha Round, would reassure world markets, contribute to providing impetus to the ongoing multilateral negotiations, and dispel fears of a return to protectionism.

I. Trends and developments in global trade and investment flows

(1) Trade developments

(i) Merchandise trade volumes

14. The volume of world trade is estimated to have fallen by around 12 per cent in 2009, back to a level at which it stood in 2006.[7] There is recent evidence of a resumption of growth in world trade and output, particularly an apparently strong recovery of trade growth in the Asia-Pacific region in the past few months that has been led by China and some other East Asian economies.

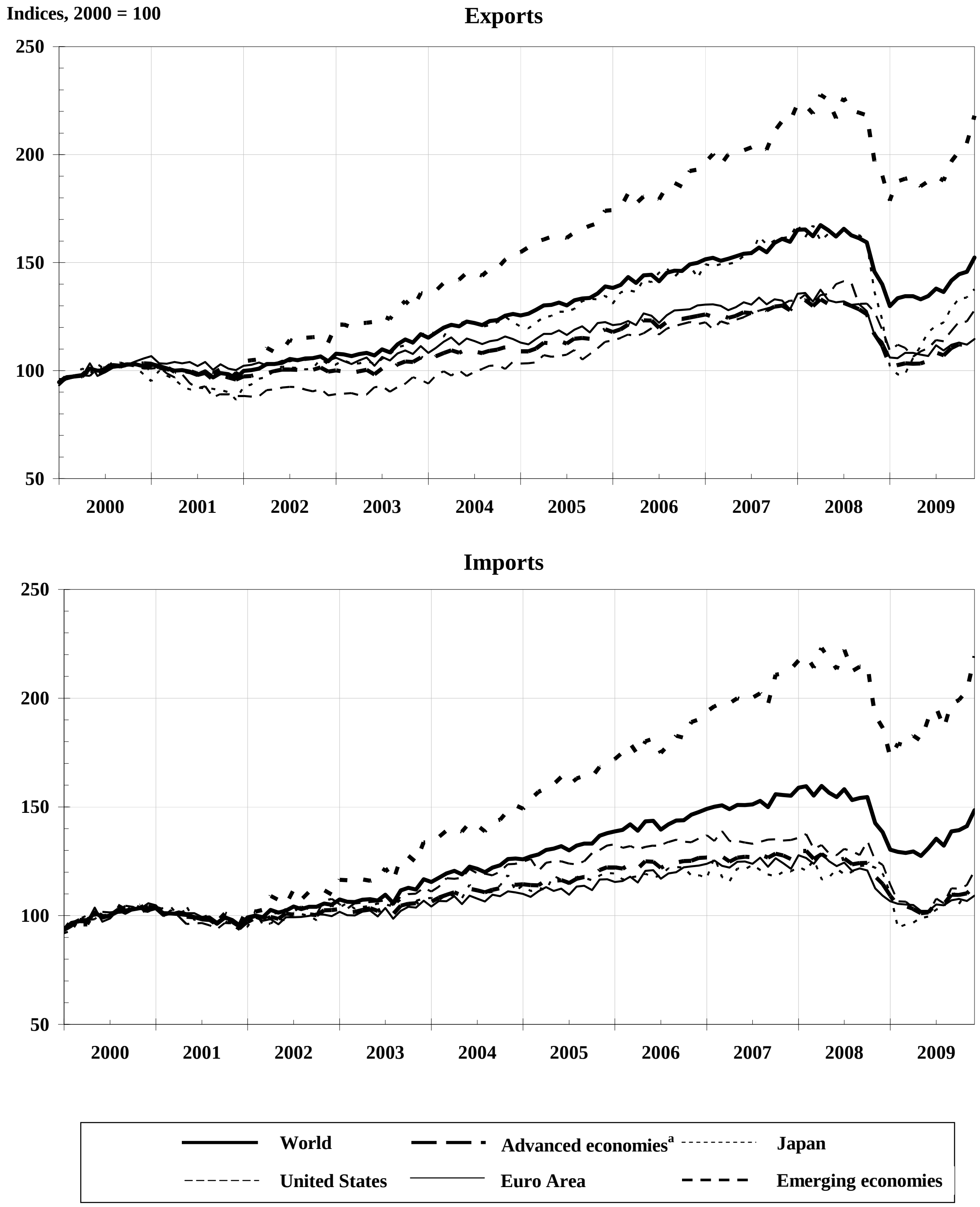
15. World merchandise trade in volume terms (average of exports and imports) rose 4.8 per cent in December 2009 over the previous month according to preliminary estimates from the Netherlands Bureau of Economic Policy Analysis (Chart 1).[8] This was the fourth consecutive monthly increase in the volume of trade, and the largest one-period expansion in a data series going back to January 1991. The monthly rate of increase for December is equivalent to 76.2 per cent on an annual basis; although it is highly unlikely that such a rapid pace of growth could be maintained for very long. Indeed, trade grew more slowly in the previous two months, averaging just over 1 per cent. Trade volume for the fourth quarter as a whole was 6 per cent higher than in the third quarter, equivalent to a 26.2 per cent annual rate. By comparison, annualized growth rates for the second and third quarters were 2 per cent and 17.4 per cent, which suggests that world trade is expanding at an increasing rate. Collectively, these developments lend support to the notion that the recovery in trade is gaining strength. The volume of trade in December was up 15.6 per cent from its post-crisis nadir in February of last year, but it was still 8 per cent below the pre-crisis peak recorded in April 2008. The volume of trade in the latest month was roughly equal to the level of January 2007, which means that approximately three years of trade expansion has been erased by the financial crisis.

16. The trade performance of individual countries and regions differs greatly. Imports of emerging market economies expanded rapidly towards the end of last year, with 7.4 per cent growth in the fourth quarter (32.2 per cent annualized). Imports of developing Asian economies (including China) were particularly strong, with 9.1 per cent growth in Q4 (41.5 per cent annualized) including a 12 per cent month-on-month gain in December. During the same period, imports of developed economies advanced more slowly, with 3.9 per cent growth in Q4 (16.6 per cent annualized). Africa/Middle East was the only region to record a decline in imports for the final quarter of 2009 with a drop of 2.8 per cent (-10.8 per cent annualized).

17. Developed countries' exports grew by 4.1 per cent in Q4 (17.4 percent annually) while exports from developing regions expanded more than twice as fast (8.7 per cent quarter-on-quarter, 39.4 per cent annually). The United States and Japan's exports expanded quite rapidly, with respective quarterly growth rates of 7.8 per cent and 8.9 per cent (35 per cent and 41 per cent annually), compared with Europe's exports which grew by 2 per cent in the last quarter (8.1 per cent annually). Developing countries in Asia again recorded the fastest growth of their exports with an increase of 10.0 per cent in Q4 (46.4 per cent annually). In volume terms, Africa's exports fell by 5.6 per cent, less than the world average decline of 12 per cent.

[7] IMF World Economic Outlook Update, January 2010.
[8] Netherlands Bureau of Economic Policy Analysis (CPB) Trade Monitor, 1 March 2010.

Chart 1
Volume of monthly exports and imports, January 2000 - December 2009



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

Source: CPB Netherlands Bureau for Economic Policy Analysis.

(ii) Merchandise trade values

18. Chart 2 includes charts showing merchandise exports and imports of selected G20 economies in current US dollars. A full year of monthly data is available for all countries, plus January figures for a handful of others, notably China and Brazil. The dollar value of Africa's exports fell by 32 per cent in 2009, compared to a 23 per cent decline for the world, reflecting Africa's heavy dependence on exports of fuels and mining products whose prices plunged during the crisis.

19. It is worth noting that, overall, all G20 members' exports and imports followed an upward trend over the past recent months. The trade performance of EU Member States was relatively more erratic with significant monthly changes and import growth remaining weak. Brazil's exports and imports both stumbled, with exports trending downward since last summer and import growth turning negative in the last few months.

20. The narrowing of the merchandise trade deficit in the United States is among the side effects of the economic crisis, as well as a smaller narrowing of China's trade surplus. The US deficit shrank by nearly 38 per cent in 2009, falling from US$882 billion to US$547 billion, while China's surplus declined to US$196 billion (a drop of 34 per cent). India's annual trade deficit also declined slightly in 2009, but since imports grew much faster than exports during the year, the country's monthly deficit more than tripled between February and December, rising from US$3 billion to US$10 billion.

21. Exports and imports of Asian developing economies may continue to outpace those of developed economies as the recession recedes, thanks in large part to China’s strong trade performance. Japan's trade flows have also rebounded more strongly than those of other developed economies, albeit after a steeper decline.

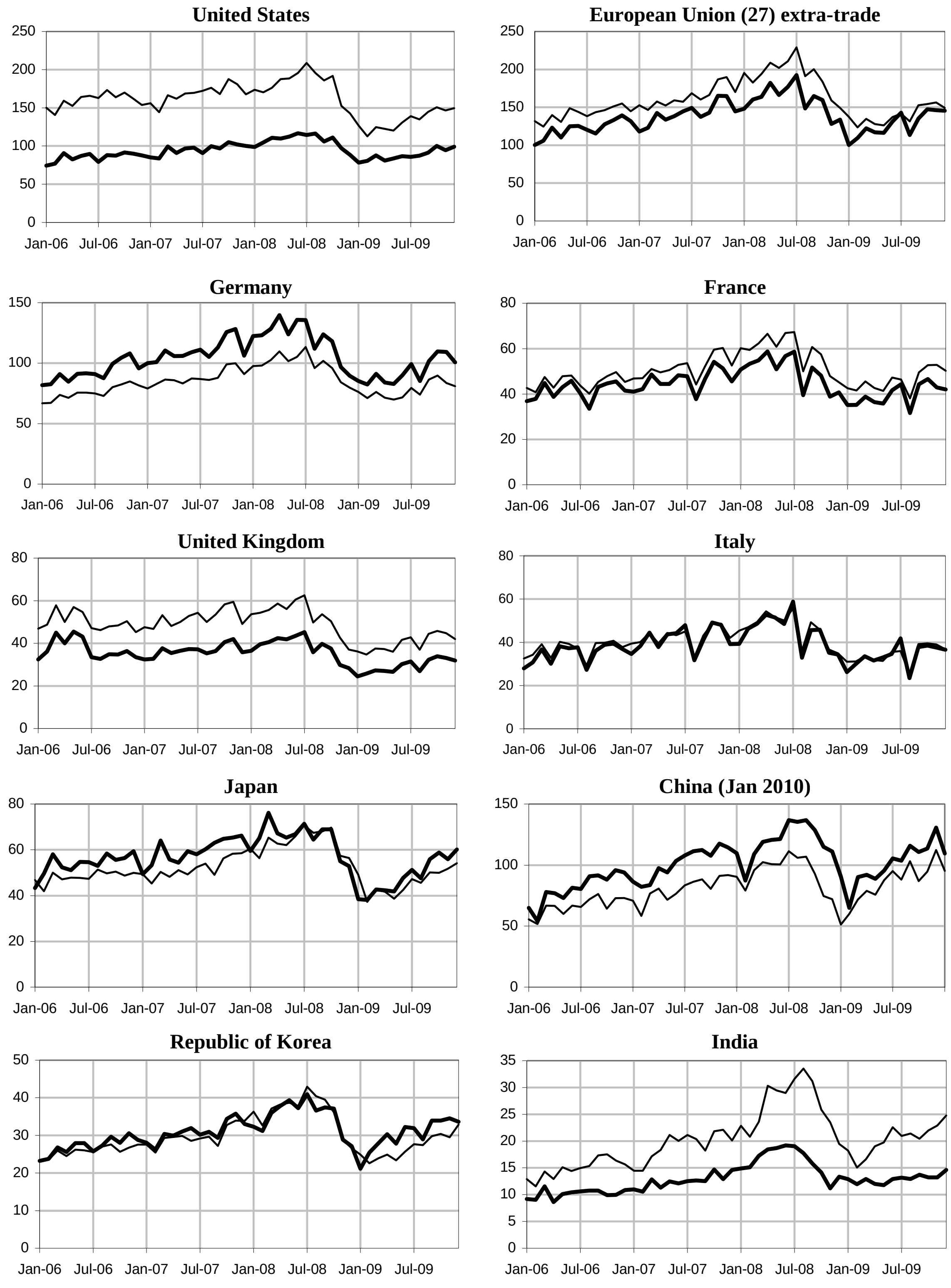
(iii) Output and employment

22. Chart 3 illustrates the rise in unemployment that has accompanied the recession in developed economies. Quarterly GDP growth is shown against the unemployment rate for selected G20 countries. The most striking feature is the near doubling of unemployment in the United States, from around 5 per cent to 10 per cent, over the course of two years. Joblessness has dipped in some countries as output has bounced back more recently, notably in Japan and Germany, but the jobless rate for the United States remains stuck at near 10 per cent. US data for January shows a small drop in unemployment to 9.7 per cent.

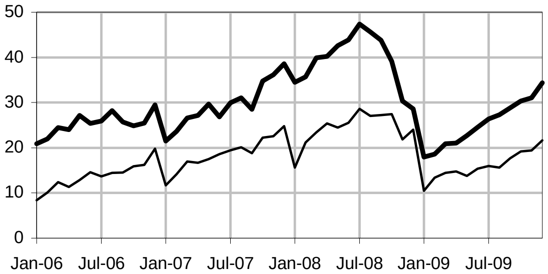
23. US GDP in the fourth quarter of 2009 increased by 1.4 per cent compared to the third quarter. This is equivalent to 5.7 per cent growth on an annual basis. This increase was mostly due to higher business investment; personal consumption expenditure actually declined between the third and fourth quarters.

Chart 2
Monthly merchandise exports and imports of selected G20 economies, January 2006 - December 2009

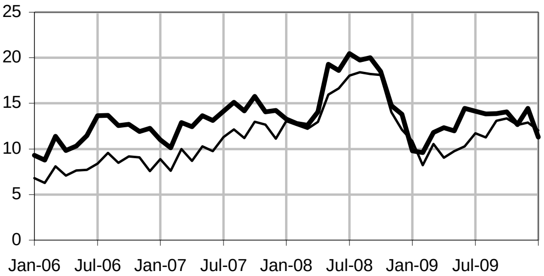
(US$ billion)



Russian Federation

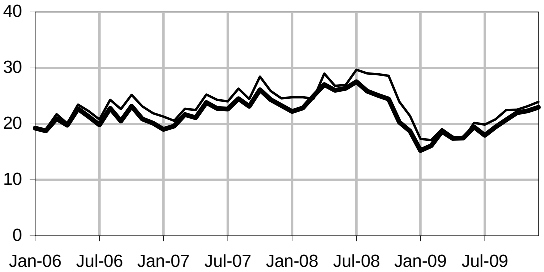


Brazil (Jan 2010)

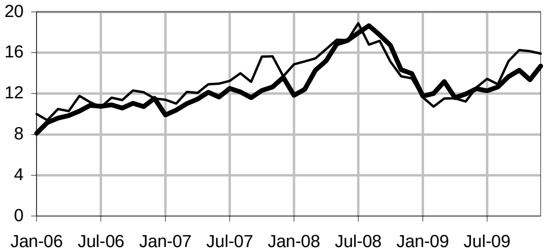


Turkey

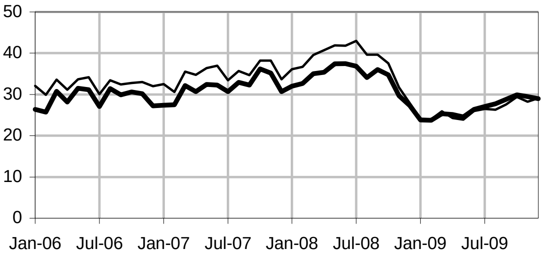
Mexico



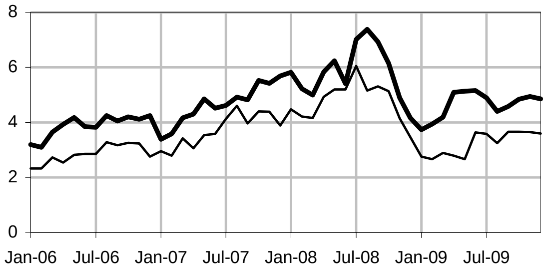
Australia



Canada

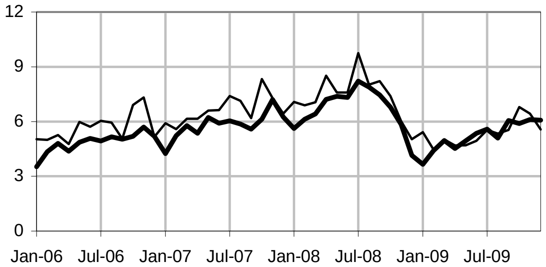


Argentina



Indonesia

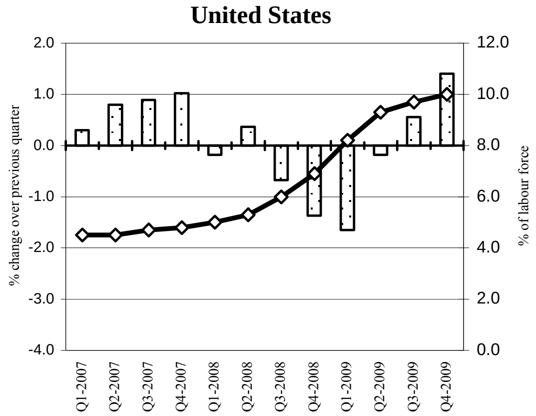
South Africa

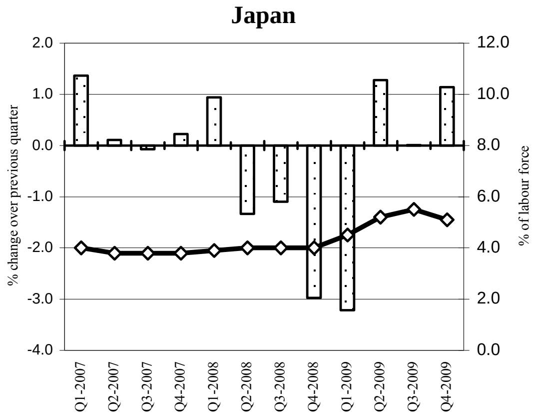


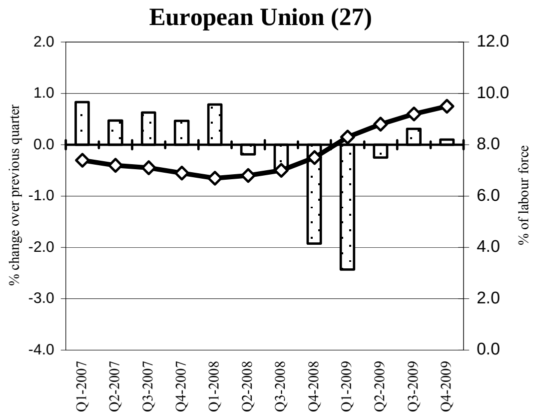
***Source*: IMF, International Financial Statistics; GTIS; GTA database; national statistics.**

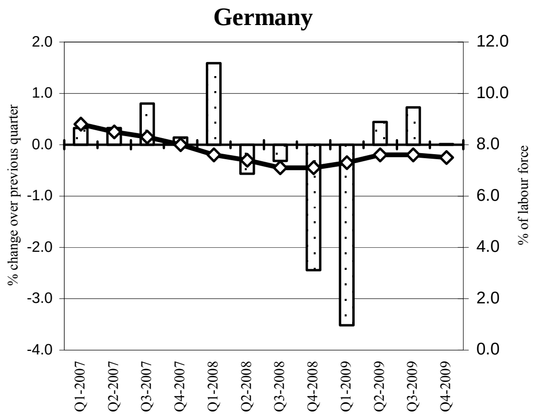
Exports **Imports**

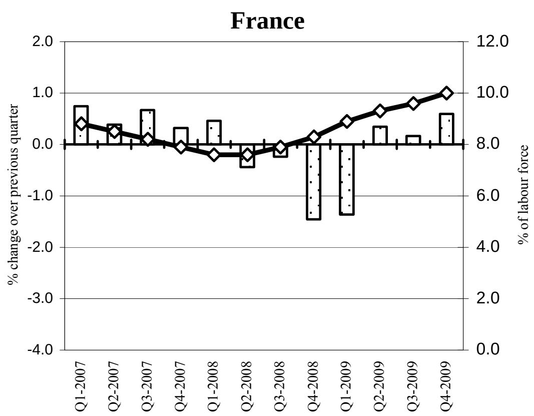
Chart 3
Quarterly GDP growth and unemployment rates of selected G20 economies
(Percentage change over previous quarter and percentage of labour force)











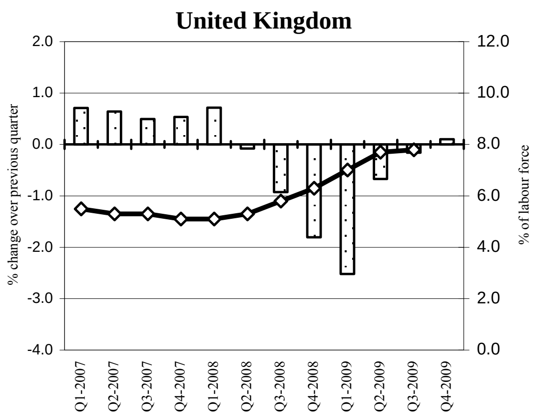
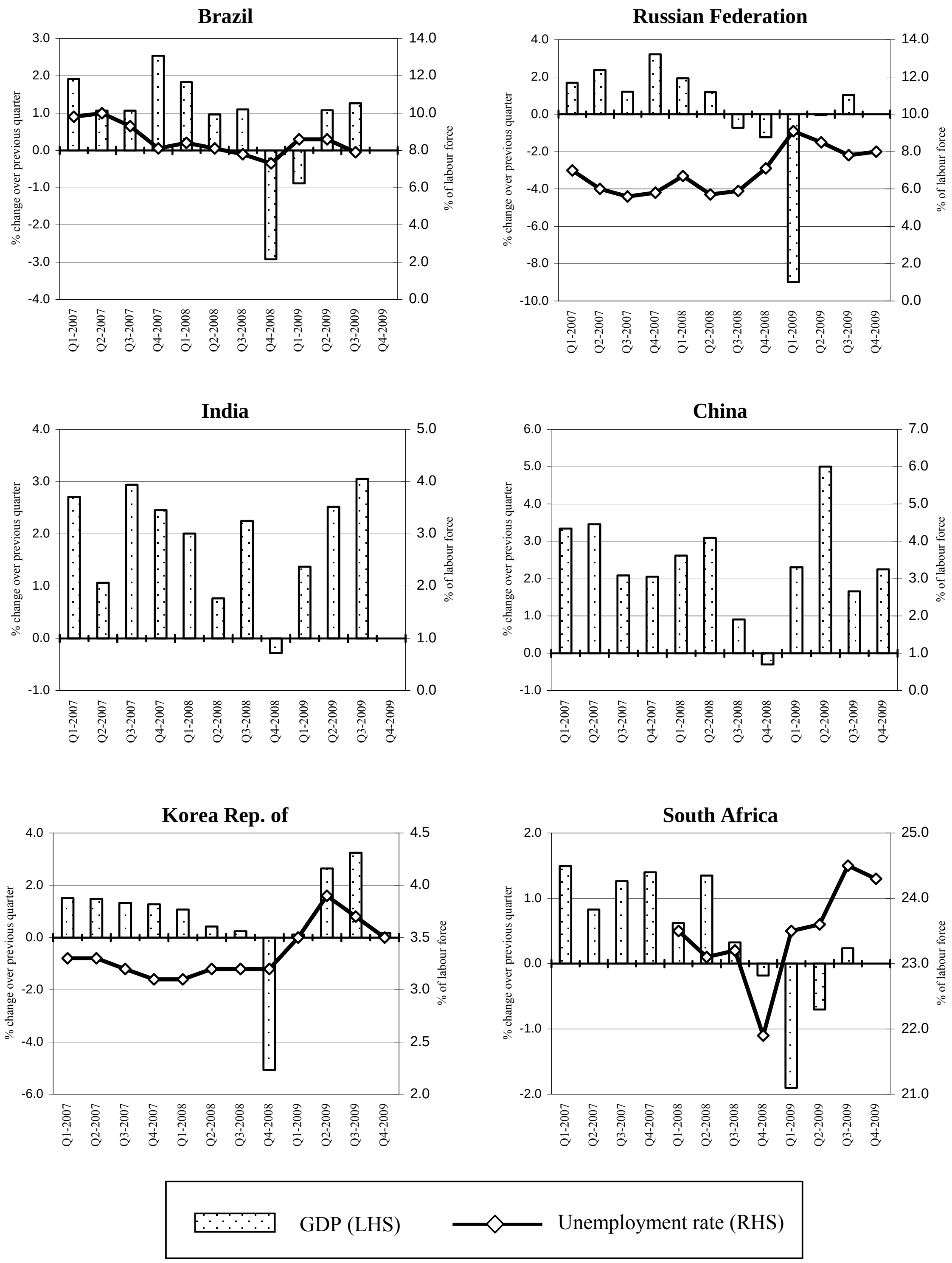


Chart 3 (continued)



***Source*:** OECD, Quarterly National Accounts and Labour Force Statistics.

(iii) Trade finance

24. Although the sharp contraction in trade flows evident from the second half of 2008 was attributed primarily to a contraction in global demand, tighter credit conditions also significantly increased the cost of trade finance. The response of the G20 was to "*ensure availability of at least $250 billion over the next two years to support trade finance through our export credit and investment agencies and through multilateral development banks*".

