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G20 Research Group
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at the National Research University Higher School of Economics, Moscow

present

2013 St. Petersburg G20 Summit Interim Compliance Report

7 September 2013 to 16 June 2014

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Contents

Preface.....	3
Introduction and Summary.....	5
Table 1: 2013 G20 St. Petersburg Summit Commitments Selected for Compliance Monitoring.....	7
Table 2: 2013 G20 St. Petersburg Interim Compliance Scores.....	9
Table 3: 2013 G20 St. Petersburg Summit Interim Compliance Rank by Country.....	10
Table 4: 2013 G20 St. Petersburg Summit Interim Compliance Rank by Commitment.....	10
Table 5: G20 Compliance by Member, 2008-2013.....	11
Appendix: General Considerations	13
1. Macroeconomics: Investment.....	15
2. Macroeconomics: Credit Access.....	40
3. Trade.....	60
4. Financial Regulation: Tax Avoidance	76
5. Food and Agriculture: Food Price Volatility and Sustainable Agriculture.....	94
6. Climate Change	141
7. Energy: Clean Technology	156
8. Labour and Employment: Labour Policies.....	179
9. Labour and Employment: Vocational Training Programs	227
10. Crime and Corruption.....	250
11. Development: Tax Administration	276
12. Employment: Job Creation	301
13. Employment: Education.....	323
14. Macroeconomic Policy: Small and Medium-Sized Enterprises	343
15. Development: Green Growth	360
16. Development: Remittances	378

3. Trade

“We recognize the risks of economic slowdown and trade weakening posed by protectionism. We extend until the end of 2016 our standstill commitment.”

G20 St. Petersburg Leaders’ Declaration

Assessment

	Lack of Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia			+1
Brazil			+1
Canada		0	
China	-1		
France			+1
Germany		0	
India	-1		
Indonesia			+1
Italy		0	
Japan			+1
Korea	-1		
Mexico			+1
Russia	-1		
Saudi Arabia		0	
South Africa	-1		
Turkey		0	
United Kingdom			+1
United States			+1
European Union	-1		
Average		+0.05	

Background

The G20 has previously committed to reducing barriers to international trade in the form of protectionist measures. The commitment to reduce protectionist barriers has featured in G20 summit documents since the Washington Summit of 2008. This commitment was part of the response by the G20 to the 2008 financial crisis and has previously been extended three times: at the 2009 London Summit, at the 2010 Toronto Summit, and at the Los Cabos Summit until the end of 2014. That this commitment has featured in past summits and remains important to this day is a reflection of its significance — not only as a measure following the financial crisis, but also as a long-term goal for a healthy global economy.

Most recently, at the St. Petersburg Summit the commitment was once again extended until the end of 2016, again with the goal of ensuring a more robust recovery and a healthier global economy by reducing barriers to trade posed by protectionist policies.²³²

²³² G20 St. Petersburg Leaders’ Declaration, G20 Information Centre (Toronto) 6 September 2013. Date of Access: 4 February 2014. <http://www.g20.utoronto.ca/2013/2013-0906-declaration.html>

Commitment Features

The trade commitment asks G20 members to combat protectionist policies, specifically breaking them down into three relevant categories. First, G20 members must cease from implementing new barriers to trade or investment in goods and services. Essentially, this refers to the implementation of barriers — so defined by the World Trade Organization (WTO) as tariffs, subsidies, burdensome administrative procedures, and non-tariff measures regarding imports — that ultimately impedes global trade.²³³

Second, members have committed to refrain from implementing new export restrictions. This refers to voluntary or imposed restrictions on a state's exports, which often have the goal of preventing the exportation of goods due to a shortage or other factors, or of manipulating current account balances.²³⁴

Last, G20 members have committed to refrain from imposing any export-stimulating measures inconsistent with the WTO. In effect, this refers to five general measures, outlined in the WTO Agreement on Subsidies and Countervailing Measures, that unfairly stimulate exports: (1) domestic subsidies with required export targets; (2) subsidies that require recipients to use domestic over imported goods; (3) any subsidy that hurts an industry in an importing country; (4) subsidies in one state that harm exporters competing in the subsidizing state's market; (5) domestic subsidies that hurt competing foreign exporters when both parties compete in the same market.²³⁵

In sum, all tariffs, export and investment restrictions, and WTO-inconsistent subsidies are considered instances of protectionism as per the WTO's methodology, and are thus counter to the standstill commitment. To achieve full compliance with the standstill commitment, a G20 member must not establish any new measures that fall within the aforementioned categories. Partial compliance will be determined and distinguished from noncompliance by calculating the median number of new protectionist measures as recorded by analysts. Should a member implement policies equal to or less than the median, then that member will receive a partial compliance score of 0. Should a member have more new policies than the median, then it will receive a score of -1 for noncompliance.

The above methodology determines compliance based on policy actions rather than outcomes. As such, compliance is determined by the number of new policies imposed by a G20 member in relation to the median number imposed by all members. The measure is internally valid and can be used to determine compliance across summits without establishing an arbitrary threshold of what constitutes partial compliance and noncompliance. Analysts are aware that the measure depends heavily on the completeness of data and the absence of relevant information can change scores.

The procedure used to determine compliance varies from those employed by the WTO, the Organisation for Economic Co-operation and Development (OECD), and the United Nations Conference on Trade and Development (UNCTAD). The WTO ascertains levels of protectionism among G20 states by calculating the group's important restrictions as a share of total imports, creating an internally valid statistic that can be used to determine broad trends. However, it measures policy outcomes rather than the policies themselves. The OECD/UNCTAD method does not directly measure aggregate investment measures across the G20 — it notes changes in flows of foreign direct investment to G20 members as an indicator of global investment activity, which is partially affected by

²³³ G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 5 February 2014.

http://www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm

²³⁴ Report on G20 Trade Measures (Mid-October 2010 to April 2011), World Trade Organization (Geneva) 11 May 2011. Date of Access: 5 February 2014. http://www.wto.org/english/news_e/news11_e/igo_24may11_e.htm.

