OECD

WTO OMC

UNITED NATIONS
UNCTAD

14 September 2009

REPORT ON G20 TRADE AND INVESTMENT MEASURES[1]

[1] This Report is issued under the responsibility of the Director-General of the WTO, the Secretary-General of the OECD and the Secretary-General of UNCTAD. It has no legal effect on the rights and obligations of member governments of the WTO, OECD, or UNCTAD. The inclusion of any measure in this Report or in its Annexes implies no judgement by the WTO, OECD or UNCTAD Secretariats on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in this Report implies any judgement, either direct or indirect, as to the consistency of any measure referred to in the Report with the provisions of any WTO, OECD, or UNCTAD agreements or any provisions thereof.

Preface

We are pleased to submit this Report in response to the G20 Leaders request made at their last meeting in London on 2 April 2009 that the WTO together with other relevant international organizations monitor and report publicly on G20 adherence to their undertakings on resisting protectionism and promoting global trade and investment.

During the period under review, we have not observed widespread resort to trade or investment restrictions as a reaction to the global financial and economic crisis. We welcome the G20 governments' commitment to maintaining open trade and investment regimes and their ability to withstand domestic protectionist pressures. In addition to active monetary and fiscal policies, international rules for trade and investment agreements have supported growth and restrained resort to beggar-thy-neighbour trade and investment policies. Such rules and agreements are a source of opportunity in times of economic growth and a restraining influence in times of difficulty. It is in this latter role that the rules are serving us particularly well right now.

Nevertheless, there has been policy slippage since the global crisis began. In some cases, G20 members have raised tariffs and introduced new non-tariff measures, and most of them have continued to use trade defence mechanisms. Two have re-introduced agricultural export subsidies. These measures, along with reports of additional administrative obstacles being applied to imports, are creating "sand in the gears" of international trade that may retard the global recovery. The fiscal and financial packages introduced to tackle the crisis clearly favour the restoration of trade growth globally, but some of them contain elements that favour domestic goods and services at the expenses of imports. It is urgent that governments start planning a coordinated exit strategy that will eliminate these elements as soon as possible.

Overall, investment policy measures taken by G20 members paint a reassuring picture. A substantial number of policy changes undertaken during the period under review were directed at increasing openness and clarity for foreign investors. At the same time, some support schemes can discriminate against foreign-based institutions or act as barriers to outward investment flows.

Despite this encouraging assessment of the trends in trade and investment policy of G20 members, we call on G20 Leaders to remain vigilant. The global crisis cannot be deemed to be over yet, despite welcome recent indications of economic recovery in some parts of the world. Growing unemployment due to the crisis will continue to fuel protectionist pressures for the years to come, despite signs that the collapse in world trade and investment flows may be bottoming out.

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

Angel Gurría	Pascal Lamy	Supachai Panitchpakdi
Secretary-General	Director-General	Secretary-General
OECD	WTO	UNCTAD

Introduction

This 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". The G20 undertakings are:

- "we reaffirm the commitment made in Washington: to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organisation (WTO) inconsistent measures to stimulate exports. In addition, we will rectify promptly any such measures. We extend this pledge to the end of 2010.
- we will minimize any negative impact on trade and investment of our domestic policy actions including fiscal policy and action in support of 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 such measures and we call on the WTO, together with other international bodies, within their respective mandates, to monitor and report publicly on our adherence to these undertakings on a quarterly basis.
- we will take, at the same time, whatever steps we can to promote and facilitate trade and investment. "[1]

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

The Report covers developments in the period since the G20 London Summit, from April to August 2009. It supplements earlier reports by the WTO on the Financial and Economic Crisis and Trade Related Developments, and by the OECD and UNCTAD on investment measures.

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, 12 members of the G20 notified measures that they had taken themselves; two other G20 members notified only measures that had been taken by others.[3] 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.

---

[1] G20 Summit Declaration, "The Global Plan for Recovery and Reform", London, 2 April 2009.

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

[3] Japan and the United States notified only measures taken by other G20 members. No notification was received from Argentina, India, Indonesia, Mexico, Saudi Arabia or South Africa.

Summary

1. The sharp contraction of the global economy that began in 2008 and accelerated in the first quarter of 2009 has impacted deeply on international trade and investment. The volume of world merchandise trade is projected to contract in 2009 by 10 per cent, and foreign direct investment (FDI) flows, which fell by 14 per cent in 2008, are projected to plummet even further this year by 30-40 per cent.

2. There is no indication of a descent into high-intensity protectionism as a reaction to the crisis, involving widespread resort to trade or investment restriction or retaliation. This suggests that G20 members and other governments have so far succeeded in managing the political process of keeping domestic protectionist pressures under control.

3. In the area of investment, the thrust of G20 policy changes has been, for the most part, towards greater openness and clarity, with a substantial number of the policy changes found to be directed at facilitating international investment and financial flows. G20 members also continued to conclude international investment agreements. At the same time, some G20 Governments have established support schemes that can discriminate against foreign-controlled companies or raise barriers to outward investment flows.

4. In the area of trade, there has been policy slippage since the crisis began and this has continued since the G20 London Summit in April 2009. Some G20 members have raised tariffs and introduced new non-tariff measures to protect domestic production in certain sectors, notably steel and motor vehicles. G20 members have continued to use trade defence mechanisms, in these and other sectors too. Two G20 members have re-introduced agricultural export subsidies for the dairy sector, measures that are generally acknowledged to be among the most highly trade-distorting. The fiscal and financial packages that have been introduced to tackle the crisis favour the restoration of trade growth globally and they are to be welcomed, but some of them contain elements – such as state aids, other subsidies and "buy/lend/invest/hire local" conditions – that favour domestic goods and services at the expense of imports.

5. Overall, the incidence of new trade and investment measures taken in response to the current crisis is not out of line so far with what happened during previous downturns in economic activity. WTO rules and its dispute settlement mechanism continue to provide a strong defence against protectionism as do OECD rules and peer monitoring and UNCTAD's monitoring of national and international policies for foreign investment. However, trade and investment policy risks remain and are likely to continue to do so until economic recovery is well-rooted and job and business opportunities have started to grow again.

6. The main risk is that G20 members will continue to cede ground to protectionist pressures, even if only gradually, particularly as unemployment continues to rise. The danger is of an incremental build-up of "sand in the gears" of international trade that could aggravate the contraction of world trade and investment and undermine confidence in an early and sustained recovery of global economic activity. G20 members should reflect on the contradiction of using any measures that restrict or distort trade or investment, and therefore that tax production and incomes, at the same time as the main thrust of their policies to overcome the crisis is geared to expanding aggregate demand. "Best practice" in current circumstances, to accompany financial and fiscal stimulus, is to reduce trade and investment restrictions so as to cut costs and prices worldwide. Where subsidies can be afforded, their full value as a stimulus for economic activity will come from targeting them at consumption, not production, with consumers free to choose internationally the goods and services that they buy.

7. The second risk is that measures taken temporarily to try to protect jobs and business profits now from the effects of the crisis will create a legacy of uncompetitive industries and sectoral over-capacity that will continue to generate protectionist pressures even after economic activity picks up again. The failure of trade restrictions and subsidies to provide effective industrial support in the 1970s and 1980s, and the long-term costs imposed on world trade until they were unwound during the Uruguay Round, need to be recalled. The same mistakes must not be made again.

8. A collective decision by G20 members to bring the Doha Round to a rapid conclusion would be well-received by other WTO Members and send an unambiguous signal that protectionist measures are not the solution to this crisis and that measures taken to combat the crisis will be quickly unwound. Concluding the Round will substantially narrow the scope for introducing new trade restrictions or raising existing ones; where WTO disciplines are currently weak, or their coverage is limited, governments face greater difficulties to resist protectionist pressures. It would also generate a new stimulus package for the world economy that would not depend on public finances and that would benefit directly developing countries, who as a group have been by far the worst affected by the crisis.

9. Pending the conclusion of the Doha Round, the "do no harm" principle points to the value of a strong commitment by G20 members not to introduce new trade restrictions and trade-distorting subsidies, including those that are regarded as being consistent with WTO rules. The most recent Declaration at the L'Aquila Summit on 8 July 2009 is a welcome development by "...stressing the importance of fully adhering to the standstill commitment and the commitment to rectify protectionist measures adopted in London to avoid further deterioration of international trade, including refraining from taking decisions to increase tariffs above today's levels".

I. Trends and developments in global trade and investment flows

(1) Trade developments

(i) Merchandise trade volumes

10. World merchandise trade in volume terms (average of exports and imports) rose 2.5 per cent in June 2009 according to the Netherlands Bureau for Economic Policy Analysis (CPB)[4]. This was the largest increase since July 2008 (Chart 1). June was the first month since the crisis began in which all major traders and most regions (except Africa/Middle East) recorded positive month-on-month export growth, a good indication that international trade flows are beginning to normalize. However, world trade in June 2009 was still 19 per cent below its peak level of April 2008. This is consistent with the WTO Secretariat's 2009 forecast of a decline of 10 per cent for merchandise exports, since it is expected that trade will grow, albeit slowly, for the remainder of 2009. Combined with the fact that world trade volumes fell sharply in late 2008, this suggests that the decline for 2009 as a whole will be smaller than 19 per cent.[5]

(ii) Merchandise trade values

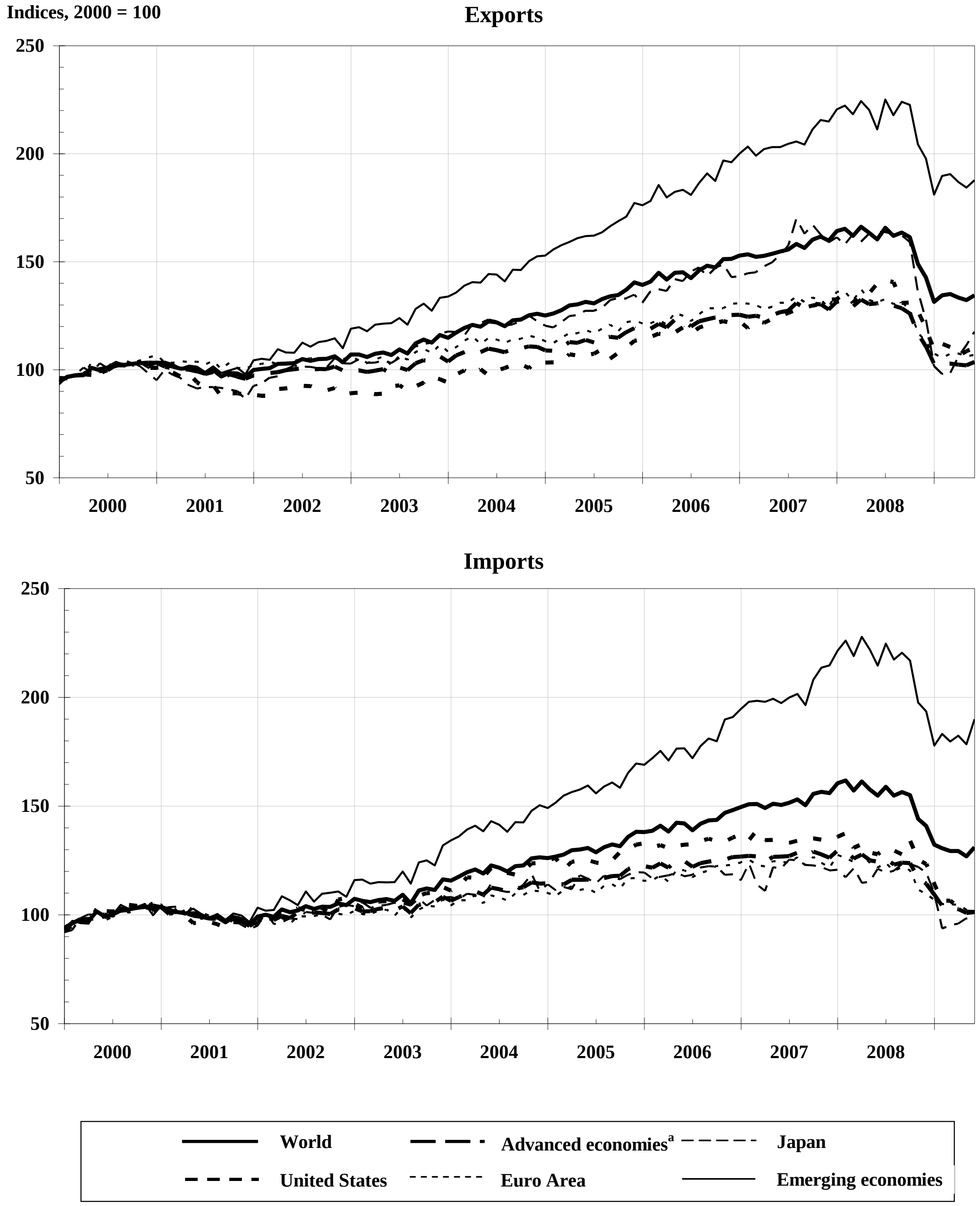
11. Annex 5 shows merchandise exports and imports of selected G20 economies in current US dollars. It is worth noting that most G20 economies saw exports and imports growing in the latest month over the previous one, including the United States, the European Union (27), Japan, China, India, Turkey and South Africa. Exceptions include Mexico, which registered small declines in both exports and imports; Brazil where exports were essentially flat in July after rising sharply in June; and the Republic of Korea, which had a similar performance to Brazil's. The newly industrialized countries of Asia have seen their trade flows rebound more strongly than developed economies, suggesting that much of their recent growth could be due to intra-regional trade. Support for this theory is provided by the Republic of Korea, whose exports to the world grew more slowly in July (22 per cent) than its exports to Asia (26 per cent) or to China (27 per cent). The fact that China's imports grew twice as fast as its exports in July (16 per cent versus 8 per cent) also suggests that intra-Asian trade could be benefiting from the country's fiscal stimulus. China's merchandise trade surplus narrowed in June from US$13 billion to US$8 billion.

12. Trade figures in U.S. dollar terms are subject to fluctuations in commodity prices and exchange rates, but on balance these data are consistent with the notion that G20 trade is beginning to

[4] CPB Trade Monitor, 26 August 2009.
[5] WTO and CPB trade volume figures are not directly comparable due to differences in methodology.

grow slowly after falling sharply between November 2008 and February 2009. However, merchandise trade for all G20 countries remains substantially below pre-crisis levels.

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



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

Source: **CPB Netherlands Bureau for Economic Policy Analysis.**

(iii) Trade finance

13. Although the sharp contraction in trade flows evident from the second half of 2008 was attributed primarily to a contraction in demand, tighter credit conditions were increasing the cost of trade finance. The response of the G20 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"* was welcomed by WTO Members.

14. The G20 Trade Finance Experts Group has reported separately on details of the implementation of this response. In sum, there is evidence that additional capacity (credit and insurance) has been mobilized over the past six months by export credit agencies and through trade finance facilitation programmes of multilateral agencies, in particular the Global Trade Liquidity Programme of the World Bank/IFC which is becoming operational and attracting support from several global banks.

15. The WTO is monitoring the situation of WTO Members, in particular that of small and medium-scale exporters from developing countries. Market conditions in general seem to have eased somewhat during the summer and expectations for the rest of 2009 are also better than they were in the Spring. However, reports on the market situation still do not provide confirmation that accessibility and affordability of trade finance has returned to normal. The strong take-up of additional credit lines made available through ExIm banks in the past six months suggests that there is considerable appetite for affordable trade finance that is not being met from traditional sources of the private banks. The situation therefore needs to continue to be monitored closely from the demand-side of traders, to complement monitoring of the supply-side of financial institutions, to ensure that the recovery of world trade growth is not constrained by shortages of trade finance.