25. Ahead of the G20 Pittsburgh Summit, G20 trade finance experts reported that more than the targeted amount had been mobilized. National export credit agencies provided the bulk of the support to markets – bridging the gap in working capital and insurance left by the withdrawal of some commercial banks and private insurance companies. Regional development banks and the World Bank continued to provide support through trade finance facilitation programmes and the Global Trade Liquidity Programme (GTLP), which has become operational. As of 31 January 2010, the GTLP has disbursed US$1 billion supporting total trade close to US$3 billion. Through the second half of 2009 and the first quarter of 2010, the global market situation seemed to have eased. Average prices for letters of credit in large emerging economies (China, India, Brazil) seem to have returned to more affordable levels (down from 150-250 basis points one year ago to 70-150 basis points), albeit the cost of trade insurance worldwide has roofed up, in line with the 60 per cent year-on-year increase in claims registered by the Berne Union of Export Credit Agencies.

26. In several regions of the world, though, access to trade finance by smaller traders remains considerably more expensive, or has simply disappeared. According to some market sources, international or large pan-African banks would charge 200 to 320 basis points to endorse a letter of credit in the countries regarded as the best risks in Africa, and it would cost an additional 200 to 300 basis points to insure that transaction. This means that the cost of trade finance remains particularly high in that region, particularly on the import side. Besides, many smaller African banks that used to have access to capital markets before the crisis lost it, and can no longer act as counterparties in trade operations. The larger banks are reluctant to lend as they are more selective in managing their risk. In other areas of the world, the message seems to be the same, particularly in low income countries in central Asia, central America and East Asia, i.e. that liquidity has returned to markets but there is still a lending problem resulting from the deterioration of the credit-worthiness of traders and the greater selectiveness of bank in managing their risks. A clearer picture will emerge with the publication of extensive market surveys by the International Chamber of Commerce, and the Bankers Association on Finance and Trade in the spring, in the run-up to the G20 Summit in Canada.

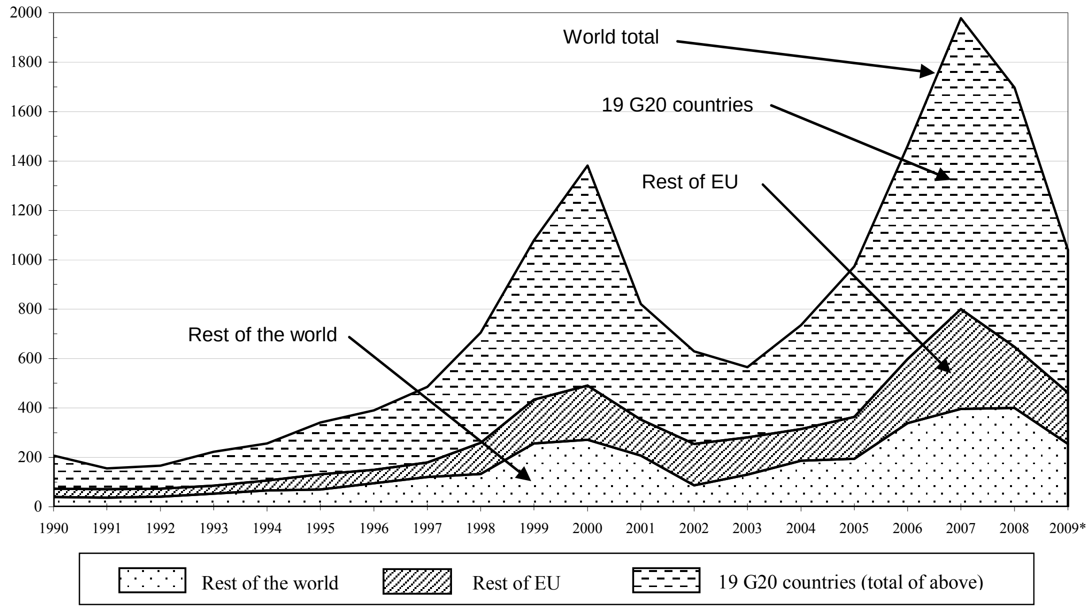
(2) Investment developments

27. The G20 commitments on investment at the London and Pittsburgh summits were made against the background of a continued fall of global foreign direct investment (FDI). Global FDI inflows are estimated to have fallen by 39 per cent from US$1.7 trillion in 2008 to about US$1.0 trillion in 2009 (Chart 4).[9] The moderate pick up of global FDI flows during the second quarter of 2009, followed by the same level of flows in the third quarter, was not enough to offset the huge declines observed during the five previous quarters (Chart 5). Declines in FDI took place across all major groups of economies. After experiencing a sharp drop in 2008, FDI flows to developed countries continued to fall in 2009 (by a further 41 per cent). FDI flows to developing and transition economies, which had risen in 2008, registered a 39 per cent fall in 2009.

[9] For a detailed analysis on global and regional investment trends, see UNCTAD's "World Investment Report 2009", UNCTAD's "Global investment trends monitor", Issue No 2, January 2010 (http://www.unctad.org/en/docs/webdiaeia20101_en.pdf), and OECD Investment News, No. 11, December 2009 (www.oecd.org/investment). An analysis of changing global patterns of international investment resulting from the crisis will be published in OECD Investment News, No. 12, March 2010 and UNCTAD's Global Investment Trends Monitor No. 3, April 2010.

Chart 4
FDI inflows, global and G20, 1990-2009[a]

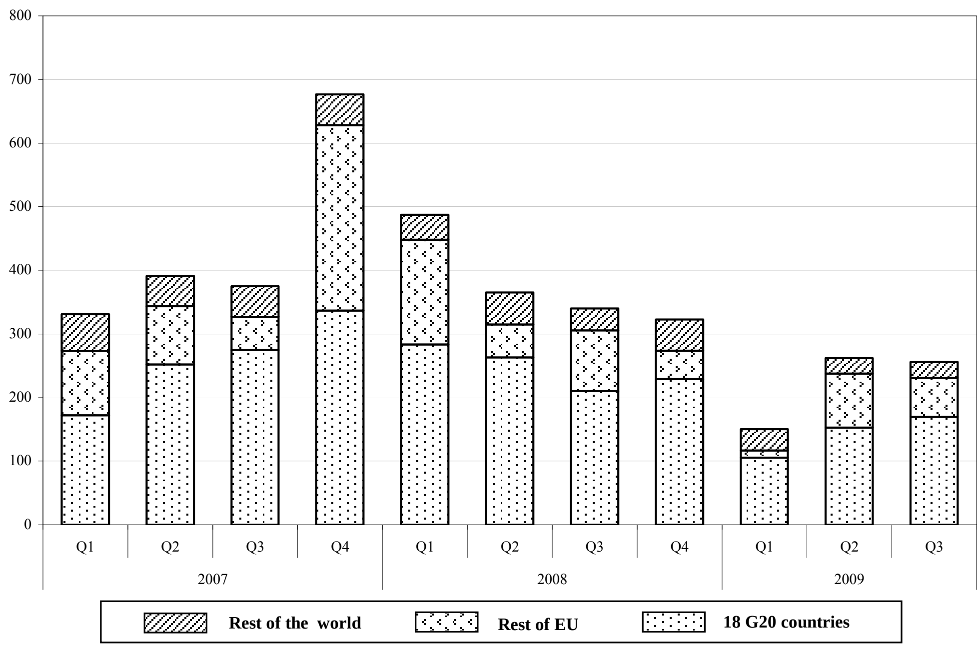
Billions of US dollars



a Preliminary estimates for 2009.
Source : UNCTAD.

Chart 5
Global FDI inflows by host region, 2007 Q1-2009 Q3

Billions of US dollars



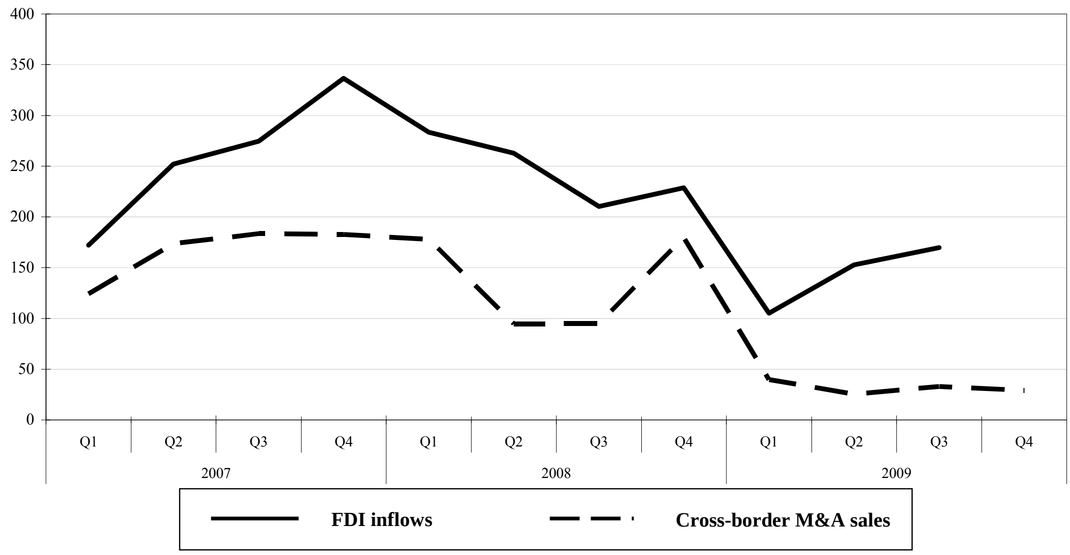
Note: Global FDI data are for the 67 countries included in the UNCTAD's Global FDI Index only. Saudi Arabia is not included because of unavailability of quarterly data.
Source: UNCTAD.

28. Declines occurred in all three components of FDI flows – equity investment, reinvested earnings and other capital flows (mainly intra-company loans). Lower equity investment reflects a smaller volume of mergers and acquisitions (M&As)[10], while lower profits for foreign affiliates drove down reinvested earnings at the beginning of the year (even if a marked improvement was observed during the 3rd quarter). The restructuring of parent companies is triggering loan repayments by foreign affiliates, thereby reducing outstanding intra-company loans.

29. The G20 members are major contributors to international investment flows – they accounted for 78 per cent of global inflows and 85 per cent of global outflows during the 2007-2009 period.[11] They also experienced a sharp drop in FDI since early 2008 (Chart 6). Despite a pick-up in the second and third quarters of 2009, after a sharp fall in the first quarter of 2009, G20 FDI inflows in 2009 are estimated to reach only US$580 billion or 45 per cent less than in 2008.[12] G20 FDI inflows thus contracted more than global FDI inflows (-39 per cent). G20 cross-border M&As were flat throughout 2009.

Chart 6
Quarterly FDI inflows and cross-border M&A for
18 individual country members of the G20 [a], 2007 Q1 - 2009 Q4 [b]

Billions of US dollars



a For FDI inflows, Saudi Arabia is not included because of unavailability of data.
b Figures for FDI in the 4th quarter are estimates.
Source: UNCTAD.

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[10] The value of global cross-border M&A sales were down by 36 per cent in 2009 as compared to the previous year.

[11] These figures include the 23 EU member states which are not individual members of the G20. For the 19 individual members of the G20, the percentages are respectively 59 per cent and 67 per cent for global FDI inflows and outflows.

[12] For G20 as a whole, the decline was only 39 per cent due to a lesser decline of FDI inflows into the EU countries which are not individual members of the G20.

II. Trade and Trade-Related Measures

30. The WTO Director-General has reported regularly to WTO Members on trade and trade-related policy developments in the context of the financial and economic crisis.[13] Those reports recorded slippage towards more trade restriction on the part of many G20 members in 2009, in particular during the first half of the year.

31. In the period since September 2009, there has been continued slippage towards more trade-restricting and distorting policies by many G20 members, although there has been a slight slowdown in the number of measures implemented more recently compared with the period immediately after the outbreak of the global crisis. The WTO Secretariat has calculated that new import restricting measures introduced from 1 September 2009 to mid-February 2010 by G20 members cover around 0.7 per cent of G20 total imports, or 0.4 per cent of total world imports (Table 1).[14] If one new measure affecting imports of fuel oil is excluded, then the share in total world imports would be around 0.2 per cent. It is important to emphasize that this represents the trade coverage of the measures; it does not indicate the size of the reduction in trade caused by the measures which, other than in the case of prohibitively high restrictions, is considerably less. Calculating trade effects can only be done sensibly on a measure-by-measure basis, and even then the result depends critically on assumptions made about demand elasticities for the products involved.

32. Annex 1 provides a compilation of all new trade and trade-related measures taken by G20 members since 1 September 2009. During this period, there have been a few cases of increases in import tariffs, the initiation of new trade remedy investigations (anti-dumping, countervailing, and safeguard), and the implementation of a few non-tariff measures and restrictive government procurement practices. There have also been reports from traders of generally stricter application of SPS and TBT regulations in some G20 markets, and of slower procedures and additional requirements in the administration of existing trade measures in others. As indicated in the previous report, this kind of trade obstacles is not easy to substantiate empirically, but it can be significant in raising the cost of trade transactions.

33. The identification and quantification of trade restrictive measures is sometimes difficult. Measures may apply to one specific product, or they may affect all trade in a horizontal manner. Another difficulty lies in the fact that not all measures categorized as trade restrictive have been adopted with such an intention.[15] In some cases, trade restricting measures were the result of "automatic procedures", such as in the area of agricultural export subsidies linked to the evolution of world prices, rather than a deliberate policy choice by governments. In other cases, their introduction was a result of lengthy internal legislative processes, such as in the case of trade remedy measures, whose outcome coincided with the crisis. A further element to bear in mind when comparing the reported measures is that their impact on trade can vary significantly.

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[13] WTO document WT/TPR/OV/12 of 18 November 2009 is a compilation and expansion of all previous trade monitoring reports issued by the WTO's Director-General during 2009.

[14] Secretariat calculations are based on the following methodology: (i) Only trade measures that are actually in force are covered. Measures that have simply been proposed, or that have not yet cleared the domestic legislative process, are not included. (ii) Where two measures (e.g. an anti-dumping and a countervailing duty) exist for the same country and the same product, import figures are only counted once. (iii) The value of trade covered is for 2008, and it is counted at the six-digit tariff line level, which is the most disaggregated level available from UN Comtrade. For many import restrictions, this overstates the value of trade affected by the measure, potentially by quite a lot; for example, an anti-dumping duty may only affect highly specific products from just a few firms.

[15] It is important to stress that the inclusion of any measure 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 measure referred to with the provisions of any WTO agreement or such measure's impact on, or relationship with, the global financial crisis.

Table 1
Share of trade covered by new import-restricting measures of G20 Members
(Per cent)

Description	Share in total world imports	Share in G20 total imports	Share in total affected imports
Total imports affected	**0.41**	**0.72**	**100.0**
Agriculture (HS 01-24)	**0.02**	**0.03**	**4.7**
Live animals and products	0.02	0.03	3.9
Vegetable products	0.00	0.00	0.7
Fats and oils	0.00	0.00	0.0
Prepared food etc.	0.00	0.00	0.1
Industry products (HS 25-97)	**0.39**	**0.69**	**95.3**
Minerals	0.19	0.33	45.7
Chemical and products	0.00	0.01	0.7
Plastics and rubber	0.02	0.03	4.5
Hides and skins	0.00	0.00	0.3
Wood and articles	0.00	0.01	0.9
Pulp, paper etc.	0.00	0.00	0.4
Textile and articles	0.02	0.04	5.9
Footwear, headgear	0.00	0.00	0.0
Articles of stone	0.00	0.00	0.7
Precious stones, etc.	0.00	0.00	0.0
Base metals and products	0.07	0.12	17.0
Machinery	0.06	0.10	13.5
Transport equipment	0.01	0.03	3.6
Precision equipment	0.01	0.01	1.6
Arms and ammunition	0.00	0.00	0.0
Miscellaneous manufactures	0.00	0.00	0.4
Works of art, etc.	0.00	0.00	0.0

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

34. The reported trade restricting measures by G20 members affect a relatively wide range of imports. The products most frequently affected overall by these measures include: iron and steel, electrical machinery and parts, ceramic and glassware, machinery and mechanical appliances, and chemical and plastic products.

35. There have also been instances of trade opening measures and of termination of previously adopted trade restricting actions. During the period under review, among the G20 members, Australia, Brazil, Canada, China, the European Union, India, Indonesia, the Russian Federation, and Turkey informed the WTO Secretariat of the termination of previously implemented trade-restricting actions and/or the adoption of trade opening measures. Although some of these countries also undertook trade restricting actions during the period under review, it is a welcome sign that their governments are attentive to the beneficial role that lowering trade barriers can play in current circumstances, by reducing consumer prices and producer costs, stimulating aggregate demand and helping to reverse the contraction of global trade.

36. During the review period, a few export measures were applied by some G20 members. Measures included the elimination and reduction of export duties, but also the introduction of export controls and the increase of export tariffs (Table 2).

Table 2
Export-related measures
(September 2009-February 2010)

Country/ Member State	Measure	Source/Date	Status
China	Elimination of export duties on 17 tariff lines (in HS sectors 2508, 2606, 2620, 2818, 2826, 2827, 2834, 7202, 7216) including products such as clays, aluminium ores, chemicals, ferro-alloys, as from 1 January 2010.	Permanent Delegation of China to the WTO (1 February 2010).	
China	Reduction of interim export duty rates on 21 tariff lines (in HS sectors 2809, 2814, 2834, 3102, 3103, 3105) including products such as chemicals and fertilisers, as from 1 January 2010.	Permanent Delegation of China to the WTO (1 February 2010).	
EU	Export refunds for milk and milk products.	Commission Regulations Nos. 1056/2009 of 5 November 2009 and 1113/2009 of 19 November 2009.	No longer applicable as from 19 November 2009.
EU	Establishment of an additional quantitative limit (500,000 tonnes) for the exports of out-of-quota white sugar (HS 1701.99) without refund in respect of marketing year 2009-10.	Commission Regulation No. 94/2010 (3 February 2010).	Expiration date 30 June 2010.
India	Extension of the export ban on edible oils until 30 September 2010.	Permanent Delegation of India to the WTO (4 September 2009).	
India	Increase of export tax on iron ore fines (from 0% to 5%), and on iron ore other than fines including lumps and pellets (from 5% to 10%).	Permanent Delegation of India to the WTO (1 February 2010).	Effective as from 24 December 2009.
Indonesia	Export controls on raw rattan aiming at protecting and maintaining the sustainability of rattan production and plantation.	Permanent Delegation of Indonesia to the WTO (October 2009) and Decree 36/M-DAG/PER/8/2009 Ministry of Trade.	
Russian Federation	Increase of export duty (from 5% to 20%) on certain magnesium scrap, but not less than €138/tonne (US$189/tonne), as from 8 November 2009.	Permanent Delegation of the Russian Federation (1 February 2010).	
Russian Federation	Introduction of export tariffs on nickel, as from 16 December 2009.	Permanent Delegation of the Russian Federation (1 February 2010).	

Source: WTO Secretariat.

Trade remedy actions

37. As shown in Annex 1, the most frequently reported measure is related to trade remedy actions (antidumping, countervailing and safeguard). In most of the cases, these constitute a specific category of measures initiated in response to industry complaints, not solely at the government discretion. The WTO Secretariat chose to limit its monitoring to only the initiation of new investigations, as it is the initiation of investigations that provides a good proxy for the protectionist pressures put on governments by affected industries.[16]

38. Based on past experience during downturns in business cycles and world economic activity, it was expected that the current global economic crisis would result in a significant increase in the initiation of new anti-dumping investigations. However, no such increase was observed from 2008 to

[16] The termination of trade remedy measures is also included in Annex 1 to illustrate trade facilitating actions, although in most cases termination occurs automatically.

2009. To the contrary, the number of anti-dumping investigations[17] initiated by G20 members in 2009 was 21 per cent less than in 2008 (Table 3). A comparison of the figures for the second halves of 2008 and 2009 reveals an even greater decrease of 29 per cent. This constitutes the first significant decline in industry petitions for anti-dumping protection since the onset of the global economic crisis in mid-2008. In terms of product coverage of anti-dumping investigations, no significant change was observed between 2008 and 2009, with the most common products covered being metals, chemicals, and plastics.

Table 3
Initiations of anti-dumping investigations*

G20 Members	2008	2009
Argentina	19	28
Australia	6	9
Brazil	23	9
Canada	3	6
China	14	19
EU	19	17
India	55	29
Indonesia	7	6
Japan	0	0
Korea	5	0
Mexico	1	2
Russian Federation	...	7
Saudi Arabia	0	0
South Africa	3	2
Turkey	22	6
United States	16	19
TOTAL	**193**	**152**

... Not available. Russian data for 2009 was excluded for comparisons purposes because no data was available for 2008.
* Some data unverified and collected from various unofficial sources.

39. Contrary to anti-dumping, countervailing duty investigations registered an important increase from 2008 to 2009 (Table 4). This is despite the fact that countervailing duties, which offset subsidized imports causing injury to domestic industries, are (and have been) used by a much smaller number of countries than anti-dumping. However, while the number of new countervailing duty investigations increased substantially, the overall number of investigations remains considerably below the number of anti-dumping investigations. A significant portion of the increase from 2008 to 2009 is accounted for by the United States, which changed its policy in 2007 to allow the initiation of countervailing duty investigations against imports from China. Part of the increase is also accounted for by the EU and China (which had not previously initiated countervailing duty investigations).

40. Similarly to countervailing duty investigations, the number of initiations of safeguard investigations increased significantly from 2008 to 2009 (Table 5). However, that increase was mainly the result of the number of initiations in the first half of 2009; moreover, most of these investigations were terminated during the course of the year without the imposition of measures. A comparison of the second halves of 2008 and 2009 shows a slight decrease (from 3 to 2). Moreover, since a prerequisite for the imposition of safeguard measures is increased imports, reductions in world trade volumes may mean that the conditions for imposition will not be found to exist even where investigations are initiated. While the number of China-specific safeguard initiations has traditionally been far less than safeguards initiated in accordance with the Safeguard Agreement (which is origin-neutral), there have been six China-specific safeguard initiations in 2009.

[17] 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. It should be noted that 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.

Table 4
Initiation of countervailing duty investigations

G20 Members	2008	2009
Australia	1	1
Canada	1	1
China	0	4
EU	1	6
India	0	1
South Africa	2	0
United States	3	13
TOTAL	**8**	**26**

Table 5
Initiations of safeguards investigations*

G20 Member	2008	2009
Brazil	1	1
India	1	10
Indonesia	2	0
Russian Federation	...	5
Turkey	1	1
TOTAL	**5**	**12**

... Not available. Russian data for 2009 was excluded for comparison purposes because no data was available for 2008.

* Some data unverified and collected from various unofficial sources.

