GLOBAL TRADE ALERT

G20 Trade Policy Factbook

2024 Edition

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

St.Gallen Endowment for Prosperity through Trade

November 2024

Contents

Why bother tracking the trade policies of G20 members?

The rationale for the G20 Trade Policy Factbook 2024 Edition

As we approach 2025, the decisions made by the G20 members grow increasingly important amid escalating global challenges. New tariff threats pose a significant challenge to multilateral trade cooperation. The G20, whose members account for over 85% of global GDP and a large share of global trade, must now navigate an increasingly volatile environment. Unilateral actions by individual countries risk fracturing the cooperative frameworks that underpin the global trading system.

The G20 countries' economic size not only impacts international economic stability, but also influences the trajectory of globalisation and the geopolitical shifts that affect trade dynamics. As economic and political challenges transform global governance, these major economies play a pivotal role in shaping the emerging world order.

This Factbook aims to track key developments in the trade policies of G20 members, shedding light on how they navigate these complex challenges and seize opportunities amid growing uncertainty. Understanding the trade policy decisions of the world's largest economies is crucial for anticipating shifts in the global economic and geopolitical landscape.

We organise this Factbook into six sections:

Developments in G20 Trade Policy: Tracking trade policies by G20 members in 2024 is important as the global economic landscape is marked by heightened geopolitical tensions and shifting supply chains. Monitoring these policies helps identify trends that could impact international trade dynamics and cooperation. This section highlights key trends, focusing on the number of trade policies, types of policy instruments, and the evolution of trade risks and opportunities.

Industrial Policy and G20 Trade Policymaking: Industrial policies are increasingly becoming the backbone of economic strategies within G20 countries. This section dives into the intersection of industrial policy and trade policy, evaluating how state interventions are reshaping competitive landscapes.

Trade Coercion Policy by the G20 Members: Economic coercion through trade is a growing concern. This section tracks the coercive trade measures enacted by G20 countries, examining the consequences for targeted nations and the implications of such actions.

Geopolitics and G20 Trade Re-configuration: In an era of great power competition, G20 geopolitics play a defining role in global trade reconfiguration. This block covers on how realignments is influencing trade patterns.

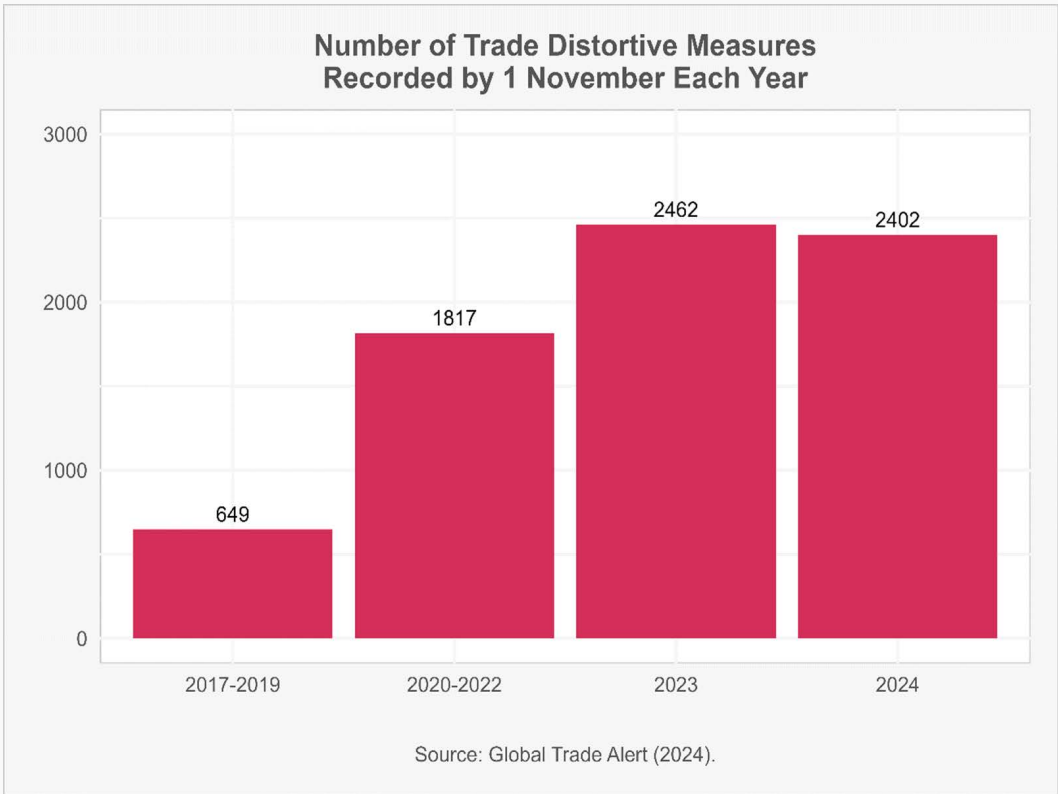
Commodities and G20 Trade Policymaking: As commodities markets face increasing volatility driven by climate change, political instability, and supply chain disruptions, the G20's approach to commodity trade is coming under greater scrutiny. This section examines how G20 members manage the flow of commodities, from food and raw materials to essential goods for production capacity.

