



GLOBAL
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ALERT

G20 Trade Policy Factbook

2022 Edition



The independent Global Trade Alert is a pillar of the Swiss-based [St. Gallen Endowment for Prosperity Through Trade](#)

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Why bother tracking the trade policies of G20 members?

2022 Edition

“What gets measured gets managed” is Peter Drucker’s famous dictum for making progress. Since we want globalisation to be better managed for the benefit of all, the [Global Trade Alert](#) team has developed new ways to document those policy interventions that affect cross-border commerce. We are committed to democratising access to such information so that more effective policies can be identified through analysis, with the ultimate goal of strengthening the role of international trade as an engine for human development in the decades to come. The release of the first edition of our G20 Trade Policy Factbook is another step towards that goal.

Ever since the onset of the Global Financial Crisis, G20 members have taken a stand on trade policy. Together, G20 members represent 85% of global GDP, 75% of international trade, and two-thirds of the world’s population. The approaches these nations take to managing the current “polycrisis” matters for humankind. The G20 countries are responsible for 78.4% of all the commercial policy intervention documented by the Global Trade Alert team. Almost all (98%) of the information we have collected on G20 trade policies comes from the websites of governments and international organisations—or where truthful disclosure by firms is mandated by law.

The Global Trade Alert is an independent trade policy monitoring initiative located in the [St. Gallen Endowment for Prosperity through Trade](#), a non-profit foundation established under Swiss law and a spin-off from the University of St. Gallen. After making over a decade of investments in trade policy expertise and digital tools, the St. Gallen Endowment for Prosperity Through Trade (SGEPT, herein-after) is in a unique position to provide these insights.

By combining policy expertise with ever more novel ways to acquire, enrich, and analyse information, SGEPT has become an impartial and trustworthy source for many who seek to know what governments are actually doing to influence global commerce. As well as nurturing a pioneering team capable of adapting quickly to our unsettled world, we engage with individuals and organisations that respect our independence and share our core objectives and values, including ensuring that the millennium-old human imperative to trade remains a force for good as societies tackle the pressing challenges of the 21st century.

Acknowledgments

The preparation of this Factbook involved contributions from every operational team at the Global Trade Alert (Research, Monitoring, Outreach, and Technology). Fernando Martin Espejo and André Brotto Reigado contributed to this report by proposing and creating charts as well as supervising the production process. Apolline Duclaux, Silvan Hofer, and Noé Romeo Kuhn were members of the Research team that made valuable contributions to the preparation of charts upon which this Factbook is based. Dr. Johannes Fritz and Prof. Simon J. Evenett, Chief Executive Officer and Founder of the St. Gallen Endowment for Prosperity Through Trade, respectively, proposed the creation of this Factbook and provided ideas and feedback during the execution of this project.

Figure 1. Which G20 members adopted worse trade policy mixes since the 2021 Rome Summit? Canada had the worst, Brazil the best



How was Figure 1 prepared?

Between the Rome and Bali G20 Leaders' Summits, G20 members implemented a total of 1,418 unilateral policy interventions that affected cross-border access to their national goods markets. This inventory of trade-related policy intervention was used to prepare Figure 1.

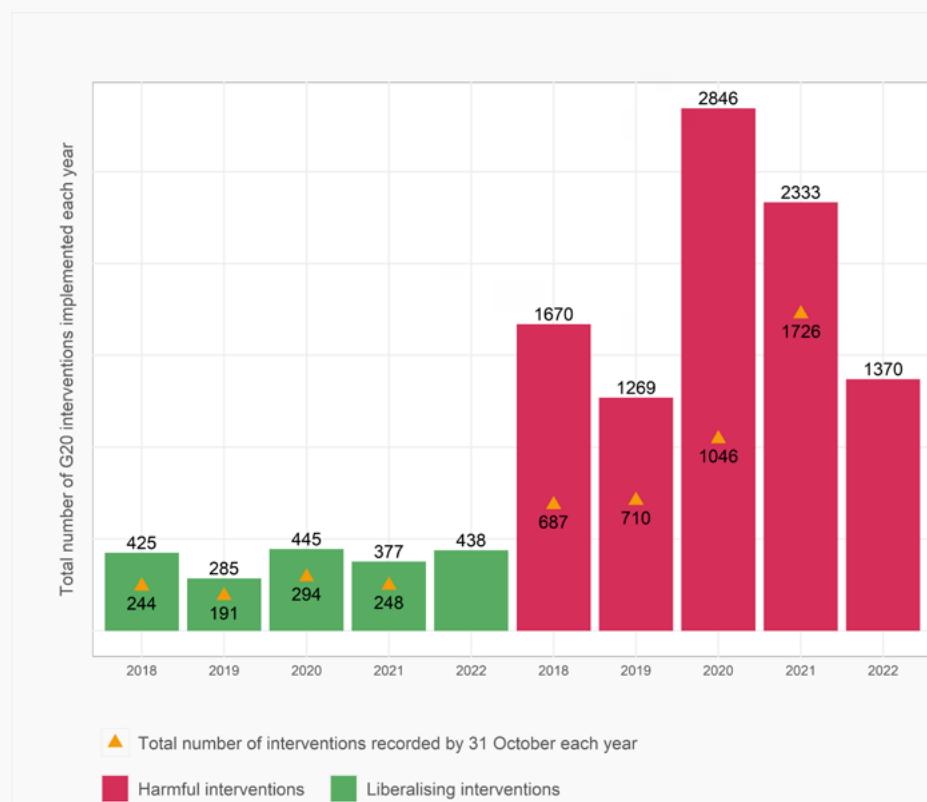
For each G20 member, we extracted information from the GTA database on the policy interventions affecting goods trade that have been implemented since the 2021 Rome Summit. We calculated the total dollar value of goods trade affected by trade-distorting measures (denote this $\$H$) and by trade reforms (denote this $\$L$). The number of days a measure was in force is used to weight each measure's trade coverage. For each G20 member we then calculated the percentage $100L/(L+H)$ and ranked the G20 members in descending order of that percentage. This percentage was used to produce the current (2022) ranking and reveals the degree to which commercial policy changes towards goods trade since the Rome Summit are skewed towards policy measures that benefit the commercial interests of trading partners.

That ranking was compared to a 2021 ranking produced in an identical manner for the goods-related policy interventions coming into force between the Riyadh and Rome Summits. By and large, the 2022 and 2021 rankings of G20 members are quite stable. The evidence on the trade policy mix of G20 members found in Figure 1 are presented as a ranking and in tiers of G20 members that have relatively similar commercial policy mixes.

The number in the right most column in Figure 1 reveals the change in a G20 member's ranking from 2021 to 2022. That is, from the ranking of trade policy stance taken between the Riyadh and Rome G20 Leaders' Summits and from the ranking based on actions taken between the Rome to the Bali G20 Leaders' Summits. A green number indicates an improvement in ranking. A red number indicates a worsening in ranking. Therefore, the reported change of -5 in green for the European Union means that its ranking improved (in this case) from 13th in 2021 to 8th in 2022. The score of +6 in red for the United States indicates that it ranked from 10th best performance in the G20 at the time of the Rome summit to 16th best (or second worst) performance at the time of Bali Summit. Given this ranking depends on the trade policies implemented between successive G20 Leaders Summits, in principle a sharp change in commercial and industrial policy direction by a new government can alter this ranking markedly.

Like all of the figures in this Factbook, this ranking was produced using the finest grained data on cross-border goods trade available (from the UN COMTRADE database at the six digit level of disaggregation.) Unfortunately, no such granular data on cross-border service sector trade is collected by the international organisations. So the ranking presented in Figure 1 is best thought of as a comparison of changes in policy treatment of goods trade, which is still a very large part of observed cross-border commerce. This ranking is best thought of as a comparison of the policy mix of G20 members rather than as a measure of the quantum of commerce affected by policies that favour national firms.