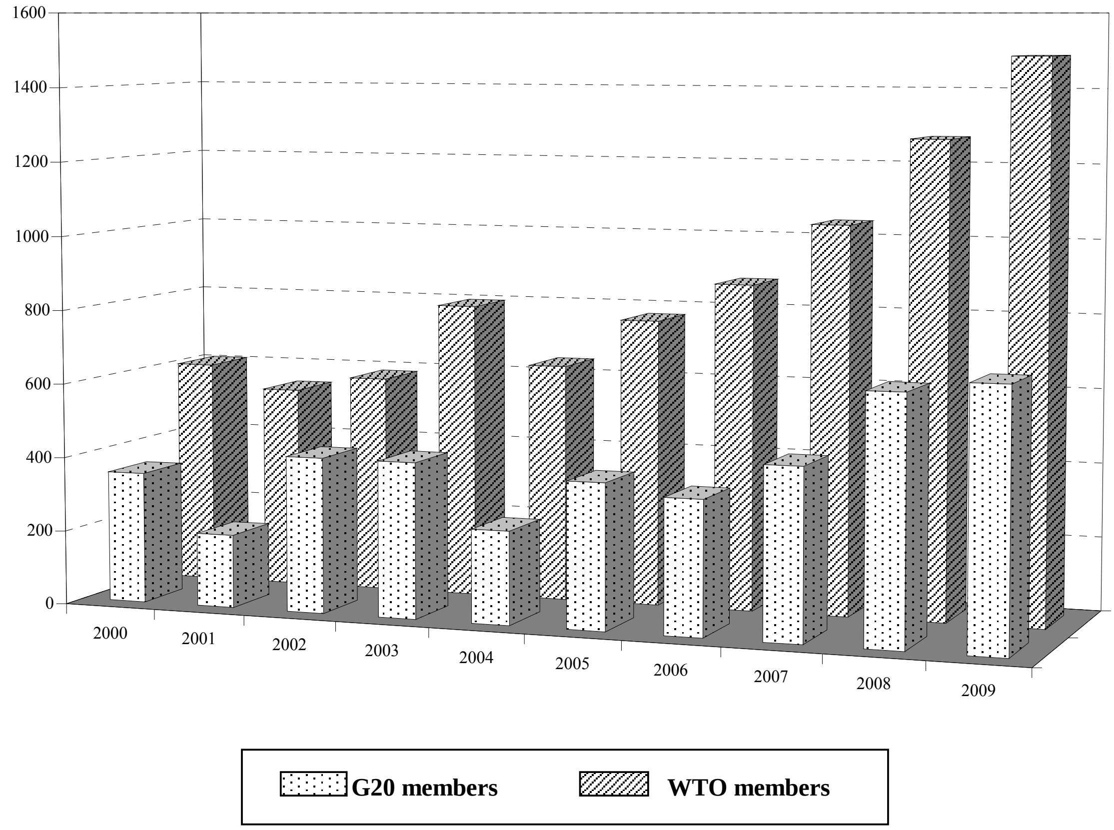
SPS and TBT measures

41. Other measures that can have a significant trade restricting impact are those related to Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) actions. However, it is very difficult for the WTO Secretariat to differentiate the measures implemented due to purely SPS and TBT concerns from those that might have been taken for other reasons in the context of the global crisis. Without making a value judgement on the justification of these measures, it is possible to illustrate the main trends over the past years.

42. Two aspects of the WTO TBT Committee's work are relevant to the surveillance and monitoring of regulatory measures that have an effect on international trade: Members' notifications of draft regulations, and the discussion of potential or actual trade effects of these measures in the Committee. Under the TBT Agreement, Members are required to notify to the WTO if a proposed regulation may have a significant effect on trade. Since the Agreement entered into force, over 11,000 notifications of new or changed regulations have been received by the WTO. In 2009, the number of notifications made to the WTO Secretariat increased substantially compared with previous years: 1,489 notifications were submitted (compared with 1,272 notifications in 2008). During the same year, the percentage of notifications made by G20 members represented approximately half of the total number of notifications circulated by the Secretariat (Chart 7).

43. The higher number of notifications signals either an increase in regulatory activity or an improved implementation of the TBT Agreement. The data shows a significant increase in the proportion of notified draft technical regulations and conformity assessment procedures from developing country Members: around 80 per cent of the notifications submitted in 2009 came from developing countries (the corresponding figure for previous years was close to 65 per cent). This rise is mainly driven by G20 Asian WTO Members (China, Korea, and Indonesia) and Saudi Arabia. In particular, the growth in the number of Chinese notifications is part of a long-term trend which has lasted for about five years.

Chart 7
Number of TBT notifications since 2000

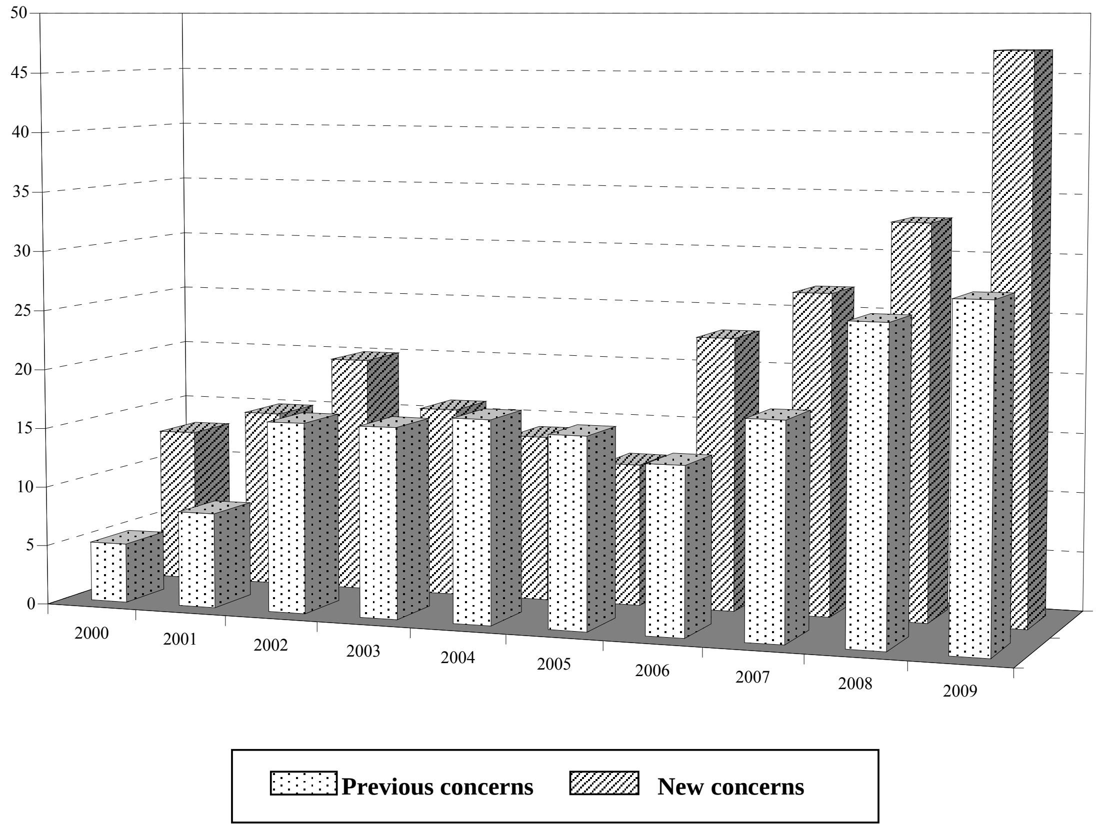


Source: WTO Secretariat.

44. The TBT Committee is also used as a forum to discuss trade concerns that arise between Members which are related to technical regulations, standards or conformity assessment procedures. These "specific trade concerns" relate normally to proposed draft measures (notified to the TBT Committee as described above) or to the implementation of existing regulations. Members have underlined the value of the Committee's discussions on specific trade concerns; these discussions 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, 258 specific trade concerns have been discussed in the Committee. The number of concerns raised and discussed has grown significantly over the last four years. In 2009, this number reached 75, a record number (compared to 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 in the TBT Committee is the need for more information or clarification about the measure at issue.

45. Measures maintained by G20 members have been discussed more often than measures raised for discussion by other Members. More specifically, 80 per cent of the specific trade concerns raised for discussion to date have been about proposed draft measures or existing measures maintained by G20 members (Chart 8).

Chart 8
Number of specific trade concerns raised per year, 2000-2009

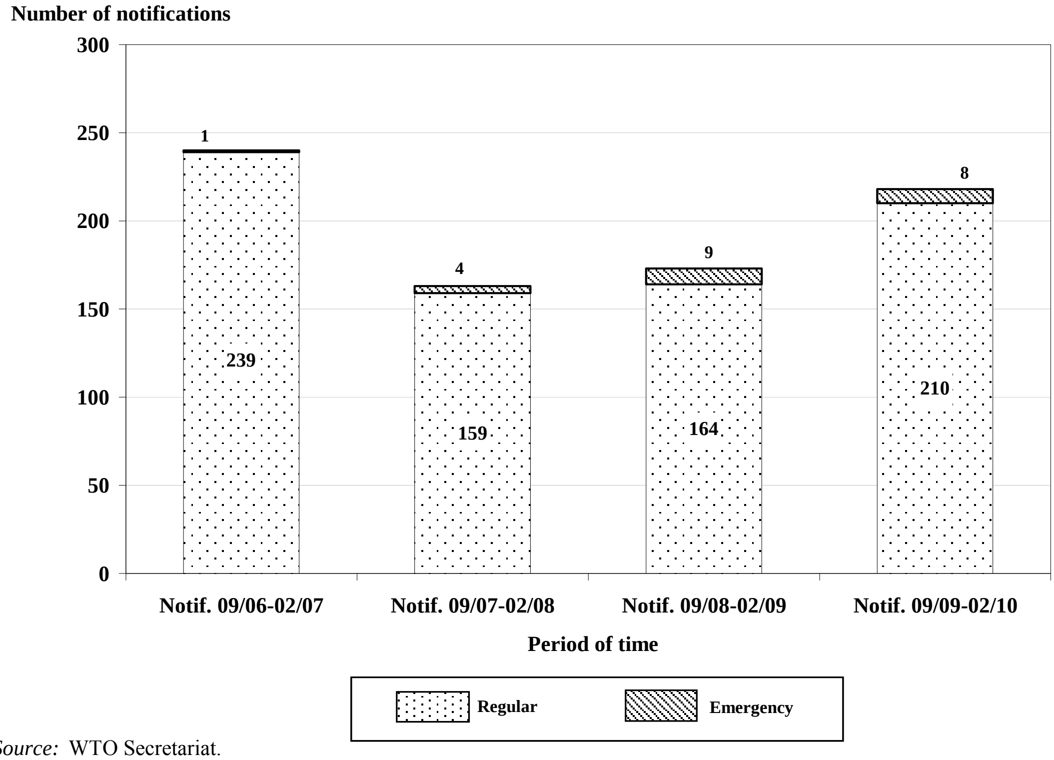


Source: WTO Secretariat.

46. The SPS Agreement also provides several mechanisms to monitor the imposition of trade restrictions related to sanitary and phytosanitary concerns. 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. There has been an increase in the number of SPS measures notified by G20 members since September 2009, compared with corresponding periods of the two previous years.[18] However, the total number of measures notified by the G20 since September 2009 is not out of line with earlier years (Chart 9). The G20 includes those Members who most frequently provide advance notifications of proposed new SPS requirements, or notifications of emergency measures taken.

[18] It is interesting to note that most of the increase in notifications was not related to emergency actions. Members were provided with the opportunity to submit comments with respect to the proposed measures before they were adopted and entered into force.

Chart 9
SPS notifications by G-20 members



Source: WTO Secretariat.

47. The increase of SPS measures over the previous two years is mainly due to a significant rise in the number of regular measures (as opposed to emergency actions) notified by China (80 actions since September 2009, compared with zero in the corresponding period of 2006/07, three in the corresponding period of 2007/08, and five in the corresponding period of 2008/09). An increasing number of the measures notified by China have been implemented to ensure food safety and/or protecting human health from animal and plant-carried diseases. This trend is also reflected in the objectives given by other Members for notifications over the September 2009 – February 2010 period. Another notable increase during this period is the more than doubling of Brazil's notifications of measures taken to, *inter alia*, protect their territory from other damage caused by the entry, establishment or spread of pests or diseases.

48. WTO Members can raise a specific trade concern on SPS measures at any of the regular meetings of the SPS Committee. Of the 18 new trade concerns raised at the October 2009 meeting, 14 were about measures by G20 members. Concerns regarding measures taken allegedly to protect animal health and for "other concerns" were of greater importance during this meeting compared with previous meetings. The animal health concerns included continued complaints regarding India's restrictions related to avian influenza; Indonesia's new meat import conditions and restrictions on poultry from Brazil; restrictions by Mexico, South Africa and the United States on pork meat and products from Brazil; and remaining measures on pork meat maintained by various Members in response to Influenza A/H1N1 virus. The "other concerns" refer to the modification of the EU Novel Foods regulation; US measures on catfish imports; and measures under consideration in North America with respect to Asian Gypsy moth.

Economic stimulus measures

49. Government incentive packages adopted in the context of the global financial and economic crisis were aimed at mainly reviving global demand, stabilizing financial markets, and granting support to specific sectors heavily affected by the crisis. Annexes 2 and 3 provide factual information on the general economic stimulus measures and the specific government support to financial institutions granted by G20 members since 1 September 2009. Fewer new measures were implemented during this period. Most of the big economic stimulus and financial support programmes were put in place at the end of 2008 and the beginning of 2009, and the funds provided by some of them are pretty much exhausted by now.[19] The duration of some of those programmes, in particular the measures in support of financial institutions, was extended during the period under review. The new economic stimulus packages adopted provide support in the form of consumption subsidies, state aid to help companies overcome the impact of the crisis (in the form of credit support to exporters and businesses facing funding difficulties), and direct support for "green" products.

50. These packages certainly have elements that favour global trade, but also elements that have the potential to distort trade and competition directly or indirectly. Monitoring the trade impact of fiscal stimulus programmes and industrial and financial support programmes continues to present a particular challenge because of the paucity of data available, in particular on the specifics of how these programmes are being implemented (see Box 1 for a preliminary generic analysis of the impact of such programmes). Virtually all countries' stimulus packages have included substantial infrastructure components where government procurement considerations are predominant. Concerns remain about the "buy/invest/lend/hire local" requirements that have been attached officially or unofficially to some of these programmes. Because of their evident nationalistic appeal in current circumstances, there is a particular danger that these programmes could become targets for retaliation and proliferate. However, it must be stressed that the general stimulus programmes have been instrumental in preventing a more dramatic recession.

Box 1: Economic effects of measures taken in response to the crisis

Trade policy responses to the global economic crisis, while significant enough to generate a need for continuing vigilance and monitoring, have been relatively muted. On the other hand, governments have intervened heavily to stimulate growth and employment in specific industries or to avoid systemic collapse as in banking and finance, and these measures can also have effects on trade.

The OECD has undertaken an analysis of a range of measures taken in response to the crisis to try to enhance understanding of the potential relative impacts of such measures and, in so doing, to assist governments in the task of designing appropriate exit strategies that are also supportive of trade and growth.

Stylized policy simulations have been carried out using the Global Trade Analysis Project (GTAP), a multi-sector computable general-equilibrium model of world trade and production, to ask a series of "what if?" questions, the answers to which provide information relative to the status quo in terms of the economic structure and the policies existing before the "policy shocks" are applied.[a]

The policy measures simulated range from border measures (increases in tariffs) to demand-side stimulus measures (a reduction in a generic consumption tax) to sector-specific subsidies (to the automobile industry). A representative set of countries and regions is included in the experiments: the EU25, the United States, Japan and China. Recognizing that the purpose of the measures was generally not related to trade, the experiments generate impacts on both GDP and exports of the country or region taking the measure and on its trading partners. The model produces "multipliers" which can be interpreted as the effect on the variable of interest (own or partner's GDP or exports) of a single dollar or euro of stimulus spending. In other words, the simulations do not reflect the actual size of the stimulus packages in any country, nor do they predict actual impacts.

Box 1 (cont'd)

[19] The first joint monitoring report on G20 trade and investment measures provides a listing of those programmes.

This analysis indicates that border protection is unambiguously the most damaging type of measure in terms of trade but also potentially in terms of effects on GDP. Both are affected negatively in the country taking the measure and in partner countries – confirming the well-known Lerner symmetry that protecting against imports means that, ultimately, exports are taxed. No behind-the-border measure is, dollar for dollar, as destructive of trade and GDP as import protection. Indeed, positive impacts on GDP or trade are observed for some domestic measures, but there are significant differences among measures in terms of their impacts on the country applying the measure and on others.

A generic consumption subsidy — for example, an across-the-board reduction in a consumption tax – proves to be supportive of GDP and exports in both the country taking the measure and in partner countries, provided the stimulus does not leak into savings. Impacts are very much diluted when the consumption stimulus is made specific to a particular sector, although they remain positive, even for partner countries. When a demand-side measure is restricted to domestically produced goods, positive effects on the economy taking the measure disappear and the impacts on partner countries are negative both for GDP and exports. Increasing demand by increasing government expenditure scores badly from the trade point of view, probably because most government expenditure has rather low trade intensity.

As many governments have intervened in the automobile industry, that sector was chosen for the supply-side experiments. The strongest across-the-board positive effects occur when industry-specific assistance is given in the form of a direct subsidy to labour. Own and partner GDP and own and partner exports all respond positively. A direct capital subsidy under otherwise the same conditions performs much less strongly and is negative for a partner's GDP and own exports.

Sector-specific measures are also problematic in ways that are not amenable to quantification but that suggest their use should be carefully circumscribed. One is that they tend to create rents that are either capitalized into the value of fixed assets or otherwise captured, leading to the creation of vested interests and an intensification of rent-protecting behaviour. Secondly, there is a risk that they may trigger retaliation. The risk is even greater when provisions discriminating against foreign goods and firms are included, or when there is suspicion that such pressure is being brought to bear informally. These effects will compound the welfare losses shown in the simulations to result from maintaining resources in inefficient sectors with detrimental effects on longer-term growth and trade.

These findings suggest that there is a logical sequence, supportive of recovery in both income and trade, in which governments should begin to unwind crisis-related measures, when it is judged timely to do so. Protectionist measures at the border should be immediately unwound. Doing so carries no risk to the recovery. On the contrary, lowering protection could provide an important and needed stimulus, through trade. Reductions in border protection could be undertaken unilaterally, but would have an even greater positive impact if taken on a comprehensive multilateral basis. Next, provisions in behind-the-border measures that discriminate between domestic and foreign goods or firms should be removed. Sector-specific measures should then be tackled, especially those that support capital rather than labour, although some kinds of labour market policies can also be damaging to GDP in the long-term. Specific consumption subsidies should then be examined with a view to removal. Generic consumption measures should be the last to be unwound. While these measures have relatively positive impacts, particularly in the short term, they may be detrimental to growth prospects in the longer term as consumption taxes such as VAT are generally less distorting and more efficient in the long run than corporate or personal income taxes. As fiscal consolidation begins, governments will have to be mindful of the need to return to patterns of taxation that are supportive of growth and recovery.

a: OECD, Trade and Agriculture Directorate, Trade Committee, "Trade and Economic Effects of Responses to the Economic Crisis –Preliminary Results" (OECD document TAD/TC(2009)2.

Source: OECD.

Trade in services

51. For the period under consideration, there is no evidence of G20 members having increased market access barriers in the services area. The general thrust of their services trade policies, and the resulting level of openness of service markets, apparently have been kept. However, state intervention in the form of financial bailouts or subsidies to specific service sectors or companies has continued (see Annex 3).

52. In the case of financial bailouts, it is not clear at this stage which programmes are still in place and which ones have already been terminated. According to the Financial Stability Board, not all available facilities or guarantees seem to have been used, a number of policies have expired, other policies have been of a one-off nature (e.g. capital injections for troubled institutions), and the

conditions attached to some of the programmes have changed (e.g. debt guarantee schemes, which in some cases have been made more expensive or dependent on market conditions).[20] However, other support measures that were introduced during the crisis have been made permanent (e.g. increases in minimum deposit insurance), or extended (see Annex 3). In thinking about the future, a recent WTO Secretariat note considers that "[a] persuasive case can be made in favour of countries' coordination of exit strategies, particularly where there is potential for financial and regulatory arbitrage across jurisdictions. This may be particularly relevant in the case of government bank debt guarantees or even deposit protection schemes".[21]

III. Investment and Investment-Related Measures

53. During the 1 September 2009 – 14 February 2010 reporting period, 19 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) or concluded international investment agreements. Emergency measures with potential impacts on international investment accounted by far for most of the measures (Table 6).

Table 6
Investment measures taken between 1 September 2009 and 14 February 2010

	Investment policy measures	Investment measures related to national security	Emergency and related measures with potential impacts on international investment		International investment agreements
			New measures or implementation continued	Exit	
Argentina					
Australia	•		•		•
Brazil	•				
Canada	•	•	•	•	•
China	•				•
France			•	•	
Germany			•		•
India	•		•	•	•
Indonesia	•				
Italy			•	•	
Japan			•		
Korea Rep. of			•		•
Mexico					•
Russian Federation			•		
Saudi Arabia					•
South Africa	•		•		•

Table 6 (cont'd)

[20] Financial Stability Board (2009), "Exit from extraordinary financial sector support measures – Note for the G20 Ministers and Governors meeting on 6-7 November 2009", 7 November 2009.

[21] "Financial Services", Background Note by the WTO Secretariat, S/FIN/W/73, 3 February 2010.

	Investment policy measures	Investment measures related to national security	Emergency and related measures with potential impacts on international investment		International investment agreements
			New measures or implementation continued	Exit	
Turkey					•
United Kingdom			•	•	•
United States			•	•	•
European Union	•				•

Source: OECD and UNCTAD Secretariats.

(1) Investment measures

54. Seven G20 governments plus the European Union took investment-specific measures during the reporting period. Most of these aimed to enhance openness and transparency for investors. Measures include the following:

- Australia increased the threshold on foreign ownership stakes in the flag carrier Qantas. The 25 per cent limit on individual foreign investors in Qantas and a 35 per cent cap for total foreign airline holdings were removed, but the overall cap of 49 per cent on foreign ownership was maintained. Australia also will allow 100 per cent foreign ownership of domestic airlines. Further, reforms to Australia's foreign investment screening framework came into effect.

- Brazil raised the limit of foreign participation in the capital of *Banco do Brasil*, a state-owned bank, from 12.5 per cent to 20 percent.

- The Canada-EU Air Transport Agreement was signed. In future stages of the implementation of the agreement, EU investors will be able to acquire up to 49 per cent of Canadian airline companies, up from 25 per cent, and vice-versa.

- China introduced regulations for the administration of representative offices of foreign enterprises; issued a decree that will allow foreign investors to use the partnership structure for investments in China; specified the conditions under which mainland law firms and law firms from Hong Kong, China or Macao, China may apply for association; clarified which regulations apply to enterprises from Hong Kong, China and Macao, China that invest in the mainland and that are engaged in the distribution of books, newspapers and periodicals. China also increased the quotas for qualified foreign institutional investors' investments to US$1 billion, up from US$800 million and shortened frozen periods.

- India sought to make its foreign investment regulations more accessible to investors by consolidating into one document all FDI regulations. The country also liberalized the establishment of foreign branch and liaison offices. Also, India withdrew some of the temporary relaxations of the Federal Reserve Bank’s External Commercial Borrowings policy but established a one-time relaxation of the policy in light of an auction of 3G mobile communication frequency spectrum.

- Indonesia passed a law that abolishes the monopoly of state electricity company PT Perusahaan Listrik Negara on the supply and distribution of electricity to end-customers. The law allows private investors, including foreign investors, to generate, transmit, distribute and sell electricity.

- The European Union acquired the exclusive competence of foreign direct investment under the Union's common commercial policy.

55. These findings confirm those reported to the G20 Pittsburgh Summit – that almost all investment-specific measures (those not covered by security or emergency exceptions) continue to point towards greater openness and clarity for investors.

56. Recent investment measures also include measures taken with regard to short-term capital controls. Measures taken by Brazil were more restrictive, while South Africa's was less restrictive.

- Brazil imposed a 2 per cent levy on short-term portfolio investments by non-residents in local fixed income instruments and stocks in order to prevent strong capital inflows that could lead to asset price bubbles and to ease upward pressure on the Real. Brazil also imposed a 1.5 per cent levy on the creation of depositary receipts by companies or investors converting local shares. The levy seeks to alleviate distortions caused by the above-mentioned 2 per cent levy on short-term portfolio investments.