(2) Investment developments

16. The G20 commitments on investment at the London Summit were undertaken against the background of a continuing fall of global foreign direct investment (FDI) that began as the crisis developed. According to UNCTAD's FDI/TNC database, after a 14 per cent decline in global FDI flows in 2008, FDI continues to plummet further in 2009 (a decline of 30-40 per cent is forecast). 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); lower profits for foreign affiliates are driving down reinvested earnings; and the restructuring of parent companies is triggering loan repayments by foreign affiliates, thereby reducing outstanding intra-company loans. Consequently, UNCTAD forecasts that global FDI inflows for the whole of 2009 will fall by 30-40 per cent to below the level of US$1.2 trillion, down from US$1.7 trillion in 2008 (Chart 2).[6] Inflows into the 30 OECD countries might fall even more dramatically, to US$500 billion in 2009, down from US$1.02 trillion in 2008, according to OECD estimates.[7]

17. G20 members (both developed and developing) play an important role in global investment flows; over the 2007-09 period, they account for 68 per cent of global inflows and 65 per cent of global outflows. The above-mentioned global trend is more pronounced for the G20 members: in fact, in the first quarter of 2009, inward FDI to the 19 members of the G20 had decreased by 36 per cent, and outward FDI by 42 per cent, year-on-year. UNCTAD forecasts FDI inflows into the 19 members of the G20 in 2009 as a whole to be around US$700 billion, i.e. 30 per cent less than what they attracted in 2008.

---

[6] For a detailed analysis on global and regional investment trends, see UNCTAD's "World Investment Report 2009" (forthcoming).

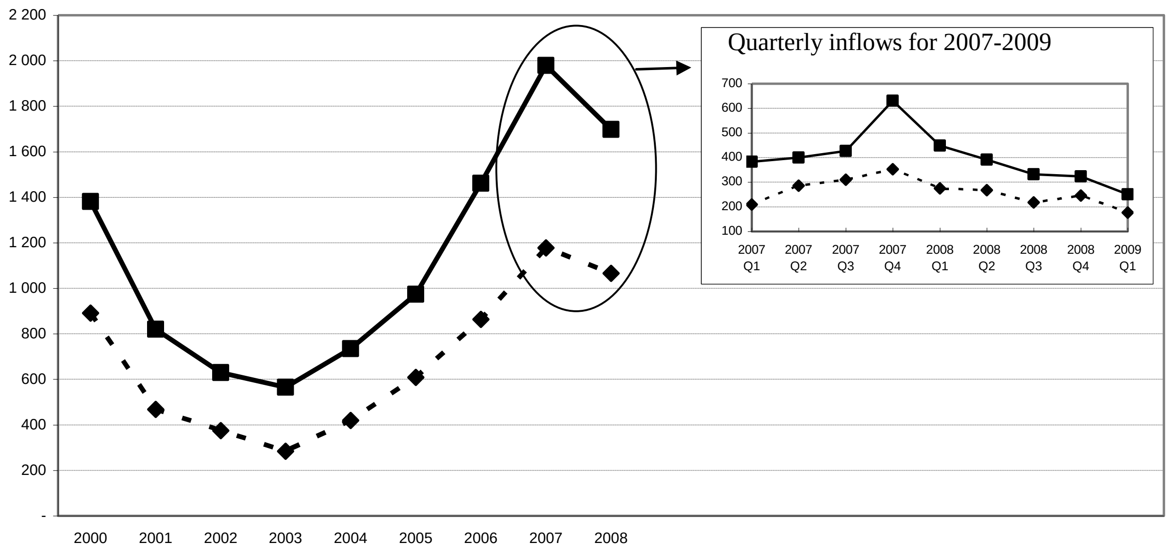
[7] OECD Investment Newsletter, June 2009.

Chart 2

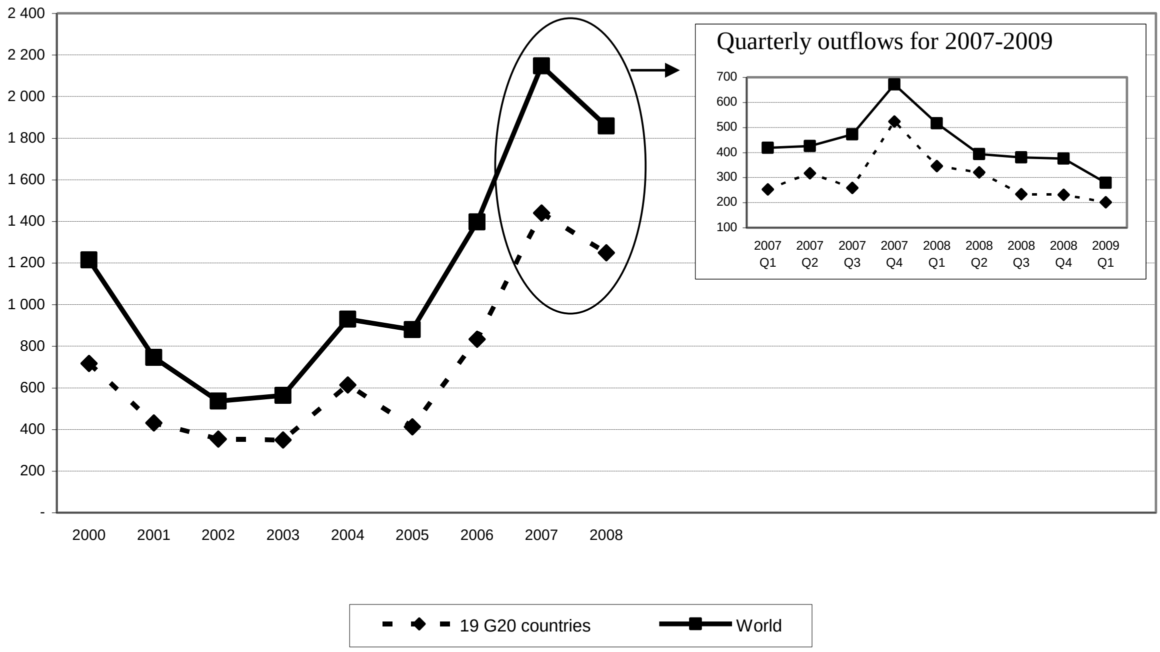
Volume of FDI inflows and outflows, annual 2000-2008 and quaterly 2007-2009

(US$ billion)

a) Inflows



b) Outflows



Source: UNCTAD FDI/TNC database.

II. Trade and Trade-Related Measures

18. 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.[8] Since the beginning of the year, the reports have recorded slippage towards more trade restriction on the part of many G20 members. This compares unfavourably with the situation prevailing prior to the crisis when the balance of trade policy actions worldwide lay firmly for several years on the side of trade liberalisation.

19. In the period April-August 2009, there has been continued slippage towards more trade-restricting and distorting policies by many G20 members (Annex 1). There have been further instances of increases in tariffs and the introduction of a number of new non-tariff measures (such as non-automatic import licences).

20. Only a small number of G20 countries applied trade restrictions in reaction to the A(H1N1) influenza pandemic (most of which were removed). However, there have been reports from traders of generally stricter application of SPS and TBT regulations in some G20 markets, and of slower procedures and additional procedural requirements in the administration of existing trade measures in others. This kind of "sand in the gears" is not easy to substantiate empirically, but it can be significant in raising the cost of trade transactions.

21. In May, the United States followed the lead of the European Union earlier in the year by re-introducing agricultural export subsidies for dairy products.

22. During the review period, no export restrictions were applied by G20 members.

23. Some G20 members have increased tariffs and non-tariff barriers across a relatively wide range of imports, but most seem to have limited their policy actions narrowly to a small number of products. Agricultural products, iron and steel, motor vehicles and parts, chemical and plastic products, and textiles and clothing have been the products most affected overall by these measures.

24. On the basis of analysis of historical patterns of anti-dumping and safeguard activity in previous business cycles, it is to be expected that the current economic crisis will result in a significant increase in the use of these measures, but only after a lag given the procedural requirements involved before applying definitive duties. This is therefore an area in which particular restraint is called for by G20 members. In 2009 the number of initiations of anti-dumping investigations[9] by G20 members is running at about the same level as in the same period of 2008, although the distribution of investigations among individual G20 members has changed substantially in a few cases (Table 1).

Table 1
Anti-dumping initiation of investigations

G20 Members	January-July 2008	January-July 2009
Argentina	14	19
Australia	4	4
Brazil	9	2
Canada	2	4
China	3	14

Table 1 (cont'd)

[8] WTO documents JOB(09)/2 of 26 January 2009, WT/TPR/OV/W/1 of 20 April 2009, and WT/TPR/OV/W/2 of 15 July 2009.

[9] 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 safeguard duties, since investigations can take as long as 18 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.

G20 Members	January-July 2008	January-July 2009
EC	15	2
India	13	15
Indonesia	1	0
Japan	0	0
Korea	4	3
Mexico	1	1
Russian Federation	...	...
Saudi Arabia	0	0
South Africa	1	1
Turkey	12	11
United States	14	10
TOTAL	**93**	**86**

... Not available

25. The number of initiations of safeguard investigations has increased considerably during the first half of 2009 compared to the same period in 2008 (Table 2).

Table 2
Safeguard initiation of investigations

G20 Member	January – July 2008	January – July 2009
India	0	14
Indonesia	1	0
Turkey	1	1
United States	0	1
TOTAL	**2**	**16**

26. There has been some evidence of improvement in the trade policy environment, with several G20 members introducing trade-liberalizing and facilitating measures. For example, Brazil, China, India, Indonesia, Mexico, the Russian Federation and Saudi Arabia announced cuts in import duties, fees and surcharges and the removal of non-tariff barriers on various products, and China removed some restrictions on trade in certain services sectors. Although some of these G20 members also raised trade restrictions (mostly import tariffs) in the period under review, it is a welcome sign that their governments are attentive to the beneficial role that lowering trade restrictions can play in current circumstances, by reducing consumer prices and producer costs, stimulating aggregate demand and helping to reverse the contraction of global trade.

27. Australia has informed the WTO that, in the period under review it has terminated four anti-dumping measures and three anti-dumping investigations as well as a countervailing investigation. The WTO has not received any other formal notification from a G20 member that it has rectified any measure in the context of the undertaking contained in the London Summit Declaration.

28. Monitoring the impact on trade of fiscal stimulus programmes and industrial and financial support programmes presents a particular challenge because of the paucity of data available, in particular on the specifics of how these programmes are being implemented (Annexes 2 and 3). Concerns have continued to be raised by governments and business about "buy/invest/lend/hire local" requirements that have officially or unofficially been attached 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. Several new cases of "buy local" campaigns, usually at local government levels, have been reported in the press in the past five months.

29. Concerns have also continued to be raised about the competition-distorting effects of the subsidy components of these programmes. The longer the subsidies remain in place, the more they will distort market-based production and investment decisions globally, the greater will become the threat of chronic trade distortions developing, and the more difficult it will become to correct those

distortions. The case of distortions to international trade in agricultural products today provides a historical lesson in that respect. An important consideration, for G20 countries in particular, is to design and announce as soon as possible an exit strategy from this component of their crisis measures that will allow world markets to return to normal again.

30. A number of specific support measures aimed at boosting car sales (the so-called car scrapping schemes) in some G20 members are being pashed out. For example, the US and German schemes were terminated in August 2009.

Trade in services

31. There is no indication, in the period under consideration, of a generalized introduction of additional restrictions to trade in services in G20 countries. In some sectors, notably in the telecommunication and ICT industries, there is evidence to suggest that most governments continue to adopt measures to open markets with a view to enhancing competitiveness. Additional telecom licences that are being issued via auctions in, for example, France, and other EC Member States, tend to broaden spectrum availability. Also, various EC Members are launching initiatives to reduce mobile termination rates, while Australia has announced a significant reduction in the charges for numbering applications. India, however, is reportedly considering limiting the number of new entrants per licence area for third generation (3G) mobile licences; upcoming auctions may limit the tenders to four entrants in addition to the incumbent's existing 3G licence.

32. New reports discussing the effects of the crises on telecommunications and ICT have been issued by the OECD and the European Commission. The OECD report on "The Impact of the Crises on ICTs and their Role in the Recovery" (DSTI/ICCP/IE(2009)1/FINAL, 28 July 2009) observes that national ICT strategies are increasingly shifting away from sector-specific concerns to be integrated into strategies for economic growth and employment. It notes that the recession has increased pressures on governments to support investments in communication infrastructures, particularly broadband, and other ICT innovation and diffusion initiatives. Noting that 80 per cent of European Internet access is now by high-speed connection and citing mobile penetration of over 100 per cent, the Commission's "Digital Competitiveness Report" (COM(2009)390, 4 August 2009) asserts that a sustainable recovery requires Europe to tap the full potential of the digital economy. In fact, longer-term growth strategies by some EC and non-EC governments, possibly inspired by the crises, put emphasis on more advanced ICT applications in, e.g., transport systems and energy distribution.

33. Some G20 countries have paid attention to more traditional service industries such as tourism or transport. Saudi Arabia, for example, has introduced several initiatives for tourism development, such as a 30-50 per cent reduction of international air tariffs (by Saudi Arabian Airlines), and additional promotional fares to different markets. In addition, the Saudi Commission for Tourism and Antiquities (SCTA) is seeking to promote domestic tourism and to resettle tourism jobs for Saudis. The United States introduced the Travel Promotion Act of 2009. Through this legislation, a public-private partnership has been created with an annual budget of up to US$200 million to compete more effectively for international travellers and better communicate US security policies.

III. Investment and Investment-Related Measures

34. During the reporting period, 17 of the G20 members took some sort of policy action in the investment area (investment measures, investment measures related to national security, emergency and related measures) or concluded international investment agreements (Table 3).

Table 3
Investment Measures taken between 2 April and 15 August 2009

	Investment policy measures	Investment measures relating to national security	Emergency and related measures with potential impacts on international investment	International investment agreements
Argentina	•			
Australia	•		•	
Brazil				
Canada	•	•	•	•
P.R. China	•			•
France			•	
Germany		•	•	
India	•		•	•
Indonesia	•			•
Italy			•	
Japan	•		•	
Republic of Korea	•		•	•
Mexico	•			
Russian Federation	•		•	
Saudi Arabia				
South Africa				
Turkey				•
United Kingdom	•		•	
United States			•	
European Union			•	

(1) Investment measures

35. During the reporting period, 11 G20 countries changed policies governing inward and/or outward investment. Most of these changes aimed (according to announcements or notifications by governments) at increasing openness and clarity for investors.

36. Measures include the following:

- Argentina relaxed capital controls it had introduced in 2005.
- Australia liberalised screening requirements for the Foreign Investment Review Board to lower compliance costs on foreign investors. The annual indexing of investment screening thresholds will ensure that the thresholds do not capture lower value foreign investment proposals over time.
- Canada released for public comment draft regulations amending the existing *Investment Canada Act Regulations*. These follow amendments to the *Investment Canada Act*, which changed the monetary threshold for reviews of investments to determine whether they are of net benefit to Canada. The draft regulations define the "enterprise value" which is the basis for determining whether the monetary threshold for review has been met; eliminate lower monetary review thresholds for investments in the uranium production, financial services, and transportation sectors; and modify the information requirements for investors.
- The People’s Republic of China streamlined its foreign investment review process, eased restrictions on provision of financial information services by foreign institutions and authorised two foreign banks to issue Yuan bonds in China. In the area of outward

investment, it simplified approval processes for such investment and allowed Chinese companies to lend up to 30% of their equity to their overseas subsidiaries.

- India has taken steps to facilitate investment in Indian depository receipts by foreign institutional investors and mutual funds.

- Indonesia provided foreign investors with more one-stop services, fiscal facilities, and easy access to information on investment.

- Japan's amendments of the *Cabinet Order on Inward Direct Investment* and the *Ministerial Order on Inward Direct Investment* entered into force. These introduce leaner notification and reporting procedures for inward foreign direct investment.

- The Republic of Korea allows foreign-invested companies in Korea to make non-bid contracts with local governments for the use of lands included in the urban development projects.

- Mexico eased the conditions under which foreign investors can apply for trusts on real estate in restricted areas.

- The Russian Federation amended legislation in order to facilitate issuance of foreign securities on Russian exchanges and offering these securities to Russian investors.

- The United Kingdom was preparing the introduction of a requirement that UK branches of foreign banks be self-sufficient for liquidity purposes unless they obtained an exemption.

(2) Investment measures related to national security

37. During the reporting period, two countries took investment measures related to national security:

- Canada released for public comment draft National Security Review of Investments Regulations. These follow amendments to the Investment Canada Act, which authorized the government to review investments on national security grounds. The draft regulations specify the time periods governing the national security review process and list the investigative bodies with which information can be shared.

- Germany extended the scope of its security-related investment reviews.