Figure 2. G20 trade reform is at all time high—but favouring local firms now occurs more often than before the pandemic



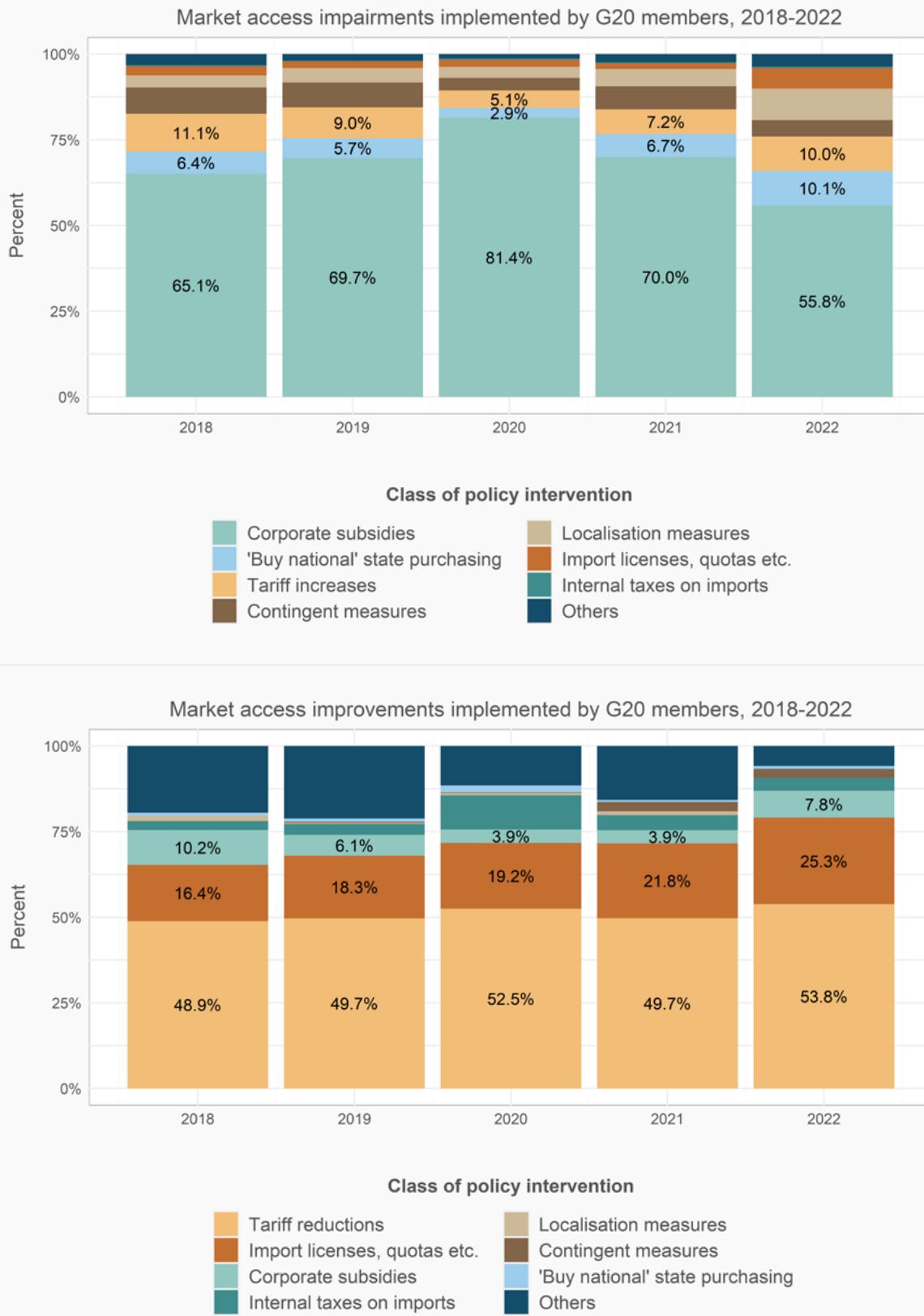
How was Figure 2 prepared?

For each year 2018 to 2022 the total number of policy interventions implemented by G20 members that liberalised any form of cross-border commerce was extracted from the GTA database. Likewise, for the total number of policy interventions by G20 members that worsened the competitive position of firms located abroad (referred to in the Figure as “harmful” interventions).

The annual totals currently recorded in the GTA database in November 2022 are reported as well as the totals recorded by 31 October of the year of implementation. As more policy intervention is recorded over time, the 31 October totals (indicated by the orange triangle) are less than the former total (indicated by the height of the respective bar). Since this report was compiled using data available at the start of November 2022, the difference between the October 31 2022 total and the totals at the start of November 2022 are trivial and so the triangle is not reported for 2022.

The significance of the October 31 totals is that they report the amount of G20 policy intervention that was recorded over the same time frame each year (that is, during the first 10 months of each year). As a result, the October 31 totals provide a fair way to compare resort to harmful and liberalising policies by the G20 over the five years, 2018 to 2022. In all ten columns, only EU policy intervention that affected extra-EU commerce was included.

Figure 3. The G20 protectionist policy mix reverts to the pre-COVID pattern—but border measures to ease importers' burdens have grown in importance



How was Figure 3 prepared?

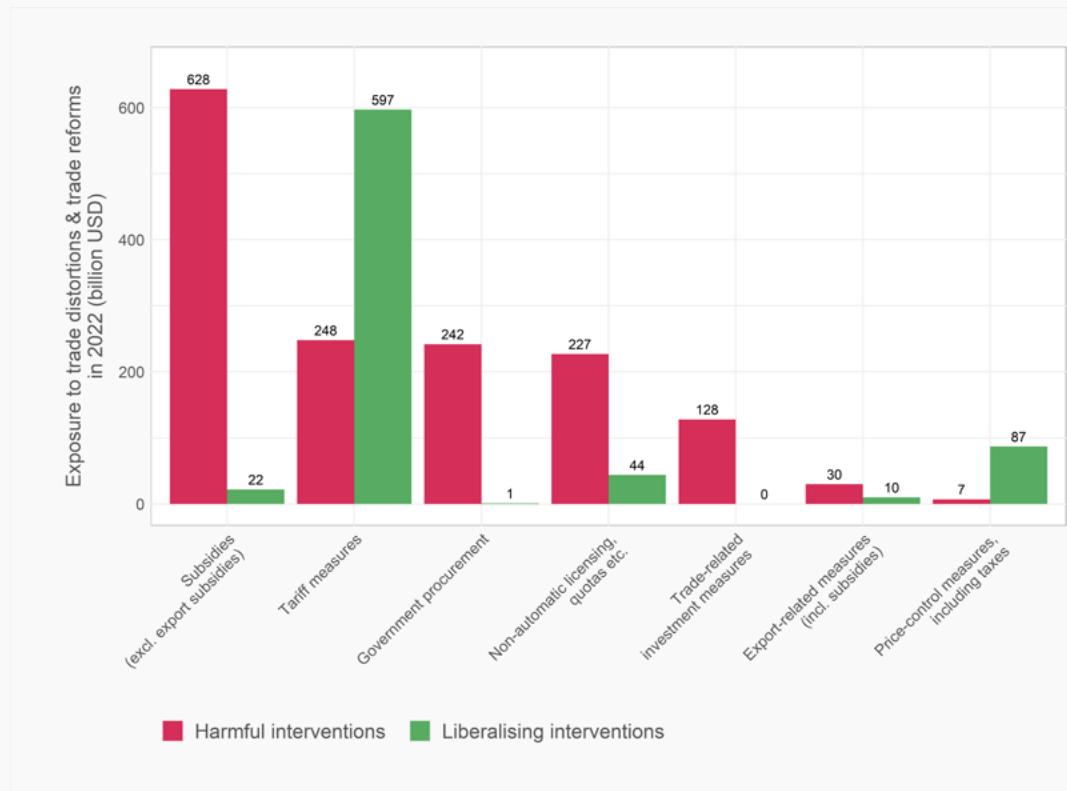
For the upper panel, data on the total number of each class of market access-reducing policy intervention implemented by G20 members in a given year was extracted from the GTA database. The classes of policy intervention most frequently used by G20 members were identified and a 100% stacked bar chart created to reveal the mix of harmful policy intervention introduced by G20 members during each year. The percentages of harmful intervention associated with the three most used classes of commercial policy (award of corporate subsidies to local firms, tariff increases, and 'buy national' state purchasing initiatives) were reported to facilitate comparisons across the years.

The extensive resort to corporate subsidies during the first year of the pandemic is evident. Governments and companies report subsidy awards with a lag—sometimes a significant lag—and this will have contributed to the lower percentage of corporate subsidies recorded so far in 2022. Still, even this year more than half of G20 policy intervention that threatens market access is corporate subsidy related.

We use the term corporate subsidies as non-commercial subsidies, such as transfers between levels of government, welfare state payments to individuals, and international aid payments, are excluded from the GTA database and do not count towards any of the totals reported in this Factbook.

The lower panel is constructed using data on the total number of each class of market access-improving measure implemented by the G20 during each of the years 2018 to 2022.