- South Africa relaxed the approvals required for investing in Southern African Development Community (SADC) countries and increased the rand thresholds applicable to outward foreign direct investments by South African companies.

(2) Investment measures related to national security

57. One country, Canada, took an investment measure related to national security: Canada's *National Security Review of Investments Regulations* came into force. The regulations establish time periods and information-sharing regulations in relation to the process for national security reviews under the Investment Canada Act (ICA).

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

58. Emergency measures taken in response to the crisis accounted for the vast majority of measures taken during the reporting period. Most emergency measures involved ongoing implementation by governments[22] of existing legislation. Measures included taking equity stakes of various sorts in individual companies, issuing loans or guarantees or engaging in other business transactions with them (e.g. as counterparties in rescue operations). During the reporting period, six governments (Canada, France, Germany, Russia, the United Kingdom and the United States) reported being involved in financial negotiations with a total of 32 specifically-named companies (all larger companies in finance and automobiles) and also reported making 57 new investments in unnamed companies.

59. Six countries (Canada, France, India, Italy, the United Kingdom and the United States) took measures to exit from crisis response programmes. These took several forms: paying down of loans by companies participating in the programmes or sales of government-owned stakes in such companies (France, United States); and discontinuation of some programmes (Canada, India, United Kingdom, United States). Some exits occurred as a result of sunset clauses written into the original crisis response legislation (e.g. Canada). The United States published a strategy for exit from crisis measures. The creation of "bad banks" or of public private partnerships to remove distressed assets from bank balance sheets also prepared the way for exit (Germany, Korea, United Kingdom and the United States).

[22] Governments taking or implementing emergency measures with potential impacts on international investment were: Australia, Canada, France, Germany, India, Italy, Japan, Korea, Russia, South Africa, United Kingdom, and the United States.

60. Overall, the emergency measures taken by G20 governments have politicised structural adjustment processes, including those that operate through international investment. In some cases, emergency measures have also created problems of transparency and accountability and concerns have been voiced as to their potential discriminatory implementation and effect. Governments have tried to counteract these problems through public reporting, formal auditing of emergency response accounts,[23] publishing guidance for government and private participants in these programmes and public consultations. These measures are useful, but there is a limit to how much they can improve transparency and accountability. The many financial relationships that now exist between some G20 governments and the companies that they have rescued are inherently difficult to monitor. Moreover, they may create strains between governments' roles as financial investors in companies and their roles as neutral policy makers and law enforcers.

(4) International investment agreements

61. During the reporting period, G20 member counties also continued to negotiate or pass new international investment agreements (IIAs), further enhancing the openness and predictability of their policy frameworks governing investment. Between September 2009 and February 2010, the 19 countries reviewed concluded five bilateral investment treaties (BITs)[24] and six other agreements with investment provisions.[25] Germany, India, Mexico, South Africa, and the United Kingdom concluded one new BIT each. Other agreements with investment provisions include the FTA between the EU and the Republic of Korea, and the FTA between New Zealand and the Gulf Cooperation Council (GCC) (of which Saudi Arabia is a member).[26] Canada and the United States concluded agreements establishing a framework for cooperation on investment issues with India and the Maldives respectively. The Interim Economic Partnership Agreement between the EU and the ESA region (Eastern and Southern Africa)[27], contains provisions for cooperation on investment issues, including a mandate to negotiate on investment. Of relevance in this context is also that with the entry into force of the Lisbon Treaty on 1 December 2009, the European Union acquired the competence for foreign direct investment under the Union's common commercial policy.

62. In addition to these IIAs, Canada and the EU signed the Canada-EU Air Transport Agreement. The agreement will *inter alia* allow investors of one party to acquire up to 49 per cent of airline companies in the other. Investors will also be allowed to set up and control new airlines in each others' markets.

(5) Overall policy implications

63. This report confirms the earlier finding, reported to the G20 Pittsburgh Summit, that most investment and investment-related measures point toward greater openness and clarity for investors. The current report also confirms the finding that G20 members' emergency measures have not led to *open* discrimination against foreign investors. However, their potential to discriminate against foreign investors and to distort competition, including competition operating through international investment, remains a serious challenge.

64. Against this background, the following recommendations can be made:

[23] For example, in the US the Government Accountability Office (GAO) audited the FY 2009 financial statement for the TARP stating that "the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles" and found no material weaknesses in internal controls.

[24] Three G20 countries also concluded double taxation treaties (DTTs).

[25] As of February 2010, there were over 2,700 BITs, 2,850 DTTs and 290 free trade agreements or economic cooperation agreements containing investment provisions, making a total of more than 5,800 IIAs.

[26] These negotiations were finalized in October 2009.

[27] This agreement was signed on 29 August 2009. Reference to the agreement is made in this Report although the signature predates the reporting period since it was not included in the earlier report to the G20.

- Continued close attention needs to be paid to the design, application and winding-up of measures taken in response to the crisis to ensure that they are effective in responding to the crisis while minimising anti-competitive impacts.

- In particular, government withdrawals from emergency programmes and individual rescue operations should be well timed, credible and transparent, in line with commitments made by G20 Leaders at the Pittsburgh Summit.

- Since enhanced transparency and accountability can facilitate non-discriminatory implementation of emergency measures, governments should continue providing public reporting and auditing of emergency response accounts, publish guidance for government and private participants in these programmes and undertake public consultations.

- Continuity in international monitoring by WTO, OECD and UNCTAD can help in this regard, and ensure that current endeavours against investment protectionism do not remain one-off initiatives.

ANNEX 1

Trade and trade-related measures[1]
(September 2009 – February 2010)

VERIFIED INFORMATION

Country/ Member State	**Measure**	**Source/Date**	**Status**
Argentina	Initiation of anti-dumping investigation on imports of electric pumps (NCM 8413.70.80; 8413.70.90) from China.	Resolución SICPME No. 295/2009 (15 September 2009).	
Argentina	Initiation of anti-dumping investigation on imports of hypodermic syringes (NCM 9018.31.11; 9018.31.19) from China.	Resolución SICPME No. 296/2009 (15 September 2009).	
Argentina	Initiation of anti-dumping investigation on imports of gas screw compressors (NCM 8414.30.99; 8414.80.32) from Brazil.	Resolución SICPME No. 297/2009 (15 September 2009).	
Argentina	Initiation of anti-dumping investigation on imports of methane chloride (NCM 2903.49.11) from China.	Resolución SICPME No. 318/2009 (29 September 2009).	
Argentina	Initiation of anti-dumping investigation on imports of electric space heating apparatus, and soil heating apparatus (NCM 8516.29.00) from China (20 October 2009).	Resolución SICPME No. 2/2009 (19 October 2009).	
Argentina	Initiation of anti-dumping investigation on imports of electrical ignition or starting equipment of a kind used for spark-ignition or compression-ignition internal combustion engines (for example, ignition magnetos, magneto-dynamos, ignition coils, sparking plugs and glow plugs, starter motors), generators (NCM 8511.30.20; 8511.80.30; 8511.80.90; 9032.89.11) from China (30 October 2009).	Resolución SICPME No. 20/2009 (29 October 2009).	
Argentina	Initiation of anti-dumping investigation on imports of certain oil country tubular goods (NCM 7304.29; 7306.29) from China (3 November 2009).	Resolución SICPME No. 29/2009 (2 November 2009).	
Argentina	Introduction of non automatic import licensing requirements, covering products such as textile fabrics, autoparts, electrical machinery and equipments, vehicles, parts and accessories of the motor vehicles, articles of apparel and clothing accessories, chemicals, and paper.	WTO Documents G/LIC/N/2/ARG/22 of 3 November 2009 and G/LIC/N/2/ARG/23 of 27 November 2009.	
Argentina	Introduction of "criterion values" (valores criterio de carácter preventivo) for imports of a number of products such as fungicides (NCM 3808.92); electro-mechanical domestic appliances (NCM 8509.40); electrical ignition or starting equipment (NCM 8511.80); optical media (CDs) (NCM 8523.40); and automatic regulating or controlling instruments and apparatus (NCM 9032.89) from certain specified origins.	Resoluciones General AFIP Nos. 2699/2009, 2700/2009 and 2701/2009 (4 November 2009).	
Argentina	Amendments to Law 26.359 increasing the value-added tax (from 10.5% to 21%) for information technology products (NCM 8415; 8418; 8516; 8517; 8518; 8519; 8521; 8527; 8528), as well as increasing the product coverage for the application of the excise tax (17%). Products manufactured or assembled in the Tierra del Fuego free zone are exempted.	Ley 26.539 (20 November 2009).	

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
Argentina	Initiation of anti-dumping investigation on imports of table, floor, wall, window, ceiling or roof fans, with a self-contained electric motor (NCM 8414.51; 8414.59) from China (25 November 2009).	Resolución SICPME No. 70/2009 (24 November 2009).	
Argentina	Initiation of anti-dumping investigation on imports of new pneumatic tyres, of rubber (NCM 4011.10.00; 4011.20.90; 4011.61.00; 4011.92.10; 4011.92.90) from China (18 December 2009).	Resolución SICPME No. 139/2009 (17 December 2009).	
Argentina, Brazil, Paraguay and Uruguay (Mercosur)	Temporary increase of the Mercosur Common Tariff (to 28%) for 11 tariff lines (dairy products: NCM 0402.10; 0402.21; 0402.29; 0402.99; 0404.10; 0406.10; 0406.90), as from 31 January 2010 until 31 December 2011. Paraguay and Uruguay given a waiver on this measure.	Decisión No. 25/09 del Consejo del Mercado Común (7 December 2009), and Permanent Delegation of Brazil to the WTO (1 February 2010).	
Argentina, Brazil, Paraguay and Uruguay (Mercosur)	Temporary increase of the Mercosur Common Tariff (to 18% and 26%) for 157 tariff lines (textiles and textile articles: NCM 5004; 5005; 5006; 5106; 5107; 5108; 5109; 5110; 5204; 5205; 5206; 5207; 5306; 5307; 5308; 5401; 5402; 5403; 5404; 5405; 5502; 5508; 5509; 5510; 5911). Paraguay and Uruguay given a waiver on this measure.	Decisión No. 26/09 del Consejo del Mercado Común (7 December 2009), and Permanent Delegation of Brazil to the WTO (1 February 2010).	
Argentina, Brazil, Paraguay and Uruguay (Mercosur)	Temporary increase of the Mercosur Common Tariff (to 35%) for 3 tariff lines (articles of leather: NCM 4202.22.10; 4202.22.20; 4202.92.00). Paraguay and Uruguay given a waiver on this measure.	Decisión No. 27/09 del Consejo del Mercado Común (7 December 2009), and Permanent Delegation of Brazil to the WTO (1 February 2010).	
Australia	Gradual reduction of applied tariffs on textiles, clothing, and footwear products until 2015 (for items with a rate of 17.5% down to 10%; and for items with a rate of 10% down to 7.5%).	Permanent Delegation of Australia to the WTO (1 January 2010).	
Australia	Termination on 25 November 2009 of anti-dumping investigation on imports of linear low density polyethylene (3901.10; 3901.90) from Canada and the United States (initiated on 28 May 2009).	Permanent Delegation of Australia to the WTO (1 February 2010).	
Australia	Termination (following a reinvestigation) on 12 January 2010 of anti-dumping duties on imports of toilet paper (HS 4818.10) from China and Indonesia (reinvestigation initiated on 30 June 2009).	Permanent Delegation of Australia to the WTO (1 February 2010).	
Australia	Initiation 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; 4412.32; 4412.39) from Brazil, Chile, China and Malaysia (3 December 2009).	Permanent Delegation of Australia to the WTO (1 February 2010).	
Australia	Termination on 17 February 2010 of anti-dumping duties on imports of certain silicon (HS 2804.69) from China (imposed on 17 February 2005).	Permanent Delegation of Australia to the WTO (1 February 2010).	
Australia	Termination on 17 February 2010 of anti-dumping duties on imports of hot dipped galvanised steel pipe (HS 7306.30) from Thailand (imposed on 18 February 2000).	Permanent Delegation of Australia to the WTO (1 February 2010).	
Brazil	Creation of new tariff lines, in some cases resulting in decrease of import tariffs on products such as hormones "deflazacorte" (NCM 2937.29.60) (from 14% to 2%), as from 1 October 2009; and codfish (NCM 0305.30.10) (from 10% to 0%), and electrical equipment (from 18% to 0%), as from 1 January 2010.	Resoluçãoes Nos. 54 Conselho de ministros da câmara de comércio (22 September 2009) and 82 (15 December 2009).	
Brazil	Creation of new tariff lines, in some cases resulting in increase of import tariffs for products such as refractory bricks (NCM 6902.20.92) (from 2% to 10%); valves for oleohydraulic or pneumatic transmission (NCM 8481.20.11) (from 0% to 14%); and parts of electrical shavers (NCM 8510.90.20) (from 0% to 14%), as from 1 October 2009.	Resolução No. 54 Conselho de ministros da câmara de comércio (22 September 2009).	

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Brazil	Reduction of import tariffs (from a range of 12-14% down to 2%) on 573 tariff lines such as capital goods, informatics, and telecommunication equipments.	CAMEX Resolutions Nos. 61 and 62 (28 October 2009); 77 and 78 (15 December 2009); 3 and 4 (4 February 2010).	
Brazil	Initiation of anti-dumping investigation on imports of glassware of a kind used for table, kitchen, toilet, office, indoor decoration (NCM 7013.49.00) from Argentina, China and Indonesia (29 October 2009).	Circular No. 58 Ministério do desenvolvimento, indústria e comércio exterior - Secretaria de comércio exterior (28 October 2009).	
Brazil	Initiation of anti-dumping investigation on imports of knitted or crocheted viscose fabrics (NCM 6004; 6006) from China (4 November 2009).	Circular No. 60 Ministério do desenvolvimento, indústria e comércio exterior - Secretaria de comércio exterior (3 November 2009).	
Brazil	Termination on 23 October 2009 of safeguard investigation on imports of recordable optical medias; CD-R (Compact Disc Recordable); and DVD-R (Digital Versatile Disc Recordable) (NCM 8523.40.11) (initiated on 5 September 2008).	WTO Document G/SG/N/9/BRA/1 of 20 November 2009.	
Brazil	Initiation of anti-dumping investigation on imports of hand tools "rebitadores manuais" (NCM 8205.59.00) from China (4 November 2009).	Circular No. 72 Ministério do desenvolvimento, indústria e comércio exterior - Secretaria de comércio exterior (22 December 2009).	
Canada	Termination on 25 September 2009 of anti-dumping investigation on waterproof footwear (HS 6401; 6402; 6403) from China and Viet Nam (initiated on 27 February 2009).	Permanent Delegation of Canada to the WTO (1 February 2010).	
Canada	Initiation of anti-dumping investigation on imports of thermal insulation board from the United States (8 October 2009).	Permanent Delegation of Canada to the WTO (1 February 2010).	Provisional measure imposed on 6 January 2010.
Canada	Trade facilitating measure liberalizing the conditions under which shipping containers can temporarily be imported into Canada on a duty-free basis.	Permanent Delegation of Canada to the WTO (1 February 2010).	Permanent measure effective as from 15 December 2009.
China	Initiation of anti-dumping investigation on imports of broiler chicken products from the United States.	Permanent Delegation of China to the WTO (27 September 2009).	Provisional measure imposed on 13 February 2010.
China	Initiation of countervailing duty investigation on imports of broiler chicken products from the United States.	Permanent Delegation of China to the WTO (27 September 2009).	
China	Import ban of poultry and poultry products from: Spain, France (Deux-sevres), and the UK (Hampshire).	Permanent Delegation of China to the WTO (1 February 2010).	
China	Initiation of anti-dumping investigation on imports of X-Ray security inspection equipment (HS 9022.19.10) from the EU (23 October 2009).	Permanent Delegation of China to the WTO (1 February 2010).	
China	Initiation of anti-dumping investigation on imports of saloon cars and cross-country cars of a cylinder capacity of no less than 2,000 cc (HS 8703) from the United States (6 November 2009).	Permanent Delegation of China to the WTO (1 February 2010).	
China	Initiation of countervailing investigation on imports of saloon cars and cross-country cars of a cylinder capacity of no less than 2,000 cc (HS 8703) from the United States (6 November 2009).	Permanent Delegation of China to the WTO (1 February 2010).	
China	Annual adjustment of the catalogue of items subject to automatic import licensing, which includes products such as pork, chicken, vegetable oil, tobacco, paper, milk, minerals, chemicals, electrical products, and certain steel products.	Permanent Delegation of China to the WTO (1 February 2010).	

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
China	Reduction of applied MFN import tariffs on six tariff lines (HS 0810.10, 0812.90, 2206.00.10, 2206.00.90, 4104.19, 5512.11) including products such as fresh strawberries, fermented beverages, woven fabrics of synthetic staple fibres, hides and skins, as from 1 January 2010.	Permanent Delegation of China to the WTO (1 February 2010).	
China	Elimination of export duties on 17 tariff lines (in HS sectors 2508, 2606, 2620, 2818, 2826, 2827, 2834, 7202, 7216) including products such as clays, aluminium ores, chemicals, ferro-alloys, as from 1 January 2010.	Permanent Delegation of China to the WTO (1 February 2010).	
China	Reduction of interim export duty rates on 21 tariff lines (in HS sectors 2809, 2814, 2834, 3102, 3103, 3105) including products such as chemicals and fertilisers, as from 1 January 2010.	Permanent Delegation of China to the WTO (1 February 2010).	
China	Temporary increase of MFN import tariffs on fuel oil (to 3%), and jet fuel (to 6%), but below their respective binding levels of 6% and 9%.	Permanent Delegation of China to the WTO (1 February 2010).	
China	Elimination of import restrictions due to A(H1N1) Flu (on swine and swine products from Canada, 1 December 2009); and Bird Flu (from Chile and Thailand, 23 and 30 December 2009 respectively).	Permanent Delegation of China to the WTO (24 February 2010).	
EU	Initiation of anti-dumping investigation on imports of certain polyethylene terephthalate (HS 3907.60.20) from Iran, Pakistan, and the United Arab Emirates.	Public information available on the European Commission's website transmitted by the EU Delegation (3 September 2009).	
EU	Initiation of countervailing investigation on imports of certain polyethylene terephthalate (HS 3907.60.20) from Iran, Pakistan, and the United Arab Emirates.	Public information available on the European Commission's website transmitted by the EU Delegation (3 September 2009).	
EU	Termination on 9 September 2009 of anti-dumping investigation on imports of certain welded tubes, pipes and hollow profiles of square or rectangular cross-section, of iron other than cast iron or steel other than or non-alloy steel (HS 7306.61.92; 7306.61.99) from Belarus, Turkey, and Ukraine (initiated on 13 November 2008).	Commission Decision 2009/C 698/EC (4 September 2009).	
EU	Initiation of anti-dumping investigation on imports of high tenacity yarn of polyesters (other than sewing thread), not put up for retail sale, including monofilament of less than 67 decitex (HS 5402.20) from China, Korea, and Chinese Taipei.	Public information available on the European Commission's website transmitted by the EU Delegation (8 September 2009).	
EU	Initiation of anti-dumping investigation on imports of ironing boards, whether or not free standing, with or without a steam soaking and/or heating top and/or blowing top, including sleeve boards, and essential parts thereof (i.e. the legs, the top and the iron rest) (HS 3924; 4421;7323; 8516) from China (Hardware).	Public information available on the European Commission's website transmitted by the EU Delegation (2 October 2009).	
EU	Export refunds for milk and milk products.	Commission Regulations Nos. 1056/2009 of 5 November 2009 and 1113/2009 of 19 November 2009.	No longer applicable as from 19 November 2009.
EU	Initiation of anti-dumping investigation on imports of certain continuous filament glass fibre products (HS 7019.11; 7019.12; 7019.19; 7019.31) from China.	Commission Notice 2009/C 307/11 (17 December 2009).	

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
EU	Renewal of the prior surveillance system on steel imports (first established in 2002) until 31 December 2012. Product coverage has been updated and now also includes flat stainless steel products and large welded tubes.	Public information available on the European Commission's website transmitted by the EU Delegation (17 December 2009).	
EU	Initiation of anti-dumping investigation on imports of purified terephthalic acid and its salts of a purity by weight of 99.5% or more (HS 2917.36.00) from Thailand.	Commission Notice 2009/C 313/08 (22 December 2009).	
EU	Initiation of countervailing investigation on imports of purified terephthalic acid and its salts of a purity by weight of 99.5% or more (HS 2917.36.00) from Thailand.	Commission Notice 2009/C 313/09 (22 December 2009).	
EU	Termination on 23 December 2009 of anti-dumping duties on imports of ferro-silicon (HS 7202.21.00; 7202.29.20; and 7202.29.90) from the former Yugoslav Republic of Macedonia.	Council Implementing Regulation No. 1297/2009 (22 December 2009).	
EU	Establishment of an additional quantitative limit (500,000 tonnes) for the exports of out-of-quota white sugar (HS 1701.99) without refund in respect of marketing year 2009-10.	Commission Regulation No. 94/2010 (3 February 2010).	Expiration date 30 June 2010.
EU	Initiation of anti-dumping investigation on imports of zeolite A powder (HS 2842.10.00) from Bosnia and Herzegovina (17 February 2010).	EC Notice (OJ 2010/C 40/04) (17 February 2010).	
EU	Initiation of anti-dumping investigation on imports of melamine (HS 2933.61.00) from China.	EC Notice (OJ 2010/C 40/05) (17 February 2010).	
EU	Initiation of anti-dumping investigation on imports of coated fine paper, which is paper or paperboard coated on one or both sides (excluding Kraft paper or Kraft paperboard), in either sheets or rolls, and with a weight of $70g/m^2$ or more but not exceeding $400g/m^2$ and brightness of more than 84 (HS 4810) from China.	EC Notice (OJ 2010/C 41/06) (18 February 2010).	
India	Initiation of anti-dumping investigation on imports of acetone (HS 2914.11) from Japan and Thailand.	Notification No. 14/31/2009-DGAD (2 September 2009).	
India	Extension of the export ban on edible oils until 30 September 2010.	Permanent Delegation of India to the WTO (4 September 2009).	
India	Initiation of safeguard investigation on imports of sodium hydroxide (caustic soda) (HS 2815.11; 2815.12).	WTO Documents G/SG/N/6/IND/27 of 15 September 2009 and G/SG/N/7/IND/8 of 23 November 2009.	Provisional measure imposed on 4 December 2009.
India	Termination (without measure) on 18 November 2009 of safeguard investigation on imports of linear alkyl benzene-LAB (HS 3817.00.11) (initiated on 6 January 2009).	WTO Documents G/SG/N/6/IND/18 of 19 January 2009 and G/SG/N/9/IND/6 of 1 December 2009.	
India	Termination (without measure) of safeguard investigation on imports of oxo alcohols (HS 2905; 2912) (initiated on 16 January 2009).	WTO Documents G/SG/N/6/IND/20 of 9 February 2009 and G/SG/N/9/IND/4 of 5 November 2009.	
India	Termination (without measure) on 30 September 2009 of safeguard investigation on imports of acrylic fibre (HS 5501.30.00; 5503.30.00; 5506.30.00) (initiated on 9 April 2009).	WTO Documents G/SG/N/6/IND/21 of 11 May 2009 and G/SG/N/7/IND/3/Suppl.1 of 30 October 2009.	