²³⁵ Understanding the WTO – Anti-dumping, subsidies, safeguards: contingencies, etc, World Trade Organization (Geneva) Date of Access: 5 February 2014. http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm8_e.htm

barriers in G20 members. Reports by all three organizations count and categorize new trade and investment policies in their respective annexes — something that this report considers in its assessment of the number of protectionist measures implemented by G20 members.

Scoring Guidelines

-1	G20 member imposes protectionist measures and their number is above policy the median of measures imposed by all G20 members.
0	G20 member imposes one new protectionist measures and their number, is below or equal to the median of measures imposed by G20 members.
+1	G20 member does not impose any new protectionist measures.

Table 3-1: Protectionist Measures by G20 members

Member	Number of protectionist measures	Compliance Score
Argentina	4	-1
Australia	0	+1
Brazil	0	+1
Canada	1	0
China	3	-1
France	0	+1
Germany	1	0
India	2	-1
Indonesia	0	+1
Italy	1	0
Japan	0	+1
Korea	2	-1
Mexico	0	+1
Russia	4	-1
Saudi Arabia	1	0
South Africa	2	-1
Turkey	1	0
United Kingdom	0	+1
United States	0	+1
European Union	10	-1
Total	32	
Median	1	0.05

Lead Analyst: David Gelles

Argentina: -1

Argentina has been awarded a score of -1 for failure to comply with the standstill commitment.

On 12 September 2013, Argentina imposed a requirement that applicants for short-term work permits apply in-person to the Argentine immigration agency, with appointments made in advance. This move

effectively bars immigration and visa service providers from submitting requests on behalf of applicants, and is thus seen as a burdensome administrative procedure.²³⁶

On 20 November 2013, Argentina adopted reference prices applicable to the importation of microphones from China, Korea, Malaysia and other countries. According to the legislation, goods coming in at lower costs than the reference prices will be subject to the new price, with importers expected to make up the difference.²³⁷

On 20 November 2013, Argentina also adopted legislation regarding reference prices on inflatable swimming pools from certain countries. As per the legislation, goods imported at a price lower than the reference price will be subject to the new price, with importers having to cover the difference.²³⁸

On 21 November 2013, Argentina implemented reference prices applicable to the importation of computer keyboards and mice from China, Korea, Taiwan, India, and other countries. The new policy will establish reference prices subjecting lower priced goods to the new price, as well as holding that importers guarantee the price difference between reference and the price declared at customs.²³⁹

Having imposed four protectionist policies compared to the G20 median of one, Argentina has thus been awarded a score of -1 for failing to comply with the standstill trade commitment.

Analyst: Alison Dillman

Australia: +1

Australia has fully complied with the standstill commitment to cease implementing new barriers to trade. It has not imposed new protectionist policies and it has pursued policies with various states to stimulate trade.

On 5 December 2013, Australia and Korea finalized a bilateral free trade agreement (FTA), one of many being negotiated by Australia in the Asia-Pacific region. The agreement will stimulate trade through reducing current barriers by immediately removing tariffs across various Australian industries.²⁴⁰

On 7 December 2013, Australia welcomed the historic trade reform packaged reached at the ninth ministerial meeting of the World Trade Organization (WTO). The trade package, agreed to by Australia and other WTO members, has the goal of stimulating global trade to create millions of jobs. To that

²³⁶ Argentina: Request for in-person applicants for short-term work permits, Global Trade Alert (London) 3 October 2013. Date of Access: 3 March 2014. <http://www.globaltradealert.org/measure/argentina-request-person-applications-short-term-work-permits>

²³⁷ Argentina: Reference prices on imports of microphones from certain Asian countries, Global Trade Alert (London) 4 December 2013. Date of Access: 3 March 2014. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-microphones-certain-asian-countries>

²³⁸ Argentina: Reference prices on imports of inflatable swimming pools from certain countries, Global Trade Alert (London) 4 December 2013. Date of Access: 31 March 2014. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-inflatable-swimming-pools-certain-countries>

²³⁹ Argentina: Reference prices on imports of computer keyboards and mice from certain Asian countries, Global Trade Alert (London) 3 December. Date of Access: 31 March 2014. <http://www.globaltradealert.org/measure/argentina-reference-prices-imports-computer-keyboards-and-mice-certain-asian-countries>

²⁴⁰ Australia concludes FTA negotiations with the Republic of Korea, Minister for Trade and Investment (Canberra) 5 December 2013. Date of Access: 20 March 2014. http://trademinister.gov.au/releases/Pages/2013/ar_mr_131205.aspx?ministerid=3

end, the members agreed to streamline international trade by reducing the cost of engaging in trade and by removing barriers such as agricultural subsidies.²⁴¹

On 6 February 2014, Australia's Trade Minister Andrew Robb gave a speech in which he affirmed Australia's commitment to robust growth driven by the private sector. Robb stated that a key part of this approach revolves around reducing barriers to trade and in turn encouraging increased trade and investment. Furthermore, Robb cited Australia's ongoing negotiations for FTAs with key Asian partners as key pillars of Australia's new trade policy, which focuses on stimulating trade in key Australian industries.²⁴²

On 3 March 2014, Australia's Prime Minister Tony Abbott stressed the importance of Australia's FTA negotiations with partners such as China and Japan, stating that he hopes to make good progress on these deals as they represent Australia's efforts to liberalize trade. Abbott also reiterated Australia's position on trade as part of its broader economic policy, stating that trade is a key component for future economic growth.²⁴³

Thus, Australia has been awarded as score of +1 for not implementing any new barriers to trade and for its commitment to stimulate trade.

Analyst: David Gelles

Brazil: +1

Brazil has fully complied with the standstill commitment to refrain from implementing new protectionist policies.