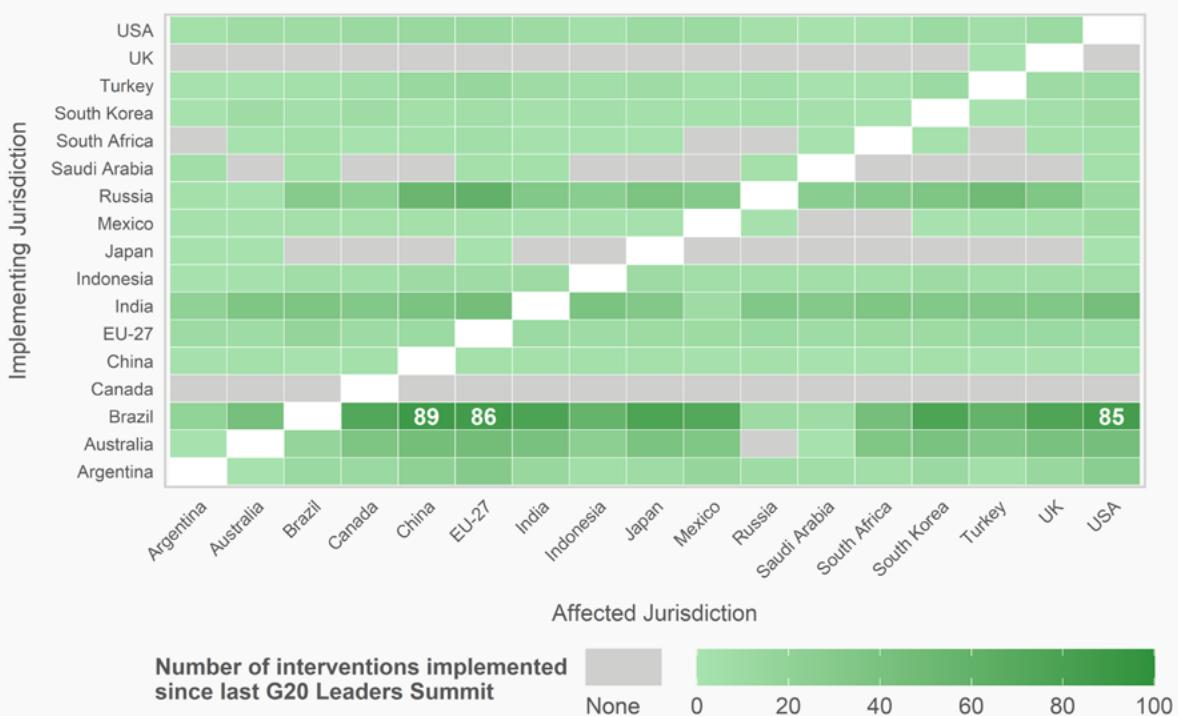
Figure 4. Since the Rome summit, much more trade is at risk from harmful G20 trade policies than liberalising steps



How was Figure 4 prepared?

We extracted all the information on G20 commercial policy intervention affecting imports of goods that were implemented since the 2021 Rome Summit. We distinguish between measures that reduce market access ("harmful interventions") and liberalising measures. Associated with each of these goods trade interventions are the six-digit product (HS) codes implicated. With data on international trade flows for 2019 from the UN COMTRADE database, using standard approaches that correct for the duration that a measure is in force, we calculated the total value of G20 goods imports covered by each class of policy intervention. In this Figure we ordered the classes of policy intervention in terms of the descending total value of G20 imports exposed to harmful intervention. G20 measures that affect exports—such as export taxes, quotas, bans, and subsidies—do not count towards the totals reported here. Data on 2019 trade flows were used in this Figure (and in every other Figure in this Factbook where the values of trade flows covered are reported) to avoid the COVID-19 pandemic and subsequent disruption of cross-border supply chains from skewing the results.

Figure 5. Since the Rome summit, while the United States stands out in taking trade measures that harm other G20 members, Brazil's record is the opposite



How was Figure 5 prepared?

For each G20 member, information on their commercial policy intervention implemented since the Rome Summit was extracted from the GTA database. We distinguish between harmful intervention and liberalising policy intervention. In each case, using information on which G20 trading partners are affected, we count the number of times each G20 member has harmed or advanced the commercial interests of every other G20 member. The upper panel reports a heat map for harmful policy intervention and the lower panel for liberalising policy intervention. Darker panels in these heat maps reveal more implemented interventions since the Rome Summit. Looking across the rows of these heat maps reveals how frequently a G20 member has affected the commercial interests of every other G20 member. Looking up and down a column reveals which G20 members have affected the commercial interests of a given G20 member's exports more often.

Since the last G20 summit, the trade policy choices of the EU-27 and the United States have created adverse fallout for other G20 members most often. In particular, the GTA dataset records 293 harmful interventions implemented by the United States since the Rome Summit that impair Chinese commercial interests, 291 harming the EU-27, and 290 adversely affecting Russia's interests.

Regarding the liberalising measures adopted by the G20 members since the Rome Summit, Brazil took the most trade reforms that benefit G20 members. Since the Rome Summit Brazil has introduced a total of 89 liberalising measures that benefit China, 86 that create commercial opportunities for the EU-27 and 85 benefitting the USA. Australia, India, and Russia have taken plenty of liberalising measures that benefit other G20 members. To be clear some of these liberalising measures—in particular in the case of Brazil—are time-limited.

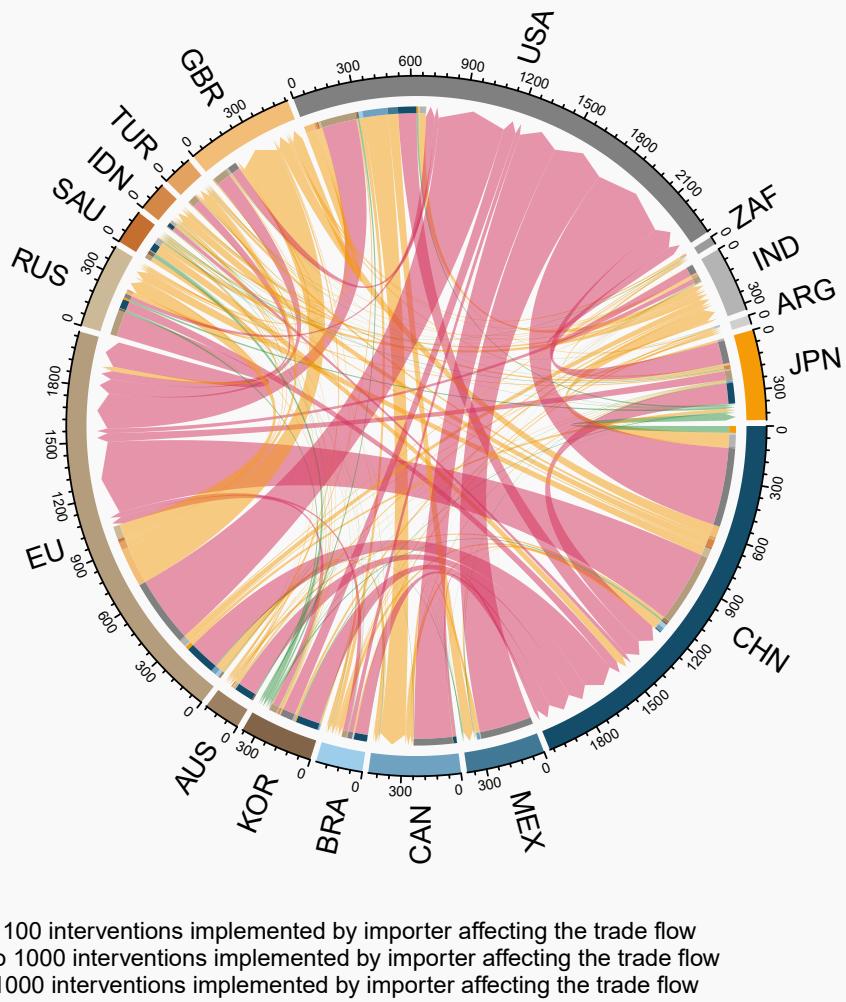
Figure 6. Since the Rome summit, more than \$100 billion of Chinese exports face tougher US trade policies—EU measures against Russia are significant too



How was Figure 6 prepared?

Each panel in this figure presents the duration-adjusted export coverage estimates associated with the associated counts of policy intervention reported in Figure 5. As a result, Figure 6 reveals where the most market access threats and opportunities have been created by G20 members for other members of the G20. Darker cells reveal where more trade is at stake. The duration-adjusted nature of the trade coverage estimates leads to totals that are lower than the non-duration adjusted totals reported by many media sources (the latter practice being adopted by many journalists during the US-China trade war). Notice the differences in the ranges of export coverage in the upper panel (for harmful measures) and the lower panel (for liberalising measures).