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
India	Termination (without measure) on 8 December 2009 of safeguard investigation on imports of hot-rolled coils, sheet, strips (HS 7208) (initiated on 9 April 2009).	WTO Documents G/SG/N/6/IND/22 of 11 May 2009 and G/SG/N/9/IND/5 of 23 November 2009.	
India	Termination (without measure) on 23 September 2009 of safeguard investigation (China specific) on imports of front axle, beam, steering knuckle and crankshaft (HS 7326; 8483; 8708) (initiated on 2 April 2009).	WTO Documents G/SG/N/16/IND/6 of 11 May 2009, G/SG/N/16/IND/6/Suppl.1 of 12 June 2009, and G/SG/N/16/IND/6/Suppl.2 of 5 November 2009.	
India	Termination (without measure) on 5 November 2009 of safeguard investigation on imports of uncoated paper and copy paper (HS 4802) (initiated on 20 April 2009).	WTO Documents G/SG/N/6/IND/24 of 26 May 2009 and G/SG/N/9/IND/8 of 4 December 2009.	
India	Termination (without measure) on 24 November 2009 of safeguard investigation on imports of plain particle board (HS 4410) (initiated on 22 April 2009).	WTO Documents G/SG/N/6/IND/25 of 26 May 2009 and G/SG/N/9/IND/7 of 1 December 2009.	
India	Termination (without measure) on 30 September 2009 of safeguard investigation (China specific) on imports of passenger car tyres (HS 4011.10) (initiated on 18 May 2009).	WTO Documents G/SG/N/16/IND/7 of 4 June 2009 and G/SG/N/16/IND/7/Suppl.1 of 7 December 2009.	
India	Termination (without measure) on 6 November 2009 of safeguard investigation on imports of unwrought aluminium, aluminium waste and aluminium scraps whether or not alloyed (HS 7601; 7602) (initiated on 22 May 2009).	WTO Document G/SG/N/6/IND/26 of 30 June 2009.	
India	Termination (without measure) on 13 November 2009 of safeguard investigation on imports of coated paper and paper board (HS 4810).	WTO Documents G/SG/N/6/IND/23 of 11 May 2009 and G/SG/N/9/IND/9 of 4 December 2009.	
India	Initiation of anti-dumping investigation on imports of polymers of vinyl chloride or of other halogenated olefins in primary forms (HS 3904.22.10) from China; Japan; Korea; Malaysia; Russia; Chinese, Taipei; and Thailand.	Notification No. 14/36/2009-DGAD Ministry of Commerce & Industry - Department of Commerce (3 November 2009).	
India	Initiation of anti-dumping investigation on imports of sodium tripoly phosphate (STPP) (HS 2835.31.00) from China.	Notification No. 14/25/2009-DGAD Ministry of Commerce & Industry - Department of Commerce (5 November 2009).	
India	Initiation of anti-dumping investigation on imports of glass fibre and articles thereof, including glass rovings, glass chopped strands, glass chopped strands mats (HS 7019) from China.	Notification No. 14/28/2009-DGAD Ministry of Commerce & Industry - Department of Commerce (8 January 2010).	
India	Initiation of anti-dumping investigation on imports of seamless tubes, pipes & hollow profiles of iron, alloy or non-alloy steel (other than cast iron), whether hot finished or cold drawn or cold rolled, of an external diameter not exceeding 273 mm or 10" (HS 7304) from China.	Notification No. 14/55/2009-DGAD Ministry of Commerce & Industry - Department of Commerce (12 January 2010).	
India	Transfer of electrical energy (HS 2716.00.00) to the restricted list. Imposition of import licensing requirement for this item.	Permanent Delegation of India to the WTO (1 February 2010).	
India	Increase of the purchase price for domestic wheat from Rs 1,080/quintal (US$23/quintal) for 2008-09 to Rs 1,100/quintal (US$23.5/quintal) for 2009-10.	Permanent Delegation of India to the WTO (1 February 2010).	

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
India	Increase of export tax on iron ore fines (from 0% to 5%), and on iron ore other than fines including lumps and pellets (from 5% to 10%).	Permanent Delegation of India to the WTO (1 February 2010).	Effective as from 24 December 2009.
India	Temporary reduction of import tariffs (to zero) for refined sugar (until 31 December 2010).	Permanent Delegation of India to the WTO (1 February 2010).	
Indonesia	Pre-shipment and reporting inspection requirements for sheet glass intended to enhance quality and encourage competitiveness, and at the same time avoid customs undervaluation.	Permanent Delegation of Indonesia to the WTO (15 September 2009) and Decree 40/M-DAG/PER/9/2009 Ministry of Trade.	
Indonesia	New Decree to protect human health and public moral, stipulating that imports, distribution and selling of alcohol can only be made through companies owned by Indonesian citizens who are situated in Indonesia, as from 1 January 2010.	Permanent Delegation of Indonesia to the WTO (15 September 2009) and Decree No. 43/2009.	
Indonesia	Export controls on raw rattan aiming at protecting and maintaining the sustainability of rattan production and plantation.	Permanent Delegation of Indonesia to the WTO (October 2009) and Decree 36/M-DAG/PER/8/2009 Ministry of Trade.	
Indonesia	New Law on postal services abolishing monopoly power for certain postal services, and establishing specific conditions for foreign providers (for example to cooperate with local service providers, majority of equity participation in joint ventures should be Indonesian, joint ventures between foreign and domestic providers limited to provincial capitals with international airports and seaports).	Permanent Delegation of Indonesia to the WTO (14 October 2009).	
Indonesia	Regulation requiring local and foreign bidders for energy service contracts to use a minimum of 35% domestic content in their operations.	Permanent Delegation of Indonesia to the WTO (December 2009) and Regulation PTK No. 007 Revisi-1/PTK/IX/2009.	
Indonesia	Implementation of trade facilitation measures such as duty exemption for imports of machines, goods, and materials for the establishment and development of industries, as from 16 November 2009. The exemption is granted only if products are: (i) not yet produced domestically; (ii) produced domestically but not fulfil the required specifications; and (iii) produced domestically but not sufficient for the industries' need.	Permanent Delegation of Indonesia to the WTO (1 February 2010).	
Indonesia	Initiation of safeguard investigation on imports of aluminium foil food container/aluminium tray and plain lid (HS 7612.90.90) (19 January 2010).	WTO Document G/SG/N/6/IDN/6 of 5 February 2010.	
Indonesia	Initiation of safeguard investigation on imports of wire of iron/non-alloy steel, not plated/coated, containing carbon less than 0.25% by weight (HS 7217.10.10) (19 January 2010).	WTO Document G/SG/N/6/IDN/7 of 5 February 2010.	
Indonesia	Initiation of safeguard investigation on imports of wire of iron/non-alloy steel, plated with zinc (HS 7217.20.10) (19 January 2010).	WTO Document G/SG/N/6/IDN/8 of 5 February 2010.	
Mexico	Initiation of anti-dumping investigation on imports of seamless steel tubes (HS 7304.19; 7304.39) from China (5 September 2009).	Permanent Delegation of Mexico to the WTO (4 September 2009).	
Mexico	Gradual tariff reduction on 97% of manufactured goods. This reduction will take place in 5 annual phases. By 2013 the average applied tariff should be 4.3%; 63% of tariff lines should be duty free. Average tariff on manufactured goods fell from 10.6% in 2008 to 8.3% in 2009, and to 5.2% as of 1 January 2010.	Permanent Delegation of Mexico to the WTO (February 2010)	Second phase took place on 1 January 2010.
Russian Federation	Extension of duty-free access for certain metal processing equipments (HS 8455.22), for nine months.	Permanent Delegation of the Russian Federation (8 September 2009).	Effective until 8 July 2010.

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Russian Federation	Reduction of import tariffs on stamping machines with programmed numerical control (from 10% to duty-free).	Permanent Delegation of the Russian Federation (13 December 2009).	Measure abolished.
Russian Federation	Specific import tariffs (€0.07/kg (US$0.1/kg)) on top of current import duty on caustic soda.	Permanent Delegation of the Russian Federation (1 February 2010).	Measure abolished.
Russian Federation	Increase of import tariffs (from 0% to 5%) on water boilers, internal combustion engines, air and vacuum pumps, for nine months.	Permanent Delegation of the Russian Federation (1 February 2010).	Measure abolished.
Russian Federation	Increase of import tariffs (from 0% to 10%) on certain types of pumps.	Permanent Delegation of the Russian Federation (1 February 2010).	Measure abolished.
Russian Federation	New import tariffs on polyvinylchloride (15%), but not less than €0.12/kg (US$0.16/kg), for nine months.	Permanent Delegation of the Russian Federation (1 February 2010).	Measure abolished.
Russian Federation	Increase of import tariffs on snowmobiles (from 5% to 10%), for nine months.	Permanent Delegation of the Russian Federation (1 February 2010).	Measure abolished.
Russian Federation	Reduction of import tariffs (from 20% to 15%) on certain types of corrosion-resistant pipes, as from 2 November 2009.	Permanent Delegation of the Russian Federation (1 February 2010).	No longer applicable. Safeguard measure imposed (28.1% for three years).
Russian Federation	Increase of export duty (from 5% to 20%) on certain magnesium scrap, but not less than €138/tonne (US$189/tonne).	Permanent Delegation of the Russian Federation (1 February 2010).	Effective as from 8 November 2009.
Russian Federation	Introduction of specific import tariffs (not less than €1.6/unit (US$2.2/unit) on top of current import duty (20%) on certain components of tableware, as from 23 November 2009.	Permanent Delegation of the Russian Federation (1 February 2010).	No longer applicable. Tariff reduced from 20% to 15%.
Russian Federation	Increase of import tariffs (up to 15%) on certain types of flat metals, and certain types of ferrous metal pipes (HS 7213, 7214, 7216, 7219, 7220, 7227, 7228, 7303, 7304, 7305, 7306) (up to 15-20%), for nine months.	Permanent Delegation of the Russian Federation (1 February 2010).	Effective as from 14 February 2010.
Russian Federation	Introduction of export tariffs on nickel, as from 16 December 2009.	Permanent Delegation of the Russian Federation (1 February 2010).	
Russian Federation	Reduction of import tariffs on articles of apparel, clothing accessories and other articles of fur skin (HS 4303) (from 20% to 10%).	Permanent Delegation of the Russian Federation (1 February 2010).	Effective as from 18 December 2009.
Russian Federation	Elimination of import tariffs on polystyrene (HS 3903.11.00).	Permanent Delegation of the Russian Federation (1 February 2010).	Effective as from 20 December 2009.
Russian Federation	Increase of import tariffs on live pigs (from 5% to 40%, but not less than €0.5/kg (US$0.7/kg)).	Permanent Delegation of the Russian Federation (1 February 2010).	Effective as from 1 January 2010.
Russian Federation	New "Food Security Doctrine" Decree aiming at guaranteeing food security and the development of the domestic food production sector. It stipulates specific weight criteria of domestic production which is used for estimation of the level of food security. Specific weight is stipulate at the level of 95% for grain and potatoes, no less than 90% for milk, no less than 85% for meat and salt, and no less than 80% for sugar and seafood.	Permanent Delegation of the Russian Federation (1 February 2010).	
Russian Federation	Reduction of import tariffs (to zero) for natural rubber, for nine months.	Permanent Delegation of the Russian Federation (1 February 2010), and Decree No. 932.	Effective as from 16 November 2009.

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Russian Federation	Increase of import tariffs on rice (from €0.07/kg to €0.12/kg (US$0.1/kg to US$0.16/kg)), for nine months.	Permanent Delegation of the Russian Federation (1 February 2010), and Decree No. 881.	Effective as from 10 December 2009.
Russian Federation	Reduction of US import quotas for the year 2010 for poultry (from 750,000 to 600,000 tonnes) and pork (from 100,00 to 57,500 tonnes).	Permanent Delegation of the Russian Federation (1 February 2010).	
Russian Federation	Increase of US import quotas for the year 2010 for beef (from 18,500 to 21,700 tonnes).	Permanent Delegation of the Russian Federation (1 February 2010).	
South Africa	Increase of import tariffs to their bound level on 121 clothing tariff lines from 40% to 45%, and on 3 hosiery lines from 20% to 45%.	Permanent Delegation of South Africa to the WTO (9 October 2009).	
South Africa	Initiation of anti-dumping investigation on imports of garden picks (HS 8201.30) from India (23 October 2009).	WTO Document G/ADP/N/195/ZAF of 5 February 2010.	
South Africa	Termination on 9 October 2009 of anti-dumping duties on imports of acrylic fabrics (HS 5512; 5515; 5801) from China (imposed in November 2004).	WTO Document G/ADP/N/195/ZAF of 5 February 2010.	
South Africa	Termination on 27 November 2009 of anti-dumping duties on imports of acrylic fabrics (HS 5512; 5515; 5801) from Turkey (imposed in November 2004).	WTO Document G/ADP/N/195/ZAF of 5 February 2010.	
Turkey	Increase of import tariffs (from 3% to 10-30%) for certain ethyl alcohol products.	Permanent Delegation of Turkey to the WTO (18 September 2009).	
Turkey	Initiation of anti-dumping investigation on imports of glass fibre reinforcement materials (HS 7019) from China.	Permanent Delegation of Turkey to the WTO (22 January 2010).	
Turkey	Increase of import tariffs (from 0% to 34% for EU Members and to 37% for non-EU Members) for bream fish (HS 0301.99.80), as from 1 January 2010.	Permanent Delegation of Turkey to the WTO (1 February 2010).	
Turkey	Reduction of import tariffs for buckwheat (HS 1008.10) (from 130% to 40%) and for millet (HS 1008.20) (from 130% to 80%), as from 1 January 2010.	Permanent Delegation of Turkey to the WTO (1 February 2010).	
United States	Initiation of safeguard investigation (China specific) on imports of tyres (HS 4011.10; 4011.20).	WTO Document G/SG/N/16/USA/5/Suppl.1 of 30 September 2009.	Definitive measure imposed on 26 September 2009, for three years.
United States	Initiation of countervailing investigation on imports of seamless carbon and alloy steel standard line and pressure pipe (HS 7304) from China.	Permanent Delegation of the United States to the WTO (7 October 2009).	Affirmative preliminary injury determination on 30 October 2009.
United States	Initiation of anti-dumping investigation on imports of seamless carbon and alloy steel standard line and pressure pipe (HS 7304) from China.	Permanent Delegation of the United States to the WTO (7 October 2009).	Affirmative preliminary injury determination on 30 October 2009.
United States	Initiation of anti-dumping investigation on imports of certain steel fasteners (HS 7318.15; 7318.16) from China, and Chinese, Taipei (13 October 2009).	Permanent Delegation of the United States to the WTO (14 October 2009).	Terminated on 6 November 2009.
United States	Initiation of countervailing investigation on imports of certain steel fasteners (HS 7318.15; 7318.16) from China, and Chinese, Taipei (13 October 2009).	Permanent Delegation of the United States to the WTO (14 October 2009).	Terminated on 6 November 2009.

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
United States	Initiation of anti-dumping investigation on imports of certain coated paper and paperboard in sheets suitable for high quality print graphics using sheet-fed presses; coated on one or both sides with kaolin (China or other clay), calcium carbonate, titanium dioxide, and/or other inorganic substances; with or without a binder; having a GE brightness level of 80 or higher; weighing not more than 340 g/square m; whether gloss grade, satin grade, matte grade, dull grade, or any other grade of finish; whether or not surface-coloured, surface-decorated, printed, embossed, or perforated; and irrespective of dimensions (HS 4810) from China and Indonesia (14 October 2009).	Permanent Delegation of the United States to the WTO (14 October 2009).	Affirmative preliminary injury determination on 6 November 2009.
United States	Initiation of countervailing investigation on imports of coated paper certain coated paper and paperboard in sheets suitable for high quality print graphics using sheet-fed presses; coated on one or both sides with kaolin (China or other clay), calcium carbonate, titanium dioxide, and/or other inorganic substances; with or without a binder; having a GE brightness level of 80 or higher; weighing not more than 340 g/square m; whether gloss grade, satin grade, matte grade, dull grade, or any other grade of finish; whether or not surface-coloured, surface-decorated, printed, embossed, or perforated; and irrespective of dimensions (HS 4810) from China and Indonesia (14 October 2009).	Permanent Delegation of the United States to the WTO (14 October 2009).	Affirmative preliminary injury determination on 6 November 2009.
United States	Initiation of anti-dumping investigation on imports of certain sodium and potassium phosphate salts (HS 2835.24; 2835.31; 2835.39) from China (14 October 2009).	Permanent Delegation of the United States to the WTO (15 October 2009).	Partial affirmative preliminary injury determination and partial negative injury determination on 6 November 2009. Partial termination of investigation.
United States	Initiation of countervailing investigation on imports of certain sodium and potassium phosphate salts (HS 2835.24; 2835.31; 2835.39) from China (14 October 2009).	Permanent Delegation of the United States to the WTO (15 October 2009).	Partial affirmative preliminary injury determination and partial negative injury determination on 6 November 2009. Partial termination of investigation.
United States	Initiation of anti-dumping investigation on imports of seamless refined cooper pipe and tube (HS 7411.10.1030; 7411.10.1090) from China and Mexico (20 October 2009).	Federal Register: October 27, 2009 (Volume 74, Number 206) (A-570-964, A-201-838) (27 October 2009).	Affirmative preliminary injury determination on 13 November 2009.
United States	Initiation of anti-dumping investigation on imports of steel drill pipe, and steel drill collars, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes suitable for drill pipe), without regard to the specific chemistry of the steel, and without regard to length or outer diameter (HS 7304; 8431) from China (21 January 2010).	United States International Trade Commission Inv. Nos. 701-TA-474 and 731-TA-1176 (31 December 2009).	
United States	Initiation of countervailing investigation on imports of steel drill pipe, and steel drill collars, whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished or unfinished (including green tubes suitable for drill pipe), without regard to the specific chemistry of the steel, and without regard to length or outer diameter (HS 7304; 8431) from China (21 January 2010).	United States International Trade Commission Inv. Nos. 701-TA-474 and 731-TA-1176 (31 December 2009).	

Annex 1 (cont'd)

Country/ Member State	Measure	Source/Date	Status
United States	U.S.-Canada Agreement on Government Procurement. The agreement has two major elements. First, it includes permanent and reciprocal commitments under the WTO Government Procurement Agreement (GPA) with respect to provincial, territorial and state procurement. In addition, the agreement provides for additional, reciprocal guarantees of access on a temporary basis. Canada is providing US suppliers with access to construction procurement of a number of provincial and territorial entities (not covered by the GPA) and municipal entities. The United States is providing Canadian suppliers with access to state and local public works projects in seven programmes funded by the American Recovery and Reinvestment Act of 2009 (ARRA). The United States is also offering access to the seven ARRA programmes to the other GPA parties, based on the negotiation of mutually acceptable commitments.	Permanent Delegation of the United States to the WTO (18 February 2010).	

NON-VERIFIED INFORMATION

Country/ Member State	Measure	Source/Date	Status
China	Promulgation of the "2009 National Indigenous Innovation Products Accreditation Programme" which reportedly extends preferences for government procurement purposes only to products whose intellectual property is owned and originally trademarked in China (products covered include computers, communications devices, software, and new energy products). It was clarified by the Chinese authorities that the Notice is only an invitation for application so that the applicants may have their products accredited as national indigenous innovation products. The Notice is not linked to government procurement regulations.	Inside US-China Trade (6 January 2010) and Oxford Analytica referring to Notice 618.	

ANNEX 2

General Economic Stimulus Measures[1]
(September 2009 – February 2010)

VERIFIED INFORMATION

Country/ Member State	Measure	Source/Date	Status
Brazil	Additional credit line (US$4 billion) for State Governments through the National Development Bank (BNDES).	Permanent Delegation of Brazil to the WTO (1 February 2010).	Terminated on 31 December 2009.
China	Refund of 13% of the sales price granted to farmers on the purchase of nine types of home appliances, including TV sets (initially established on 1 February 2009).	Permanent Delegation of China to the WTO (1 February 2010).	On 1 January 2010, the scope of receivers of the programme was further expanded.
China	Measures to promote the domestic film industry such as preferential fiscal measures, and 2/3 of screening time reserved for local films (already applicable since 2001), under the Guiding Opinions on Promotion of Prosperous Development of the Film Industry of 21 January 2010.	Permanent Delegation of China to the WTO (1 February 2010).	
EU	Amendment to the "Temporary Community Framework for State Aid measures to support access to finance in the current financial and economic crisis". - "The maximum loan does not exceed the total annual wage bill of the beneficiary (including social charges as well as the cost of personnel working on the company site but formally in the payroll of subcontractors) for 2008. In the case of companies created on or after 1 January 2008, the maximum loan must not exceed the estimated annual wage bill for the first two years in operation". - "For investments loans, Member States may choose to calculate the maximum loan on the basis of the annual EU 27 average labour costs".	Communication from the Commission (2009/C 303/04) (15 December 2009).	
EU	Specific market support measure for dairy farmers (€300 million (US$412 million)). The measure is intended to grant a financial envelope in order to support the dairy farmers that are severely affected by the collapse of world market and EU market prices and encounter liquidity problems in these circumstances. Members to communicate to the Commission without delay and no lather than 31 March 2010 a description of the objective criteria used to determine the methods for granting support and the provision taken to avoid distortion of markets.	Commission Regulation No. 1233/2009 (15 December 2009).	
Austria	Short-term export credit insurance scheme. The Commission authorized, under EU State aid rules, a measure adopted by Austria to limit the adverse impact of the current financial crisis on exporting firms. The scheme is effective until 31 December 2010.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 434/09 (OJ 2010/C 25/02).	
Belgium	BELGACAP: "Assurance-crédit export de court terme". Aid scheme (overall budget €300 million (US$412 million)) for all sectors, until 31 December 2010.	EC State Aid N 532/09 (6 November 2009).	

Annex 2 (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
Belgium	Limited amounts of aid (€2.73 million (US$3.75 million)) for primary producers hit by the financial crisis, available until the end of 2010. Aid will take the form of state guarantees on working capital loans.	EC State Aid N 34/10 (11 February 2010).	
Denmark	Export credit insurance scheme (short-term), under which, the Danish state export-credit agency Eksport Kredit Fonden (EKF) can provide export-credit reinsurance to complement insurance cover available on the private market. Under the reinsurance agreement with the private credit insurer, EFK takes over the part of the risk related to those transactions for which private insurers have withdrawn their cover. Both, the private insurers and the exporters retain part of the underlying risk. (Beneficiary: export firms).	Public information available on the European Commission's website transmitted by the EU Delegation (6 May 2009). EC State Aid N 554/09 (29 October 2009).	Amendment and prolongation of the scheme until 31 December 2010.
France	"Assurance-crédit export de court terme (CAP export)", short-term export credit insurance (overall budget €1 billion (US$1.37 billion)). Coface, a public export credit agency, to provide short-term export-credit insurance to companies established in France, where such cover is unavailable in the private market. Only financially sound export transactions would be eligible for support under the measure. The Commission authorized the measure until 31 December 2010.	Public information available on the European Commission's website transmitted by the EU Delegation (5 October 2009). EC State Aids N 384/09 and N 449/09.	
France	"Aides aux investissements en faveur des enterprises de transformation et commercialisation du secteur agricole" (overall budget €225 million (US$309 million), annual budget €45 million (US$62 million)), until 31 December 2013.	EC State Aid N 215/09 (OJ C 275) (14 November 2009).	Decision adopted on 30 September 2009.
France	Temporary aid scheme (€700 million (US$961 million)) for farmers. The scheme provides aid in the form of direct grants, interest rates subsidies, subsidized loans, as well as aid towards the payment of social security contributions, valid until 31 December 2010. The scheme is in application of the amendment to the Commission's Temporary framework for State aid measures to support access to finance in the current financial and economic crisis, which introduced the possibility of granting limited amounts of aid to primary agricultural producers.	EC State Aid N 609/09 (OJ C30) (6 January 2010).	Decision adopted on 2 December 2009.
France	Aid scheme "aides à l'assistance technique dans le secteur des fruits et légumes" (overall budget €1 million (US$1.37 million)), up to 31 December 2013.	EC State Aid No: XA 232/09 (OJ 2010/C 39/06) (16 February 2010).	
Germany	Scheme to facilitate the refinancing of export credits (overall budget €1.5 billion (US$2.1 billion)) through KfW Frankfurt am Main, from 15 September 2009 until 14 March 2010. The Commission authorized the scheme, under EC State aid rules, to limit the adverse impact of the current financial and economic crisis on the supply of export credit.	EC State Aid N 456/09 (OJ 2009/C 247/01) (15 September 2009).	
Germany	Temporary framework scheme (€100 million (US$137 million)) for farmers. The scheme provides aid in the form of direct grants, interest rates subsidies, subsidized loans, as well as aid of social security contributions, valid until 31 December 2010. The scheme is in application of the amendment to the Commission's Temporary framework for State aid measures to support access to finance in the current financial and economic crisis, which introduced the possibility of granting limited amounts of aid to primary agricultural producers.	EC State Aid N 597/09 (OJ C33) (10 February 2010).	Decision adopted on 23 November 2009.
Italy	Temporary interest rate subsidies for "green" products (overall budget €300 million (US$412 million)) until 31 December 2010. The Italian scheme, which was authorized by the Commission under the EU State aid rules, provides for interest rate subsidies for the production of environmentally friendly (green) products related to an early adaptation to, or overachievement of, EU environmental standards focussing on the car component sector.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 542/09 (OJ 2010/C 25/04).	