Although Brazil's protectionist policies, mainly its taxes on imported cars, continue to draw the ire of foreign trading partners, the country has moved forward on its trade talks with the EU and has taken a softer stance on protectionist policies.²⁴⁴

Thus, having not introduced any new protectionist policies during the compliance-monitoring period, Brazil has been assigned a score of +1 for refraining from implementing new protectionist measures.

Analyst: Justice Durland

Canada: 0

Canada has partially complied with the standstill commitment to refrain from implementing new protectionist policies inconsistent with the World Trade Organization.

On 19 September 2013, Canada's federal government granted CAD71.6 million to Ford Motor's Canadian subsidiary under the Auto Innovation Fund initiative. The Government of Ontario also granted the automaker CAD70.9 million in provincial funds. The government subsidy is on top of

²⁴¹ Australia welcomes historic trade reform package, Minister for Trade and Investment (Canberra) 7 December 2013. Date of Access: 20 March 2014. http://trademinister.gov.au/releases/Pages/2013/ar_mr_131207.aspx?ministerid=3

²⁴² Australia-India Roundtable Dialogue, Minister for Trade and Investment (Canberra) 6 February 2014. Date of Access: 20 March 2014. http://www.trademinister.gov.au/speeches/Pages/2014/ar_sp_140206.aspx

²⁴³ Joint press conference with Prime Minister the Hon. Tony Abbott MP, Minister for Trade and Investment (Canberra) 3 March 2014. Date of Access: 20 March 2014. http://www.trademinister.gov.au/transcripts/Pages/2014/ar_tr_140303.aspx

²⁴⁴ The hidden persuaders, *The Economist* (London) 12 October 2013. Date of Access: 6 March 2014. <http://www.economist.com/news/special-report/21587381-protectionism-can-take-many-forms-not-all-them-obvious-hidden-persuaders>

hundreds of millions in private investment meant for the Ford plant in Oakville, Ontario.²⁴⁵ As defined by the standstill commitment, the subsidy is harmful to other car manufacturers as it favours Canadian manufacturing.

Thus, having implemented one protectionist policy, equal to the G20 median, Canada receives a score of 0.

Analyst: Ifath Fatim

China: -1

China has not complied with its commitment to refrain from imposing new protectionist policies inconsistent with the World Trade Organization (WTO).

On 18 September 2013, China's Commerce Ministry said that it would impose a 6.5 per cent tariff on raw materials from United States polysilicon suppliers.²⁴⁶ It was revealed that the tariffs could reach as high as 57 per cent for US suppliers and as high as 48.7 per cent for Korean suppliers.²⁴⁷

Since 18 February 2014, European Union and American companies exporting perchlorethylene to China must pay corresponding security deposits to the Customs of the People's Republic of China in light of the dumping margin determined by the provisions of the Regulations of the People's Republic of China on Anti-dumping, and the Ministry of Commerce.²⁴⁸

On 26 February 2014, China's government pledged subsidies for the sale of BYD Auto's e6 electric cars of up to RMB60,000 (USD9,790) each while municipal governments provided subsidies to green car makers with local production facilities.²⁴⁹ The American electric car maker Tesla Motors did not qualify as a US import.²⁵⁰ China's electric car subsidy will receive a cut of 5 per cent in 2014, and a 10 per cent cut in 2015 — less than previously announced.²⁵¹

Thus, having implemented three antiprotectionist policies, more than the median of one, China receives a score of -1.

Analyst: Chan Park

France: +1

France has fully complied with its commitment not to implement new barriers to trade or investment.

²⁴⁵ Canada: Federal and provincial subsidies for Ford motor plant in Ontario, Global Trade Alert (London) 16 January 2014. Date of Access: 31 March 2014. <http://www.globaltradealert.org/measure/canada-federal-and-provincial-subsidies-ford-motor-plant-ontario>

²⁴⁶ China Levies 6.5% Tariff on U.S. Solar-Panel Materials (New York) 18 September 2013. Date of Access: 25 February 2014. <http://online.wsj.com/news/articles/SB10001424127887323527004579079070572200630>

²⁴⁷ China Upholds Tariff on Raw Material for Solar Panels From U.S, South Korea (New York) 20 January 2014. Date of Access: 25 February 2014. <http://online.wsj.com/article/BT-CO-20140120-702665.html>

²⁴⁸ MOFCOM Releases its Preliminary Ruling on Anti-dumping Investigation against Imports of Perchlorethylene Originated in EU and U.S, Ministry of Commerce People's Republic of China (Beijing) 20 February 2014. Date of Access: 25 February 2014. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201402/20140200493188.shtml>

²⁴⁹ China's BYD Get 'Green-Car' Approval in Two Cities – Update (New York) 26 February 2014. Date of Access: 25 February 2014. <http://online.wsj.com/article/BT-CO-20140226-702898.html>

²⁵⁰ Tesla Targets China Subsidies (Abu Dhabi) 12 February 2014. Date of Access: 25 February 2014. <http://www.thenational.ae/business/retail/tesla-targets-china-subsidies>

²⁵¹ China Extends Electric-Car Subsidies to Fight Air Pollution (New York) 9 February 2014. Date of Access: 25 February 2014. <http://www.bloomberg.com/news/2014-02-09/china-reduces-electric-car-subsidy-cuts-in-air-quality-campaign.html>

Although France has implemented the European Commission's antidumping safeguard measures, many of these measures have been referred to the dispute settlement body of the World Trade Organization (WTO) and so cannot be considered violation of its guidelines.²⁵²

France thus receives a score of +1 for complying with the trade guidelines by not implementing any WTO-inconsistent trade policies.

Analyst: Hayden Rodenkirchen

Germany: 0

Germany has partially complied with its commitment to refrain from implementing new barriers to trade or investment in goods and services as well as with its commitment to refrain from imposing new export stimulating measures inconsistent with the World Trade Organization (WTO).