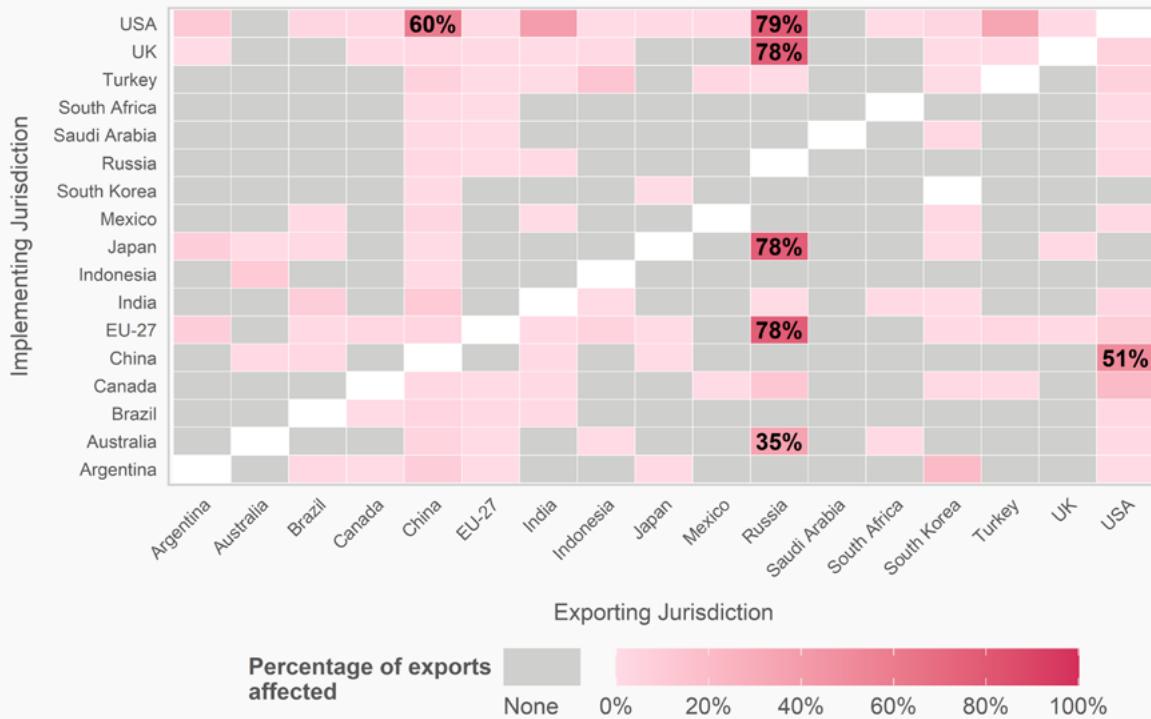
Figure 7. Big G20 economies tend to hit other big economies more



How was Figure 7 prepared?

Figure 7 seeks to display the number of harmful interventions affecting the top 10 import sources of each G20 member as well the amount of trade covered by harmful interventions implemented by the importing G20 member. The arrow width represents the value of total bilateral exports between two countries covered by harmful intervention. The colour of an arrow reveals how many harmful interventions implemented by the importer affect a bilateral trade flow. For every bilateral trade flow shown in this Figure the tip of the arrow points to/indicates the importing nation. For each G20 member this chart reveals how the total value of the market access impediments faced by its exporters are distributed across other G20 members.

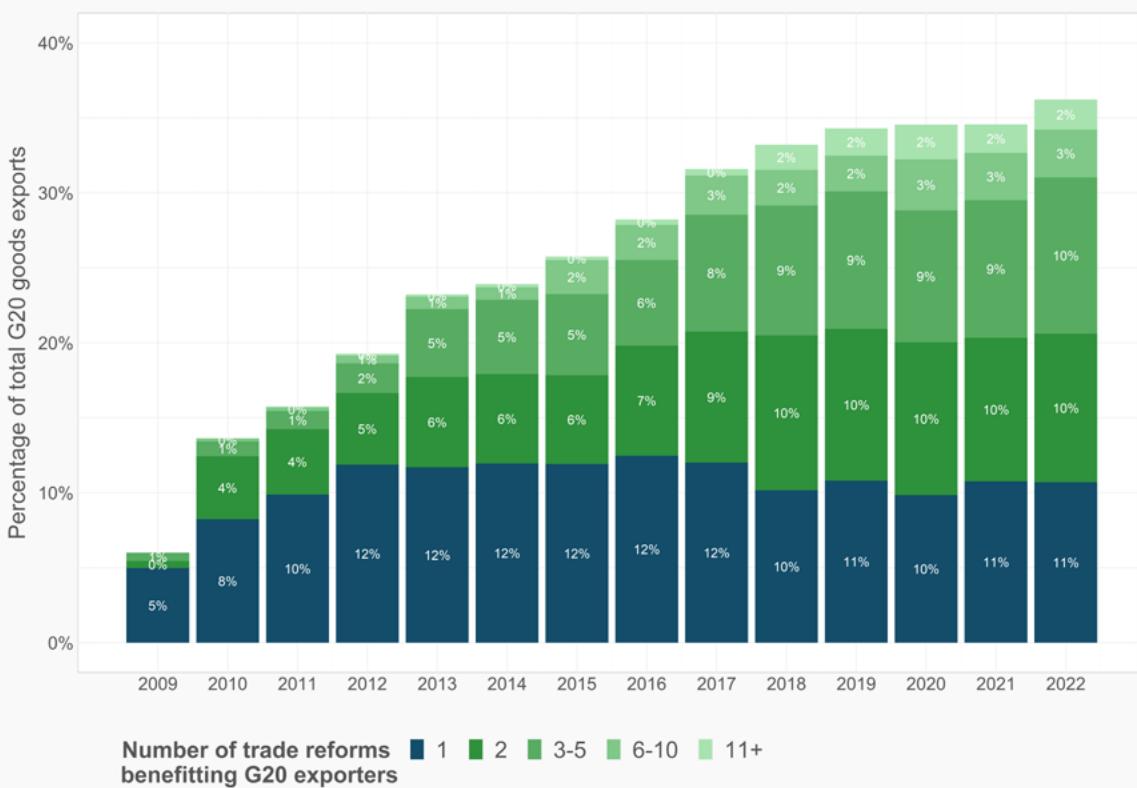
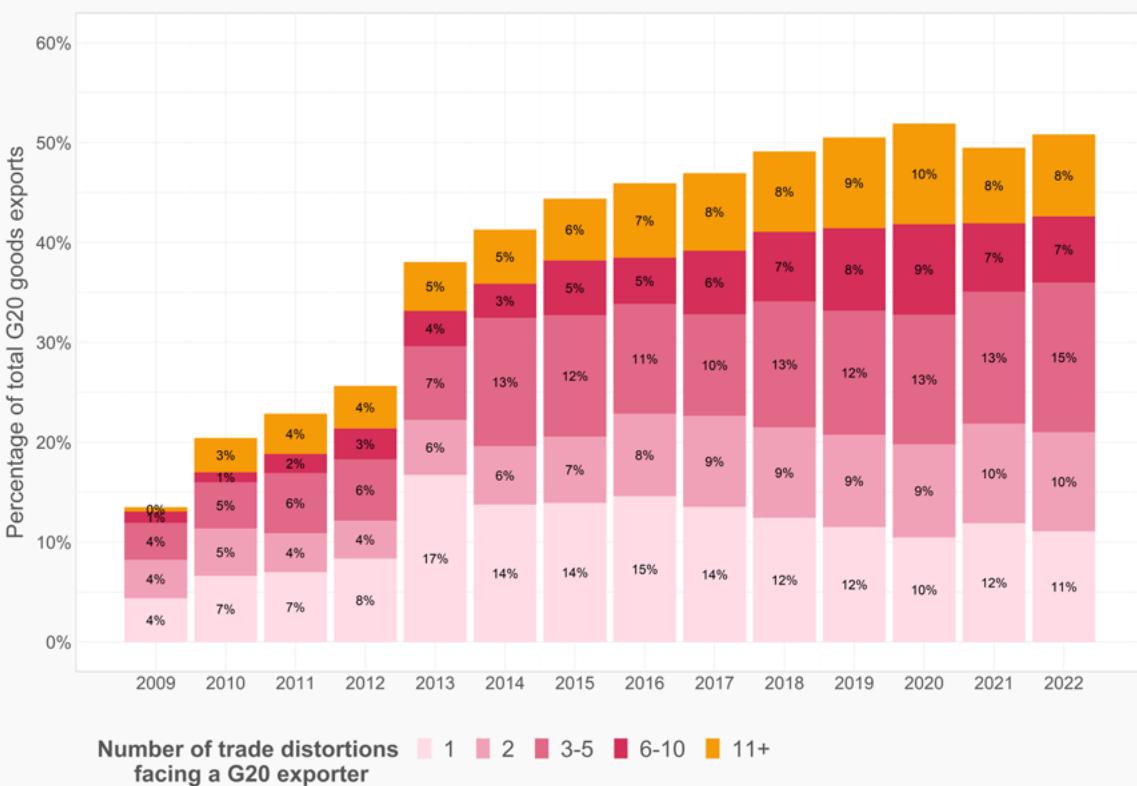
Figure 8. Beyond the US-China trade tensions and sanctions on Russia, G20 members rarely single out each other's exports for trade restrictions



How was Figure 8 prepared?