Annex 2 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Latvia	Guarantee for development of enterprise competitiveness, valid until 31 December 2010. Amendment to the approved aid scheme to include "cooperative partnerships" which provide services to producers of agricultural products (purchase, supply, distribution, and transport), to the list of eligible beneficiaries. Due to the extension of eligible beneficiaries, the Latvian authorities estimate an increase of the overall budget to LVL 40.6 million (US$78.6 million).	Public information available on the European Commission's website transmitted by the EU Delegation (22 December 2009). EC State Aid N 506/2009.	
Latvia	State guarantee (€89 million (US$122 million)) to steel manufacturer JSC Liepājas Metalurgs (LM), authorised by the Commission under EU State aid rules. The aid is intended for the company's modernization and is valid until 15 December 2019.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 670/2009.	
Lithuania	Scheme allowing aid of up to €500,000 (US$686,300) per firm to businesses facing funding problems because of the current credit squeeze. (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 (1 February 2010). EC State Aid N 272/09.	Amended on 13 November 2009, extending its scope of application to include: (i) diversification into non-agricultural activities; and (ii) support for business creation and development, which are integrated in the Rural Development Programme 2007-13.
Lithuania	Short-term export credit insurance (LTL 100 million (US$39.75 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. The scheme is effective until 31 December 2010.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 659/09 (OJ 2010/C 33/02).	
Netherlands	Export credit insurance – reinsurance scheme. The State will provide a reinsurance facility, which would top-up the cover offered by credit insurers in cases where the existing credit limits have been reduced or new limits given by credit insurers are lower than the amount requested by the insured company. The maximum possible top-up amount provided by the Dutch State is 100% of the credit limit offered by the credit insurer. In particular, the measure requires market-oriented remuneration and is focussed specifically on addressing the current unavailability of short-term export credit insurance cover in the private market. The Commission authorized the measure until 31 December 2010.	Public information available on the European Commission's website transmitted by the EU Delegation (2 October 2009). EC State Aids N 409/09 and 14/2010.	
Netherlands	Temporary state aid to help farmers (€2.81 million (US$3.86 million)) available until the end of 2010. Aid will take the form of state guarantees on working capital loans.	EC State Aid N 611/09 (OJ C 30) (6 February 2010).	Decision adopted on 22 December 2009.
Poland	State aid to Polish farmers for the purchase of agricultural land under the form of subsidize interest payments on loans amounting to a maximum of Zl 400 million (US$137.6 million) and granted between 1 January 2010 and 31 December 2013.	Council Decision 2010/10/EC (20 November 2009) (OJ L 4/89 of 8 January 2010).	

Annex 2 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Poland	Temporary scheme for granting aid of up to €500,000 (US$686,300) per firm.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010).	On 8 October 2009 the scheme was amended, allowing an increase of the overall aid at the disposal of an additional group of vulnerable companies, particularly in rural areas.
Romania	Guarantees for FORD Romania (overall budget €400 million (US$594 million)). The Commission authorized, under the EU State aid rules, a State guarantee for FORD Romania SA to access a loan from the European Investment Bank for the period 2009-14. The loan will co-finance the development of a low CO2 engine and subsequent vehicle production at Ford's Craiova plant.	Public information available on the European Commission's website transmitted by the EU Delegation (13 November 2009). EC State Aid N 478/09 and 680/09.	
Slovak Rep.	Aid (€14.3 million (US$19.6 million)) for Volkswagen Slovakia aiming at the transformation of an existing plant in Bratislava. The project involving eligible investments of €300 million (US$412 million) by Volkswagen Slovakia, is aimed at contributing to the development of the region's economy.	EC State Aid N 647/2008 (2 December 2009).	
Sweden	Short-term export credit insurance scheme, valid until 31 December 2010. The Commission authorized under EU State aid rules, a measure adopted by Sweden to limit the adverse impact of the current financial crisis on exporting firms.	EC State Aid N 605/09 (25 November 2009).	
India	Government support (financial aid package) for the National Aviation Company of India Ltd. (Air India). Rupees 8 billion (US$170.6 million)) approved on 18 February 2010.	Permanent Delegation of India to the WTO (4 March 2010).	
Indonesia	Government loan (US$2.52 billion) for trade financing (importers or exporters), through the Indonesian Eximbank trade financing agency.	Permanent Delegation of Indonesia to the WTO (1 September 2009).	Eximbank formally launched on 1 September 2009.
Japan	First Supplementary Budget (2009), new Stimulus Package (¥15.4 trillion (US$172.3 billion)) (3% GDP) to ease credit squeeze; provide safety net for unemployed, and stimulate consumer demand.	Permanent Delegation of Japan to the WTO (1 February 2010).	Projects worth ¥2.93 trillion (US$32.8 billion) suspended on 16 October 2009. Second Supplementary Budget (2009) being executed.
Japan	As part of the New Stimulus Package, Government programme (¥370 billion (US$4.1 billion)), to encourage the purchase of environmentally friendly vehicles (local and imported). The amount of subsidies depends on the type of the vehicle, the age of the car to be replaced, its fuel efficiency, or simply purchase of new one without replacement. Programme undergoing amendments to facilitate greater participation of imported cars.	Permanent Delegation of Japan to the WTO (1 February 2010).	Programme applicable from 19 June 2009 to 31 March 2010, and to be extended for six months.
Russian Federation	"Plan of Industry Support" (Rub 195 billion (US$6.5 billion)) for 2010. Measures include support to companies, purchase of vehicles for the public sector, and support to housing and utilities sector.	Permanent Delegation of the Russian Federation (1 February 2010).	
Russian Federation	Cash-for-clunkers plan (Rub 10 billion (US$333.3 million)) allocated in the Federal Budget for 2010. Rub 50,000 (US$1,666) for vehicles older than 10 years. The plan is part of the "Plan of Industry Support" covering only domestically-produced cars.	Permanent Delegation of the Russian Federation (1 February 2010).	
Russian Federation	Increase of annual federal funding (from Rub 6 billion to Rub 9 billion (US$199.9 million to US$299.9 million)) for exports of industrial products, as a partial compensation of payment of interest on credits given by Russian financial institutions for the period 2005-10.	Permanent Delegation of the Russian Federation (1 February 2010).	

Annex 2 (cont'd)

NON-VERIFIED INFORMATION

Country/ Member State	**Measure**	**Source/Date**	**Status**
Brazil	Reported additional credit line (R$80 billion (US$43.6 billion)) through the National Development Bank (BNDES).	Press reports (10 December 2009).	
Canada	Ontario's Feed-In Tariff Programme Backgrounder (FIT) for renewable energy generation was launched in September 2009. The programme is designed to encourage the generation of renewable energy with projects of 10 kW or less. The FIT includes domestic content requirements.	Press reports (3 February 2010).	
Japan	Reported increase of state-funded credit to Japan Airlines (from ¥100 billion to ¥200 billion (US$1.1 billion to US$2.2 billion)).	BBC News (4 January 2010).	

ANNEX 3

Measures For Financial Institutions[1]
(September 2009 – February 2010)

VERIFIED INFORMATION

Country/ Member State	**Measure**	**Source/Date**	**Status**
Australia	Car dealership financing Special Purpose Vehicle (SPV) funding mechanism to provide liquidity support to Ford Credit Australia.	Permanent Delegation of Australia to the WTO (1 February 2010).	Activated on 1 September 2009. Scheduled to conclude by 30 June 2010.
EU			
Austria	Aid scheme in the form of direct grant guarantee (overall budget €80 billion (US$10.9.8 billion)) for Interbankmarktstärkungsgesetz (IBSG) and Finanzmarktstabilisierungsgesetz (FinStaG), from 1 January 2010 to 30 June 2010. Support scheme for financial institutions aimed at stabilizing the financial markets by providing guarantees, capital and loans.	EC State Aid N 663/09 (17 December 2009).	Prolongation of the scheme with amendments on 30 June 2009. Further prolongation on 17 December 2009, until 30 June 2010.
Austria	Capital Injection (€550 million (US$755 million)) and Guarantee (€400 million (US$549 million)) for BAWAG P.S.K. Bank. The Commission approved an emergency aid for a period of six months for BAWAG P.S.K. Austria committed to submit a modified restructuring plan within three months from the date of the decision.	EC State Aid N 640/09 (22 December 2009).	
Austria, Germany	Hypo Group Alpe Adria: the Commission approved a capital injection (€650 million (US$892 million)). After the bank fell into difficulties in view of large write-down needs and the fact that the existing owners were unwilling to provide the necessary capital injection, Austria purchased the bank from BayernLB group for a symbolic amount of 1 euro.	Public information available on the European Commission's website transmitted by the EU Delegation (23 December 2009).	
Belgium	Recapitalization of KBC Group. On 18 November 2009 the impaired asset measure was approved, as was KBC restructuring plan. The measures in the plan ensure a sustainable future for KBC without continued State support, foresee an appropriate participation of the bank in the costs of restructuring, and include safeguards to limit distortions of competition, notably by reducing the size of the bank. (A capital injection (€3.5 billion (US$4.8 billion)) was approved on 18 December 2008. Second recapitalization (€3.5 billion) and temporary clearance to an impaired asset relief programme, on 30 June 2009).	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010).	

Annex 3 (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
Belgium	Dexia financial group: on 30 October 2009, the Commission prolonged the guarantee on Dexia's liabilities until a final decision on the restructuring plan and the impaired asset measure is taken. On 18 December 2008, the Commission authorized emergency aid (€6.4 billion (US$8.78 billion)) granted by Belgium, France and Luxembourg in the form of capital injection, a guarantee on liabilities (up to a maximum amount of €150 billion (US$206 billion)), and State-guaranteed liquidity assistance (€35 billion (US$48 billion)). The aid was authorized for six months provided that a restructuring plan be submitted. On 13 March 2009, the Commission opened an in-depth investigation on Dexia restructuring plan, as well as on additional measure on its impaired assets.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid Nos 45-49-50/09 (OJ 2009/C 181); C9/09 (OJ 2009/C 181); and N 583/09 (OJ 2009/C 305).	
Denmark	Prolongation of the Danish recapitalization scheme (DKr 100 billion (US$18.6 billion)) for credit institutions until 20 December 2009 and a six month prolongation of the guarantee scheme for credit institutions. The prolongation also covers an amendment made to the recapitalization scheme in order to offer credit institutions issuing hybrid capital notes the option to convert them into ordinary shares.	Public information available on the European Commission's website transmitted by the EU Delegation (29 October 2009). EC State Aid N 628/09 (OJ 2010/C 33/02).	
Finland	Finnish recapitalization scheme. Under the scheme the Finnish State would subscribe non-cumulative and unsecured subordinated loan instruments issued by eligible banks up to ¼ of the required amount of their own funds. The subordinated loans would be reimbursed after three years and upon the approval of the Financial Supervisory Authority. The scheme's overall budget is capped at €4 billion (US$5.49 billion). Only solvent banks would be allowed to enter it. In particular, it provides for non-discriminatory access as it will be open to all solvent Finnish deposit banks, including Finnish subsidiaries of foreign banks. It is limited in time and scope, as both its global budget and amount per institution are capped. To benefit from the recapitalization participating banks are required to pay a market-oriented fee, in line with recommendations from the ECB. Moreover, the scheme foresees substantial behavioural commitments for the participating institutions regarding executive pay and shares buy back.	Public information available on the European Commission's website transmitted by the EU Delegation (11 September 2009). EC State Aid N 329/09.	Prolongation of the scheme on 11 September 2009, until 30 June 2010.
Finland	Guarantee scheme aimed at stabilizing the financial markets by ensuring financial institutions access to financing. The State guarantee would cover, against remuneration, the issuance of new short and medium term non-subordinated debt with maturity between 90 days and three years. A maturity of up to five years is limited to mortgage-backed bonds only (budget is capped at €50 billion (US$68.6 billion)). On 5 February 2009 the scheme was modified. Extension of the scheme until 31 December 2009. Also, its scope has been broadened, so that guarantees can now cover instruments with a maturity of up to five years. Previously, the maximum maturity was three years (except for covered bonds).	EC State Aid N 674/09 (17 December 2009).	Prolongation of the scheme on 17 December 2009, until 30 June 2010, (overall budget €17 billion (US$23.3 billion)).
Germany	NORD/LB: prolongation of the banking rescue aid in form of a guarantee package (initially approved on 22 December 2008). Provision of state guarantees by the German Länder Lower Saxony and Saxony-Anhalt on securities which are used to supply financing to Nord/LB.	Public information available on the European Commission's website transmitted by the EU Delegation (10 September 2009). EC State Aid N 412/09.	Prolongation of the scheme on 10 September 2009, for six months until 15 February 2010.

Annex 3 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Germany	New aid scheme (overall budget €7 billion (US$9.6 billion)) for IKB Deutsche Industriebank AG, from 1 August 2009 to 31 December 2014. Additional support was necessary to protect IKB's liquidity and financial stability. After obtaining a commitment from Germany to provide a revised restructuring plan the Commission authorized the scheme.	EC State Aid N 400/09 (OJ 2009/C 247/02) (15 September 2009).	
Germany	Additional risk shield for WestLB. The Commission approved under EU State aid rules, a temporary increase of the guarantee for a portfolio of securities of Landesbank WestLB. The aid measure (overall budget €6.4 billion (US$8.78 billion)) is provided by SoFFin.	Public information available on the European Commission's website transmitted by the EU Delegation (7 October 2009). EC State Aid Nos. 531/2009 and C40/2009 (December 2009).	Establishment of a "bad bank" (impaired asset relief measure) which takes over a portfolio of toxic and non-strategic assets with a nominal value of €85.1 billion (US$116.8 billion) that requires a capital injection of €3 billion (US$4.1 billion) from SoFFin, and additional guarantees from its public shareholders. The Commission temporarily approved the measures for financial stability but opened a formal in-depth investigation.
Germany	LBBW Restructuring plan and impaired Assets Relief measure. The Commission approved the impaired asset relief measures and the restructuring plan of German-based financial institution Landesbank Baden-Württemberg (LBBW). The restructuring plan demonstrated that LBBW was able to restore its viability while undue distortions of competition will be mitigated. Also the bank's own contribution to the restructuring costs is ensured through loss participations by hybrid capital holders. In addition, changes in the bank's corporate governance structure will provide an additional safeguard against excessive risk-taking and ensure that LBBW will be run on a sound commercial basis.	Public information available on the European Commission's website transmitted by the EU Delegation (15 December 2009). (EC State Aid C17/2009).	
Germany	Second prolongation of the German rescue package for German credit and financial institutions. Aid scheme under the form of recapitalization, guarantees, and asset swap (risk assumption) (overall budget €500 billion (US$686.3 billion)) for credit institutions, from 1 January 2010 to 30 June 2010.	EC State Aid N 665/09 (17 December 2009).	
Germany	Emergency guarantees for Hypo Real Estate (HRE). The Commission has temporarily approved two state guarantees of €8 billion (US$11 billion) and €10 billion (US$13.7 billion) respectively for HRE under EU State aid rules. These guarantees will be used by HRE to cover urgent liquidity needs of the bank. These, as well as previous rescue measures in favour of HRE, will be taken into account when the Commission takes its final decision on HRE's restructuring plan.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 694/09 (OJ 2010/C 22/05).	Decision adopted on 21 December 2009.
Greece	Second prolongation of the bank support scheme. Prolongation of the support package for credit institutions until the end of 2009. The support measures consist in a recapitalization scheme, a guarantee scheme and support through the issuance of Greek State special purpose securities to credit institutions. The authorization also covers an amendment made to the recapitalization scheme so as to adapt it to the Commission's Communication on recapitalization that was adopted after the approval of the original scheme.	Public information available on the European Commission's website transmitted by the EU Delegation (18 September 2009). EC State Aid Nos. 504/2009 and 690/2009.	Prolongation and amendments on 18 September 2009. Second prolongation of the scheme on 25 January 2010, until 30 June 2010.

Annex 3 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Hungary	Financial support measures providing eligible credit institutions with new capital and guarantees on short- and medium-term newly issued debt, under strict conditions.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 355/09.	Prolongation and modification of the scheme on 3 September 2009, until 31 December 2009. Second prolongation on 17 December 2009, until 30 June 2010.
Hungary	Liquidity support scheme (overall budget € 400 million (US$594 million)) aimed at providing liquidity to eligible financial institutions in Hungary to support lending to the economy. Valid until 30 June 2010.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid NN 68/09.	In operation since March 2009, notified by Hungary in November 2009, and approved by the Commission on 14 January 2010.
Italy	Recapitalization scheme for financial institutions, providing the possibility to subscribe subordinated debt instruments, to be counted as bank "core tier 1 capital". The overall budget will be around €15-20 billion (US$22.2 to 29.6 billion) (initially approved on 23 December 2008). Only fundamentally sound banks as determined by their credit default swaps spread level, their ratings and the additional assessment to be made by the Bank of Italy will be eligible for the recapitalization. The Bank of Italy will regularly monitor how the funds will be put to use to sustain lending to the real economy. Duration until 30 December 2009.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 466/09.	Amended on 22 February 2009 to provide capital to credit institutions. Prolongation of the scheme on 6 October 2009.
Latvia	Recapitalization (LVL 72.79 million (US$140.88 million)) of Mortgage and Land Bank Latvia, valid until 31 December 2013.	Public information available on the European Commission's website transmitted by the EU Delegation (19 November 2009). EC State Aid NN 60/2009.	
Latvia	Second prolongation of the support scheme for banks in form of a guarantee covering liabilities (initially approved on 22 December 2008).	Public information available on the European Commission's website transmitted by the EU Delegation (17 December 2009). EC State Aid N 664/2009.	First prolongation of the scheme on 22 June 2009. Second prolongation on 17 December 2009, until 30 June 2010.
Netherlands	ING: emergency intervention (€10 billion (US$13.7 billion)) in the form of recapitalization granted via special type of securities. Illiquid asset back-up facility (31 March 2009). Under the transaction, the Dutch State will buy the right to receive the cash flows on 80% of US$39 billion portfolio, mostly consisting of "Alt-A" mortgages, by paying ING about US$28 billion. That amount will be paid by the Dutch State in accordance with a pre-agreed payment schedule. The restructuring plan foresees that ING will reduce the risk profile and complexity of its operations and will sell its insurance activities over time. ING will also carve out, according to a detailed trustee-supervised timetable, a business unit (Westland Utrecht Hypotheekbank (WUH/Interavides)), to step up competition in the Dutch retail banking market.	Public information available on the European Commission's website transmitted by the EU Delegation (18 November 2009).	

Annex 3 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Netherlands	Dutch Guarantee Scheme. Guarantee scheme for all solvent financial institutions with significant activities in the Netherlands, including subsidiaries of foreign banks (capped at €200 billion (US$274.5 billion)). On 7 July 2009, prolongation and amendments of the scheme in the form of a guarantee (overall budget €200,000 million (US$274,520 million)), from 30 June 2009 until 31 December 2009. The scheme is intended to restore and facilitate the financing of Dutch financial institutions.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 669/09 (OJ 2010/C 25/05).	First prolongation of the scheme on 7 July 2009. Second prolongation on 17 December 2009, from 1 January 2010 until 30 June 2010.
Poland	Bank guarantee scheme. State Treasury guarantees for the issuance of new senior debt by banks and liquidity support measures in the form of Treasury bonds, either as a loan or to be sold with deferred payment. Debt guarantees on newly issued debt will be available only to credit institutions. Should the State guarantee be called upon by a beneficiary or should the beneficiary default on its liabilities related to Treasury bonds, a restructuring plan will be submitted within six months. The remuneration for the debt guarantees will be established in line with the ECB recommendations and the remuneration for the lending of Treasury bonds or for deferred payments for Treasury bonds will be even higher than for the guarantees. Eligible institutions could apply for the support under the scheme until 31 December 2009, but support may be granted later, within the six month period as from the day of the adoption of this decision.	Public information available on the European Commission's website transmitted by the EU Delegation (25 September 2009). EC State Aid N 208/09.	
Poland	Recapitalization scheme, until 30 June 2010. The Commission approved, under EU State aid rules, the scheme aimed at maintaining stability in the Polish financial sector by underwriting capital increases to eligible financial institutions. This scheme complements the liquidity support granted under the support scheme for banks' funding in Poland. The scheme is limited in time and scope, required market oriented remuneration and contained sufficient safeguards to avoid abuses. Overall budget not specified but falling in the budget envisaged for all treasury guarantees, which for 2009 amounted to Zl 40 billion (US$13.8 billion).	Public information available on the European Commission's website transmitted by the EU Delegation (21 December 2009). EC State Aid N 302/2009.	
Slovak Rep.	Slovak bank support scheme aimed at maintaining stability in the Slovak banking sector by providing capital injections and guarantees to eligible financial institutions (overall budget €3.464 billion (US$4.75 billion)). The measures provide for non-discriminatory access, are limited in time and scope (2009-10), require market oriented remuneration and contain sufficient safeguards to avoid abuse.	Public information available on the European Commission's website transmitted by the EU Delegation (8 December 2009). EC State Aid N 392/09.	
Slovenia	Prolongation of the liquidity scheme for the financial sector (budget capped at €12 billion (US$16.5 billion)), until 18 April 2010. Available to all solvent Slovenian credit institutions, including Slovenian subsidiaries of foreign banks. The objective of the scheme is to temporarily provide short and medium-term financing to the financial institutions, which are unable to obtain funds on the financial markets.	Public information available on the European Commission's website transmitted by the EU Delegation (19 October 2009). EC State Aid N 510/09.	Prolongation of the scheme on 19 October 2009.
Slovenia	Guarantee scheme. Budget capped at €12 billion (US$16.5 billion). Available to all solvent Slovenian credit institutions, including Slovenian subsidiaries of foreign banks. On 22 June 2009, prolongation of the scheme. The state guarantee was to cover the issuance of new short and medium term non-subordinated debt with a maturity between 90 days and five years.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010). EC State Aid N 651/09.	Second prolongation of the scheme on 17 December 2009, until 30 June 2010.

Annex 3 (cont'd)

Country/ Member State	Measure	Source/Date	Status
Spain	Second prolongation of the Spanish guarantee scheme until 30 June 2010. The scheme provides State guarantee covering new issuance of debt instruments up to an amount of €100 billion (US$137.3 billion) according to the 2008 State Budget, and additionally up to €64 billion (US$87.85 billion) according to the 2009 State Budget. The measure aimed at preserving the stability of the financial system and to remedy serious disturbance to the national economy, in particular limiting the risks and re-establishing confidence in the financing mechanism of credit institutions and contribute to foster lending to businesses and households. These instruments must not be covered by other types of guarantees. Securitizations notes and subordinated are not eligible instruments.	Public information available on the European Commission's website transmitted by the EU Delegation (1 December 2009). EC State Aid N 588/09 (OJ 2010/C 25/02).	
Sweden	Aid scheme for financial institutions (overall budget SKr 150 million (US$20.5 million)), from 1 November 2009 to 30 April 2010.	EC State Aid N 544/09 (OJ C 299/2) (26 October 2009).	Prolongation of the scheme on 21 January 2010 until 17 August 2010.
Sweden	Rescue package which consists of a guarantee scheme covering new issuances of short-and medium-term non-subordinated debt. The total amount of debt to be covered is capped at approximately €150 billion (US$206 billion). On 28 January 2009, the scheme was modified. Amendments concern, *inter alia*, the cancellation of growth restrictions of participating banks. On 28 April 2009, new amendments to the scheme. The changes concern the prolongation of the scheme's validity until 31 October 2009 (instead of 30 April 2009) and the extension of its scope by including uncollateralized debt instruments with a term of up to five years (instead of three years), which could amount up to one third only of a total of SKr 1,500 billion (US$212.1 billion). Changes to the eligibility criteria for institutions covered by the scheme. Participating banks will only need to meet the basic legal capital requirements (and not the enhanced capital levels like before).	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010).	Prolongation of the scheme on 8 October 2009 until 30 April 2010.
United Kingdom	Financial support measures: guarantee and provision of risk capital for banks. Two types of measures: recapitalization scheme (up to £50 billion (US$77.8 billion), and guarantee scheme (up to £250 billion (US$389.2 billion)). Available to authorized UK banks including UK incorporated subsidiaries of foreign institutions, with a substantial business in the United Kingdom, and UK Building Societies. On 15 April 2009, extension of the scheme. Large institutions that benefit from the schemes have to agree in turn to lending commitments. The UK considered that the original limit on guaranteed issue of £250 billion remained appropriate. The amount set aside for recapitalization remained £50 billion. The eligible beneficiaries remained fundamentally sound banks, with eligible liabilities above £500 million (US$778.5 million). A capital injection into a bank that has already accessed the recapitalization scheme, however will be subject to individual notification and approval.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010).	A second prolongation was authorized on 13 October 2009.
United Kingdom	Asset-Backed Securities Guarantee Scheme offering guarantees for AAA-rated mortgage-backed securities as part of a package of measures announced in 2009 to stabilize financial markets, support lending to the economy, and promote the transition towards a sustainable unguaranteed market.	Public information available on the European Commission's website transmitted by the EU Delegation (21 April 2009), and EC State Aid N 550/09 (OJ C 299/3).	Prolongation of the scheme on 27 October 2009 until 31 December 2009. The scheme closed, as planned, on 31 December 2009.