(3) Emergency and related measures

38. In response to the crisis, 11 of the G20 countries (Australia, Canada, France, Germany, India, Italy, Japan, the Republic of Korea, the Russian Federation, the United Kingdom and the United States), as well as the European Union, took emergency measures that have the potential to restrict or distort worldwide capital movements. These include firm-specific, sector-specific and cross sectoral measures. Public expenditure commitments related to the measures covered in this report amount to approximately US$3 trillion. The sheer size of these measures and their potential effects on competitive conditions (e.g. on firm entry and exit) in globalised sectors such as finance and automobiles create a strong presumption that they influence worldwide capital flows. Moreover, akin to subsidies, emergency measures may effectively create advantages for domestic sectors and put foreign players at a disadvantage.

39. Governments have adopted a variety of approaches to emergency response, with varying degrees of potential discrimination against foreign investors. Some crisis response schemes are non-discriminatory, as they are *de jure* open to participation by foreign-controlled companies established in the country (e.g., for the banking sector, those of European Union members and the Republic of Korea). In other schemes, however, foreign companies are not always eligible. At the same time, at least four countries are known to have provided support to foreign-controlled companies (France and the Republic of Korea in finance, and Australia and Canada in automobiles).

40. Programmes also vary in the degree to which they attempt to curtail outward capital flows originating in firms benefiting from emergency measures. Similarly, many of the support schemes for financial institutions oblige participating companies to be particularly attentive to the financing needs of domestic businesses. For example, many of the capital support programmes for banks urge participating banks to make commitments to meeting domestic financing needs. In addition, public comments by high ranking public officials in several countries have urged the domestic business sector to focus on domestic capital needs; such statements may act as an informal barrier to outward investment flows.

41. Some governments (e.g., the United Kingdom and the United States) are beginning to dispose of assets acquired during the crisis and this also poses challenges for non-discriminatory treatment of foreign investors.

(4) International investment agreements

42. Apart from their national policies governing inward and/or outward investment, G20 member counties have negotiated or passed new international investment agreements (IIAs). These agreements seek to promote international investment by enhancing the openness and predictability of the policy frameworks governing such investment. Since the beginning of the crisis, the 19 countries reviewed have concluded 14 bilateral investment treaties (BITs),[10] and 20 free trade agreements (FTAs) with investment provisions.[11] During the reporting period, six of the 19 G20 countries concluded IIAs. Canada signed four BITs (with Latvia, Romania, the Czech Republic and Jordan);[12] and completed negotiations for an FTA with Panama with substantive investment provisions. China signed an FTA with Peru that includes a chapter on the protection and liberalization of investment, and with ASEAN (of which Indonesia is a member). Turkey signed an FTA with Chile, and the Republic of Korea and India signed an FTA with each other.

43. Furthermore, on 16 July 2009, G20 members that are also members of the OECD, agreed, using standstill procedures established under the legally binding OECD Codes of Liberalisation,[13] to lock in recent measures that liberalise inward and outward foreign investment. This step makes it more difficult for them to reverse these measures.

Overall policy trends and prospects

44. Overall, investment policy measures taken by the G20 countries during the reporting period (2 April to 15 August 2009) paint a reassuring picture. Indeed, only a few measures could be characterized as being “restrictive” towards foreign investment (e.g. by allowing for greater scrutiny or control over the entry or the operation of foreign investments in sensitive business activities, including based on national security concerns). Instead, a substantial number of policy changes surveyed were directed at facilitating international investment.

45. This confirms earlier findings by the OECD and UNCTAD on investment policy developments since the onset of the crisis. Thus, the OECD reported that the “thrust of investment policy changes is, for the most part, toward greater openness and clarity… During the reporting period, six countries changed the laws governing their investment policies. Although the intended thrust of the policies is somewhat ambiguous, most of the changes aimed (according to

[10] Nine G20 countries also concluded double taxation treaties (DTTs).

[11] As of June 2009, there were over 2,700 BITs, 2,800 DTTs and 270 free trade agreements or economic cooperation agreements containing investment provisions, making a total of nearly 5,770 IIAs.

[12] The BITs with the Czech Republic, Latvia and Romania are amendments to existing BITs.

[13] OECD, “Modifications of OECD Countries' Positions under the Codes of Liberalisation of Capital Movements and of Current Invisible Operations and the National Treatment Instrument”, 16 July 2009.

announcements or notifications by governments) at increasing openness and clarity for investors."[14] Similarly, UNCTAD reported, "a substantial number of policy changes surveyed were directed at facilitating investment. The crisis has galvanized G20 members to promote and facilitate FDI and to create clarity and stability concerning their investment frameworks. Furthermore, a number of G20 member countries have further encouraged their companies to venture abroad, and to support their foreign affiliates in times of economic crisis."[15]

46. However, there is no room for complacency. Indeed, particular vigilance is warranted in a number of areas.

- First, regarding the investment impacts of emergency measures, much depends on their implementation and the discretion left to governments. For example, governments have been empowered to enter into direct negotiations with companies and, at times, have become deeply involved in their management (e.g. governments took control of or continued managing of a number of troubled banks and companies during the reporting period). This raises challenges for public sector management in general and for non-discriminatory treatment of investors in particular. Although it cannot be assumed that governments will use this discretion for protectionist purposes, it does create scope to favour certain firms over others and, more specifically, to disguise discrimination against foreign investors.

  Governments appear to be concerned about this and some have taken steps to limit or monitor their use of discretion. Extensive public reporting on crisis measures and results and oversight commissions are used to enhance transparency and accountability. The European Commission has also been actively involved in reviewing EU member states' crisis response measures and in publishing information about these measures.

- Second, today's measures could widen the scope for protectionist measures in the aftermath of the crisis. Once the global economy is on the way to recovery, the exit of the state from investments made during the crisis will involve a re-injection of private capital, including through foreign investment. In fact, some governments are beginning to dispose of assets acquired during the crisis. Divestiture almost always involves case-by-case arrangements and discretion in structuring deals. Such processes could create further scope to favour certain firms over others and, more specifically, to discriminate against foreign investors.

47. Continued international monitoring can help ensure that policies are effective in their intended purpose and are not a disguised form of protectionism and that investment distortions arising out of domestic policies taken in response to the crisis are kept to a minimum.

---

[14] OECD, "Status report: inventory of investment measures taken between 15 November 2008 and 15 June 2009" (Paris: OECD, 2009), mimeo., p. 9.

[15] UNCTAD, "Investment policy developments in G-20 countries" (Geneva: United Nations, 2009), mimeo., p. 6.

ANNEX 1

Trade and trade-related measures[1]
(April 2009 – August 2009)

VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Argentina	Incorporation of 12 new items to the list of products subject to import licensing procedures such as aluminium, and miscellaneous articles of base metal.	Various dates	WTO Document G/LIC/N/2/ARG/4/Add.2 of 1 April 2009.
Argentina	Introduction of "criterion values" (valores criterios) for imports of products such as "cermet" (ceramic and metal manufactures); sweaters and pullovers; brake pads, linings, and clutches discs; and electric heating radiators and equipments.	17, 27 March, and 14 April 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Suspension (for 30 days) of import licensing requirements for self-tapping screws, and other types of screws and bolts.	15 April 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Change in import procedures for tyres for final consumption.	23 April 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of piping accessories from Brazil and China.	12 May 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of elevator engines from China.	3 June 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of manual kitchen lighters from China.	10 July 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Change in the coverage of non-automatic import licences (affecting products such as switching and routing apparatus, and electrical generators).	14 July 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of printing ink from Brazil.	16 July 2009	Permanent Delegation of Argentina to the WTO.
Argentina	Initiation of anti-dumping investigation on imports of insulation displacement connectors from India.	21 July 2009	Permanent Delegation of Argentina to the WTO.
Australia	Initiation of anti-dumping investigation on imports of linear low density polyethylene from Canada and the United States.	28 May 2009	Permanent Delegation of Australia to the WTO.
Australia	Initiation of anti-dumping investigation on imports of aluminium extrusions from China.	24 June 2009	Permanent Delegation of Australia to the WTO.
Australia	Initiation of countervailing duty investigation on imports of aluminium extrusions from China.	24 June 2009	Permanent Delegation of Australia to the WTO.
Brazil	Initiation of anti-dumping investigation on imports of synthetic fibre from China.	4 May 2009	Permanent Delegation of Brazil to the WTO.

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	Date	Source
Brazil	New tax incentives (Integrated Drawback) for exporters (mainly agri-businesses); consisting in the elimination of the IPI value-added tax (5%), or the PIS/Cofins social contribution on the basis of the turnover (9.5%) on the purchase of inputs (local and imported) to be used in the manufacturing of export products. A similar scheme was already in place for machine parts, and equipment.	18 May 2009	Permanent Delegation of Brazil to the WTO.
Brazil	Decrease of import tariffs (from 14% to duty-free) on female sheath contraceptives; and trailers and semi-trailers (from 35% to duty-free). (Included on its national list of exemptions to the Mercosur Common Tariff).	18 June 2009	Permanent Delegation of Brazil to the WTO.
Brazil	Increase of import tariffs (from duty-free to 14%) on electric generating sets and rotary converters (wind powered). (Included on its national list of exemptions to the Mercosur Common Tariff).	18 June 2009	Permanent Delegation of Brazil to the WTO.
Brazil	Initiation of anti-dumping investigation on imports of polypropylene from India, and the United States.	21 July 2009	Permanent Delegation of Brazil to the WTO.
Brazil	Initiation of safeguard investigation on imports of desiccated coconut.	31 July 2009	WTO Document G/SG/N/6/BRA/4 of 11 August 2009.
Canada	Initiation of anti-dumping investigation on imports of mattress innerspring units from China. (preliminary determination found on 27 July 2009).	27 April 2009	Permanent Delegation of Canada to the WTO.
Canada	Renewal of the programme allowing the remission of customs tariffs on the temporary importation of mobile offshore drilling units, for a further five-year period.	4 May 2009	Permanent Delegation of Canada to the WTO.
Canada	Initiation of anti-dumping investigation on imports of steel plate from Ukraine.	6 July 2009	Permanent Delegation of Canada to the WTO.
Canada	Initiation of anti-dumping investigation on imports of certain oil country tubular goods from China.	24 August 2009	Permanent Delegation of Canada to the WTO.
Canada	Initiation of countervailing investigation on imports of certain oil country tubular goods from China.	24 August 2009	Permanent Delegation of Canada to the WTO.
China	Establishment of currency swaps (Y 650 billion) (US$95.2 billion), to facilitate trade with: Argentina, Belarus, Indonesia, Malaysia, Hong Kong China, and Korea.	2 April 2009	Permanent Delegation of China to the WTO.
China	New Guidelines on "The Opinions on Further Strengthening Administration of Government Procurement", restating the national treatment exemption provided for in the Law on Government Procurement which was enacted in 2002.	10 April 2009	Permanent Delegation of China to the WTO.
China	A new Postal Law, approved on 24 April 2009, confirms the bans (already included in the 1986 Postal Law) on foreign courier companies from delivering express letters as of 1 October 2009, although they can still deliver express parcels and deliver letters internationally.	24 April 2009	Permanent Delegation of China to the WTO.
China	Initiation of anti-dumping investigation on imports of polyamide-6 (PA6) from the EC, Chinese Taipei, Russia, and the United States.	29 April 2009	Permanent Delegation of China to the WTO.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
China	Changes in travel agency regulation allowing foreign invested travel agencies (already established in China) to open local branches.	1 May 2009	Permanent Delegation of China to the WTO.
China	Cancellation of the policy of import duty reduction or exemption on imported products (if there is such applicable policy) when these products are subject to trade remedy measures.	1 May 2009	Permanent Delegation of China to the WTO.
China	Circular from the Ministry of Industry and Information Technology regulating its government procurement activities, under which it restates the practice of giving priority to domestic products, projects and services (provided for in the 2002 Law on Government Procurement).	11 May 2009	Permanent Delegation of China to the WTO.
China	The Chinese National Development and Reform Commission issued a notice jointly with eight other ministries and agencies restating provisions in existing laws including the 2002 law on government procurement concerning government procurement of domestic products and services.	1 June 2009	National Development and Reform Commission Notice referring to "Opinions on Further Strengthening Supervision and Administration of Construction Project Bid Invitation and Bidding".
China	Initiation of anti-dumping investigation on imports of methyl-alcohol from Indonesia, Malaysia, New Zealand, and Saudi Arabia.	24 June 2009	Permanent Delegation of China to the WTO.
China	Elimination or reduction on export taxes on certain products such as wheat, rice, metals, and resource materials, as from 1 July 2009.	1 July 2009	Permanent Delegation of China to the WTO.
China	Introduction of automatic import license for fresh milk, milk powder and whey for statistic purpose of import monitoring. Chinese buyers of dairy products are required to report their imports to the China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce and Animal By-Products.	10 July 2009	Permanent Delegation of China to the WTO.
EC	Initiation of anti-dumping investigation on imports of certain molybdenum wires, containing by weight at least 99.95% of molybdenum, of which the maximum cross-sectional dimension exceeds 1.35 mm but does not exceed 4 mm (CN Code: 8102 96 00) from China.	8 April 2009	Commission Notice 2009/C 84/07 (OJ C 84/5).
EC	Increase export refunds for milk and milk products.	5 June 2009	Commission Regulations No. 461/2009 of 4 June 2009 (OJ L 139/15).
EC	Initiation of anti-dumping investigation on imports of dry sodium gluconate from China.	11 August 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
EC	Initiation of anti-dumping investigation on imports of certain aluminium road wheels from China.	13 August 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
EC	Initiation of anti-dumping investigation on imports of certain stainless steel fasteners and parts thereof from India and Malaysia.	13 August 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
EC	Initiation of countervailing duty investigation on imports of certain stainless steel fasteners and parts thereof from India and Malaysia.	13 August 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
India	Increase in import duties on a range of iron and steel products from 0% to 5% (restoration of previous duty).	...	Permanent Delegation of India to the WTO.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
India	Initiation of safeguard investigation (China specific) on imports of front axle, beam, steering knuckle and crankshaft.	2 April 2009	WTO Document G/SG/N/16/IND/6 of 11 May 2009.
India	Initiation of safeguard investigation on imports of acrylic fibre.	9 April 2009	WTO Document G/SG/N/6/IND/21 of 11 May 2009.
India	Initiation of safeguard investigation on imports of hot-rolled coils, sheet, strips.	9 April 2009	WTO Document G/SG/N/6/IND/22 of 11 May 2009.
India	Exemption of import tariffs on raw and refined, or white sugar, under specified conditions.	17 April 2009	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation on imports of coated paper and paper board.	20 April 2009	WTO Document G/SG/N/6/IND/23 of 11 May 2009.
India	Initiation of safeguard investigation on imports of uncoated paper and copy paper.	20 April 2009	WTO Document G/SG/N/6/IND/24 of 26 May 2009.
India	Initiation of anti-dumping investigation on imports of SDH transmission equipment from China and Israel.	21 April 2009	Permanent Delegation of India to the WTO.
India	Initiation of safeguard investigation on imports of plain particle board.	22 April 2009	WTO Document G/SG/N/6/IND/25 of 26 May 2009.
India	Initiation of anti-dumping investigation on imports of DVDs from Malaysia, Thailand, and Vietnam.	5 May 2009	Ministry of Commerce and Industry, Gazette of India Extraordinary No. 14/16/2009-DGAD.
India	Initiation of safeguard investigation (China specific) on imports of passenger car tyres.	18 May 2009	WTO Document G/SG/N/16/IND/7 of 4 June 2009.
India	Initiation of anti-dumping investigation on imports of circular weaving machines from China.	18 May 2009	Ministry of Commerce and Industry, Gazette of India Extraordinary F. No. 14/25/2008-DGAD.
India	Initiation of safeguard investigation on imports of unwrought aluminium.	22 May 2009	WTO Document G/SG/N/6/IND/26 of 30 June 2009.
India	Initiation of anti-dumping investigation on imports of barium carbonate from China.	16 June 2009	Ministry of Commerce and Industry, Gazette of India Extraordinary No. 14/18/2009-DGAD.
India	Initiation of anti-dumping investigation on imports of penicillin-g-potassium from China and Mexico; and of Amino Penicillanic Acid from China.	22 July 2009	Ministry of Commerce and Industry, Gazette of India Extraordinary No. 14/19/2009-DGAD.
Indonesia	New import tariffs (from 0 to 5%) for raw materials for processed milk products (milk powder and processed milk).	28 May 2009	Permanent Delegation of Indonesia to the WTO.
Indonesia	New Decree implementing pre-shipment inspection requirements for iron and steel products, to facilitate trade through among others reducing the number of products subject to verification (from 203 to 169 HS items), and expansion of the coverage of the type of importers exempted from import registration requirements.	11 June 2009	Ministry of Trade Decrees Nos. 08/M-DAG/PER/2/2009 and 21/M-DAG/PER/6/2009.
Indonesia	Measure to facilitate trade through the implementation of a National Single Window.	30 June 2009	Permanent Delegation of Indonesia to the WTO.
Mexico	Measures to simplify trade procedures (Paquete de Simplificación Comercial) through the elimination of tariffs on imports of used parts.	9 April 2009	Permanent Delegation of Mexico to the WTO.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
Russian Federation	Increase of import tariffs on steel bars and rods (HS 7213). Elimination of import tariffs on copper waste and scrap (HS 7404), for nine months.	3 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase of import tariffs on corn starch and manioc starch (from €0.06/kg to €0.15/kg (US$0.1 to US$0.2/kg)), for eight months.	15 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Elimination of import tariffs on components of rims for glasses, for six months. Extension of duty-free access for: child safety seats; and certain types of digital ships, for nine months.	15 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Elimination of import tariffs on chicken and certain types of fertile eggs. Extension of import duty-free access for linear low density polyethylene, for nine months.	20 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase of import tariffs on radiofrequency cable (from 5% to 15%), for nine months.	22 April 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase of minimum range of import tariffs on cane raw sugar (from US$140 to US$165/tonne), for eight months. Maximum rate of import tariff on cane sugar remains unchanged.	1 May 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Elimination of a seasonal import tariff (€0.07/kg (US$0.1/kg)) on rice and milling products, which was implemented on 15 February 2009.	15 May 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase of import tariffs (from duty-free to 10%) on certain types of tropical oils (palm oil), for nine months.	1 June 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Specific import tariffs (€0.35/kg (US$0.5/kg)) on "other plates", sheets, film, foil, strip of plastic, for nine months, on top of the 10% applied tariff.	15 June 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Specific import tariffs (€0.07/kg (US$0.1/kg))) on pentaerythritol, on top of the 5% applied tariff for nine months.	15 June 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Elimination of import tariffs on certain chemical products used in leather-shoe industry; and sheets for veneering of furniture made of topical wood.	25 June 2009	Permanent Delegation of the Russian Federation.
Russian Federation	Increase on import tariffs (from 0 to 5%, and from 5% to 10%) on certain laundry equipment, for nine months.	30 July 2009	Permanent Delegation of the Russian Federation.
South Africa	Increase of import tariffs to their bound level (from 40% to 45%) on garments (35 tariff lines). In process of ratification.	30 June 2009	Permanent Delegation of South Africa to the WTO.
Turkey	Initiation of anti-dumping investigation on imports of pipe fittings/flanges from China.	18 April 2009	Permanent Delegation of Turkey to the WTO.
Turkey	Initiation of safeguard investigation on imports of matches.	2 May 2009	WTO Document G/SG/N/6/TUR/15 of 6 May 2009.
Turkey	Increase of import tariffs (from 80% to 130%) for 13 tariff lines (wheat, melsin, rye, oat, buckwheat).	15 May 2009	Permanent Delegation of Turkey to the WTO.