The goal here was to focus exclusively on those harmful G20 measures that affect only one other G20 member. The goal here was to focus exclusively on those harmful G20 measures implemented since the Rome Summit that affect only one other G20 member. For harmful measures affecting each bilateral trading relationship we calculated that share of bilateral exports covered, making the usual duration adjustment.

Figure 9. The G20 has a strong stake in an open world trading system—not least because of each member’s exposure to other G20 trade measures



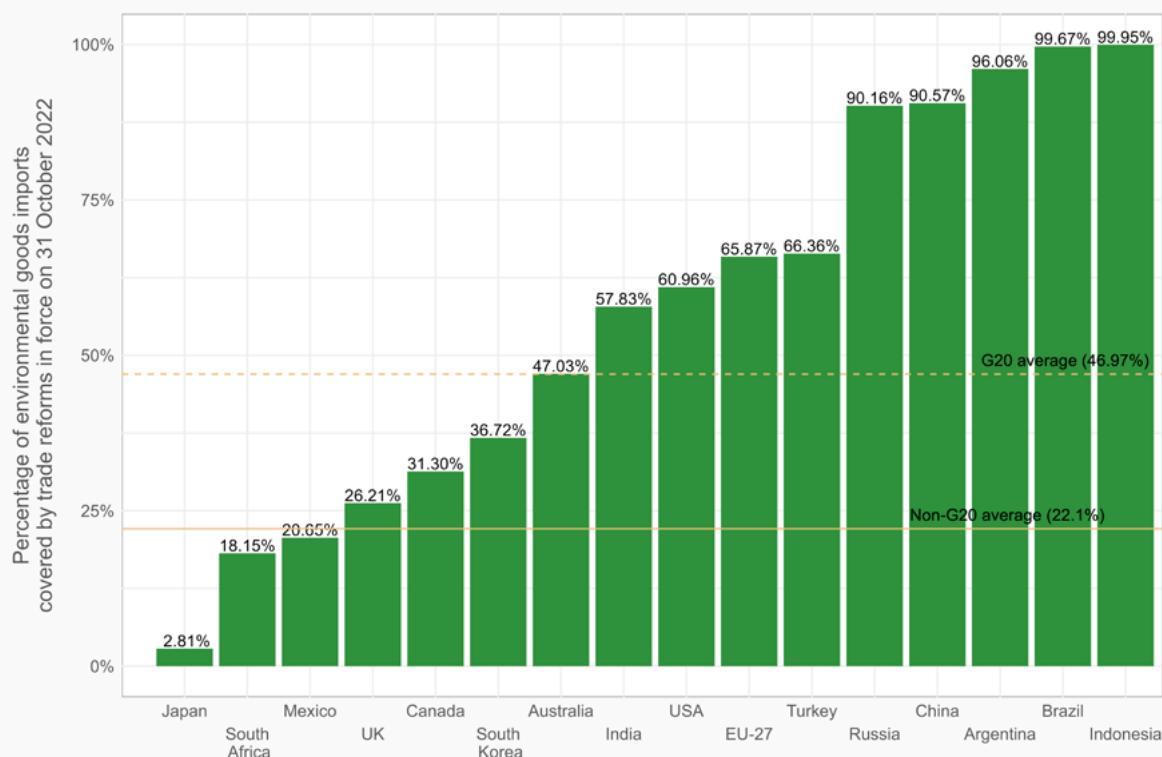
How was Figure 9 prepared?

The goal here was (a) to report the changing exposure of G20 goods exports to the harmful and liberalising interventions implemented by other G20 members since 2009 and (b) to examine whether there have been marked changes over time in the number of times G20 exports face commercial policy changes abroad. The spotlight here is on import-related policy intervention, not on export-related measures.

Specifically, for G20 harmful intervention in force in each year, we calculated the duration-adjusted value of intra-G20 exports facing a single harmful intervention abroad, two such interventions abroad, three to five such interventions, six to 10 such interventions, and more than 11 harmful interventions. We produced a stacked bar chart to reveal the percentage of intra-G20 exports at risk in each year in the upper panel. We repeated the same procedure for liberalising measures and reported the percentage of intra-G20 exports facing market access improvements in the lower panel.

Since 2016 the percentage of intra-G20 exports affected negatively by a single intervention has fallen and the percentages at risk from multiple harmful interventions have risen. This happens to a lesser degree for liberalising commercial policy intervention.

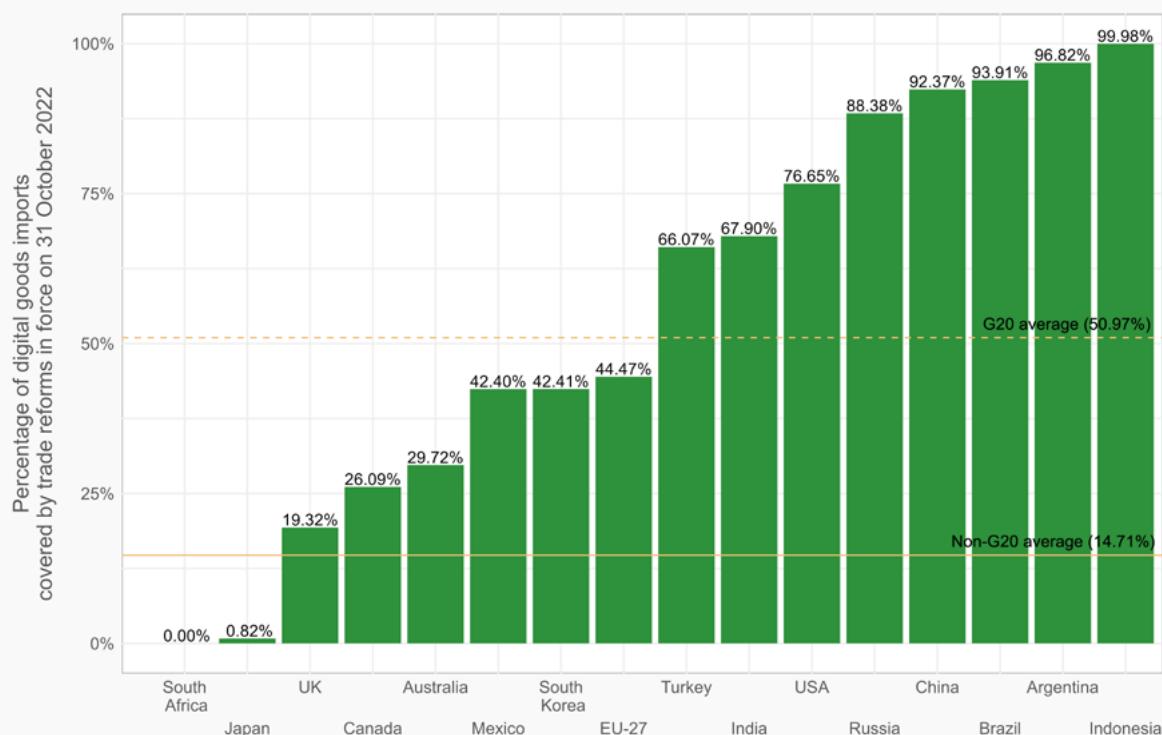
Figure 10. Green trade policy: More environmental goods imports benefit from trade reforms in emerging market G20 members



How was Figure 10 prepared?