On 1 January 2014, a new Generalized Scheme of Preferences (GSP) entered into force. The new GSP allows 89 countries to benefit from reduced custom duties. While this new scheme decreases the number of eligible countries by excluding, among others, Brazil, Russia, Saudi Arabia and Malaysia, the number of goods eligible for the tariff reduction will increase.²⁵³

On 1 January 2014, Germany decided to support firms in the agricultural sector in the form of tax benefits: EUR214.8 per 1,000 litres of diesel or a total of approximately EUR400 million per year. The eligible quantity per producer is limited to 10,000 litres per year. The measure expires on 31 December 2016.²⁵⁴

Having implemented one policy that has no net benefit in terms of antiprotectionism and one antiprotectionist policy, Germany has matched the G20 median of one. It has therefore been awarded a score of 0 for partially complying with the standstill commitment.

Analyst: Chan Park

India: -1

India has been assigned a score of -1 for not complying with the standstill commitment.

On 12 February 2014, India's Cabinet Committee on Economic Affairs (CCEA) agreed to implement an export subsidy on raw sugar. The subsidy is for USD53.52 per metric ton of raw sugar. The new subsidy was made available immediately and will be in effect for at least until the end of March 2014, pending further review by the CCEA.²⁵⁵

On 21 February 2014, India's aviation authority, the Directorate General for Civil Aviation, amended the rules pertaining to foreign control over the management of domestic airlines. According to the amendment, domestic airlines shall no longer enter into agreements that allow foreign investors the

²⁵² Trade Disputes by country/territory, World Trade Organization (Geneva) 2014. Date of Access: 28 February 2014. http://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm

²⁵³ E-Trade Flash: New Generalised Scheme of Preferences (GSP) as of 2014 (Brussels) November 2012. <http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/taxnewsflash/Documents/ec-dec3-2012.pdf>

²⁵⁴ European Commission (EC) State Aid/Germany (Brussels) 2 May 2013. Date of Access: 25 February 2014. http://ec.europa.eu/competition/state_aid/cases/247952/247952_1439945_67_2.pdf

²⁵⁵ India: Export subsidy for raw sugar, Global Trade Alert (London) 20 February 2014. Date of Access: 30 March 2014. <http://www.globaltradealert.org/measure/india-export-subsidy-raw-sugar>

right to control the management of any domestic airline.²⁵⁶ The amended rule constitutes a barrier to foreign investment, which is against the standstill trade commitment.

Having implemented two protectionist policies, which is higher than the G20 median of one, India thus receives a score of -1.

Analyst: Jose Isla

Indonesia: +1

Indonesia receives a score of +1 for fully complying with standstill commitment to refrain from implementing new protectionist measures. It introduced no new barriers to trade during the compliance monitoring period.

Analyst: Hayden Rodenkirchen

Italy: 0

Italy has received a score of 0 for partially complying with the commitment to refrain from implementing new trade barriers.

On 15 October 2013, the shareholders of Alitalia approved a EUR300 million recapitalization that indirectly involves the state, as the state-owned postal service is providing EUR75 million. The European Commission states that this would “affect trade between member states ... it threatens to distort competition within the common market.” This recapitalization falls under the category of undue subsidy as, according to the European Commission, it negatively affects trade between members and also harms other airlines not receiving such a subsidy.²⁵⁷

Thus, having implemented one new protectionist policy, equal to the G20 median of one, Italy receives a score of 0.

Analyst: Ifath Fatima

Japan: +1

Japan has been awarded a score of +1 for fully complying with the standstill trade commitment to refrain from establishing new barriers to trade.

Toshimitsu Motegi, Japan’s Minister of Economy, Trade and Industry, asserted Japan’s commitment to trade liberalization in the New Year Greetings statement. Minister Motegi hailed Japan’s Global Outreach Strategy as an important pillar of economic growth and further stated Japan’s intentions to develop a global “network of economic partnerships” by pursuing agreements such as the Trans-Pacific Partnership (TPP). Moreover, he reiterated Japan’s commitment to the World Trade Organization Agreement on Trade Facilitation and noted that Japan would simplify customs procedures and push on with trade liberalization.²⁵⁸

²⁵⁶ India: Restrictions on control of domestic airlines by foreign investors, Global Trade Alert (London) 25 February 2014. Date of Access: 30 March 2014. <http://www.globaltradealert.org/measure/india-restrictions-control-domestic-airlines-foreign-investors>

²⁵⁷ Italy: Recapitalisation of the Italian airline Alitalia, Global Trade Alert (London) 29 November 2013. Date of Access: 28 February 2014. <http://www.globaltradealert.org/measure/italy-recapitalisation-italian-airline-alitalia>

²⁵⁸ New Year Greetings 2014, Minister of Economy, Trade and Industry (Tokyo) 1 January 2014. Date of Access: 30 March 2014. <http://www.meti.go.jp/english/speeches/2014newyeargreetings.html>

Thus, Japan has fully complied with the trade commitment by not implementing any new barriers to trade since the St. Petersburg Summit. It thus receives a score of +1.

Analyst: Jose Isla

Korea: -1

Korea has not complied with its commitment to refrain from imposing any new barriers on trade or investment in goods and services and to refrain from imposing new export stimulating measures inconsistent with the World Trade Organization (WTO).