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
Turkey	Initiation of anti-dumping investigations on imports of certain made up textiles and fabrics made of artificial synthetics fibres; articulated link chain and parts thereof; and fan coil from China.	25 July 2009	Permanent Delegation of Turkey to the WTO.
United States	Interim rule amending the Federal Acquisition Regulation to implement the "Buy American" provision in the American Recovery and Reinvestment Act (ARRA) with respect to procurement by the Federal Government.	31 March and 23 April 2009	Rules and Regulations (Federal Register Nos. 14623 and 14633) of 31 March 2009.
	Updated Implementing Guidance for ARRA which provides information relevant to US States, other sub-federal entities, and other entities subject to US obligations under international agreements, on the application of the "Buy American" requirement. Both regulations require, in procurement covered by an international agreement, that the "Buy American" requirement not be applied with respect to iron, steel, and manufactured goods of GPA and other trade agreements Parties.		Rules and Regulations (Federal Register Nos. 18449 and 18463) of 23 April 2009.
United States	Initiation of countervailing duty investigation on imports of oil country tubular goods from China.	8 April 2009	Permanent Delegation of the United States to the WTO.
United States	Imposition of import tariffs (10%) on softwood lumber from four Canadian Provinces, as a result of an international arbitration tribunal, in the context of the bilateral Softwood Lumber Agreement.	15 April 2009	Federal Register/ Vol. 74, No. 68 of 10 April 2009 – [Docket No. USTR-2009-0011].
United States	Initiation of anti-dumping investigation on imports of plastic bags from Indonesia, Chinese Taipei, and Vietnam.	21 April 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of countervailing duty investigation on imports of plastic bags from Vietnam.	21 April 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of anti-dumping investigation on imports of oil country tubular goods from China.	29 April 2009	Permanent Delegation of the United States to the WTO.
United States	Allocations for dairy export incentive programme (reintroduction of export subsidies, which were not used since 2003, for skimmed milk powder; cheese; and butter).	22 May 2009	USDA Release No. 0178.09 (FAS PR 0081-09).
United States	Initiation of anti-dumping investigation on imports of PC strand from China.	17 June 2009	US Department of Commerce, International Trade Administration – Fact Sheet.
United States	Initiation of countervailing duty investigation on imports of PC strand from China.	17 June 2009	US Department of Commerce, International Trade Administration – Fact Sheet.
United States	Initiation of anti-dumping investigation on imports of steel grating from China.	19 June 2009	US Department of Commerce, International Trade Administration – Fact Sheet.
United States	Initiation of countervailing duty investigation on imports of steel grating from China.	19 June 2009	US Department of Commerce, International Trade Administration – Fact Sheet.
United States	Initiation of safeguard investigation (China specific) on imports of tyres.	26 June 2009	WTO Document G/SG/N/16/USA/5 of 26 June 2009.
United States	Initiation of anti-dumping investigation on imports of wire decking from China.	2 July 2009	US Federal Registry Notice 31691
United States	Initiation of countervailing duty investigation on imports of wire decking from China.	2 July 2009	US Federal Registry Notice 31700

Annex 1 (cont'd)

Country/ Member State	Measure	Date	Source
United States	Dairy Export Incentive Programme: extension of dairy subsidies for another year, as from 30 June 2009.	6 July 2009	Permanent Delegation of the United States to the WTO.
United States	Initiation of anti-dumping investigation on imports of woven electric blankets from China.	21 July 2009	US Department of Commerce, International Trade Administration – Fact Sheet.

... Not available.

NON-VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Argentina	Reported delays in obtaining import licences in a few cases (affecting sectors such as apparel, appliances, automobiles, electronics, footwear, toys, and tires).	Various dates	Press reports, and industry sources.
India	Reduction of export duty (from 15% to 5%) for iron ore.	...	Press reports.
India	Different charges levied on steel imports: import duty (5%); ocean freight (US$50/tonne); and incidental charges (US$85/tonne).	16 April 2009	The Economic Times.
India	New export subsidies to cotton farmers (Textile Upgradation Funds Scheme (TUFS); drawback programmes; tax holidays for export products; and preferential export financing). Increase of Minimum Support Prices for cotton (US$0.75/pound).	22 April 2009	The Dow Jones Commodities Services, and the Press Trust of India Limited.
India	Removal of a two-year ban on wheat exports.	15 May 2009	Business Standard Ltd.
India	Extension of import ban on dairy products from China, until 24 December 2009.	1 July 2009	The Times of India.
India	Re-imposition of ban on wheat exports.	13 July 2009	The Economic Times.
India	Extension of import duty reimbursement scheme (DEPB) until the end of 2009.	21 July 2009	The Economic Times.
India	Extension of duty-free imports of raw and refined sugar.	28 July 2009	Agra Europe (agra-net.com).
Saudi Arabia	Reduction of import tariffs on 92 products, as from 6 June 2009.	3 June 2009	Arab News.
Saudi Arabia	Import ban on used cars, buses and light transport older than five years, and heavy trucks older than 10 years, as from December 2009.	9 June 2009	Press reports.
Saudi Arabia	Import ban on equipment used in water desalination.	26 July 2009	Press reports.

... Not available.

ANNEX 2

General Economic Stimulus Measures
(April 2009 – August 2009)

VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
Australia	Programme of nation building investment in infrastructure, including roads, metro rail, ports, universities and energy efficiency, under the Government's 2009-10 Budget.	12 May 2009	Permanent Delegation of Australia to the WTO.
Australia	New South Wales Government Procurement: "Local Jobs First Plan" included in its Stimulus Package, providing a price preference for Australian and New Zealand content.	16 June 2009	Permanent Delegation of Australia to the WTO.
Australia	Ford Credit Australia was authorized to participate in the Special Purpose Vehicle (SPV) funding mechanism (up to $A 550 million (US$454.2 million) over 12 months).	6 July 2009	Permanent Delegation of Australia to the WTO.
Brazil	Additional credit line (US$4 billion) for State Governments through the National Development Bank (BNDES).	17 April 2009	Permanent Delegation of Brazil to the WTO.
Brazil	Provisional Programme for Investment Support (interest rate of 4.5%) through the National Development Bank (BNDES PSI), to finance the production of capital goods destined for exports.	16 June 2009	Permanent Delegation of Brazil to the WTO.
Canada	Additional measures for the automotive industry, including the Canadian Warranty Commitment Programme, to guarantee warranties from GM of Canada and Chrysler Canada during the restructuring period, and expanded accounts receivable insurance for automotive parts suppliers.	April 2009	Permanent Delegation of Canada to the WTO.
Canada	Support measures for General Motors of Canada Inc. and Chrysler Canada Inc. (see Annex 4).	April 2009	Permanent Delegation of Canada to the WTO.
Canada	Allocation to the Canadian Secured Credit Facility (Can$10 billion (US$9.1 billion) increase to Can$12 billion (US$10.8 billion) in June) to purchase term asset-back securities (ABS) backed by loans and leases on vehicles and equipment.	8 May 2009	Permanent Delegation of Canada to the WTO.
Canada	Government funding (Can$1 billion (US$911 million)) for Canadian pulp and paper producers that invest in improved energy efficiency and environmental performance.	18 June 2009	Permanent Delegation of Canada to the WTO.
Canada	Government loan (Can$100 million (US$90.3 million)), through "Canada Account" to Air Canada.	29 July 2009	Permanent Delegation of Canada to the WTO.
China	From the beginning of 2009, adjusting and reinvigorating plans for 10 industries, including iron and steel, automotive, ship-building, petrochemicals, light manufacturing, textiles, non-ferrous metals, equipment manufacturing, electronics and information, and logistic.	April 2009	Permanent Delegation of China to the WTO.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
China	"Old for new" pilot incentive programme (a support of no more than 10% of the sales price of the product) for household electrical appliances including: TV, refrigerators, washing machines, air conditioners, and computers too be carried out in certain Provinces and cities (Y 2 billion (US$292.7 million)).	June 2009	Permanent Delegation of China to the WTO.
China	Certain Policies to Promote the Accelerated Development of Bio-Industries (specific implementing measures still to be defined).	2 June 2009	Permanent Delegation of China to the WTO.
EC	Increase (from €25 billion to €50 billion (US$35.2-US$70.5 billion)) for the outstanding amount of loans to be granted under the EC medium-term assistance for balance-of-payments facility.	18 May 2009	Council Regulation No. 431/2009 of 18 May 2009 (OJ L 128/1).
Austria	Amendment (€10 billion (US$14.3 billion)) budget increase) to an aid scheme approved on 20 March 2009. (Beneficiary: companies that were not in difficulty on 1 July 2008).	18 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium	Arkimedes risk capital-programme, increase of annual investment tranches.	3 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Czech Republic	Temporary scheme which allows government, regional and local authorities to grant aid in the form of reduced interest rates on loans. The lower rates available for loans contracted no later than 31 December, but only on interest payments up to 31 December 2012. After that date firms have to pay market rates. (Beneficiary: companies that were not in difficulty on 1 July 2008).	6 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Czech Republic	Temporary scheme granting compatible aid of up to €500,000 (US$704,750) per company over the period 2009-10. The aid can be granted in the form of direct grants, reimbursable grants, interest rate subsidies, subsidised public loans and public guarantees. (Beneficiary: companies that were not in difficulty on 1 July 2008).	7 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Denmark	Export credit insurance scheme, 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).	6 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Estonia	Aid up to €500,000 (US$704,750) per company in the form of grant, loans and guarantees, until 31 December 2010.	13 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Finland	Scheme granting aid of up to €500 000 (US$704,750) per company. (Beneficiary: companies that were not in difficulty on 1 July 2008).	3 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Finland	Guarantee scheme providing relief in the form of subsidized guarantees for investment and working capital loans concluded by 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	9 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
Finland	Export credit insurance scheme: short-term export-credit insurance coverage to companies established in Finland. The maximum coverage would be 90% for both commercial and political risk, which means that the exporters would have to assume at least 10% of the underlying risk themselves. (Beneficiary: companies that were not in difficulty on 1 July 2008).	22 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Aid scheme (€25 million (US$35.8 million)) for provision of risk capital from 2009 until 31 December 2010. (Beneficiary: SMEs (all sectors)).	30 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Amendment of a scheme approved on 30 December 2008: risk-capital injunctions in the form of direct grants up to €500,000 (US$704,750). Private investment, particularly in the form of public private fund constructions, is explicitly excluded from the scheme. (Beneficiary: undertakings with normally a maximum turnover of €500 million (US$716.5 million), excluding companies that were in difficulty on 1 July 2008).	4 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Tax refund aid scheme (€570 million (US$816.8 million)) through reduction of energy costs of primary agricultural and forestry production, until 31 December 2009.	13 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Amendment to the scheme allowing aid of up to €500,000 (US$704,750) per company.	17 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Temporary reduced-interest loans scheme for green products. (Beneficiary: companies that were not in difficulty on 1 July 2008).	4 August 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Short term export credit insurance scheme until 31 December 2010.	5 August 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Greece	Scheme for subsidized guarantees for investment and working capital loans concluded by 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	3 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Greece	Scheme allowing aid in the form of reduced interest rates on loans concluded by 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	3 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Greece	Aid up to €500,000 (US$704,750) per company in the form of grants, until 31 December 2010.	16 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
Hungary	Temporary scheme allowing authorities to grant aid in the form of subsidized guarantees for investment and working capital. The reduction of the guarantee fee can be applied during a period of up to two years for a loan guarantees contracted no later than 31 December 2010. Where the duration of the underlying loan exceeds two years, the safe harbour premiums may be applied for an additional maximum period of eight years. The maximum duration of guarantees granted under the scheme is limited to ten years. The scheme is a national framework scheme allowing aid to be granted at central, regional and local level. It can be applied to small and medium-sized enterprises as well as to large firms and the guarantees amount can also be higher than €2.5 million (US$3.5 million). (Beneficiary: companies that were not in difficulty on 1 July 2008).	24 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Hungary	Application of rules relating to aid in the form of guarantees under the Temporary Framework.	1 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Ireland	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid can be granted in the form of direct grants, reimbursable grants, interest rate subsidies, and subsidized public loans. (Beneficiary: companies that were not in difficulty on 1 July 2008).	14 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Italy	Adaptation of existing risk capital schemes to increase companies' financing by increasing the maximum investment tranches and reduced private participation, until 31 December 2010.	25 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Italy	Scheme allowing up to €500,000 (US$704,750) per company in the form of debt write off, direct grant, interest subsidy until 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	28 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Italy	Guarantee scheme until 31 December 2010 (see Annex 4). (Beneficiary: companies that were not in difficulty on 1 July 2008).	28 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Italy	Reduced interest rate until 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	2 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Latvia	Scheme aimed to issue guarantees in order to minimize the general economic risk and social economic crisis. The scheme allows the granting of subsidized guarantees for initial investment and working capital loans concluded by 31 December 2009.	22 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Lithuania	Scheme allowing aid of up to €500,000 (US$704,750) per firm to businesses facing funding problems because of the current credit squeeze. (Beneficiary: companies that were not in difficulty on 1 July 2008).	8 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Luxembourg	Scheme providing export-credit insurance to complement insurance policies taken out with private insurance companies.	20 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
Malta	Support measure for businesses, up to €500,000 (US$704,750) per firm may be granted in 2009 and 2010. (Beneficiary: businesses facing funding problems because of the current credit crunch).	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Netherlands	Temporary scheme to help business to deal with the current economic crisis. Authorities at national, regional and local level may grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010 to businesses facing funding problems because of the current credit crunch.	April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Poland	Temporary aid scheme for granting aid up to €500,000 (US$704,750) per firm.	17 August 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Romania	Scheme allowing aid in the form of subsidized guarantees for investment and working capital loans concluded by 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	5 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Slovak Rep.	Temporary measure allowing the State to grant aid of up to €500,000 (US$704,750) per firm in 2009 and 2010. The aid can be granted in the form of grants and remission of penalties for non-payment of taxes. (Beneficiary: companies that were not in difficulty on 1 July 2008).	29 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Slovenia	Scheme allowing aid of up to €500,000 (US$704,750) per company. (Beneficiary: companies that were not in difficulty on 1 July 2008).	9 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Slovenia	Scheme allowing aid in the form of subsidized guarantees for investment and working capital loans concluded by 31 December 2010. (Beneficiary: companies that were not in difficulty on 1 July 2008).	12 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Spain	Scheme allowing direct grants of up to €500,000 (US$704,750) per company. (Beneficiary: companies that were not in difficulty on 1 July 2008).	8 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Sweden	State guarantees in favour of Volvo car maker: guarantees that would enable it to access loans from the European Investment Bank (EIB). The loans would co-finance the development of environment-friendly cars. Volvo would pay an adequate remuneration for the guarantee and provide sufficient securities in case the guarantee would be drawn.	5 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation, and EC State Aid No. 80/09 (OJ C 172/01).
United Kingdom	Scheme aimed at relieving firms that encountered financial difficulties as a result of the current credit crunch. The measure allows national, regional and local authorities to grant aid in the form of reduced interest rates on loans of any duration concluded by 31 December 2010.	15 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Japan	New Stimulus Package (¥15.4 trillion (US$161 billion)) (3% GDP) to ease credit squeeze; provide safety net for unemployed, and stimulate consumer demand.	April 2009	Permanent Delegation of Japan to the WTO.