Using the list of environmental goods found in [Sauvage \(2014\)](#) and the associated HS codes, for each G20 member the percentage of its national environmental goods imports covered by liberalising measures that were in force on 31 October 2022 was calculated. This figure reveals for each G20 member the degree to which market access improvements for environmental goods are currently in effect—that is, the extent to which enduring commercial policy reforms are supporting the adoption of technologies and the like that improve the environment.

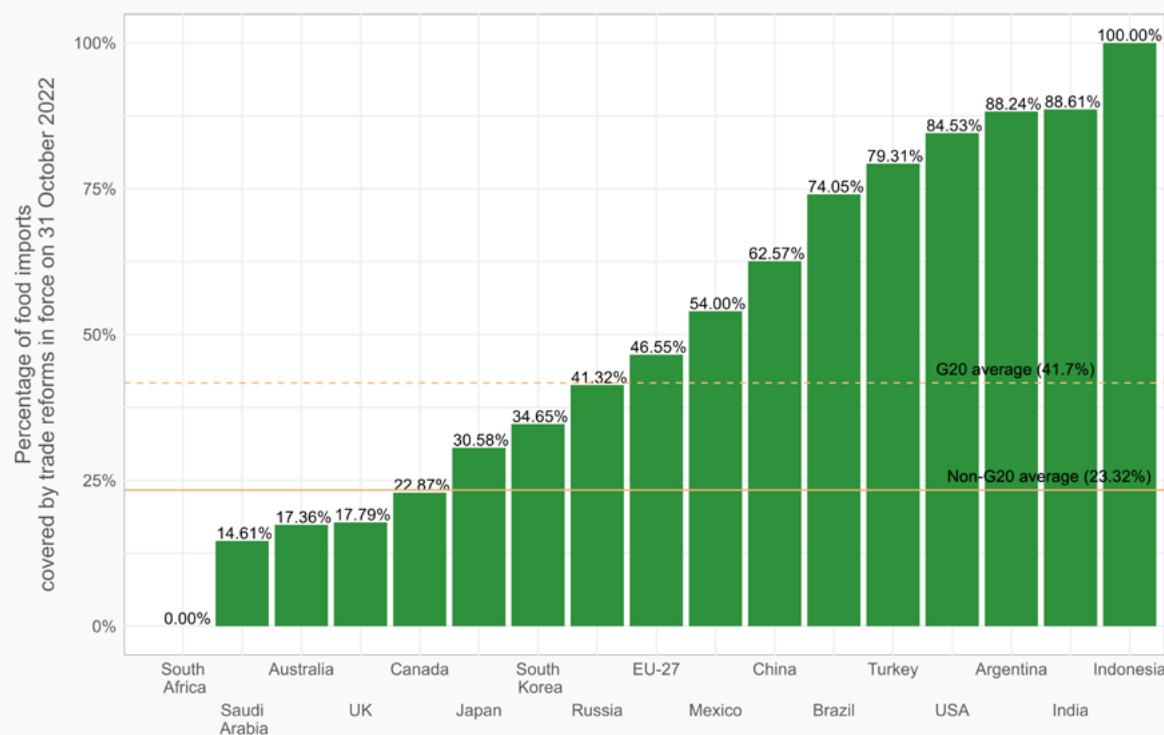
Figure 11. Getting tech across borders: Higher shares of digital goods imports benefit from lower trade barriers in emerging markets



How was Figure 11 prepared?

Using the list of goods created in the GTA Digital Economy Dataset ([see Evenett and Fritz 2022](#)) and the associated HS codes, for each G20 member the percentage of its national imports covered by liberalising goods measures in force on 31 October 2022 was calculated. This figure reveals for each G20 member the degree to which market access improvements for goods associated with the digital economy are currently in effect.

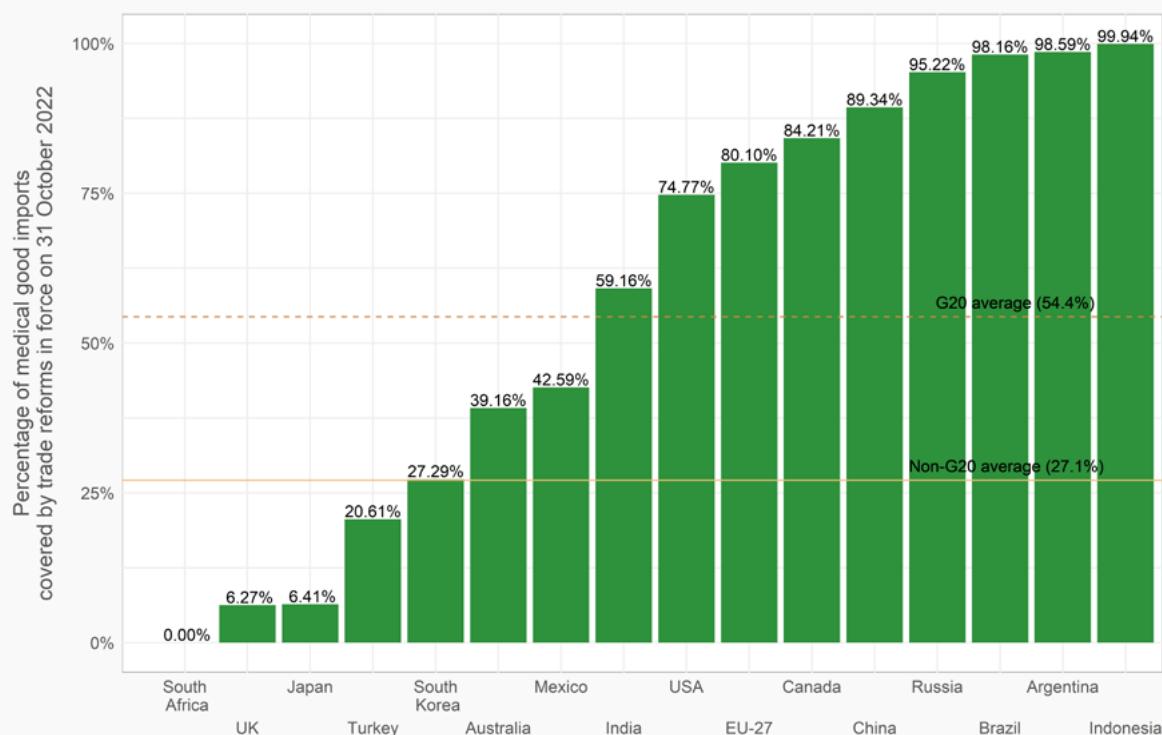
Figure 12. Little alignment across the G20 in trade reforms at a time of high food prices and insecurity



How was Figure 12 prepared?

Using the list of food and agri-food products monitored in our [Essential Goods Initiative](#) and the associated HS codes, for each G20 member the percentage of its national imports covered by liberalising goods measures in force on 31 October 2022 was calculated. The list of products selected was done in consultation with World Bank trade experts and other collaborators. This figure reveals for each G20 member the degree to which market access improvements for food and agri-food products are currently in effect.

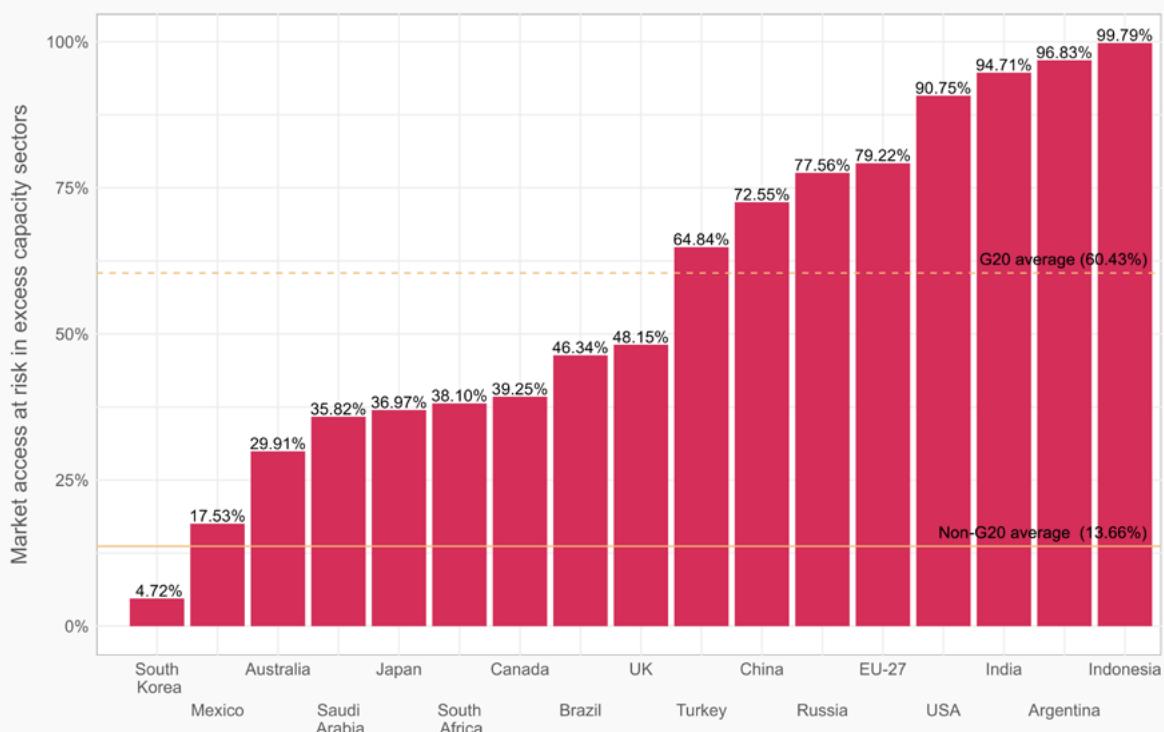
Figure 13. Steps to ease imports of medical goods vary considerably across the G20