On 30 October 2013, the Korea Trade Commission announced that it would impose antidumping duties on oriented polypropylene films from China, Indonesia, and Thailand. The tariffs would range from 3.89 per cent to 25.05 per cent on Chinese products, 4.23 per cent to 5.98 per cent on imports from Indonesia, and 3.48 per cent to 10.55 per cent on Thai products. In addition, the tariff increase of 2.22 per cent to 8.69 per cent on polyester filament drawn textured yarn from the three countries is likely to continue for another three years according to the Finance Ministry.²⁵⁹

On 6 December 2013, Korea and Australia reached a deal on a bilateral free trade agreement in Bali, Indonesia, between Korean Trade Minister Yoon Sang-jick and his counterpart from Australia, Andrew Robb. Based on the deal, Korea will eliminate tariffs of up to 300 per cent on Australia's major exports.²⁶⁰ This includes up to 555 per cent on oats for seed, 547 per cent on southern blue-fin tuna over three years, 513 per cent on malting barley over 15 years, 467 per cent on soya beans over five years, 304 per cent on chipping potatoes, 176 per cent on dairy products, 22.5 per cent on sheep, goat and pork meat, 40-72 per cent on beef over 15 years, and 15 per cent on wine. In addition, tariffs on non-agricultural products such as pharmaceuticals, car engines and gearboxes, crude petroleum, natural gas and unwrought aluminium will be eliminated.²⁶¹

On 18 February 2014, Korea's customs agency announced that it would aim to collect KRW2.6 trillion (USD2.4 billion) more in taxes this year to help the government secure more revenue. This includes KRW10.6 trillion in tariffs, and KRW51.3 trillion in added taxes on imports. The customs agency had no other specific details.²⁶²

The Ministry of Strategy and Finance will cut 100 per cent of the corporate income tax for five years and 50 per cent for 20 years, and issue tariff cuts for the introduction of new and used capital goods. The Ministry of Trade, Industry and Energy will provide subsidy on location for the equivalent of 15 per cent to 45 per cent of land sale price and between 3 per cent and 22 per cent of equipment investment. The Ministry of Employment and Labour will provide preferential treatment for foreign

²⁵⁹ S. Korea Moves to Impose Antidumping Duties on OPP Film from China (Seoul) 30 October 2013. Date of Access: 25 February 2014. <http://english.yonhapnews.co.kr/search1/2603000000.html?cid=AEN20131030001000320>

²⁶⁰ Korea, Australia Reach Deal on Free Trade Agreement (Seoul) 6 December 2013. Date of Access: 25 February 2014. <http://koreajoongangdaily.joins.com/news/article/article.aspx?aid=2981615>

²⁶¹ South Korea FTA Promises \$650 Million Win (Surry Hills) 17 February 2014. Date of Access: 25 February 2014. <http://www.theaustralian.com.au/national-affairs/policy/south-korea-fta-promises-650m-win/story-fn59nm2j-1226828857611#>

²⁶² Customs agency aims to collect 2.6 tln won more in taxes this year, Yonhap News Agency (Seoul) 18 February 2014. Date of Access: 21 May 2014. <http://english.yonhapnews.co.kr/news/2014/02/18/47/0200000000AEN20140218001900320F.html?b315d048>

employees and an employment subsidy of KRW7,200,000 per person within one year (up to 20 people).²⁶³

The Korea Credit Guarantee Fund will provide financial support by increasing the guarantee ratio (85 per cent to 90 per cent) and discount on guarantee fees (from 1.2 per cent to 1 per cent). The Korea Customs Service will provide customs-clearing support such as rate reduction when importing raw materials, simplification of procedures for issuing the certificate of origin and free consulting provisions.²⁶⁴

Having implemented two protectionist policies, more than the G20 median of one, Korea receives a score of -1.

Analyst: Chan Park

Mexico: +1

Mexico has fully complied with its commitment to not impose any new barriers to trade since 6 September 2013.

On 26 December 2013, Mexico's Secretary of Economy stated it has reduced its border import tariff from 12.2 per cent to 0.85 per cent, indicating that no new barriers to trade have been implemented.²⁶⁵

On 23 December 2013, Mexico's Secretary of Economy stated: "The FDI [foreign direct investment] in the fourth quarter of 2013 amounted to 5419.4 million dollars, an amount 138 per cent higher than the average of the figures originally reported for the fourth quarter in the last 10 years [USD2,281.5 million]."²⁶⁶ The increase in FDI indicates Mexico has not put any protectionist policies in place.

Thus, Mexico has fulfilled its trade commitment by implementing no new protectionist measures and instigating trade liberalization policies. Thus Mexico has been awarded a score of +1.

Analyst: Akshay Sharma

Russia: -1

Russia has not complied with the standstill commitment to refrain from imposing new trade barriers.

On 9 October 2013, the Collegium of the Eurasian Economic Commission of the Customs Union (Russia, Belarus and Kazakhstan) approved the Decision No. 70 amending the Commodity Nomenclature for Foreign Economic Activity. A 8.3 per cent import duty was levied on the goods under the code 8428-10-200-2 (miscellaneous elevators). The measure entered into force on 19 October 2013.²⁶⁷

²⁶³ First 20 Businesses Selected for Tax Credit Support (Seoul) 26 February 2014. Date of Access: 26 February 2014. <http://www.asiae.co.kr/news/view.htm?idxno=2014022611053789199>

²⁶⁴ Tax Exemption Criteria Apply to the Income Generated by Foreign Invested Companies (Seoul) 19 February 2014. Date of Access: 26 February 2014. <http://www.jjn.co.kr/news/articleView.html?idxno=612741>

²⁶⁵ The tariff benefit for the border region and the northern border is extended, Secretaría de Economía (Mexico City) 26 December 2013. Date of Access: 31 March 2014. <http://www.economia.gob.mx/news-and-events/press-room/headlines/10051-boletin182-14-en>

²⁶⁶ In 2013, Mexico recorded 35,188.4 million dollars in Foreign Direct Investment, Secretaría de Economía (Mexico City) 23 December 2013. Date of Access: 31 March 2014. <http://www.economia.gob.mx/news-and-events/press-room/headlines/10154-boletin14-021-en>

²⁶⁷ The Decision of the Eurasian Economic Commission No. 70, Eurasian Commission 9 October 2013. Date of access: 17 April 2014. <http://www.eurasiancommission.org/docs/Download.aspx?IsDlg=0&ID=4960&print=1>