Annex 3 (cont'd)

Country/ Member State	Measure	Source/Date	Status
United Kingdom	Second prolongation of recap and guarantee schemes from 13 October 2009 to 31 December 2009. The measures comprise the Bank Recapitalization Scheme ("the Recapitalization Scheme") and the Wholesale Funding Guarantee Scheme ("Credit Guarantee Scheme" or "CGS").	Public information available on the European Commission's website transmitted by the EU Delegation (13 October 2009). EC State Aid N 537/09.	On 17 December 2009, a further extension of the "drawdown window" was authorized, for the period 1 January 2010 to 28 February 2010 (EC State Aid N 677/09).
United Kingdom	Restructuring plan for Lloyds Banking Group, through a State recapitalization (overall budget £20.6 billion (US$32.1 billion)), until 31 December 2013. The Lloyds Banking Group is the new entity resulting from the acquisition of HBOS by Lloyds TSB in January 2009.	Public information available on the European Commission's website transmitted by the EU Delegation (November 2009). EC State Aid N 428/2009 (18 November 2009).	
United Kingdom	Financial support measures for the Royal Bank of Scotland (RBS). The Commission approved under EU State aid rules the impaired asset relief measure and the restructuring plan of RBS. The measures ensure a sustainable future for RBS without continued state support, foresee an appropriate participation of the bank in the costs of restructuring, and include safeguards to limit distortions of competition, notably by reducing the size of the bank.	Public information available on the European Commission's website transmitted by the EU Delegation (17 December 2009). EC State Aids N 422/09 and 621/09.	
United Kingdom	Liquidation of Bradford & Bingley: nationalization and winding down of the bank, the sale of its retail deposit book and branches along with a matching cash element to Abbey National. Provision of a Working Capital Facility and guarantee arrangements to remainder of Bradford & Bingley which now has an objective of repaying the Working Capital Facility as soon as market conditions allow, as well as treating both customers and creditors fairly.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010).	Liquidation approved on 25 January 2010.
United Kingdom	Dunfermline Building Society Restructuring. The Commission approved under EU State aid rules the aid given by the UK authorities to facilitate restructuring of the Dunfermline Building Society of the United Kingdom. The restructuring consisted of the immediate split-up of Dunfermline, after which the part containing the good assets and liabilities was sold in an auction to a competitor with a financial contribution by the UK State of over £1.5 billion (US$2.3 billion). The part containing the impaired assets was put into administration. The Commission found that the orderly break-up of Dunfermline resulted in the return to viability of the good part that was sold. The Commission furthermore concluded that there was sufficient burden-sharing as subordinated debt-holders contributed to the restructuring as much as possible and that the liquidation of a substantial part of Dunfermline limited the distortion of competition caused by the aid.	Public information available on the European Commission's website transmitted by the EU Delegation (1 February 2010).	
United States	Prolongation of the Troubled Asset Relief Programme (TARP) until 3 October 2010.	Permanent Delegation of the United States to the WTO (1 February 2010), and Press Release of the US Department of the Treasury (9 December 2009).	

ANNEX 4[1]

Investment and investment-related measures (September 2009 – February 2010)

Country/ Member State Measure	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	On 22 September 2009, reforms to Australia's foreign investment screening framework came into effect for business proposals. The four lowest monetary thresholds for private business investment were replaced with a single indexed monetary threshold of AUD 219 million (the previous lowest threshold was AUD 100 million). The new threshold is indexed on 1 January each year to keep pace with inflation. The reforms also removed the need for private foreign investors to notify the Treasurer when they establish a new business in Australia. Other notification requirements and the indexed monetary threshold for investors from the United States in non-sensitive sectors (AUD 953 million in 2009) are unchanged. The monetary thresholds for 2010 are AUD 231 million and AUD 1004 million.	22 September 2009	"Reforming Australia's foreign investment framework", Treasurer media release No. 089 of 2009, 4 August 2009; and Policy and Supporting Documents, Foreign Investment Review Board (FIRB) website.
	On 23 November 2009, the House of Representatives passed the Foreign Acquisitions and Takeovers Amendment Bill that was introduced in Parliament on 20 August 2009. The Senate passed the Bill on 2 February 2010 and it received Royal Assent on 12 February 2010. The Amending Act clarifies that the Foreign Acquisitions and Takeovers Act 1975 applies equally to all foreign investments irrespective of the way they are structured. The amendments apply retrospectively from 12 February 2009, the date of the Treasurer's announcement and transitional arrangements apply for transactions that occurred between the date of announcement and royal assent.	23 November 2009 2 Feruary 2010 12 February 2010	"Amendments to Foreign Acquisitions and Takeovers Act", Treasurer media release No. 017 of 2009, 12 February 2009; the "Foreign Acquisitions and Takeovers Amendment Bill 2010"; and Policy and Supporting Documents, Foreign Investment Review Board (FIRB) website.

Annex 4 (cont'd)

[1] Information provided by the OECD and UNCTAD Secretariats.

Country/ Member State Measure	Description of Measure	Date	Source
	On 16 December 2009, the Australian Transport Minister announced that while the Government would maintain the cap of 49% on foreign ownership of Australian international airlines (Air Navigation Act 1920), it would remove the secondary restrictions of 25% for foreign individual shareholdings and 35% for total foreign airlines shareholdings in Qantas (Qantas Sale Act 1992). The Government also announced that it will continue to allow 100% foreign ownership of domestic airlines.	16 December 2009	"National Aviation Policy – White Paper", Commonwealth of Australia, December 2009; "National Aviation Policy Statement Released", Minister for Infrastructure, Transport, Regional Development and Local Government media release AA539/2009, 16 December 2009; and "Launch of the Aviation White Paper - National Press Club", Minister for Infrastructure, Transport, Regional Development and Local Government speech AS25/2009, 16 December 2009.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 1 September 2009, Australia activated its car dealership financing special purpose vehicle (SPV) that was legally established as a financing trust on 2 January 2009. The establishment of the SPV followed the announcement in October 2008 by GE Money Motor Solutions and GMAC that they intended to depart the Australian wholesale floor plan finance market. On 13 May 2009, the Government announced that Ford Credit would be able to participate in the SPV to allow it to support its dealership network. With funding from the four major Australian banks, namely ANZ, Commonwealth Bank of Australia, National Australia Bank, and Westpac, the SPV provides liquidity support to participating car dealer financiers. The Government supports the SPV by guaranteeing the non-AAA rated securities issued by the trust so that banks can provide the necessary funding. The Government guarantee is supported by the Car Dealership Financing Guarantee Appropriation Act 2009, which received Royal Assent on 6 July 2009.	1 September 2009	"Activation of Car Dealership Financing Special Purpose Vehicle ('Ozcar')", Treasurer media release No. 94, 28 August 2009; "Car Dealer Financing: Establishment of a Special Purpose Vehicle", Treasurer media release No. 136, 5 December 2008; and "Treasurer Releases Update on Car Dealer Financing and the Special Purpose Vehicle", Treasurer media release No. 145, 19 December 2008. "Car Dealer Financing Special Purpose Vehicle: Supporting Legislation and Ford Credit", Treasurer media release No. 71, 13 May 2009; and "Car Dealership Financing Guarantee Appropriation Act 2009".
Brazil			
Investment policy measures	On 19 October 2009, Brazil imposed a 2% levy on short-term portfolio investments by non-residents in local fixed income instruments and stocks. The levy seeks, according to the Ministry of Finance, to prevent strong capital inflows that could lead to asset price bubbles and to ease upward pressure on the Real.	19 October 2009	Decreto no. 6.983 of 19 October 2009 amended by Decreto no. 6.984 of 20 October 2009.
	A 1.5% levy was imposed on the creation of depositary receipts by companies or investors converting local shares from 19 November 2009 on. According to the Ministry of Finance, the levy seeks to alleviate distortions caused by the abovementioned 2% levy on short-term portfolio investments.	19 November 2009	
	A presidential decree of 16 September 2009 raised the limit of foreign participation in the capital of Banco do Brasil, a state-owned bank, from 12.5% to 20%.	16 September 2009	Presidential Decree of 16 September 2009.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
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 18 December 2009, the Canada–EU Air Transport Agreement was signed. The agreement, which is being applied on an administrative basis prior to ratification, currently allows any Canadian and "Community" airline to fly scheduled passenger and all-cargo air services between any points in the EU to any point in Canada, without any restrictions on the number of flights (first stage of implementation). In future stages of the implementation of the agreement, EU investors will be able to acquire up to 49% of Canadian airline companies, up from 25%, once Canada adopts regulations in this regard, cargo air operators will be authorized to provide services to third countries from the other party to third countries without connection to their point of origin (so called "7th freedom" rights); investors will be allowed to set up and control new airlines in each others' markets should both parties deem these decisions appropriate in the future and subject to policy and legislative amendments. Also, passenger airlines will then be able to fly onward to third countries without restrictions.	18 December 2009	"Canada will sign its most comprehensive air agreement ever", Transport Canada press release, 17 December 2009. "Canada Concludes Historic Air Transport Negotiations with European Union", Transport Canada press release and backgrounder, 9 December 2008.
Investment measures relating to national security	The National Security Review of Investments Regulations, which apply to national security reviews under the Investment Canada Act (ICA), came into force on 17 September 2009. The new Regulations prescribe the various time periods within which action must be taken to trigger a national security review, to conduct the review, and, after the review, to order measures in respect of the reviewed investment to protect national security. The Regulations also provide a list of investigative bodies with which confidential information can be shared and which may use that information for the purposes of their own investigations. The new Regulations stem from the amendments to the ICA which were passed in March 2009 that established a review procedure for inward investments potentially injurious to national security.	17 September 2009	"Investment Canada Act—National Security Review of Investments Regulations", P.C. 2009-1596, 17 September 2009, Canada Gazette Vol. 143, No. 20 of 30 September 2009.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
Emergency and related measures with potential impacts on international investment	Canada continued implementation of the January 2009 Economic Action Plan, which was initially announced on 27 January 2009. The Plan allocated up to CAD 200 billion to support credit availability through the Extraordinary Financing Framework. In total, the Government has provided CAD 135 billion in extraordinary support to improve access to financing, all of it on a commercial basis. As market conditions have improved, demand for certain measures under the Extraordinary Financing Framework has decreased. For instance, lenders have shown moderate interest to participate in the Insured Mortgage Purchase Program, and the extraordinary liquidity provided by the Bank of Canada stood at about CAD 27 billion in mid-November 2009, down from its peak of over CAD 40 billion in December 2008.	Ongoing	"Fourth report to Canadians on Canada's Economic Action Plan", 2 December 2009. Chapter 2, section 6. "Canada's Economic Action Plan—Budget 2009", Department of Finance, 27 January 2009.
	The two temporary facilities that the Canadian Government had created—the Canadian Lenders Assurance Facility and the Canadian Life Insurers Assurance Facility—expired as planned on 31 December 2009 without having ever been used by its intended beneficiaries. The Government had created the facilities in May 2009 to provide Canadian deposit-taking institutions and life insurers with insurance on wholesale term borrowing.	Valid until 31 December 2009	"Canadian Lenders Assurance Facility and Canadian Life Insurers Assurance Facility", Government of Canada website. "Minister of Finance Announces Launch of Canadian Life Insurers Assurance Facility", Department of Finance news release no. 2009-049, 22 May 2009.
	The Canadian Government discontinued the Canadian Warranty Commitment Program for GM and Chrysler on16 September 2009. The programme was established on 7 April 2009 to provide government guarantees for warranties issued by General Motors of Canada Limited (GMCL) and Chrysler Canada to help ensure that the automakers remain competitive while undergoing restructuring. The programme paralleled a similar programme established in the US.	Valid until 16 September 2009	"Canadian Warranty Commitment Program Comes to a Close", Industry Canada news release, 16 September 2009. "Canadian Warranty Commitment Program", information by Industry Canada. A parallel programme existed in the US.
China			
Investment policy measures	On 4 January 2010, the State Administration for Industry & Commerce and the Ministry of Public Security jointly issued the "Notice on Further Administration of Registration of Foreign Companies' Resident Representative Offices" that introduces new regulations for the administration of representative offices of foreign enterprises. Detailed measures include the strengthened screening of registration materials, the registration form of one-year duration, and a requirement of no more than four representatives under normal circumstances.	4 January 2010	MOFCOM Laws and regulations site (in Chinese).
	On 25 November 2009, the Decree of the State Council of the People's Republic of China No. 567 on Measures for the Administration on the Establishment of Partnership Business by Foreign Enterprises or Individuals in China was promulgated. Upon its entry into effect on 1 March 2010, the decree will allow foreign investors to use the partnership structure for investments in China.	25 November 2009	Decree of the State Council of the People's Republic of China No. 567 on Measures for the Administration on the Establishment of Partnership Business by Foreign Enterprises or Individuals in China.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	On 1 October 2009, the "Decision on Revising the Measures for the Administration of Associations Formed by Hong Kong SAR-based Law Firms or Macao SAR-based Law Firms and Mainland Law Firms" by the Ministry of Justice came into effect. This decision specifies the conditions under which mainland law firms and law firms from Hong Kong, China or Macao, China may apply for association.	1 October 2009	
	Decree No. 45 [2009] of the General Administration of Press and Publication and MOFCOM, which came into effect on 1 October 2009, clarifies which regulations apply to enterprises from Hong Kong, China and Macao, China investing in the mainland that are engaged in the distribution of books, newspapers and periodicals. Requirements for minimum registered capital are the same as applied to enterprises in the mainland.	1 October 2009	
	On 29 September 2009, the State Administration of Foreign Exchange (SAFE) promulgated the Regulations on Foreign Exchange Administration of Domestic Securities Investments by Qualified Foreign Institutional Investors (QFII). The Regulations, which replace earlier provisional procedures, increase the quotas for QFII investments to USD 1 billion, up from USD 800 million; shorten frozen periods; and clarify the administrative matters related to the investments.	29 September 2009	
Investment measures relating to national security	None during reporting period.		
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.		

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
Emergency and related measures with potential impacts on international investment	France continued to operate its scheme to inject capital into banks that were considered fundamentally sound, but needed to reinforce their capital base; however, only one bank still benefitted from the scheme on 14 February 2010, down from six in late 2009. The scheme allows eligible banks to sell securities to the Société de prise de participation de l'État (SPPE), a wholly state-owned investment company. The scheme includes obligations for the 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 beneficiary banks must also undertake to adopt measures concerning the remuneration of senior management and market operators (including traders) and to observe ethical rules consistent with the general interest. The programme is budgeted up to EUR 21 billion. Five of the six French banks that had benefitted from capital injections under the scheme had reimbursed the SPPE on 14 February 2010 (Crédit Mutuel reimbursed the SPPE on 1 October 2009, Crédit Agricole on 27 October 2009, BNP Paribas on 3 November 2009, Société Generale on 4 November 2009). The only bank in which the SPPE still held equity on 14 February 2010 is BPCE, the bank that emerged from the Caisse d'Épargne and Banque Populaire, formerly two separate banks. The SPPE holds EUR 3 billion in non-voting preference shares of the BPCE.	Ongoing	The scheme was initially announced on 20 October 2008 and entered into force upon approval by the European Commission on 8 December 2008, European Commission decision N613/2008. The scheme was repeatedly amended as documented in European Commission decisions N29/2009, N164/2009 and N249/2009.
	France discontinued its scheme for refinancing credit institutions on 30 November 2009, when the scheme expired as planned. The scheme, which became law in 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 authorises SFEF to provide medium and long-term financing to banks that apply for such financing. It benefits from a state guarantee and can extend lending up to EUR 265 billion. Credit institutions that benefit from the scheme have to pay a premium over and above the normal market price and have to make commitments regarding their conduct. Any bank authorised in France, including the subsidiaries of foreign groups, had access to the scheme.	Valid until 30 November 2009	European Commission decisions N548/2008 and N251/2009. Loi nº 2008-1061 du 16 Octobre 2008 de finances rectificative pour le financement de l'économie. European Commission decision N548/2008 dated 30 October 2008.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	As part of the support that three French automakers, Renault, Renault Trucks and PSA/Peugeot-Citroën, had received in early 2009, the companies committed not to shut any plants in France for 5 years, corresponding to the duration of a loan of a combined EUR 6.5 billion to the three companies. Then, France provided a commitment to the Commission that the loan agreements "will not contain any condition concerning either the location of their activities or the requirement to prioritise France-based suppliers". This commitment was tested when it emerged in January 2010 that Renault considered producing one of its car models in a plant in Turkey rather than in France. Senior members of Government, including the Industry Minister, a vice-Minister and the French President, publicly opposed the plan with reference to the firm's commitment, aid previously received by the firm and the State's 15% stake in the firm. The CEO of the firm was called in for questioning over the plan.	January 2010	"Questions/Réponses—Le Pacte Automobile", government note, 6 March 2009.
	France's Strategic Investment Fund (Fonds Stratégique d'Investissement, FSI), equipped with EUR 20 billion when established on 19 December 2008, continued to acquire stakes in companies including OpenPortal, Technip, Mecamidi, Forenap, Carbone Lorraine, Dailymotion, Cegedim, NicOx, Bontoux, Mecachrome, Avanquest, and GLI International. All these companies were under French control at the time of the investment. Almost all these investments were made in the context of capital increases of the concerned firms, but in one case, the FSI has also co-founded a new company in cooperation with other investors. Some of the companies the FSI invested in or considered investing in 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. Other investments supported capital increases to allow the companies the establishment in foreign markets.	Ongoing	"Le FSI va être doté par ses deux actionnaires d'un portefeuille de participations de 14Md€", FSI press release 6 July 2009, and FSI website. "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.
	France consolidated and expanded its state-owned or state co-owned funds mandated to invest in companies. These measures are taken—according to government statements—to assist companies to cope with the crisis and the financial difficulties that it triggered.		For the measures directed at SMEs : "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.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	– On 1 October 2009, France established the Fonds de consolidation et de développement des entreprises (FCDE). With a capital of EUR 200 million, contributed by the FSI (47.5%) and a consortium of private banks, the FCDE provides capital to companies that are in financial difficulties, did not succeed in obtaining sufficient investment from private investors, but represent potential for development. The fonds will only take minority stakes that are limited to EUR 15 million. 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.	1 October 2009	"Lancement du Fond de consolidation et de développement des entreprises", press release, Médiateur du crédit, 1 October 2009.
	– In early October 2009, the FSI further enhanced existing programmes that seek to strengthen the capital base of SMEs. A new programme, OC+, was established to complement the measures for SMEs. Under OC+, the FSI may acquire until a gross limit of EUR 300 million, convertible bonds of up to EUR 4 million per company.	October 2009	"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.
	– On 26 October 2009, the FSI also established InnoBio, a first sector specific public-private investment fund, jointly with the main pharmaceutical laboratories operating in France. FSI holds 37% of the EUR 140 million fund, which is managed by the public CDC Entreprises.	26 October 2009	"Mise en place d'un partenariat entre le FSI et 6 des 10 premiers laboratoires mondiaux pour créer un fonds d'investissement de 140M€ dans les biotechnologies", FSI press release, 26 October 2009.
	– On 19 October 2009, the FSI took over the investment commitments hitherto held by the public Caisse des Dépôts, within the framework of FSI-France Investissement, a programme aimed at providing SMEs with capital. It manages investment commitments of EUR 3.4 billion between 2006 and 2012, of which EUR 2.4 billion are public funds invested in private enterprises, the remaining being brought by private investors. By the end of 2009, almost half of these commitments had been fulfilled.	19 October 2009	"Réunion des fonds France Investissement le 19 octobre 2009: création du FSI - France Investissement et évolution du dispositif d'accompagnement", notice de France Investissement du 27 October 2009.

Country/ Member State Measure	Description of Measure	Date	Source
	France continued to implement its four 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. 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. A third scheme concerning subsidized guarantees to companies for investment and working capital loans concluded by 31 December 2010. A fourth framework scheme allows to grant loans with a reduced interest rate at most during two years to businesses investing in the production of "green" products, i.e. products which already comply with future EU environmental product standards which did not yet enter into force. The scheme is open for companies of any size and any sector, including the automotive sector and 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 decisions N7/2009, N188/2009, and N278/2009; N15/2009; N23/2009; N11/2009.
	On 2 December 2009, France introduced a new temporary aid scheme to support access to finance for the agriculture sector. The framework scheme 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 directly benefit from the scheme. The scheme complements the aforementioned measures.	2 December 2009	European Commission decision N609/2009.
Germany			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
Emergency and related measures with potential impacts on international investment	The Financial Market Stabilisation Fund (SoFFin) continued to operate and was prolonged until 30 June 2010. Since its establishment in October 2008, the fund is the vehicle to provide the state assistance to the financial sector to weather the financial crisis. The fund provides guarantees and capital to affected financial institutions, including to German subsidiaries of foreign financial institutions (FMStFG). By 31 December 2009, SoFFin had received requests from 25 institutions—plus 2 expressions of interest—with a gross volume of EUR 230.8 billion. On that date, SoFFin had granted stabilisation measures of a total EUR 188.7 billion, of which EUR 160.7 billion were guarantees; EUR 28 billion were provided as capital; one liquidation institutiuon has been founded and one further bank filed an application for the establishment of a liquidation institution. During the reporting period, SoFFin was notably involved in a series of measures that aimed at stabilising banks that had been in State ownership or had come under State ownership as a consequence of the crisis:	Ongoing	Law of 17 October 2008 (Finanzmarktstabilisierungsfondsgesetz—FMStFG). European Commission decisions N512/2008, N625/2008, N330/2009 and N665/2009. "Stabilisierungsmaßnahmen des SoFFin", SoFFin press release, 9 December 2009.
	– SoFFin established a first liquidation institution ("bad bank") for WestLB, a state controlled bank, on 11 December 2009, based on a law introduced in July 2009. WestLB transfers a portfolio of "toxic" and non-strategic assets with a nominal value of EUR 85.1 billion to the liquidation institution. The shareholders of WestLB remain liable for future losses of the transferred assets. SoFFin also granted the bank 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. Moreover, between 1 October and 30 November 2009, SoFFin had provided an additional risk shield by guaranteeing EUR 6.3 billion to prevent a drop of its overall capital ratio that would have triggered a bank resolution. Germany submitted a restructuring plan for the bank 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.	11 December 2009	"Bundesanstalt für Finanzmarktstabilisierung errichtet Abwicklungsanstalt der WestLB", SoFFin press release, 14 December 2009. European Commission decisions N555/2009 and C40/2009, both dated 22 December 2009. "Law on the development of financial market stabilisation/Gesetz zur Fortentwicklung der Finanzmarktstabilisierung", in force since 23 July 2009. "SoFFin unterstützt WestLB", SoFFin press release, 26 November 2009. European Commission decisions N531/2009 and C43/2008.