How was Figure 13 prepared?

Using the list of medical goods monitored in our [Essential Goods Initiative](#) and the associated HS codes, for each G20 member the percentage of its national imports covered by liberalising goods measures in force on 31 October 2022 was calculated. The list of products selected was done in consultation with World Bank trade experts and other collaborators. This figure reveals for each G20 member the degree to which market access improvements for medicines, medical equipment, medical consumables, and vaccines are currently in effect.

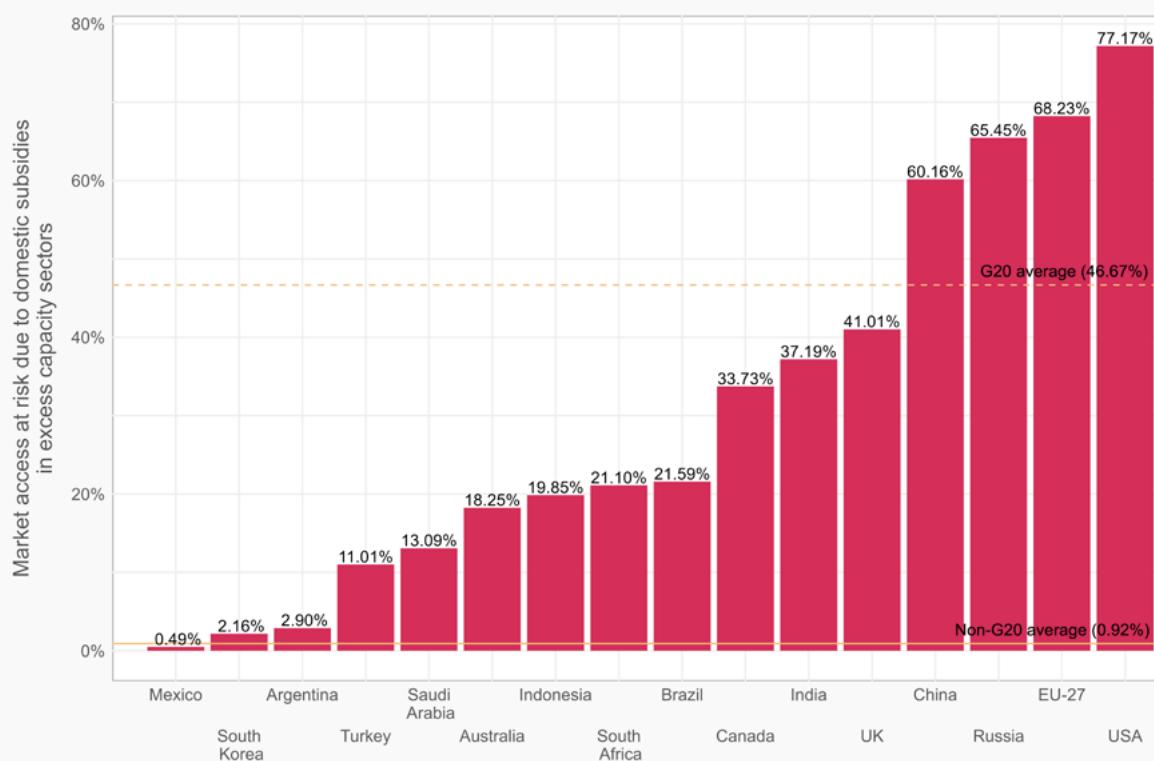
Figure 14. Indonesia, Argentina, India, and the United States restrict imports in “excess capacity” sectors on a larger scale



How was Figure 14 prepared?

Using the broad list of sectors identified in 2014 by the U.S.-China Economic and National Security Review Commission and the associated HS codes, for each G20 member the percentage of imports covered by import restrictions in force on 31 October 2022 was calculated. The calculation was restricted to those sectors where China is alleged to have built excess capacity. A discussion of narrow and broad lists of sectors deemed to have “excess capacity” can be found in our 22nd report ([Evenett and Fritz \(2018\)](#)).

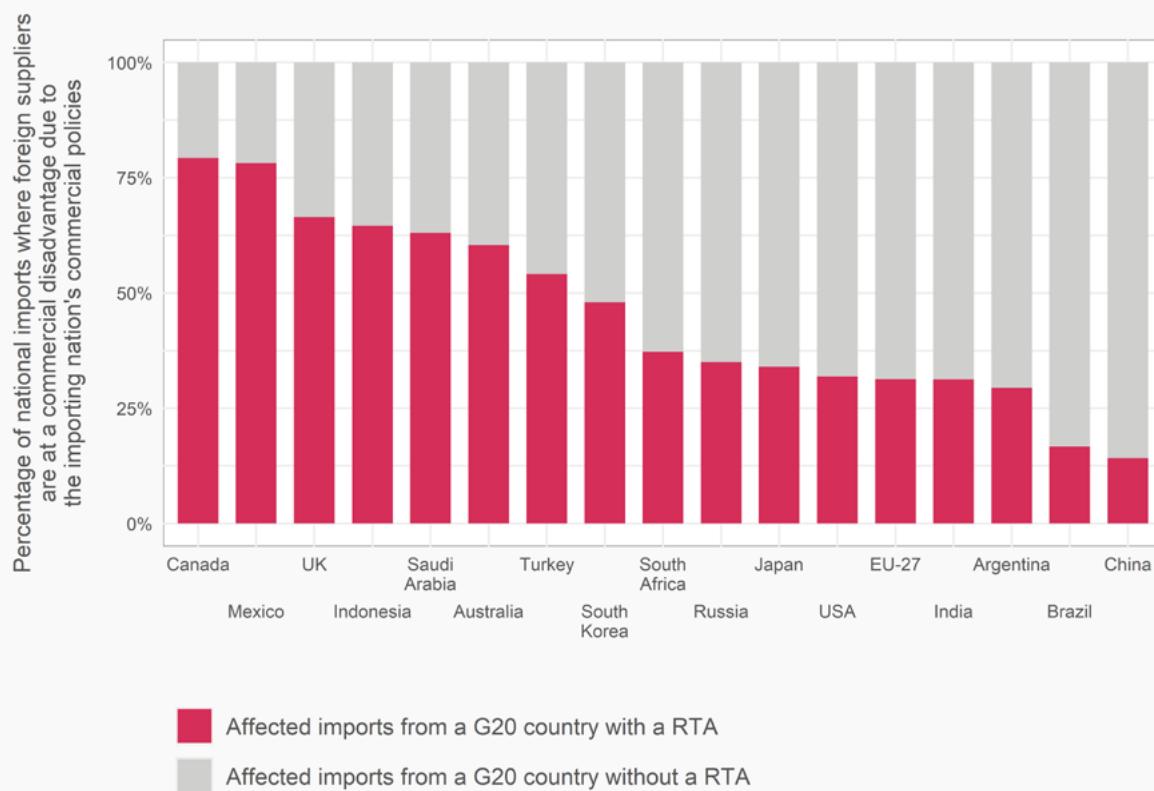
Figure 15. In “excess capacity” sectors, subsidies to local firms in the US, EU, Russia, and China threaten the most market access



How was Figure 15 prepared?