On 9 October 2013, the Council of the Eurasian Economic Commission of the Customs Union approved the Decision No. 60 introducing new import tariffs varying from 10 per cent to 13.5 per cent on several types of goods under heading 20 (preparations of vegetables, fruit, nuts or other parts of plants).²⁶⁸

On 15 October 2013, the Collegium of the Eurasian Economic Commission of the Customs Union approved the Decision No. 222 introducing a temporary import duty of 5 per cent on certain electric motors. The decision entered into force on 1 January 2014, and is to remain in place until 31 December 2015.²⁶⁹

On 22 October 2013, the Collegium of the Eurasian Economic Commission of the Customs Union approved the Decision No. 233, raising import tariffs from 5 per cent to 11.7 per cent on certain types of compressors used in refrigerating equipment.²⁷⁰

Having announced four protectionist policies compared to the G20 median of one, Russia receives a score of -1.

Analyst: Andrei Sakharov

Saudi Arabia: 0

Saudi Arabia has received a score of 0 for partially complying with the standstill trade commitment to refrain from imposing new trade barriers.

On 14 January, the Saudi Trademarks Office increased fees on e-publications. The new fee that foreign companies must pay is twice as big as that imposed on local companies.^{271,272}

On 19 January 2014, in a meeting with the US Secretary of Energy, Saudi Minister of Petroleum and Mineral Resources Ali Al-Naimi welcomed the production of shale oil in the United States.²⁷³ This comes amid rising concerns that production of shale oil in the United States, which has accelerated in the past decade, may threaten output and profits from the Organization for Petroleum Exporting Countries.^{274,275}

Thus, having implemented one protectionist policy, equal to the G20 of one, Saudi Arabia receives a score of 0.

Analyst: Theodora Mladenova

²⁶⁸ The Decision of the Eurasian Economic Commission No. 60, Eurasian Commission 9 October 2013. Date of access: 17 April 2014. <http://www.eurasiancommission.org/docs/Download.aspx?IsDlg=0&ID=4777&print=1>.

²⁶⁹ The Decision of the Eurasian Economic Commission No. 222, Eurasian Commission 15 October 2013. Date of access: 17 April 2014. <http://www.eurasiancommission.org/ru/Lists/EECDocs/635175435106457870.pdf>.

²⁷⁰ The Decision of the Eurasian Economic Commission № 233, Eurasian Commission 22 October 2013. Date of access: 17 April 2014. <http://www.eurasiancommission.org/ru/Lists/EECDocs/635180583807897603.pdf>.

²⁷¹ Saudi Arabia Increases Official Fees for E-Trademark Publication, Abu-Ghazaleh Intellectual Property (Amman) 25 January 2014. Date of access: 21 March 2014. <http://agip.com/news.aspx?id=4770&lang=en>

²⁷² E-Trademark Publication Fees Increase in Saudi Arabia , ST&P Attorneys (Dubai) 1 march 2014. Date of access: 21 march 2014. <http://www.stplegal.com/Latest-News-and-Postings/saudi-arabia-etrademark-publication-fee-increase>

²⁷³ Al-Naimi welcomes use of shale oil, Saudi Gazette (Jeddah) 19 January 2014. Date of access: 21 March 2014. <http://www.saudigazette.com.sa/index.cfm?method=home.regcon&contentid=20140120193109>

²⁷⁴ Saudi Arabia: Gaslands, Emerging Markets (London) 11 October 2013. Date of access: 21 march 2014. <http://www.emergingmarkets.org/Article/3266173/SAUDIARABIA-Gaslands.html>

²⁷⁵ Should Saudi Arabia be concerned about the USA's growing oil shale output?, Albawaba (Dubai) 21 November 2013. Date of access: 21 March 2014. <http://www.albawaba.com/business/ksa-us-oil-output-535265>

South Africa: -1

South Africa failed to comply with its commitment to refrain from imposing new barriers to investment or trade in goods and services. It introduced new export restrictions and also implemented measures to stimulate certain exports inconsistent with the World Trade Organization (WTO).

As of 16 February 2014, South Africa's International Trade Administration Commission (ITAC), which raised import tariffs on a range of chicken products in 2013, is considering imposing antidumping duties on chicken from certain European Union members. The EU has a free trade agreement with South Africa and normal import duties do not apply on their poultry products.²⁷⁶

On 21 January 2014, the Department of Agriculture, Forestry and Fisheries announced a new concession under the Trade, Development and Co-operation Agreement between the EU and South Africa whereby the EU is granted tariff preference on limited quantities of select products in the form of tariff quotas.²⁷⁷

The South African Customs Union (SACU), a coalition of Botswana, Lesotho, Namibia, South Africa and Swaziland, initiated a number of antidumping investigations in late 2013, including an investigation on imports of frozen potato chips from Belgium and Netherlands and on imports of "soda ash" disodium carbonate from the US.²⁷⁸

On 27 November 2013, ITAC established a policy directive on exports of ferrous and non-ferrous waste and scrap metal. These products have first to be offered to domestic users of waste and scrap and at a price discount determined by ITAC.²⁷⁹

On 30 September 2013, SACU increased import tariffs on poultry meat and edible offal, except for from the EU, and the South African Development Community.²⁸⁰

Although Africa has taken some measures to liberalize trade, it has introduced two new protectionist policies, higher than the G20 median of one. South Africa thus receives a score of -1.

Analyst: Justice Durland

Turkey: 0

Turkey has been assigned a score of 0 for partially complying with the standstill commitment.