Country/ Member State Measure	Description of Measure	Date	Source
	– SoFFin increased its ownership of the Hypo Real Estate Holding AG (HRE) to 100% through a squeeze out of remaining shareholders on 13 October 2009. On 4 November 2009, the SoFFin increased the capital of HRE by EUR 3 billion to a total amount of EUR 6.3 billion. On 21 December 2009, SoFFin provided the now fully state-owned bank a guarantee of EUR 43 billion which replaces an earlier guarantee of the same amount provided by the Federal Government and a consortium of financial institutions. Overall, HRE benefits of public guarantees of EUR 95 billion. On 21 January 2010, HRE filed an application to SoFFin to establish a "bad bank" to which it would eventually transfer assets valued at up to EUR 210 billion, subject to approval by the European Commission.	13 October 2009; 4 November 2009; 21 December 2009	"HRE – Übertragung der Aktien der Minderheitsaktionäre nach erfolgtem Squeeze-Out", SoFFin information, 14 October 2009. "HRE – SoFFin beschließt Kapitalerhöhung um 3 Mrd. Euro", SoFFin press release, 4 November 2009. European Commission decision N557/2009. "SoFFin löst Liquiditätsfazilität ab – Restrukturierung der HRE schreitet voran", SoFFin press release, 21 December 2009. European Commission decision N694/2009 and European Commission press release IP/09/1985, dated 21 December 2009.
	In addition to measures executed under the SoFFin scheme, Germany prolonged a guarantee for the state-controlled Nord/LB until 15 February 2010. The maximum volume of the guarantee for 2009 and 2010 combined is limited to EUR 20 billion.	10 September 2009	European Commission decisions N412/2009 and N655/2008.
	On 15 December 2009, the restructuring plan for LBBW, a state-owned bank, became effective. The restructuring plan, that the German government had developed requires among others that LBBW: reduce its balance sheet; focus its activities in financing German SMEs and reduces capital market activities and proprietary trading; and implement corporate governance changes that include the change of its current legal status to that of a joint stock corporation.	15 December 2009	European Commission press release IP/09/1927, dated 15 December 2009.
	Germany continued to implement six support schemes that it had established to support the real economy, and added a new, seventh, support scheme:		

Country/ Member State Measure	Description of Measure	Date	Source
	– Germany maintained its credit 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 credit component (up to a total of EUR 25 billion), a credit guarantee component (up to EUR 75 billion), as well as a loan subsidy programme (budgeted at up to EUR 15 billion and administered by the State-owned development bank KfW). Under the programme, decisions on major support measures (i.e. applications for credit in excess of EUR 150 million and credit guarantees in excess of EUR 300 million or cases of fundamental significance—increased risks, unusual loan and/or collateral structure, special regional, sectoral, employment significance—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 December 2009, EUR 9.9 billion, or almost 10% of the available volume, had been committed. While the overwhelming majority (about 95%) of beneficiaries are SMEs, the measure also supports large companies. In early October 2009, for instance, Germany subscribed a 90% guarantee for loans worth EUR 1.2 billion to Hapag-Lloyd, the world's fifth largest container shipping line by volume. The City of Hamburg and the "Deutschlandfonds" cover the guarantee to equal parts.	Ongoing	"Kredit- und Bürgschaftsprogramm der Bundesregierung/Wirtschaftsfonds Deutschland". Detailed documentation (in German) is provided on the website of the Federal Ministry for Economy and Technology. "KfW Sonderprogramm 2009", initially introduced on 5 November 2008. European Commission decision N661/2008. Modifications of the programme were planned to enter into force in February 2010 "Verbesserungen im KfW Sonderprogramm für mittelständische Unternehmen", press release, Federal Ministry for Economic Affairs and Technology, 10 December 2009. "Besonders der Mittelstand profitiert von Mitteln aus dem Wirtschaftsfonds Deutschland", release of the Federal Ministry for Economic Affairs and Technology, 22 September 2009.
	– Germany continued to implement its framework scheme for small amounts of aid that broadens channels for distributing existing funds earmarked for state aid. It 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 31 December 2010.	Ongoing	"Regelung zur vorübergehenden Gewährung geringfügiger Beihilfen im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise ("Bundesregelung Kleinbeihilfen")". European Commission decisions N668/2008, N299/2009 and N411/2009.
	– Germany also continued to implement four schemes that allow authorities at federal, regional and local level 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 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.	Ongoing	"Regelung zur vorübergehenden Gewährung von Bürgschaften im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise". European Commission decision N27/2009. "Regelung zur vorübergehenden Gewährung niedrigverzinslicher Darlehen an Unternehmen im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise". European Commission decision N38/2009. "Bundesrahmenregelung Risikokapital", European Commission decision N39/2009. "Bundesrahmenregelung zur Herstellung grüner Produkte", European Commission decision N426/2009.

Country/ Member State Measure	Description of Measure	Date	Source
	– On 23 November 2009, a new temporary aid scheme to support access to finance for the agriculture sector was established. The framework scheme allows federal, regional and local authorities to provide until 31 December 2010 direct grants, interest rate subsidies, and subsidised loans and guarantees. The scheme complements the aforementioned measures.	Ongoing	"Bundesregelung landwirtschaftliche Kleinbeihilfen", European Commission decision N597/2009.
India			
Investment policy measures	India made efforts to clarify its foreign investment regime. On 4 September 2009, the Indian Ministry of Commerce and Industry issued a press note that clarifies the rules concerning foreign investment into micro and small enterprises, and conditions for foreign invested enterprises that manufacture products reserved for small scale industrial undertakings and micro and small enterprises. A broader approach to clarify India's foreign investment regime was made with the issuing on 24 December 2009 of a draft press note that will consolidate, once entered into force, into one document all prior regulations on FDI. Substantive changes are not intended. It is planned that the consolidating press note be replaced periodically twice yearly to take into account updates of India's FDI policy.	4 September 2009; 24 December 2009	Press note 6 (4 September 2009), Ministry of Commerce and Industry, Department of Industrial Policy and Promotion. Draft Press Note (2010): FDI Regulatory Framework. Ministry of Commerce and Industry, Department of Industrial Policy and Promotion.
	On 30 December 2009, the Reserve Bank of India (RBI) issued guidelines on the implementation of India's foreign exchange control regime. The Guidelines liberalise the establishment of foreign branch and liaison offices in India, and delegated respective powers concerning the administration of their establishment. On the same day, the RBI also provided eligibility criteria and procedural guidelines for the establishment of such offices.	30 December 2009	Reserve Bank of India, RBI/2009-2010/279 A. P. (DIR Series) Circular No.24, dated 30 December 2009. Reserve Bank of India, RBI/2009-2010/278 A. P. (DIR Series) Circular No. 23, dated 30 December 2009.
	The Reserve Bank of India withdrew some of the temporary relaxations of the Bank's External Commercial Borrowings policy. The measures took effect on 1 January 2010. An additional one-time relaxation from the Bank's External Commercial Borrowings policy was made on 25 January 2010 in light of an auction of 3G mobile communication frequency spectrum. The relaxation seeks to enable successful bidders for the spectrum to pay for the spectrum allocation.	1 January 2010; 25 January 2010	Reserve Bank of India, RBI/2009-2010/ 252 A.P. (DIR Series) Circular No.19, 9 December 2009.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	India continued to provide liquidity to non-deposit taking systemically important Non-Banking Financial Corporations under its Stressed Asset Stabilisation Fund, a Special Purpose Vehicle (SPV) of Industrial Development Bank of India (IDBI). The SPV ceased to make fresh purchases on 31 December 2009 and is scheduled to recover all dues by 31 March 2010.	Valid until 31 December 2009	"Framework for addressing the Liquidity Constraints of NBFCs", RBI Press release dated 18 February 2009, reproduced in RBI Monthly Bulletin, April 2009, p. 668. "Second Quarter Review of Monetary Policy 2009-10", Reserve Bank of India, 27 October 2009.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
Indonesia			
Investment policy measures	On 8 September 2009, the Indonesian Parliament passed Law No. 30/2009 Concerning Electricity, which allows private investors, including foreign investors, to generate, transmit, distribute and sell electricity. Hitherto, state electricity company PT Perusahaan Listrik Negara (PLN) had a monopoly on supply and distribution of electricity to end customers. State-owned enterprises retain, according to article 11 of the law, the right of first priority to develop electric power projects. By mid-February 2010, the law was still awaiting implementing regulations; these regulations must be stipulated within 1 year after entry into force of the Law Concerning Electricity.	8 September 2009	Law No. 30/2009 Concerning Electricity
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	Italy discontinued implementation of its guarantee scheme for the financial sector after its scheduled expiry on 16 December 2009. The scheme, initially introduced in late 2008 and prolonged for six months in June 2009, consisted of three components: a state guarantee on banks' liabilities; swaps between state securities and liabilities of Italian banks; and a state guarantee in favour of non-banking institutions willing to lend high quality bonds to Italian banks for refinancing operations with the Eurosystem. Solvent Italian banks, including subsidiaries of foreign banks incorporated in Italy, were eligible for the measures.	Valid until 16 December 2009	Decree-law No 155 on "Urgent measures to guarantee the stability of the credit system and the continued availability of credit to enterprises and consumers in the current crisis on international financial markets" and Decree-Law No 157 on "Further urgent measures to guarantee the stability of the credit system". European Commission decisions N520a/2008 and N328/2009.

Country/ Member State Measure	Description of Measure	Date	Source
	Italy also discontinued implementation of its recapitalisation scheme for banks on 31 December 2009, the programme's scheduled end date; the scheme had been extended and slightly modified once more in October 2009. The scheme had authorised the injection of capital into banks incorporated under Italian law, including subsidiaries of foreign banks. A later modification encouraged an early redemption. The Ministry of Economy and Finance administered the scheme and the Bank of Italy was involved in the evaluation of applicant institutions. The scheme had been used once in the first six months, and four applications were being processed in October 2009.	Valid until 31 December 2009	Article 12 of Decree-Law No 185 of 28 November 2008 and implementing decree. European Commission decisions N648/2008, N97/2009 and N466/2009.
	On 26 October 2009, Italy established a scheme that allows subsidies on interest rates for investment loans for producers of car components related to an early adaptation to or overachievement of EU environmental standards. The aid targets 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, 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 will be 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. Italy committed to report to the European Commission on the implementation of the scheme.	26 October 2009	"Decreto del Presidente del Consiglio dei Ministri del 3 giugno 2009" and "Dettagli operativi". European Commission decision N542/2009.
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	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 institution 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	www.fsa.go.jp/common/diet/170/index.html; www.fsa.go.jp/news/20/20081216-3.html

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	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
	The government-owned Japan Finance Corporation (JFC) continued to cover parts of losses that designated financial institutions suffered as a result of providing financing to business operators that implemented an authorized business restructuring plan. The measure came into force under an amendment to the Act on Special Measures for Industrial Revitalisation and a related cabinet ordinance on 30 April 2009. The measure is scheduled to expire at the end of March 2010. On 8 December 2009; the government extended the period of the measure from the end of March 2010 to the end of September 2010.	Ongoing	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 CPs 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 increases 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 with loans and guarantees. JBIC provides domestic financial institutions with two-step five-year loans with a total volume of up to USD 3 billion. 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. The measures are planned to expire at the end of March 2010.	Ongoing	"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.

Country/ Member State Measure	Description of Measure	Date	Source
Korea, Rep. of			
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 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	
	In November 2009, KAMCO expanded the ship purchase scheme and continued to purchase vessels from shipping companies. The shipping fund 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.	November 2009	"Restructuring Initiatives for Shipping Industry", Financial Services Commission Press release, 23 April 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.		

Country/ Member State Measure	Description of Measure	Date	Source
Emergency and related measures with potential impacts on international investment	On 30 December 2009 the Russian Government issued its Anti-Crisis guidelines for 2010. The guidelines stipulate that the 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.	30 December 2009	"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.
	Russia continues to implement a number of measures to support domestic producers. Some of these measures were announced as part of the 2009 Anti-Crisis Programme and are extended through 2010. They include interest rate subsidies (loans taken by car manufacturers for modernisation (RUB 2.5 billion)).	Ongoing	"Anti-Crisis Programme of the Government of the Russian Federation for 2009", Section 3 and Appendix item no. 2.2.2.8.
	Certain anti-crisis measures adopted in the Russian Government's Anti-Crisis Programme for 2009 are continued to be implemented throughout 2010 according to Anti-Crisis guidelines for 2010. For the real economy, these measures include notably support to "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.	Ongoing	"The Anti-Crisis Guidelines of the Government of the Russian Federation for 2010", Protocol No. 42 of Russian Government meeting, dated December 30, 2009. "Anti-Crisis Programme of the Government of the Russian Federation for 2009", Sections 3 and 4.1.
Saudi Arabia			
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.		
South Africa			
Investment policy measures	On 27 October 2009, the Minister of Finance announced a series of measures to liberalise inward and outward capital flows. The new policy: increased the rand thresholds applicable to outward direct investments by South African companies; removes some restrictions on rand conversion of export proceeds and advance payments for imports; and increases in foreign capital allowances for resident individuals. Further relaxations of the approvals required for investing in Southern African Development Community (SADC) countries were announced.	27 October 2009	"Medium Term Budget Policy Statement 2009" and "Exchange Control Circular No. 13/2009: Statement on Exchange Control", dated 27 October 2009. "Guidelines to Authorised Dealers in respect of genuine new foreign direct investments of up to R 500 million per company per calendar year", Exchange control department, South African Reserve Bank, 27 October 2009.

Country/ Member State Measure	Description of Measure	Date	Source
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 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.	Ongoing	IDC Presentation to Parliamentary Committee on Economic Development, dated 13 October 2009.
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 prolonged and continued to operate the Government Credit Guarantee Scheme (CGS) as well as the recapitalisation scheme; the schemes initially came into force in October 2008, were modified in December 2008 and were prolonged in April and December 2009 until 28 February 2010. UK-incorporated financial institutions, including subsidiaries of foreign institutions with substantial business in the UK, are eligible for the scheme. The limit on guarantees is set to GBP 250 billion, and GBP 50 billion were initially set aside for recapitalisation.	Ongoing	European Commission decisions N677/2009, N507/2008, N650/2008, N193/2009 and N537/2009.

Country/ Member State Measure	Description of Measure	Date	Source
	The UK phased out the Asset Backed Securities guarantee scheme on 31 December 2009. At the time of its inception in April 2009, the scheme was conceived to restart securitisation in the UK and offered a government guarantee for residential mortgage-backed securities. UK incorporated banks, including UK subsidiaries of foreign institutions, that have a substantial business in the UK and building societies were eligible for this scheme. The scheme was prolonged in October 2009 until the end of 2009. No bonds were issued under this scheme.	Valid until 31 December 2009	European Commission decisions N550/2009 and N232/2009.
	The British government continued to prepare unwinding 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, seeks to transform the banks into smaller, viable banks that will be privatised after separation and liquidation of impaired assets.		
	– Northern Rock, which had received government support measures including recapitalisation measures of up to GBP 3 billion, liquidity measures of up to GBP 27 billion and guarantees covering several billion GBP, was split into two separate companies on 1 January 2010, both still held in Government ownership. The operational part, Northern Rock plc, will eventually be sold to a third party, while Northern Rock (Asset Management) plc, a "bad" bank holding illiquid assets, will run down past loans and eventually be liquidated.	Ongoing	European Commission press release IP/09/1600.
	– Restructuring of Lloyds HBOS also progressed: On 18 November 2009, the restructuring plan for the bank that the UK Government had presented received approval from the European Commission. The restructuring plan requires among others that Lloyds HBOS: exit riskier and more volatile lending activities and sell branches and sections of its operations.	Ongoing	European Commission decision N428/2009.
	– Restructuring of Royal Bank of Scotland (RBS) moved forward with the approvals by the European Commission of an impaired asset relief measure and the restructuring plan of RBS on 14 December 2009. Under the plan, RBS is obliged to divest parts of its business such as its insurance, transaction management and commodity trading operations, and 300 branches.	Ongoing	European Commission decisions N422/2009 and N621/2009 of 14 December 2009 and EC press release IP/09/1915.
	– Restructuring of Bradford&Bingley advanced as well: On 25 January 2010, the European Commission approved liquidation aid for the bank that had been split, partly sold and liquidated in September 2008.	Ongoing	European Commission decisions N194/2009 and NN41/08.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	– On 25 January 2010, the European Commission also approved the restructuring of the Dunfermline Building Society. The restructuring will split-up of Dunfermline; the part maintaining the "good" assets and liabilities was sold in an auction to a competitor with a financial contribution by the UK of over GBP 1.5 billion. The part containing the impaired assets was put into administration.	25 January 2010	European Commission decision NN19/2009.
	The British Government continued to implement its four temporary framework schemes that it had established to support the real economy manage the consequences of the crisis until 31 December 2010. These include schemes for granting subsidised public loans, for granting loan guarantees and a scheme providing for interest rate subsidies for investment loans for the production of "green" products (i.e. products that already comply with future EU environmental standards). 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. The schemes are administered at country, regional, and local levels. UK authorities estimate that the number of beneficiaries of the schemes will exceed 1,000 firms.	Ongoing	European Commission decisions N257/2009 and N460/2009; European Commission decision N71/2009; European Commission decision N72/2009; European Commission decision N43/2009.
	The British Government also continued to implement the temporary Working Capital Guarantee Scheme. Under this scheme, the UK offers banks up to a total of GBP 10 billion of guarantees in respect of portfolios of working capital loans to sound, credit-worthy companies. Extensions of guaranteed loans are only allowed until 31 March 2010 and the government guarantees under the scheme 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	The Troubled Assets Relief Program or TARP was established pursuant to the Emergency Economic Stabilization Act of 2008 (EESA). On 9 December 2009, the Treasury Secretary certified the extension of TARP authority until 3 October 2010 and defined a strategy for exit from the programme, including re-focusing banking support on smaller and community banks. It is expected that the total commitments under the program will not exceed USD 550 billion of the USD 700 billion authorized.	Ongoing	

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	Key developments that took place under Treasury's programmes during the reporting period include: – In September 2009, seven banks repaid USD 404 million of Treasury investments under the Capital Purchase Program (CPP; a programme designed to strengthen the capital bases of banks that are supervised and regulated on a consolidated basis by a US supervisor and regulator). The Treasury made new investments in 14 banks totalling USD 140.81 million. Negotiations were terminated with Bank of America concerning the asset guarantee arrangement announced in January 2009. In connection with that termination and in recognition of the benefits provided by entering into the term sheet for such arrangement, Bank of America paid the U.S. government USD 425 million. – In October 2009, three banks repaid USD 88.4 million of Treasury investments under the CPP. Treasury made new investments in 6 banks totalling USD 58.27 million in October 2009. – In November 2009, nine banks repaid USD 228.62 million of Treasury investments under the Capital Purchase Program. Treasury announced it would conduct public offerings to sell its warrant positions in Capital One Financial Corporation, JP Morgan Chase&Co., and TCF Financial Corporation. Treasury closed the Capital Assistance Program. Of the 19 banks that participated in the Program, 18 demonstrated no need for additional capital or fulfilled their needs in the private market. GMAC is the only financial institution that was not able to raise sufficient capital.		Monthly reports to US Congress pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008 for September 2009-January 2010 (www.financialstability.gov).

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	– In December 2009, twelve banks repaid USD 51 billion of Treasury's investments under the CPP. In addition, Bank of America redeemed USD 20 billion of preferred stock, and Citigroup repurchased USD 20 billion of trust preferred securities, ending the Targeted Investment Program (TIP, which makes investments in institutions that are critical to the functioning of the financial system). The Treasury, the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank of New York and Citigroup agreed to terminate the loss-sharing agreement with Citigroup that covered a pool of originally USD 301 billion in assets. No losses were incurred under the program, and Treasury and the FDIC retain USD 5.2 billion of trust preferred securities of Citigroup, as well as warrants. Treasury commenced public auctions of warrants issued by CPP participants and raised a total of approximately USD 1.1 billion. The warrants sold were issued by Capital One Financial Corporation, JP Morgan Chase&Co. and TCF Financial Corporation. Treasury made final CPP investments in 37 small banks totalling USD 180.14 million. Treasury completed an additional capital investment of USD 3.8 billion in GMAC and converted a portion of Treasury's existing investment to common stock and mandatorily convertible preferred stock.		
	On 24 December 2009, the U.S. Treasury announced its decision to terminate, at the end of 2009, several initiatives taken under the 2008 Housing and Economic Recovery Act, which empowered the Treasury to take steps to stabilize and support housing finance markets. In addition, the Treasury made changes to the Preferred Stock Purchase Agreements (PSPAs) for Fannie Mae and Freddie Mac. These agreements aim to ensure that each firm maintains a positive net worth. Treasury has amended them to allow the cap on Treasury's funding commitment under the agreements to increase as necessary to accommodate any cumulative reduction in net worth over the next three years. At the conclusion of the three year period, the remaining commitment will be fully available to be drawn per the terms of the agreements. Neither firm is near the limit originally established under the PSPAs, set at USD 200 billion per institution. Total funding provided under these agreements through the third quarter of 2009 has been USD 51 billion to Freddie Mac and USD 60 billion to Fannie Mae. According to the Treasury announcement, the changes seek to remove any uncertainty about the Treasury's commitment to support the two firms.	24 December 2009	"Treasury issues update on status of support for housing programs", Treasury news release, 2009-12-25-15-34-2543, 24 December 2009.

Country/ Member State Measure	Description of Measure	Date	Source
	On 18 December 2009, GM began repaying loans that the company had received from the United States, Canadian and Ontario governments. In a first instalment, the company paid USD 1 billion to the U.S. Treasury and USD 192 million to Export Development Canada (EDC) and announced its intention to reimburse the full amount by June 2010. The repayments were made on the outstanding USD 6.7 billion owed to the US Treasury and USD 1.4 billion owed to EDC. The US Government holds a majority stake in GM after it had converted, on 10 July 2009, loans it had earlier provided to GM to 60.8% of equity in the New GM, loans in the amount of USD 7.1 billion, and USD 2.1 billion in preferred stock.	18 December 2009	"GM to begin repaying federal loans in December ahead of schedule", GM press report, 16 November 2009. "GM makes first payment on government loans", GM press report, 18 December 2009.
European Union			
Investment policy measures	With the entry into force of the Lisbon treaty on 1 December 2009, the European Union acquired the exclusive competence of foreign direct investment under the Union's common commercial policy.	1 December 2009	Article 207 Treaty on the Functioning of the European Union (TFEU).
	On 17 December 2009, the EU and Canada signed the Canada–EU Air Transport Agreement. (For detailed information refer to the entry in the report on Canada above.)	17 December 2009	"EU and Canada sign Air Transport Agreement", EC press release IP/09/1963, 17 December 2009. The text of the agreement is available on the EU transport policy website.
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 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.	Ongoing	

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	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 adjustment 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.	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. On the prolongation and revision process: "DG Competition's review of guarantee and recapitalisation schemes in the financial sector in the current crisis", p. 2.
	In the reporting period, the Commission also initiated a series of formal investigation procedures that imply 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 Commission also began approving restructuring plans of financial institutions that had received emergency state aid earlier during the crisis. The Commission had made the approval of some emergency measures (recapitalisations and impaired asset measures) conditional upon the presentation of restructuring plans within 6 months. These plans must require that the concerned financial institutions pay a significant proportion of the restructuring costs, restore their long-term commercial viability, and tackle the distortions of competition that result from the state aid. To compensate the distortions of competition, the financial institutions are required to divest part of their businesses. During the reporting period, restructuring plans were approved among others for Lloyds HBOS, Royal Bank of Scotland, ING, KBC, and Bradford&Bingley.		Communication from the Commission on the treatment of impaired assets in the Community banking sector, OJ C72, 26 March 2009, p. 1; paragraph 55 of the communication. 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.
	In December 2009, the Council of the European Union agreed on common principles adopted Conclusions on Exit Strategies for the Financial Sector. The document formulates 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.		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).

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	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. 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).		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.
	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. In this regard, the Commission requested, in the case of the planned sale of automaker Opel by GM, a written assurance by the German authorities that state aid offered by the German government would be available to any investor provided the investor contributed with at least 10% of financing. The EC made this request in light of concerns that aid promised by the German Government to New Opel was subject to the pre-condition that a specific bidder, Magna/Sberbank, was selected to acquire a majority of the shares in New Opel.		"State aid: Commissioner Kroes expresses concerns that New Opel aid is conditional on choice of Magna/Sberbank", MEMO/09/460 of 16 October 2009. On 4 November 2009, GM decided to keep Opel in its portfolio.

Note: Some measures listed in Annex 4 may also show in other annexes in this report. This indicates that the measure in question may have impacts on both trade and investment.

Methodology—Coverage, definitions and sources

Reporting period. The reporting period of the present document is from 1 September 2009 to 14 February 2010. The report thus continues the inventory where the earlier report to G20 Leaders ahead of the Pittsburgh Summit ended. 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.[2] 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[3]; 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.

– *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

[2] See article 7 paragraphs a., d. and e. of the OECD Codes of Liberalisation.

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

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.