Using the broad list of sectors identified in 2014 by the U.S.-China Economic and National Security Review Commission and the associated HS codes, for each G20 member the percentage of imports covered by corporate subsidies to import-competing local firms in force on 31 October 2022 was calculated. The calculation was restricted to those sectors where China is alleged to have built excess capacity. A discussion of narrow and broad lists of sectors deemed to have “excess capacity” can be found in our 22nd report ([Evenett and Fritz \(2018\)](#)).

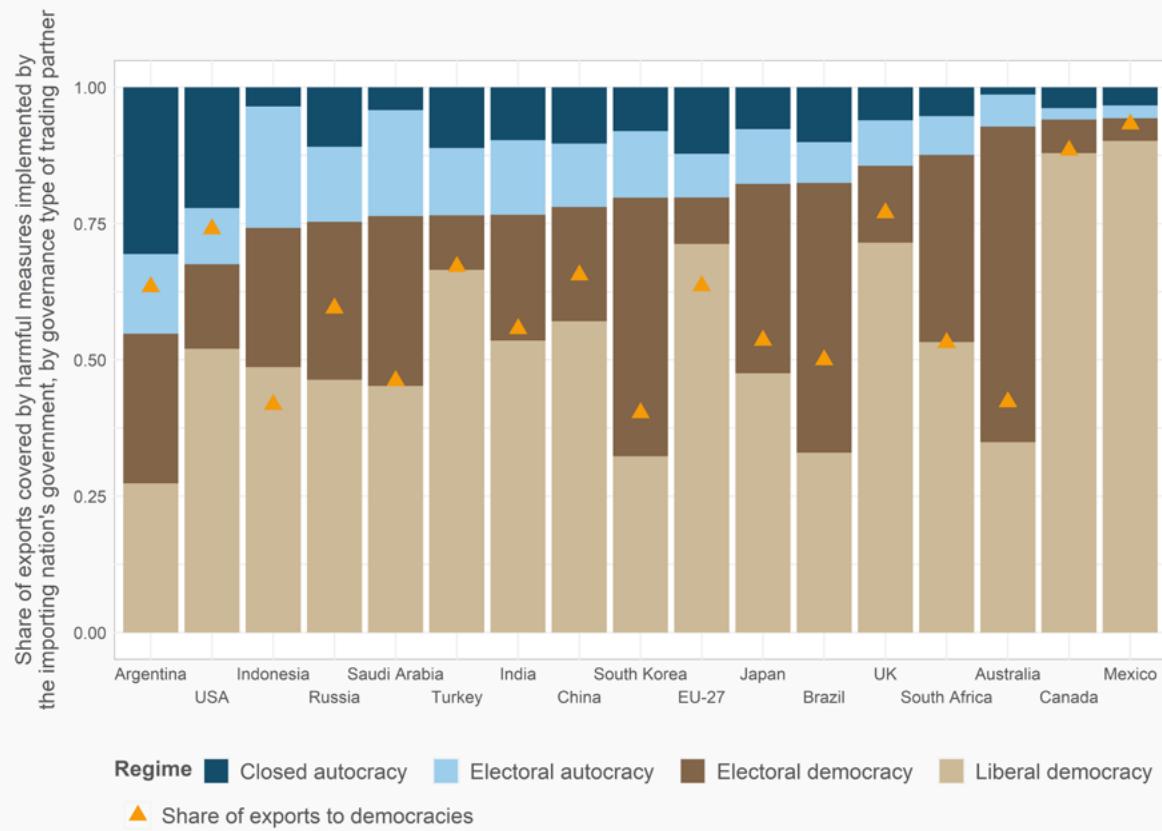
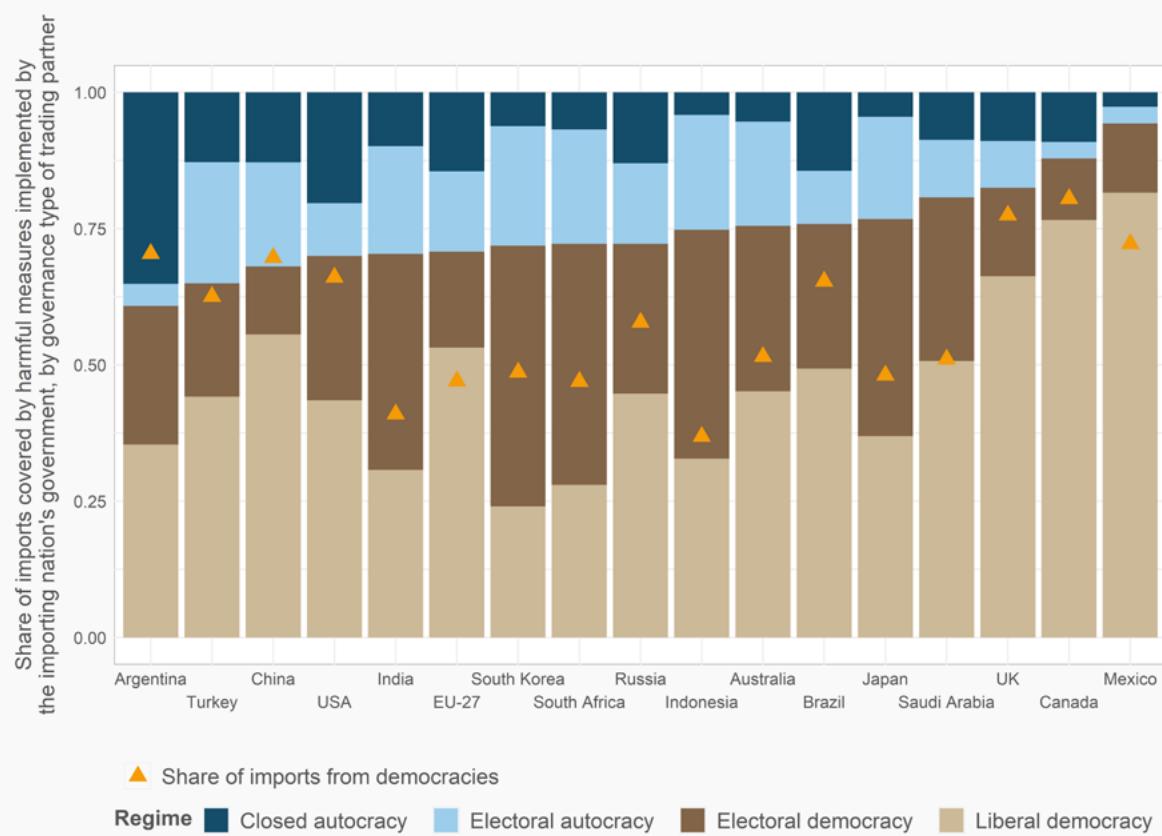
Figure 16. Frenemies: Even partners in regional trade agreements take action against each other's exports



How was Figure 16 prepared?

The purpose of this figure is to show how much of the imports harmed by a G20 member's trade policies in force on 30 October 2022 were sourced from signatories to regional trading agreements that are also members of the G20. This was done by calculating the total value of a G20 member's goods imports from other G20 countries covered by harmful measures that were in effect at the end of October 2022. Then that total was divided between goods sourced from RTA partners within the G20 and those from other G20 members. The percentage reported was calculated accordingly.

Figure 17. Except Argentina and to a lesser degree China, the fallout from harmful trade policy is skewed towards the exports of democracies



How was Figure 17 prepared?

The purpose of Figure 17 is to reveal the extent to which each G20 member's goods imports and goods exports are currently exposed to harmful intervention that can be attributed to trading partners from four different types of political systems. We are interested, for example, in whether a G20 member's protection of local firms falls disproportionately on democracies or autocracies. We are also interested in whether a G20 member's exports face more harmful measures in democracies or autocracies.

In the upper panel, for each G20 member we calculated the total value of its national imports covered by its own policy intervention favouring local commercial interests that was in force on 31 October 2022. We then distributed those harmful imports across trading partners according to their governance model, as classified by the Varieties of Democracies ([V-Dem](#)) project. A stacked bar chart was produced, with one column for each G20 member. The columns were ordered in terms of increasing shares of "harmed" imports sourced from democracies. As a benchmark, a triangle was added to each column in this Figure to indicate the share of each G20 member's total imports that were sourced from trading partners that V-Dem has classified as a Liberal Democracy or an Electoral Democracy. The gap between the position of the triangle and the top of the dark brown segment of a column reveals whether or not a G20 member's harmful trade policy falls disproportionately on the imports from democracies.

In the lower panel, the same calculations were performed to estimate the exposure of G20 members' exports to the harmful, market access-reducing policy interventions by trading partners.



Contact

Please send questions and suggestions to data@globaltradealert.org

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