²⁷⁶ Free-trade deal on the line, Business Day Live (Johannesburg) 16 February 2014. Accessed 26 February 2014. <http://www.bdlive.co.za/business/trade/2014/02/16/free-trade-deal-on-the-line>

²⁷⁷ Reports on G20 Trade and Investment Measures, World Trade Organization Director-General, Organization for Economic Cooperation and Development Secretary-General, and UN Conference on Trade and Development Secretary-General (Geneva) 18 December 2013. Accessed 26 February 2014. <http://www.oecd.org/investment/10thG20TradeInvestment.pdf>

²⁷⁸ Reports on G20 Trade and Investment Measures, World Trade Organization Director-General, Organization for Economic Cooperation and Development Secretary-General, and UN Conference on Trade and Development Secretary-General (Geneva) 18 December 2013. Accessed 26 February 2014. <http://www.oecd.org/investment/10thG20TradeInvestment.pdf>

²⁷⁹ Reports on G20 Trade and Investment Measures, World Trade Organization Director-General, Organization for Economic Cooperation and Development Secretary-General, and UN Conference on Trade and Development Secretary-General (Geneva) 18 December 2013. Accessed 26 February 2014. <http://www.oecd.org/investment/10thG20TradeInvestment.pdf>

²⁸⁰ Reports on G20 Trade and Investment Measures, World Trade Organization Director-General, Organization for Economic Cooperation and Development Secretary-General, and UN Conference on Trade and Development Secretary-General (Geneva) 18 December 2013. Accessed 26 February 2014. <http://www.oecd.org/investment/10thG20TradeInvestment.pdf>

On 30 October 2013, Turkey announced increased import duty on stainless steel cold rolled flats products from 2 per cent to 8 per cent, excluding products from European Union and Korea.²⁸¹

Thus, having implemented one protectionist policy, equal to the G20 median of one, Turkey has been awarded as score of 0.

Analyst: Justice Durland

United Kingdom: +1

The United Kingdom has been awarded a score of +1 for being in full compliance with its commitment to refrain from implementing new barriers to trade. It introduced no new barriers to trade during the compliance-monitoring period.

Analyst: Ifath Fatima

United States: +1

The United States has been awarded a score of +1 for fully complying with the standstill trade commitment to refrain from imposing new protectionist policies.

On 28 January 2014, in the State of the Union address, President Barack Obama noted that the US would continue to forge new bilateral trade partnerships with the goal of stimulating economic growth.²⁸²

While some progress has been made on this front, the White House has had to slow down its trade agenda in the face of domestic resistance. Nonetheless, the trade agenda's inclination toward free trade deals shadows the current situation vis-à-vis protectionist policies, insofar as no new measures have been taken.²⁸³

Thus, the US has received a score of +1 for adhering to the standstill commitment regarding protectionist trade policies made at the St. Petersburg Summit.

Analyst: Jose Isla

European Union: -1

The European Union has not complied with the standstill commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, new export restrictions, or measures to stimulate exports inconsistent with the World Trade Organization (WTO). Although the EU has implemented various antidumping measures and other regulations, the WTO has yet to rule on any of the contested measures and as such they currently do not count against compliance.²⁸⁴

Since the St. Petersburg Summit, the European Commission imposed antidumping duties and registration requirements. In two instances, affected exporting countries filed complaints to the World

²⁸¹ Turkey: Tariff increase on stainless steel cold flat products, Global Trade Alert 8 November 2013. Accessed 26 February 2014. <http://www.globaltradealert.org/measure/turkey-tariff-increase-stainless-steel-cold-rolled-flat-products>

²⁸² President Barack Obama's State of the Union Address, Office of the Press Secretary (Washington) 28 January 2014. Date of Access: 30 March 2014. <http://www.whitehouse.gov/the-press-office/2014/01/28/president-barack-obamas-state-union-address>

²⁸³ Joe Biden Admits Vast Obama Trade Deals Are On Hold, The Huffington Post (US Edition) 14 February 2014. Date of Access: 30 March 2014. http://www.huffingtonpost.com/2014/02/14/white-house-trade-deal_n_4790338.html

²⁸⁴ European Union news archive, World Trade Organization (Geneva) 14 May 2014. Date of Access: 14 May 2014. http://www.wto.org/english/news_e/archive_e/country_arc_e.htm?country1=EEC

Trade Organization Dispute Settlement Body. However, because no ruling has been made, these new measures do not count against compliance.

On 22 October 2013, under Implementing Regulation (EU) No 1026/2013, the European Commission terminated the partial interim review concerning the antidumping measures applicable to imports of certain iron or steel fasteners originating in the People's Republic of China, as extended to imports consigned from Malaysia, whether declared as originating in Malaysia or not.²⁸⁵

On 5 November 2013, under Implementing Regulation (EU) No 1106/2013, the European Commission imposed a definitive antidumping duty and collecting definitively the provisional duty imposed on imports of certain stainless steel wires originating in India.²⁸⁶

On 19 November 2013, under Implementing Regulation (EU) No 1194/2013, the European Commission imposed a definitive antidumping duty and collected the provisional duty imposed on imports of biodiesel originating in Argentina and Indonesia, as pertains to the regulation. The duty rate ranges from EUR76,94 tons to EUR245,67 tons. The measures were implemented subsequent to a review of existing provisional measures enacted in May 2013, and on the grounds that production costs of biodiesel continued to be distorted in Argentina and Indonesia.²⁸⁷

On 25 November 2013, under Commission Regulation (EU) No 1198/2013, the European Commission terminated the anti-subsidy proceeding concerning imports of biodiesel originating in Argentina and Indonesia and repealed Regulation (EU) No 330/2013 making such imports subject to registration.²⁸⁸ In response, on 19 December 2013, Argentina filed a dispute against the European Union regarding antidumping measures on biodiesel from Argentina. On 9 January 2014, Russia asked to join the consultations, and on 15 January, Indonesia also requested to join the consultations.²⁸⁹

On 26 November 2013, under Commission Regulation (EU) No. 1205/2013, the European Commission imposed a provisional antidumping duty on imports of solar glass from China. Provisional antidumping duties range from 17.1 per cent to 42.1 per cent. The duty was implemented following an investigation that revealed a link between material injury sustained by EU producers and dumped imports from China.²⁹⁰