Annex 2 (cont'd)

Country/ Member State	Measure	Date	Source
Japan	Government programme (¥370 billion (US$3.87 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, or simply purchase of new one without replacement. Programme applicable from 19 June 2009 to 31 March 2010.	June 2009	Permanent Delegation of Japan to the WTO.
Korea, Rep of	70% cut on individual consumption tax and acquisition/registration tax for new automobiles (local and imported) purchased to replace old automobiles (registered before 31 December 1999). Measure effective until 31 December 2009.	1 May 2009	Permanent Delegation of Korea to the WTO.
Turkey	Loan guarantee support mechanism (TL 1 billion (US$663.1 million)) for SMEs, guaranteeing 65% of the loans.	15 July 2009	Permanent Delegation of Turkey to the WTO.
Turkey	General incentive scheme for large scale investments in certain sectors for reducing regional differences in development.	16 July 2009	Permanent Delegation of Turkey to the WTO.
United States	New additional loan to General Motors Corporation (US$2 billion) to provide working capital for the company (prior to its bankruptcy filling). GM filed bankruptcy proceedings on 1 June 2009, and has been offered additional US$30.1 billion debtor-in-possession loan by the US Treasury. The loan is intended to benefit all of GM's continuing operations without regard to geographic location. The new entity, General Motor Company emerged from bankruptcy on 10 July 2009 after the completion of the sale of certain GM assets to the "New GM". The Government converted its loans to 60.8% of the equity in the New GM, loans in the amount of US$7.1 billion, and US$2.1 billion in preferred stock.	April-July 2009	Permanent Delegation of the United States to the WTO.
United States	Grant (US$2.4 billion) for the development of new generation electrical vehicle (48 new advanced battery and electric drive projects), under the American Recovery and Reinvestment Act. Projects were not restricted to US entities.	5 August 2009	Permanent Delegation of the United States to the WTO.

NON-VERIFIED INFORMATION

Country/ Member State	Measure	Date	Source
India	Incentive package for the textile sector (including rebate rate of 8% on textile exports).	27 July 2009	Business Recorder.
Mexico	Stimulus package (US$2.1 billion), including measures for the tourism sector.	7 May 2009	Les Echos.
South Africa	Rescue plan (Customized Sector Programme) for the textile and clothing sector. The Programme includes tariff increases, safeguard investigations, and a buy South Africa procurement policy.	21 May 2009	Press reports.

ANNEX 3

Measures For Financial Institutions
(April 2009 – August 2009)

VERIFIED INFORMATION

Country/ Member State	**Measure**	**Date**	**Source**
China	New rules governing financial services information providers, allowing them to compete more freely in local market (see Annex 4).	1 June 2009	Permanent Delegation of China to the WTO.
EC			
Austria	Recapitalization (€100 million (US$143.3 million)) to Hypo Tirol Bank via a guarantee on capital subscribed by private investors. The guarantee is from the Land Tirol and will run for 10 years. It can be recalled if the bank fails.	17 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Austria	Aid to Interbankmarktstärkungsgesetz (IBSG) and Finanzmarktstabilitätsgesetz (FinStaG) in the form of a direct grant guarantee (overall budget €90,000 million (US$128,970 million)) to remedy serious disturbances in the economy, from 1 July 2009 until 31 December 2009.	30 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Austria	Recapitalization of Hypo Steiermark.	23 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium/ Luxembourg	Additional aid measures stemming from amendments of the agreement between Fortis Holding, BNP Paribas, Fortis Bank and the Belgium and Luxembourg authorities. Belgium accepted to assume a larger part of the risk of the investment vehicle which will purchase impaired assets from Fortis Bank, Fortis Holding's exposure being reduced accordingly. Belgium offered to provide guarantees on a new €1 billion (US$1.4 billion) loan from Fortis Bank to Fortis Holding and on financial liabilities of Fortis Holding towards Fortis Bank. Belgium gave to Fortis Bank a call option on the BNP Paribas shares it would acquire. Belgium accepted to provide Fortis Bank with a second loss guarantee on the structured credit portfolio retained by Fortis Bank. Belgium accepted that the investment vehicle, in which it assumes the largest part of the risk, purchases additional impaired assets from Fortis Bank. (Beneficiary: Fortis).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Belgium	Recapitalization to KBC Group (€3.5 billion (US$5 billion)) in line with the Guidance Communication on state aid during the financial crisis; and temporary clearance to an impaired asset relief programme.	30 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Denmark	Aid to Fionia Bank's restructuring, in the form of a credit facility (up to €685 million (US$965.5 million)), and capital injection (€134 million (US$189 million)). Under the terms of the rescue aid, all assets and liabilities (except subordinated debt and equity) will be transferred to a new entity.	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Denmark	Prolongation of recapitalization and guarantee scheme originally approved in February 2009, until 2 February 2010.	17 August 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 3 (cont'd)

Country/ Member State	Measure	Date	Source
Finland	Extension of support scheme (the instruments guaranteed under the scheme may be issued until 31 December 2009). Also, the scope of the scheme 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). (Beneficiary: financial institutions).	30 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Further €2.45 billion (US$3.45 billion) capital injection into the institution to be created by the merger between the Caisse d'Epargne and Banque Populaire. (Beneficiary: Caisse d'Epargne and Banque Populaire).	8 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
France	Extension of scheme for refinancing credit institutions. Apart from the period of the application, all other conditions (such as eligible institutions, remuneration and safeguards against possible abuse) remain as laid down in the original decision (see Annex 4). (Beneficiary: credit institutions).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Recapitalization of Commerzbank. Second tranche of the capital injection in the amount of €10 billion (US$14.1 billion). Presentation of a business plan setting out measures to restore the viability of the bank. (Beneficiary: Commerzbank).	7 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Prolongation of the risk shield of WestLB and accompanying measures (see Annex 4).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Recapitalization and risk guarantee of HSH Nordbank (see Annex 4).	29 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Liquidity facility and State Guarantee for German bank Sachsen LB, in the context of its sale to Landesbank Baden Württemberg (LBBW).	4 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Prolongation of the financial guarantee scheme for financial institutions which was approved by the European Commission first in October 2008 and modified on 12 December 2008.	22 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Guarantees up to €7 billion (US$10 billion) to IKB.	30 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Germany	Asset relief through the possibility of transferring structured securities to special purpose vehicles in exchange for guaranteed bonds, until January 2010 (see Annex 4).	31 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Country/ Member State	Measure	Date	Source
Ireland	Recapitalization worth €3.5 billion (US$5 billion) of Allied Irish Bank. The shares to be issued will qualify as "core tier 1 capital". They will produce a dividend of 8% payable annually, at the discretion of the bank and in priority to dividends on ordinary shares, with detachable warrants after five years. Dividends on the shares are payable in cash, or - if the bank is not able to pay in cash - in ordinary shares in lieu. The shares will carry 25% of the voting rights in Allied Irish Bank. The bank can repurchase the shares at par during maximum five years. After that period, shares can be repurchased at 125% of par. No dividends on ordinary shares are allowed when no dividend on the shares to be issued is paid to the State. On purchase of the preference shares, the State will also receive an option to purchase 25% of the existing ordinary shares in the bank (the "warrants"). This option may be exercised from the fifth to the tenth anniversary of the preferred shares' purchase. (Beneficiary: Allied Irish Bank).	12 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Ireland	Recapitalization worth €3.827 billion (US$5.5 billion) of Anglo Irish Bank in the form of ordinary shares. The measure will help preserve an adequate level of "core tier 1 capital" even after further impairment. It will not change the ownership structure of the state–owned bank. Portion of the €3.827 billion (US$5.5 billion) has been used to buy back at discount certain outstanding subordinated loans. In-depth restructuring plan is to be submitted and will be subject to approval by the EC Commission. (Beneficiary: Anglo Irish Bank).	26 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Italy	Prolongation of refinancing scheme for banks approved in November 2008. Measures include guarantees and swap between banks' debt certificate and Treasury bills. Conditions remain the same.	16 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Latvia	Amendments to State support for JSC Parex Banka. Latvia will strengthen the bank's capital basis with the aim to achieve a capital adequacy ratio of 11% by issuing ordinary shares, qualifying as "tier 1 capital" and subordinated term debt qualifying as "tier 2 capital". The State will purchase these against adequate remuneration. (Beneficiary: JSC Parex Banka).	11 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Latvia	Prolongation of Guarantee Scheme for banks.	30 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Netherlands	Prolongation and amendments of the Dutch credit guarantee scheme in the form of a guarantee (overall budget €200,000 million (US$286,600 million)), from 30 June 2009 until 31 December 2009.	7 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Portugal	Bank recapitalization scheme. The measure will make available new capital to eligible credit institutions, in exchange for instruments eligible as "tier 1 capital" (ordinary or preference shares). The size of the scheme is limited both as regard the overall amount (capped at €4 billion (US$5.6 billion)) and in respect of individual beneficiaries (maximum 2% of the credit institutions' risk weighted assets).	20 May 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Country/ Member State	Measure	Date	Source
Slovenia	Prolongation of guarantee scheme for credit institutions approved on 12 December 2008. 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. The scheme's overall budget is capped at €12 billion (US$17.2 billion). (Beneficiary: credit institutions).	22 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Spain	Prolongation by six months of the guarantee scheme for credit institutions approved in December 2008. It covers, against remuneration, the issuance of notes, bonds and obligations admitted to the official secondary market in Spain. While the maturity of the financial instruments covered is in principle between three months and three years, guarantees could be extended to instruments with a maturity of up to five years in exceptional circumstances. The scheme's overall budget is capped at €100 billion (US$143.3 billion), which can be increased to €200 billion (US$286.6 billion), if the market conditions request it. Spain had to re-notify the extension of the scheme to the Commission.	25 June 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Spain	Prolongation of the "Fondo de Adquisición de Activos Financieros" approved in November 2008. The Fund has a total budget of €30 billion (US$43 billion), to purchase high quality mortgage backed securities (AA-rated or higher, depending on the type of transaction) from credit institutions in order to provide extra liquidity. The majority of the assets are purchased through reverse auctions.	29 July 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Sweden	Amendments to the Swedish State guarantee scheme for financial institutions. 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$200.6 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). (Beneficiary: financial institutions).	28 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
United Kingdom	Extension of financial support measures until 13 October 2009. Banks that benefit from the schemes have to agree in turn to provide loans to companies in the real economy and individuals. The UK considered that the original limit on guaranteed issue of £250 billion (US$354.5 billion) remained appropriate. The amount set aside for recapitalization remained £50 billion (US$70.9 billion). The eligible beneficiaries remained fundamentally sound banks, with eligible liabilities of above £500 million (US$709 million). A capital injection into a bank that has already accessed the recapitalization scheme, however, will be subject to individual notification and approval. (Beneficiary: banks).	15 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.

Annex 3 (cont'd)

Country/ Member State	Measure	Date	Source
United Kingdom	Asset-Backed Securities Guarantee Scheme. The measure is focused on mortgage lending and intends to restore one of the main sources of leverage that UK banks used. Under the scheme, investors will benefit from the guarantee provided to securities issued by special purpose vehicles collateralised with residential mortgages. Guarantees allocated under the scheme will be limited to a total of £50 billion (US$70.9 billion). (Beneficiary: mortgage market).	21 April 2009	Public information available on the European Commission's website transmitted by the EC Delegation.
Russian Federation	Increase of the authorized capital of Vnesheconombank (US$3,165 billion), and VTB Bank (US$5,6 billion), in order to insure the stability of the financial system.	15 June and 7 July 2009	Permanent Delegation of the Russian Federation.

ANNEX 4[2]

Investment and investment-related measures[3] (April 2009 – August 2009)

Country/ Member State Measure	Description of Measure	Date	Source
Argentina			
Investment policy measures	Argentina issued norms that exempt certain operations from the temporary requirement to place 30% of fund-inflow purchases of Argentine pesos in a noninterest bearing account in a commercial bank for a 365-day period.	21 May 2009; 26 June 2009; 6 July 2009	Resolución MECON 332/2009 26-6-09 Resolución MECON 263/2009 21-5-09 Resolución MECON 354/2009 6-7-09
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 4 August 2009, the Treasurer announced reforms to Australia's foreign investment screening framework that it intends to implement later in 2009. The measure will ensure that private foreign investment proposals to acquire interests in Australian companies and businesses valued below AUD 219 million will be exempt from foreign investment screening (the previous lowest threshold was AUD 100 million). The new threshold will be indexed on 1 January each year to keep pace with inflation. The measure also removes the need for foreign investors to notify the Treasurer when they establish a new business in Australia. The proposed reforms do not change the notification requirements for investing in Australia's media sector or for foreign government investment into Australia. The special threshold for investors from the United States in non-sensitive sectors, currently AUD 953 million (indexed annually), will remain. All private new business proposals will also be exempted from foreign investment screening.	4 August 2009	Permanent Delegation of Australia to the WTO and Delegation of Australia to the OECD Investment Committee

Annex 4 (cont'd)

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

[3] For the purposes of this report, emergency financial sector stabilization measures as well as general economic stimulus measures with potential impact on international investment are covered as "investment and investment-related measures". This methodology may be reviewed in light of the outcome of the G20 Pittsburgh Summit.

