



FOURTH QUARTER 2009 PROTECTIONISM DATA: REQUESTS FOR NEW TRADE BARRIERS FALL FOR FIRST TIME IN CRISIS; BUT NEWLY IMPOSED BARRIERS INCREASE

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EXECUTIVE SUMMARY

For the first time since the onset of the global economic crisis in mid-2008, the fourth quarter of 2009 saw a substantial *decrease* in industry demands for temporary new import barriers under potentially WTO-legal “trade remedy” policies – antidumping, safeguards, and countervailing duty (anti-subsidy) policies.² Compared to the same time period in 2008, the fourth quarter of 2009 resulted in a 23.8% decrease in newly initiated *investigations* in which domestic industries request the imposition of such new import restrictions.

Despite signs that the fourth quarter 2009 could become a turning point for the demands for new trade barriers during the crisis, the annual data are more sobering. Total industry requests for trade barriers in 2009 were 19.7% higher than the total requests for 2008 which were 35.0% higher than the 2007 total.

In the fourth quarter of 2009, fourteen different WTO member economies initiated new trade remedy investigations. Developing countries initiated 76.9% of the new investigations, while industrialized economies initiated the remaining 23.1%. China’s exporters continued to be the dominant target, being named in over 70% of the new country-level investigations that may result in import restrictions.

The fourth quarter 2009 also provided the first substantial crisis-era evidence of the anticipated *increase* in the imposition of the new trade barriers that can come at the conclusion of the investigations that were initiated earlier. When compared to the same period in 2008, the fourth quarter of 2009 resulted in a 35.7% increase in the number of new import-restricting measures imposed. An increase in imposed barriers has been expected given the increase in investigations initiated during the earlier stages of the global economic crisis; a trend likely to continue into 2010 given the backlog of ongoing investigations.

The annual data for 2009 indicate that the total number of newly imposed import restrictions under trade remedy laws are 29.5% higher than the total for 2008.

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