On 5 December 2013, the European Commission decided to impose a antidumping duty on the imports of crystalline silicon photovoltaic modules and key components (i.e., cells and wafers) originating in China. The rate of the duty ranges from 27.3 per cent to 64.9 per cent depending on the

²⁸⁵ Council Implementing Regulation (EU) No 1026/2013. Official Journal of the European Union (Brussels) 22 October 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:283:0007:0008:EN:PDF>

²⁸⁶ Council Implementing Regulation (EU) No 1106/2013. Official Journal of the European Union (Brussels) 5 November 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:298:0001:0016:EN:PDF>

²⁸⁷ Council Implementing Regulation (EU) No 1194/2013. Official Journal of the European Union (Brussels) 19 November 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:315:0002:0026:EN:PDF>

²⁸⁸ Commission Regulation (EU) No 1198/2013. Official Journal of the European Union (Brussels) 25 November 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:315:0067:0068:EN:PDF>

²⁸⁹ DISPUTE SETTLEMENT: DISPUTE DS473, World Trade Organization, (Geneva) 2013. Date Accessed 14 May 2014. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds473_e.htm

²⁹⁰ Commission Regulation (EU) No 1205/2013. Official Journal of the European Union (Brussels) 26 November 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:316:0008:0028:EN:PDF>

company. The definitive duty entered into force on 6 December 2013 and will expire on 7 December 2015.²⁹¹

On 12 December 2013, under Implementing Regulation (EU) No 1343/2013, the European Commission imposed an antidumping duty on imports of peroxosulphates (persulphates) originating in China following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009.²⁹²

On 12 December 2013, under Implementing Regulation (EU) No 1342/2013, the European Commission repealed antidumping measures on imports of certain iron or steel ropes and cables originating in Russia following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009.²⁹³ In response, on 23 December 2013, Russia filed a complaint to the WTO regarding the EU's cost adjustment methodologies and certain antidumping measures on imports from Russia. On 14 January 2014, China asked to join the consultations. On 14 January 2014, Indonesia asked to join the consultations as well.²⁹⁴

On 16 December 2013, under Implementing Regulation (EU) No. 1371/2013, the European Commission extended the antidumping duty imposed by Implementing Regulation (EU) No. 791/2011 on imports of certain open mesh fabrics of glass fibres originating in China to imports of certain open mesh fabrics of glass fibres consigned from India and Indonesia, whether declared as originating in India or Indonesia or not. The measure was enacted in response to Commission findings that Chinese manufacturers actively redirected exports through India and Indonesia to avoid the original duties.²⁹⁵

On 17 December 2013, under Implementing Regulation (EU) No. 1355/2013, the European Commission amended Annex I to Regulation (EC) No 669/2009 Implementing Regulation (EC) No. 882/2004 of the European Parliament and of the Council regarding the increased official controls on imports of certain feed and food of non-animal origin.²⁹⁶

On 14 January 2014, the European Commission amended an antidumping duty of 70.8 per cent applied to imports of hand pallet trucks and their essential parts originating in China. The amendment created a "new exporter" exemption for suppliers uninvolved in the dumping that prompted initial measures.²⁹⁷

On 17 February 2014, under Implementing Regulation (EU) No. 166/2014, the European Commission amended Regulation (EC) No. 798/2008, which pertains to imports of poultry products, regarding

²⁹¹ Commission Regulation (EU) No 1238/2013, Official Journal of the European Union (Brussels) 2 December 2013. Date of Access: 25 February 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:325:0001:0065:EN:PDF>.

²⁹² Council Implementing Regulation (EU) No 1343/2013. Official Journal of the European Union (Brussels) 12 December 2013. Date of Access: 4 March 2014 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:338:0011:0022:EN:PDF>

²⁹³ Council Implementing Regulation (EU) No 1342/2013. Official Journal of the European Union (Brussels) 12 December 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:338:0001:0010:EN:PDF>

²⁹⁴ DISPUTE SETTLEMENT: DISPUTE DS474, World Trade Organization, (Geneva) 2013. Date Accessed 4 March 2014. http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds474_e.htm

²⁹⁵ Council Implementing Regulation (EU) No 1371/2013. Official Journal of the European Union (Brussels) 16 December 2013. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:346:0020:0026:EN:PDF>

²⁹⁶ Council Implementing Regulation (EU) No 1371/2013. Official Journal of the European Union (Brussels) 17 December 2013. Date of Access: 14 May 2014. http://trade.ec.europa.eu/doclib/docs/2013/december/tradoc_152025.extension.en.L346-2013.pdf

²⁹⁷ Commission Regulation (EU) No 32/2014, Official Journal of the European Union (Brussels). 14 January 2014. Date of Access: 26 February 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:010:0011:0014:EN:PDF>

certification requirements for imports of meat of farmed raptines for human consumption and the entries for Israel and South Africa in the list of third countries or territories.²⁹⁸

On 24 February 2014, under Implementing Regulation (EU) No. 191/2014, the European Commission imposed an antidumping duty on imports of certain manganese dioxides originating in South Africa following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009.²⁹⁹

The European Union received a score of -1 for not complying with the standstill commitment by engaging in at least 10 protectionist policies, higher than the G20 mean of one.

Analyst: Madeleine Wood

²⁹⁸ Commission Implementing Regulation (EU) No 166/2014. Official Journal of the European Union (Brussels) 17 February 2014. Date of Access: 14 May 2014. <http://faolex.fao.org/docs/pdf/eur131355.pdf>

²⁹⁹ Council Implementing Regulation (EU) No 191/2014. Official Journal of the European Union (Brussels) 24 February 2014. Date of Access: 4 March 2014. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:059:0007:0019:EN:PDF>