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	Australia has continued to implement its car dealership financing special purpose vehicle (SPV) that was legally established as a financing trust on 2 January 2009. The implementation of the SPV followed the announcement in October 2008 by GE Money Motor Solutions and GMAC that they intended to depart the Australian wholesale floorplan finance market. On 13 May 2009, the Government announced that after detailed negotiations between Treasury officials, Credit Suisse and Ford Credit would be able to participate in the SPV, allowing it to continue to support its existing dealerships. With funding from the four major Australian banks, namely ANZ, Commonwealth Bank of Australia, National Australia Bank, and Westpac, the SPV will provide liquidity support to participating car dealer financiers. The Government will support the SPV by providing a guarantee on the non AAA 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 that received the Royal Assent on 6 July 2009.	Ongoing; 13 May 2009; 6 July 2009	Car Dealership Financing Guarantee Appropriation Act 2009; "Car Dealer Financing: Establishment of a Special Purpose Vehicle", Treasurer's press release No. 136, 5 December 2008; "Treasurer Releases Update on Car Dealer Financing and the Special Purpose Vehicle", Treasurer's press release No. 145, 19 December 2008; "Car Dealer Financing Special Purpose Vehicle: Supporting Legislation and Ford Credit", Treasurer's press release no. 71, 13 May 2009.
Brazil			
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.		
Canada			
Investment policy measures	New draft regulations, released for public comment on 11 July 2009 by the Government of Canada, amending the existing *Investment Canada Regulations* define the concept of "enterprise value" relating to the net benefit review threshold; remove references to uranium, financial services, transportation sector; and modify the information requirements for investors.		

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
Investment measures relating to national security	On 11 July 2009, the Government of Canada released for public comments draft *National Security Review of Investments Regulations*. The *draft regulations* specify the various time periods of the national security review process and list the investigative bodies with which information can be shared.	Ongoing; 11 July 2009	Canada Gazette, Part I, Vol. 143, No. 28.
Emergency and related measures with potential impacts on international investment	Canada continued to implement measures established or extended under its "Budget 2009: Canada's Economic Action Plan", initially announced on 27 January 2009. They include the following:	Ongoing	Canada's Economic Action Plan—Budget 2009, Department of Finance, 27 January 2009.
	– Through the *Insured Mortgage Purchase Program* (IMPP), the Government purchases up to a total of CAD 125 billion in insured residential mortgage pools from Canadian financial institutions to help them to continue lending to Canadian consumers and businesses.		
	– Under two new temporary facilities—*Canadian Lenders Assurance Facility* and *Canadian Life Insurers Assurance Facility*—, available until end 2009, the Government provides insurance on commercial terms on the wholesale term borrowing of federally regulated deposit-taking institutions and life insurers to assure that they are not put at a competitive disadvantage relative to foreign competitors. Each debt security that is issued by a financial institution using these facilities will be made public on a transaction-by-transaction basis.		
	–The *Extraordinary Financing Framework* (EFF) embraces a number of new and existing initiatives totalling CAD 200 billion. The overall aim is to expand the availability of credit and to respond to gaps in credit markets. The Framework includes a number of initiatives to support access to credit for Canadian businesses through the financial Crown corporations. The EFF includes the Business Credit Availability Program that will provide at least CAD 5 billion to Canadian businesses at market rates.		
	– Canada increased the maximum eligible loan amount small businesses can access under the Canada Small Business Financing Program, a scheme introduced earlier.		
	The Government of Canada and the Government of Ontario provided loans to General Motors of Canada Inc. and Chrysler Canada Inc. and in April 2009, increased the Chrysler Canada loan to CAD 3.7 billion and on 10 June 2009 took on a 2-per-cent ownership stake in the auto maker. The Governments also increased the GM loan to CAD 10.6 billion in April and on 10 July 2009 took on a 12% ownership stake. Disbursements are underway. No further funding is expected to occur.	April 2009	"Ontario Helping To Put Chrysler On Sustainable Footing", press release, Office of the Premier of Ontario, 30 April 2009. "Government Providing $3.5 Billion To Help Automaker Gain Solid Footing" press release, Office of the Premier of Ontario, 1 June 2009 Permanent Delegation of Canada to the WTO.

Country/ Member State Measure	Description of Measure	Date	Source
	The Federal Government established the Canadian Warranty Commitment Program for GM and Chrysler. The programme echoes a similar program established in the US. It provides government guarantees for warranties issued by General Motors of Canada Limited (GMCL) and Chrysler Canada to help ensure that the automakers remain competitive while they develop acceptable restructuring plans.	7 April 2009	"Canadian Warranty Commitment Program", information by Industry Canada.
China			
Investment policy measures	On 1 June 2009, Decree No. 7 of the State Council Information Office, the Ministry of Commerce, and the State Administration for Industry and Commerce entered into force. The Decree introduces new provisions on the *Administration of Provision of Financial Information Services in China by Foreign Institutions*. These ease restrictions on provision of financial information services by foreign institutions.	1 June 2009	Government website
	The MOFCOM *Measures for the Administration of Outbound Investments* became effective on 1 May 2009. The measures simplify the approval regime of outward investment by a domestic Chinese enterprise. MOFCOM expects that 85% of outbound investment projects will be reviewed by the agency's provincial counterparts, rather than MOFCOM.	1 May 2009	http://www.fdi.gov.cn/pub/FDI/zcfg/law_ch_info.jsp?docid=103383 Unofficial commentary on the measures is at www.freshfields.com/publications/pdfs/2009/mar09/25106.pdf
	The *Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Lending Granted by Domestic Enterprises* became effective on 1 August 2009. The Circular broadens the financing sources of overseas lending by domestic enterprises. The balance of the overseas lending of domestic enterprises may reach 30% their owner's equity.	1 August 2009	*Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Lending Granted by Domestic Enterprises*
	In May 2009, two foreign banks have been authorised by official notice from the Chinese government to issue bonds in China in the domestic currency (Chinese yuan, CNY). Apart from "panda bonds" issued in 2005 by the International Finance Corporation, foreign institutions have hitherto in practice been excluded from issuing bonds in China, though the government is not opposed to such issues in principle.	May 2009	"China loosens yuan-bond market", Wall Street Journal, 20 May 2009.
	In August 2009, the Shanghai municipal government extended the scope of inbound foreign investments that can be cleared by district authorities. The delegation of the power to clear foreign investment projects now includes investments of up to USD 100 million, up from USD 30 million.	August 2009	Shanghai Municipal Commission of Commerce website
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	None during reporting period.		
France			
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	In May 2009, France extended a scheme for refinancing credit institutions. The scheme, which became law in October 2008, 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. Any bank authorised in France, including the subsidiaries of foreign groups, have access to the scheme.	Ongoing	European Commission decisions N251/2009, and N548/2008.
	France amended and continued to implement a capital injection programme for banks that are considered fundamentally sound, but need to reinforce their capital base. Under the scheme (which was initially established in late 2008), eligible banks sell securities to the *Société de prise de participation de l'État* (SPPE), a wholly state-owned investment company. The scheme obliges beneficiary banks to make commitments regarding financing the real economy. These obligations are monitored locally and nationally, and a mediation system is planned to ensure banks' compliance. 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 now budgeted up to EUR 21 billion, up from EUR 10.5 billion when first introduced. Amendments introduced in January and March 2009 provide an option to issue preference shares instead of subordinated debt and change the terms governing the remuneration and reimbursement of the preference shares in order to strengthen incentives for the beneficiary banks to buy them back at the earliest opportunity. The scheme runs until 31 August 2009.	Ongoing	European Commission decisions N613/2008, N29/2009, N164/2009 and N249/2009 .
	France continued to implement a series of schemes to support the real economy. These schemes include:	Ongoing	

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	– A scheme to provide small amounts of aid allows state, regional or local authorities and certain public bodies to grant aid up to EUR 500 000 per undertaking in 2009-2010 combined to businesses which find themselves in difficulty as a result of the current economic crisis;		European Commission decisions N7/2009, N188/2009, and N278/2009.
	– A temporary scheme for granting aid in form of subsidised interest rates. The low rates are available for loans contracted no later than 31 December 2010, but only on interest payments up to 31 December 2012;		European Commission decision N15/2009.
	– A temporary scheme that allows granting subsidized guarantees to companies for investment and working capital loans concluded by 31 December 2010;		European Commission decision N23/2009.
	– A scheme of subsidised interest rates for investments that enterprises make to produce "green" products. The scheme is open for companies of any size and any sector, including the automotive sector. The scheme is implemented in a decentralized way by local authorities. The French government estimates that about 500 enterprises may benefit from the scheme. The measure is limited until 31 December 2010.		European Commission decision N11/2009.
	France continued to build up the assets of its Strategic Investment Fund (*Fonds Stratégique d'Investissement*, FSI), established on 19 December 2008 to aid national businesses and to invest in companies that are considered of strategic value for the French or European economy in terms of competencies, technology or employment. The fund is 100% state-owned (49% held by the State and 51% by the state-owned Caisse de Dépôts), is managed by the Caisse de Dépôts and disposed of EUR 20 billion at its inception. Also, the fund took minority holdings in Gemalto, 3S Photonics, Mecachrome, Nexans, Meccano, and Frey Nouvelles Energies in the course of the reporting period.	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.
Germany			
Investment policy measures	None during reporting period.		

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
Investment measures relating to national security	On 24 April 2009, the amendment of the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*) entered into force. The amendment establishes a review procedure, administered by the Federal Ministry of Economic Affairs and Technology, for investments that threaten "public policy" or public security (In the sense of Article 46 para 1 and Article 58 para 1 of the EC Treaty). The Ministry may prohibit acquisitions or subject them to mitigation measures. Reviews may be performed for investments by non-EU/non-EFTA investors that lead to a 25% or greater equity ownership. The procedure complements an existing review procedure that addresses only investments in certain military goods and cryptographic equipment; the new procedure is not limited to specific industries.	24 April 2009	*Dreizehntes Gesetz zur Änderung des Außenwirtschaftsgesetzes und der Außenwirtschaftsverordnung*
Emergency and related measures with potential impacts on international investment	The Financial Market Stabilisation Fund (SoFFin), established in October 2008, continued to operate and was prolonged until the end of 2009. SoFFin continued to provide assistance to financial institutions in line with its mandate to assists certain financial institutions—including German subsidiaries of foreign financial institutions—to overcome temporary liquidity squeezes and strengthen their own funds.	Ongoing	Decision by the European Commission N330/2009. "Stabilisierungsmaßnahmen des SoFFin", SoFFin press release, 10 July 2009
	– On 22 June 2009, SoFFin took a stake of 25% plus one share in Commerzbank (total volume of recapitalization: for EUR 18.2 billion, including EUR 16,4 billion hybrid tier 1 capital). The agreement between the bank and SoFFin includes among others restrictions on acquisitions, on divestments and the sale of parts of the company, and on the payments of dividends.	22 June 2009	"EU Commission gives go-ahead for injection of equity capital", Commerzbank Investor Relations release, 7 May 2009.
	– In June 2009, SoFFin increased its stake in Hypo Real Estate Holding AG (HRE) to 90% through a capital increase; it endeavours a complete takeover of the company through a squeeze-out under German stock corporation law in order to proceed with the restructuring of HRE.	2 June 2009	"SoFFin holds 90 percent stake in Hypo Real Estate Holding AG (HRE) following capital increase. Preparations for complete takeover of the company under way", SoFFin press release 2 June 2009.
	Prolongation of the risk shield of WestLB and accompanying measures. The aid is conditional upon the approval of the restructuring plan (reorientation of WestLB's business into less risky activities as well as change of the bank's ownership structure through a public tender procedure before the end of 2011) by the statutory bodies of all of WestLB's owners.	12 May 2009	Decision by the European Commission C43/2008.
	Recapitalization (EUR 3 billion) and risk guarantee (EUR 10 billion) of HSH Nordbank provided by the city of Hamburg and the State of Schleswig Holstein. Restructuring plan to be presented within three months of the decision.	29 May 2009	Decision by the European Commission N264/09
	Recapitalisation and asset relief for the Landesbank Baden-Württemberg (LBBW).	30 June 2009	Decision by the European Commission N265/2009.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	The *Finanzmarktstabilisierungsergänzungsgesetz* (FMStErgG), a law that complements the measures of the Financial Market Stabilisation Act, entered into force in April 2009. The law changes governance rules so as to facilitate recapitalisation. Among others, the law introduced the possibility, as a last resort, to expropriate shareholders of financial institutions that pose a systemic risk. This possibility, which was limited until 30 June 2009, has not been used.	9 April 2009	*Finanzmarktstabilisierungsergänzungsgesetz*
	On 1 June 2009, the Federal Government and the Governments of the regions that are home to Opel factories provided a combined credit of EUR 1.5 billion in order to help finance temporarily a newly established trust company holding the majority of shares of most GM companies in Europe, including Adam Opel GmbH. The trust arrangement prevented a negative impact on the European GM companies by the Chapter 11 procedure that GM underwent in June.	Ongoing since May 2009	"Treuhandvertrag und Konsortialvertrag unterzeichnet—Weg frei für Opel-Sanierung", Federal Ministry of Finance press release, 2 June 2009. "Wie geht es weiter mit Opel", information of the Federal Government, 2 June 2009.
	On 23 July 2009, the law on the development of financial market stabilisation entered into force. The law provides for the possibility to deconsolidate structured securities as well as other assets from their balance sheet under a so-called "bad bank" concept. The law offers the use of two different models. The first one, called "SPV-Model", focuses on structured securities. The second, called "consolidation model" allows for the transfer of a broad range of different assets classes. Both models allow the cleanup of the balance sheet and by this way free up regulatory capital. Both models have also in common the ultimate responsibility of the owners of the assets for the losses resulting from the liquidation of the assets.	23 July 2009	*Gesetz zur Fortentwicklung der Finanzmarktstabilisierung*
	Germany continued to implement the assistance schemes that it had passed to support the real economy, in particular:	Ongoing	
	– The Credit and Credit Guarantee Programme (budgeted up to EUR 100 billion and ending 31 December 2010) consisting of a credit component (up to a total of EUR 25 billion) and a credit guarantee component (up to EUR 75 billion). Applications for credits in excess of EUR 150 million and credit guarantees in excess of EUR 300 million or in cases of fundamental significance (i.e. increased risks, unusual loan and/or collateral structure, special regional, sectoral, employment significance) are subject to decisions by an inter-ministerial Steering Group , which also decides about new measures taken under the programme.		"*Kredit- und Bürgschaftsprogramm der Bundesregierung/Wirtschaftsfonds Deutschland*". Detailed documentation (in German) is provided on the website of the Federal Ministry for Economy and Technology.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	– A loan programme (budgeted at up to EUR 15 billion, and originally introduced on 5 November 2008). Under the programme, the Government subsidises loans to improve credit availability. Subsidised loan agreements must be concluded between 1 January 2009 and 31 December 2010.		"*KfW Sonderprogramm 2009*", European Commission decision N661/2008.
	– A framework for "Small amounts of compatible aid" that broadens channels for distributing existing support funds. It authorises the government to provide businesses with aid in various forms up to a total value of EUR 500 000 each for 2009 and 2010 combined. The measures can be applied between 30 December 2008 (date of approval by the EC) and 31 December 2010. In June 2009, the forms of aid that can be granted were broadened and henceforth include risk-capital as well.		"*Bundesregelung Kleinbeihilfen*". European Commission decision N668/2008. Two modifications are documented in the European Commission decisions N299/2009 and N411/2009.
	– A scheme that allows authorities at federal, regional and local level to grant aid in the form of subsidized guarantees for investment and working capital loans concluded by 31 December 2010. The scheme initially entered into force on 27 February 2009 and serves as the framework for specific programmes.		"*"Befristete Regelung Bürgschaften*". European Commission decision N27/2009.
	– A scheme that allows authorities at federal, regional and local level, including public development banks, to provide loans at reduced interest rates. The scheme initially entered into force on 19 February 2009.		"*Bundesrahmenregelung Niedrigverzinsliche Darlehen*". European Commission decision N38/2009.
India			
Investment policy measures	On 19 June 2009, the Securities and Exchange Board of India (SEBI) notified an amendment regarding the facilitation of issuance of Indian depository receipts. It allows foreign institutional investors and mutual funds to invest in Indian Depository Receipts.	19 June 2009	Gazette of India Extraordinary Part–III–section 4 of 19 June 2009
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	India continued to implement its Stressed Asset Stabilisation Fund of IDBI Bank that functions as a Special Purpose Vehicle (SPV) to provide liquidity to non-deposit taking systemically important Non-Banking Financial Corporations. The measures was initially announced it the 2nd stimulus package on 2 January 2009. The SPV issues government guaranteed securities up to a total of INR 250 billion.	Ongoing	"Framework for addressing the Liquidity Constraints of NBFCs", RBI Press release dated 18 February 2009, reproduced in RBI Monthly Bulletin, April 2009, p. 668.
Indonesia			
Investment policy measures	Regulation No. 27/2009, which became effective on 23 June 2009, provides foreign investors with more one-stop servfices, fiscal facilities, and easy access to information on investment.	23 June 2009	Presidential Regulation No. 27/2009 regarding Integrated One Door Services for Investment.

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.		
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 extended and continued to implement a guarantee scheme for the financial sector. The scheme, initially introduced in late 2008, consists 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, are eligible for the measures.	16 June 2009, ongoing	European Commission decisions N520a/2008 and N328/2009.
	Italy also continued to implement its recapitalisation scheme to support the financial sector. The scheme authorises the injection of capital by the Ministry of the Economy and Finance in the form of core Tier 1 special instruments and entails incentives for an early redemption. Under the scheme, any listed bank incorporated under Italian law, including subsidiaries of foreign banks, can apply for such support. The procedure is administered by the Ministry of the Economy and Finance; Bank of Italy is involved in the evaluation of applicant institutions. Italy committed to communicate once the operation is finalised the main characteristics of the operations and the outcomes of the valuations made by Bank of Italy.	Ongoing	European Commission decisions N648/2008 and N97/2009.
Japan			
Investment policy measures	On 23 June 2009 amendments to the Cabinet Order on Inward Direct Investment and the Ministerial Order on Inward Direct Investment relating to the Foreign Exchange and Foreign Trade Law entered into force. The amendments introducing leaner notification and reporting procedures for inward foreign direct investment.	23 July 2009	Ministry of Finance Press release, 3 June 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	On 10 April 2009, the Government of Japan announced its fourth policy packages in response to the economic crisis. The package includes measures to enhance credit supply to firms governed by Japanese law: It increases the funds available for emergency credits for SMEs from JPY 20 trillion to JPY 30 trillion and increases the volume of safety-net loans by government-affiliated financial institutions from JPY 10 trillion to JPY 17 trillion.	10 April 2009	"Countermeasures to Address the Economic Crisis", Government media release, 10 April 2009.
	Based on this fourth policy package, the state-backed Japan Bank for International Cooperation (JBIC) invited domestic financial institutions on 26 May 2009 to apply for 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. Funds will be allocated on a preferential basis to financial institutions that make a commitment to active on-lending to the overseas affiliates of these firms. The measure is set to be in place until the end of March 2010.	26 May 2009	"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.
	On 28 and 29 May 2009, the state-backed Japan Bank for International Cooperation (JBIC) signed Untied Loan agreements for an aggregate amount of up to USD 300 million with the RHB Bank Berhad, and Maybank, two Malaysian commercial banks.	28 May 2009, 29 May 2009	"Supporting Improvement of the Financial Environment for Japanese Affiliates in Malaysia", JBIC news releases NR/2009-11 (28 May 2009) and NR/2009-12 (29 May 2009).
	Japan continued to implement the amended Act on Special Measures for Strengthening Financial Functions that allows the Government, since the amendment in December 2008, to inject capital to regional/local banks with low capital adequacy ratios. The application of the law is limited until March 2012. Capital injections are limited to JPY 12 trillion.	Ongoing	
	On 30 April 2009, an amendment to the Act on Special Measures for Industrial Revitalisation and a related cabinet ordinance entered into force. The new regulatory framework allows the government-owned Japan Finance Corporation (JFC) to cover parts of losses that a private financial institution suffered as a result of providing financing to business operators that implemented an authorized business restructuring plan. This is a temporary measure until the end of March 2010.	30 April 2009	"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.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
Korea, Rep. of			
Investment policy measures	The Korean government amended the Presidential Decree of The Urban Development Act to allow foreign-invested companies in Korea to make non-bid contracts with local governments for the use of lands included in the urban development projects. Korean companies are still subject to open bid contracts. This measure will be effective for two years from 1 July 2009.	2 June 2009	"The Government Takes a Sweeping Regulatory Reform to Overcome Economic Crisis", Invest Korea investment news no. 4007, 2 June 2009
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Since 31 March 2009, Korea operates a KRW 20 trillion (USD 14.3 billion) Bank Recapitalisation Fund. The Fund aims to help banks strengthen their capital base. The Fund, managed by the Bank Recapitalisation Fund Oversight Committee and operated through the state-run Korea Development Bank and Korea Asset Management Corporation, purchases hybrids and subordinate bonds from banks. Banks that participate in the scheme are required to sign a memorandum of understanding (MOU). The MOU includes commitments to support the real economy, notably SMEs, and corporate restructuring, among others. The government reviews the performance of banks in implementing the commitments under the MOU and decides whether to allow banks to participate in the scheme, as well as whether to adjust interest rates.	31 March 2009	"Bank Recapitalization Fund: Timetable and Operational Plan, Press Release by the Financial Services Commission Press release, 25 February 2009.
	A Restructuring Fund has been established by a law that became effective on 13 May 2009. The Restructuring Fund purchases until 2014 non-performing loans from financial institutions and assets of the companies that undergo restructuring. The Fund may dispose of up to KRW 40 trillion through government-guaranteed bonds. The Fund is administered by the Korea Asset Management Corporation (KAMCO).	13 May 2009	Press release of Financial Services Commission dated 4 May 2009. "Corporate Restructuring Progress and Financial Sector's non-performing loans", release of Financial Services Commission, 30 June 2009.
	The government has initiated a shipping fund to purchase vessels from shipping companies as part of its efforts to facilitate restructuring of the shipping industry. The shipping fund has been established through contributions from private investors and financial institutions as well as from the Restructuring Fund managed by KAMCO. As of 28 August 2009, KRW 191.2 billion has been used for purchase of ships.	23 April 2009	"Restructuring Initiatives for Shipping Industry", Financial Services Commission Press release, 23 April 2009.

Country/ Member State Measure	Description of Measure	Date	Source
Mexico			
Investment policy measures	An amendment of the regulations on foreign investment eases the conditions for foreign investors to apply for trusts on real estate in restricted areas.	4 May 2009	Diario Oficial de la Federación el 8 de septiembre de 1998 as amended 4 May 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.		
Russian Federation			
Investment policy measures	On May 16, 2009 Federal Law No. 74-FZ came into force. It provides for simplified rules on access of foreign securities to the Russian securities. Previously, securities issued by foreign entities could be placed for circulation on the Russian market on the basis of either an international treaty or a cooperation agreement between the Federal Service for the Securities Market (FSFM) and the respective authority of the country of the foreign issuer.	16 May 2009	Federal Law #74-FZ of 28.04.2009 "On amending the Federal Law "On the securities market" and Article 5 of the Federal Law "On protection of the rights and legitimate interests of investors in the securities market".
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The law “On Amending the Federal Law ‘On additional measures to support the financial system of the Russian Federation’" amends the rules governing Vnesheconombank’s (VEB) access and use funds of the National Welfare Fund. Henceforth, VEB can access up to RUB 410 billion to provide subordinated loans to Russian credit institutions.	17 July 2009	Федеральный Закон О внесении изменений в Федеральный закон "О дополнительных мерах по поддержке финансовой системы Российской Федерации"
	On 9 June 2009 the Government of the Russian Federation published its Anti-Crisis Programme of the Government of the Russian Federation for 2009, following consideration by the State Duma on 6 April 2009.	9 June 2009	*Anti-Crisis Programme of the Government of the Russian Federation for 2009*
	Measures include: – Providing subordinated loans of up to RUB 555 billion in 2009 (RUB 1 trillion, including a possible loan to Sberbank from the central bank);	9 June 2009	*Anti-Crisis Programme of the Government of the Russian Federation for 2009,* Section 5.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	– assisting in the issuance in 2009 of bonds to finance investment projects in the automobile sector in the amount of up to RUB 60 billion and a maturity of five years on condition of state guarantees as well as possible refinancing of such securities by the Bank of Russia. Foreign companies that have established assembly plants in the Russian Federation are eligible for industrial support. Furthermore, the government has announced a number of measures to support domestic producers. These include various interest rate subsidies, including loans taken by car manufacturers and transport engineering companies for modernisation (RUB 2.5 billion); and	9 June 2009	"Anti-Crisis Programme of the Government of the Russian Federation for 2009", Section 3 and Appendix item no. 2.2.2.8.
	– granting support to "backbone" companies, i.e. companies having important impacts on the Russian economy. The Government Commission on Sustained Economic Development has approved a list of 295 backbone companies that are eligible for state support measures, and an Interdepartmental Working Group allocates support in the form of capital injections, direct state support and state guarantees of loans. The 2009 budget sets aside up to RUB 300 billion for this measure.	9 June 2009	*Anti-Crisis Programme of the Government of the Russian Federation for 2009*, Section 3.
	Russian automaker AvtoVAZ received a RUB 25 billion, one year, interest-free loan on 4 June 2009. Russian Technology, a state-owned shareholder in AvtoVAZ, received the loan from the government to forward it to AvtoVAZ.	4 June 2009	Prime Minister media review, quoting Vedomosti, 27 April 2009.
	Carmaker GAZ received state guarantees for credits worth up to RUB 20 billion roubles.	7 July 2009	Press reports
	In late May 2009, state-owned Sberbank joined AvtoVAZ's *Lada Finance: Lada on Credit* programme. The programme, based on a government scheme to subsidise interest rates on loans taken to purchase Russian-made cars, entitles buyers of Ladas, an AvtoVAZ brand, to receive additional discounts from dealers when taking a car loan from Sberbank. The terms of the programme reduce borrowers' spending on the subsidised interest rate to 0% annually. Only private persons may benefit from this programme.	May 2009	FCNovosti, 1 June 2009, referring to Sberbank press communiqué.
	By resolution of 7 July 2009, the Russian government allocated RUB 1 billion to leasing companies that are majority Russian-owned. The funds are to be used for potential reimbursement of their expenses for reimbursement of expenses for the payment of interest on loans obtained from Russian credit organisations in 2009 for a term not exceeding 5 years for the purchase of vehicles produced in Russia.	7 July 2009	Постановление Правительства РФ от 7 июля 2009 г. N 546
Saudi Arabia			
Investment policy measures	None during reporting period.		

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.		
South Africa			
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.		
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	The UK Financial Services Authority (FSA) continued preparations to amend liquidity requirements. Plans include introducing the requirement that UK branches of foreign banks be self-sufficient for liquidity purposes unless prior permission from the FSA allows otherwise. Public consultation on the plan was ongoing in June 2009.	Ongoing in June 2009	FSA Consultation Paper 08/22 and related procedures; FSA Consultation Paper 09/14.

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	The Government continued to implement a Government Credit Guarantee Scheme (CGS) and a Wholesale Funding Guarantee Scheme; these schemes initially came into force in October 2008, were modified in December 2008 and were prolonged in April 2009. UK-incorporated financial institutions, including subsidiaries of foreign institutions with substantial business in the UK, are eligible for the schemes.	15 April 2009	European Commission decisions N507/2008, N650/2008, and N193/2009.
	The Government also established, in April 2009, a guarantee scheme concerning domestic residential asset backed securities. UK incorporated banks, including UK subsidiaries of foreign institutions, that have a substantial business in the UK and building societies are eligible for this scheme.	21 April 2009	European Commission decision N232/2009.
	The British government began to dispose of assets of Northern Rock, a bank that received government support, mainly in the form of loans granted by the Bank of England and government guarantees. As a first step, Northern Rock will be split into two new entities – "BankCo" a relatively small bank containing a portion of the mortgage assets, the mortgage writing platform and the retail deposits and "AssetCo", a wind-down operation that will run down the remaining mortgages, pay-off the government loan and hold the non-deposit wholesale funding.	Ongoing	European Commission press release IP/07/1859. European Commission press release IP/09/713.
	The British Government also continued to implement recently taken measures to support the real economy, including – a scheme under which small amounts of aid can be provided to companies;	Ongoing	European Commission decision N43/2009.
	– a scheme for temporary aid in the form of loan guarantees. Under the UK-wide scheme, aid can be provided at country, regional and local level in the form of subsidised guarantees for investment and working capital loans. The maximum amount of GBP 1.3 billion is available for this scheme in 2009 and 2010 combined;	Ongoing	European Commission decision N71/2009.
	– a temporary Working Capital Guarantee Scheme under which 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. The guarantees are priced at a level designed to make the scheme self-financing; and	Ongoing	European Commission decision N111/2009.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	– two temporary schemes to grant loan guarantees and interest rate subsidies to businesses producing green products. The two aid measures allow for a total combined risk exposure of GBP 8 billion in the amounts guaranteed or loaned. The loan guarantee allows companies to receive State guarantees at subsidised rates. The scheme that introduces interest rate subsidies for green products is deemed to make it easier for producers to invest in products with an environmental benefit. The scheme initially concerns the car industry, but will be open to all sectors.	Ongoing	European Commission decision N72/2009.
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	*Automotive sector*		
	The Treasury continued to implement a series of measures to support the automotive sector:	June 2009	
	– It provided working capital, debtor-in-possession financing and exit financing for Chrysler LLC in order to support Chrysler through bankruptcy. On 10 June 2009, a new, restructured Chrysler emerged from bankruptcy under a new ownership structure (which includes partial ownership by FIAT S.p.A.) and entered into an alliance with FIAT. Chrysler and Fiat continue to make their own business decisions in the management of the new Chrysler;		
	– It has made total loans of USD 19.8 billion to General Motors Corporation (GM) in working capital funding and warranty guarantees, and an additional USD 30.1 billion under a debtor-in-possession financing agreement to assist GM in an orderly restructuring. GM filed bankruptcy proceedings on 1 June 2009. The new entity, General Motors Company (New GM), emerged from bankruptcy 10 July 2009, on the completion of the sale of certain GM assets to the New GM. The government converted its loans to 60.8% of the equity in the New GM, loans in the amount of USD 7.1 billion, and USD 2.1 billion in preferred stock. The capital provided to GM was for the benefit of all of GM's operations, without regard to geographic location, and was not for the sole benefit of U.S. operations. GM had the sole right to allocate such amounts to its operations (including its worldwide operations) as it deemed necessary. The New GM continues to manage its foreign operations at its own discretion;	1 June 2009	

Country/ Member State Measure	Description of Measure	Date	Source
	– It continued to implement the Auto Supplier Support Program, which was initially launched on 19 March 2009. This program is available to all critical suppliers, regardless of where the part is manufactured or assembled and provides the same benefits to foreign critical suppliers as it does U.S. critical suppliers. The program provides critical suppliers with financial protection on money they are owed (receivables) from any domestic auto companies and the opportunity to access immediate liquidity against those obligations. Specifically, qualified automotive receivables may be sold to a bankruptcy-remote special purpose vehicle established by each of the auto makers with equity capital contributed by the auto maker and financing provided by the Treasury Department. The amount of the commitment to this program was reduced as of 8 July 2009 to a total of USD 3.5 billion.	Ongoing	"Automotive Industry Financing Program", US Department of Treasury website.
	Financial sector stabilisation measures:		
	The US continued to implement its Emergency Economic Stabilization Act of 2008 ("EESA") that was signed into law on 3 October 2008. The primary purpose of the EESA was "to immediately provide authority and facilities that the Secretary of the Treasury can use to restore liquidity and stability to the financial system of the United States." In particular, the EESA authorised the U.S. Treasury Secretary to establish the Troubled Assets Relief Program ("TARP") and take a variety of actions under the TARP to achieve the purposes of the EESA.	Ongoing	"Financial Stability Oversight Board Issues Report on the Emergency Economic Stabilization Act", US Department of Treasury release, 20 July 2009; "Emergency Economic Stabilization Act Programs", US Department of Treasury, Office of Financial Stability.
	– The Capital Purchase Program ("CPP") has provided more than USD 200 billion in capital to more than 600 banking organisations. Institutions that are supervised and regulated on a consolidated basis by a United States supervisor or regulator are eligible. On 9 June 2009, Treasury announced that 10 of the largest U.S. financial institutions participating in the CPP had met the requirements for repayment.	Ongoing	"Treasury Announces $68 Billion in Expected CPP Repayments", U.S. Department of the Treasury press release, 9 June 2009
	– The Targeted Investment Program ("TIP") helps stabilize the financial system by making investments in institutions that are critical to the functioning of the financial system.	Ongoing	"Targeted Investment Program", US Department of Treasury website.
	– The Systemically Significant Failing Institution Program ("SSFI") was established to provide stability and prevent disruptions to financial markets from the failure of institutions that are critical to the functioning of the U.S. financial system.	Ongoing	
	– The Asset Guarantee Program ("AGP") was created to guarantee certain assets held by a qualifying financial institution.	Ongoing	"Asset Guarantee Program", US Department of Treasury website.

Country/ Member State Measure	Description of Measure	Date	Source
	In the first quarter of 2009, the U.S. Department of the Treasury ("Treasury") announced several new or expanded initiatives under the TARP, many of which were announced or implemented as part of the overall Financial Stability Plan announced on 10 February 2009 by Treasury, with the support of the Federal Reserve and the other Federal banking agencies. The initiatives include, for example:		
	– The Capital Assistance Program ("CAP") aims to ensure that U.S. financial institutions have sufficient high quality capital. The CAP has two parts. The first is a supervisory exercise by the Federal banking agencies to produce a more consistent and forward-looking assessment of the risks on banks' balance sheets and the banks' potential capital needs. Institutions that are not supervised and regulated on a consolidated basis by a United States supervisor or regulator are not subject to this exercise. The second is a new capital access programme for qualifying financial institutions. Institutions that are supervised and regulated on a consolidated basis by a United States supervisor or regulator are eligible.	Ongoing	"Capital Assistance Program", US Department of Treasury website.
	– A Public-Private Investment Program ("PPIP") was announced to help promote liquidity in the market for legacy loans and securities, promote transparency in the pricing of such assets, and promote new lending by financial institutions by facilitating the cleansing of legacy assets from their balance sheets.	Ongoing	"Public-Private Investment Program", US Department of Treasury website.
	– The Making home Affordable Plan will help facilitate refinancing for existing performing mortgages owned or guaranteed by Fannie Mae or Freddie Mac, use government resources to improve the sustainability of existing mortgages, and strengthen the housing-related government-sponsored enterprises.	Ongoing	
	Cross-sectoral measures		
	A comprehensive list of the U.S. programmes implemented pursuant to the Emergency Economic Stabilization Act of 2008 in response to the financial crisis.	Ongoing	http://www.financialstability.gov/.
	Other programs to provide liquidity to the financial system in response to the crisis.		http://www.newyorkfed.org.

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
EC			
Investment policy measures	n.a.		
Investment measures relating to national security	n.a.		
Emergency and related measures with potential impacts on international investment	The European Union (EU) continued to monitor Member States' aid to industries or individual companies under the EU competition policy framework of the Common Market as set out in articles 87-89 EU treaty. This regime seeks to avoid any distortions of competition that could result from State aid intervening in the economy. While the specific situation of the financial and economic crisis have led the European Commission (EC) to temporarily adapt the application of EU State aid policies in order to enable Member States to respond to the crisis first in the financial sector—from in mid-2008 onwards—and, subsequently, from December 2008 on, in the real economy, the Commission keeps monitoring whether Member States' policies comply with the temporary rules. Adaptation measures regarding the financial sector where taken first on 13 October 2008, when the EC passed the 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. Therein, the Commission considers that Member States may invoke Article 87(3)(b) EU-treaty as a basis for aid measures taken to address the crisis in the financial sector, notably guarantees, recapitalisation measures, and controlled winding up of financial institutions. The EC provided subsequent guidance on the practical implementation of these principles to recapitalisation, and on the treatment of impaired assets in the Community banking sector. EU Member States have used this possibility and adopted a series of measures for state aid. The EC continues to monitor these measures to ensure their compliance. The measures that EU Member States have adopted are documented in the sections on individual countries in the present document.		

Annex 4 (cont'd)

Country/ Member State Measure	Description of Measure	Date	Source
	As regards the real economy, the European Commission temporarily relaxed State aid restrictions based on Article 87(3)(b) EU-treaty on 17 December 2008 when it issued a *Temporary Community Framework for State aid measures to support access to finance in the current financial and economic crisis*, applicable from 17 December 2008 until 31 December 2010. The framework enhances the scope of State aid that the Commission temporarily considers compatible with the Common Market. It broadens EU Member States' scope to grant aid in response to crisis-induced credit and capital shortages of companies in the non-financial sector. The rules notably enable EU Member States to provide companies with aid in different forms: limited amounts of compatible aid, guarantees, subsidized loans, subsidised loans for green products, and risk capital schemes. Under this framework, EU Member States have adopted a series of measures for state aid that the EC continues to monitor to ensure their compliance with the temporary framework as well its proportionality, and with the regulatory framework of the common market as a whole. The measures that EU Member States have adopted are documented in the sections on individual countries in the present document.		

n.a. Not applicable.

Methodology: Coverage, definitions and sources

Definition of investment: International investment is defined to include all international capital movements, including foreign direct investment.

Definition of investment measure: Inward investment measures by recipient countries are those measures that impose or remove discrimination against foreign or non-resident investors. Investment measures by home countries are those that impose or remove restrictions on investments to other countries (e.g. attaching restrictions on overseas investments as a condition for receiving public support).

National security: International investment law recognises that governments may need to take investment measures to safeguard essential security interests and public order.

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. Governments took a large number of crisis related measures during the reporting period and, in order to keep the size of the report manageable, a fairly narrow definition of emergency measure has been used. In order to be included in the report as an emergency measure, the government needs to have identified the measure as having been enacted to deal with the crisis and the design of the measure needs to be such that it discriminates (de jure) or has the potential to discriminate against foreign investors or to raise barriers to outward investment (e.g. rescues or restructuring of individual firms, loan, guarantee or other aid schemes that target 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).

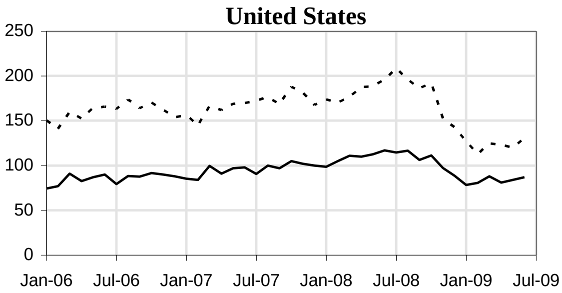
Measures not included: Several types of measures are not included in this inventory:

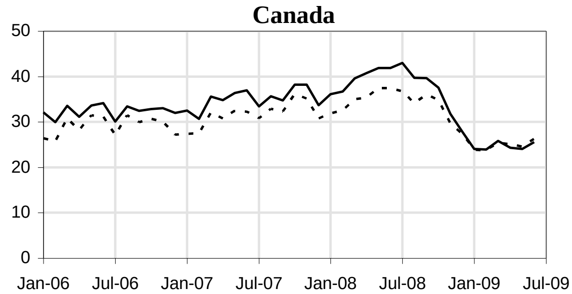
- *Fiscal stimulus*. Fiscal stimulus measures were not accounted for unless these contained provisions that explicitly discriminate against foreign or non-resident investors.
- *Local production requirements* were not included unless they apply *de jure* only to foreign firms. Non-discriminatory local production requirements are taken to be a trade measure, even though they influence the pattern of international investment.
- *Visas*. Business visas were not covered because they are deemed unlikely to be a major issue in the political and economic discussions that this report is designed to support.
- *Airlines*. A number of countries injected capital into state-owned airlines in response to pressures that might be related to the crisis. These were not counted as "emergency measures" because, in all cases, there was evidence of a long history of state support for these airlines.
- *Central Bank measures*. Nearly all central banks adopted new practices designed to support the functioning of credit markets and to enhance the stability of the financial system. These measures influence international capital movements in complex ways. In order to focus on measures that are of most relevance for investment policies, measures taken by Central Banks are not included unless they involved negotiations with specific companies.

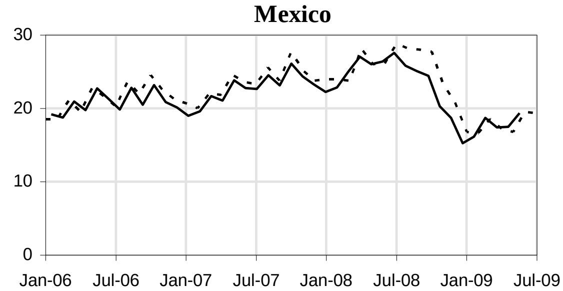
Annex 5

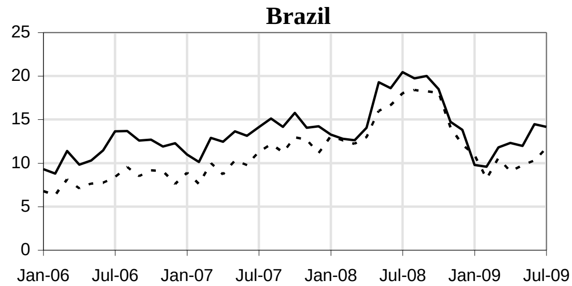
Monthly merchandise exports and imports of selected economies, January 2006 - July 2009

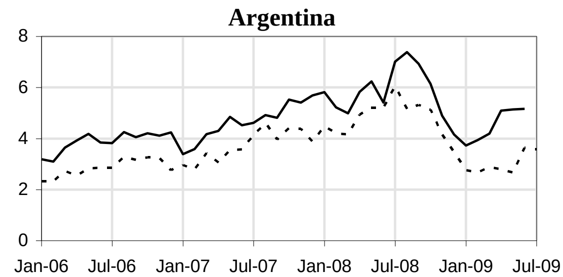
(US$ billion)

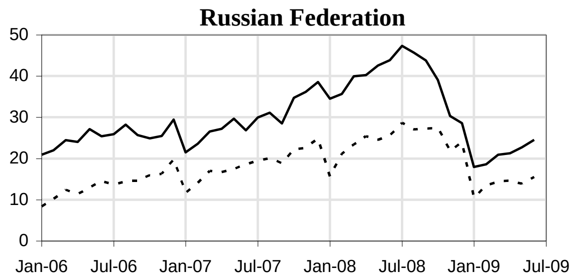


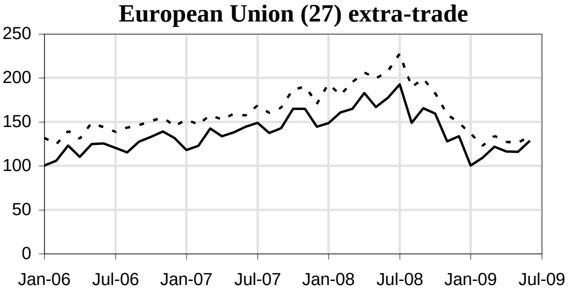


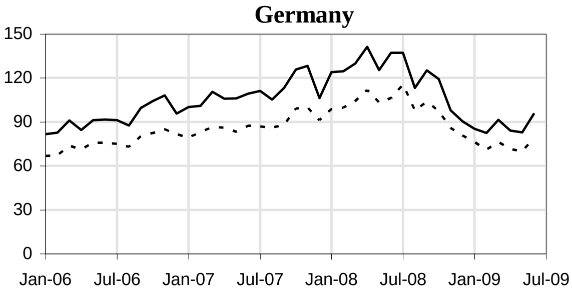


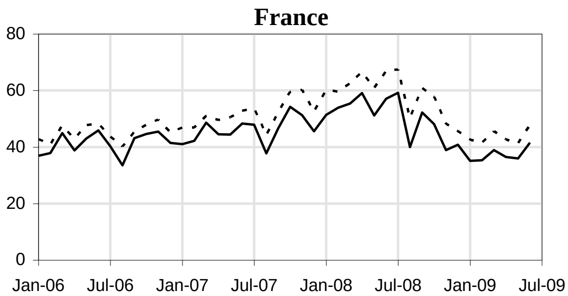


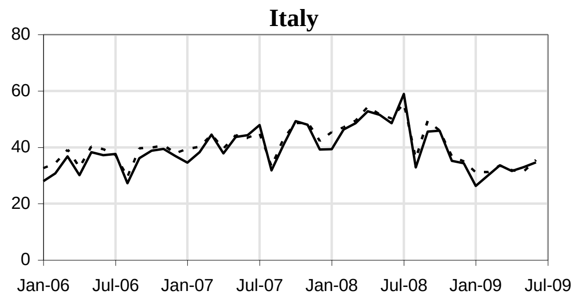




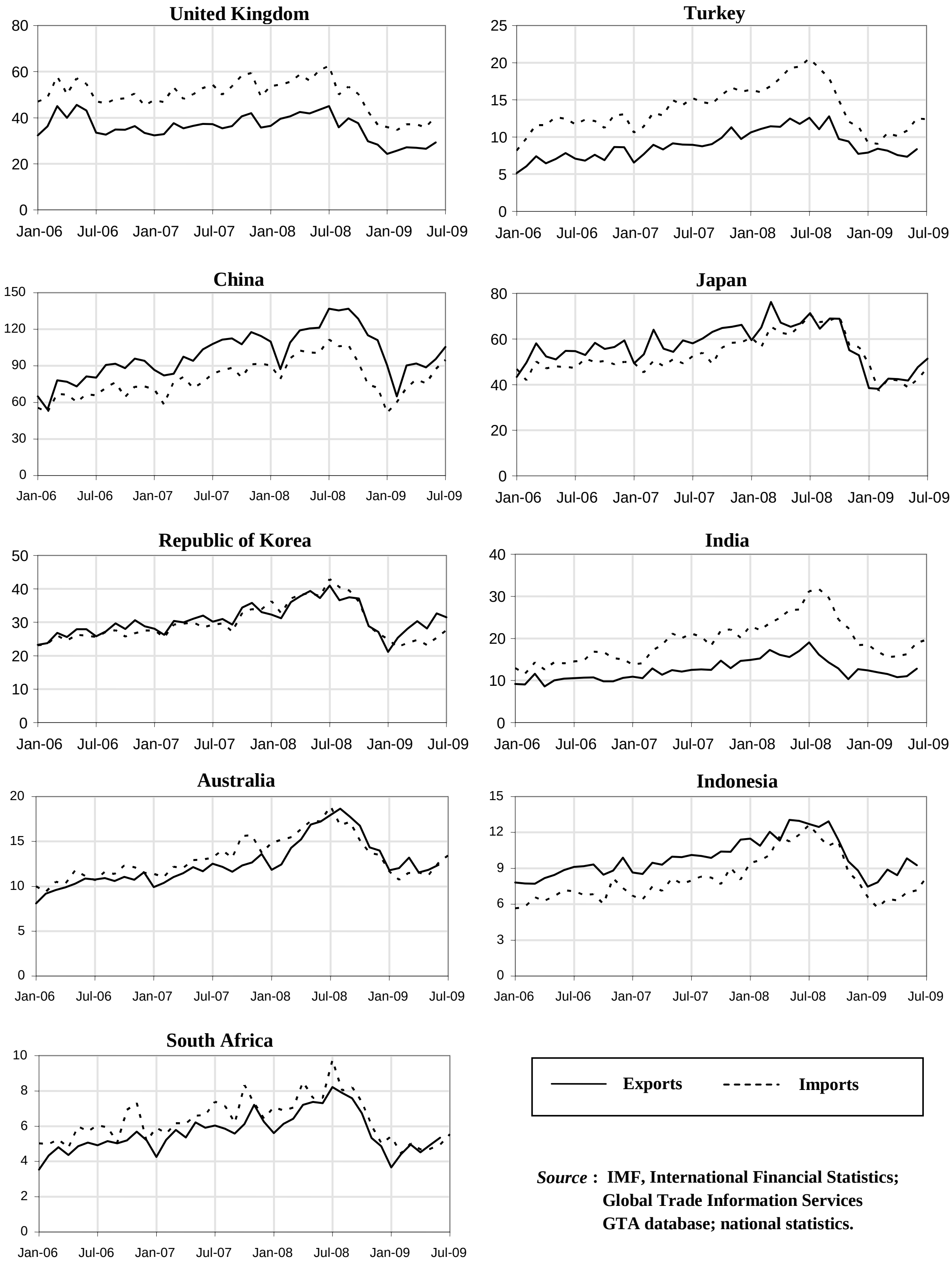








Annex 5 (cont'd)



Source **: IMF, International Financial Statistics;**
Global Trade Information Services
GTA database; national statistics.