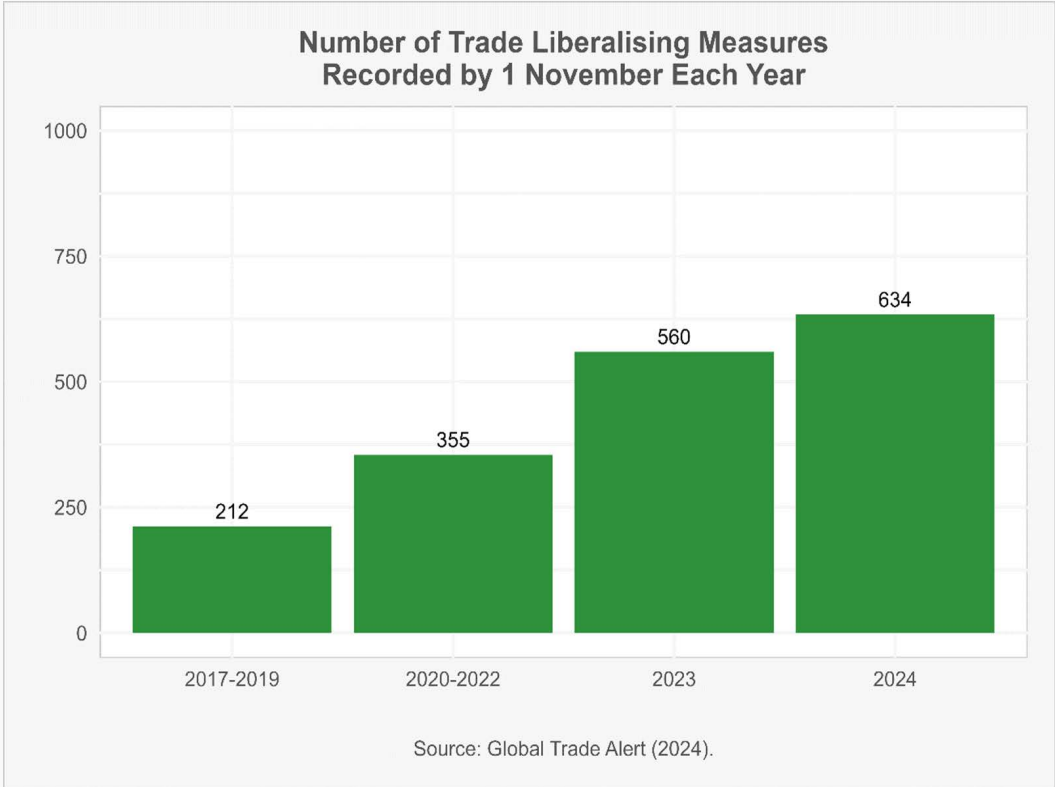
G20 Trade in Services: Services are a growing component of global trade, and G20 members are key players in this sector. This section highlights the policies shaping trade in services, focusing on mode of supply and sectors.

1

Developments in G20 Commercial Policy

Figure 1. Trade-liberalising policies show a 13% increase compared to 2023, while distortions decrease by around 2%.



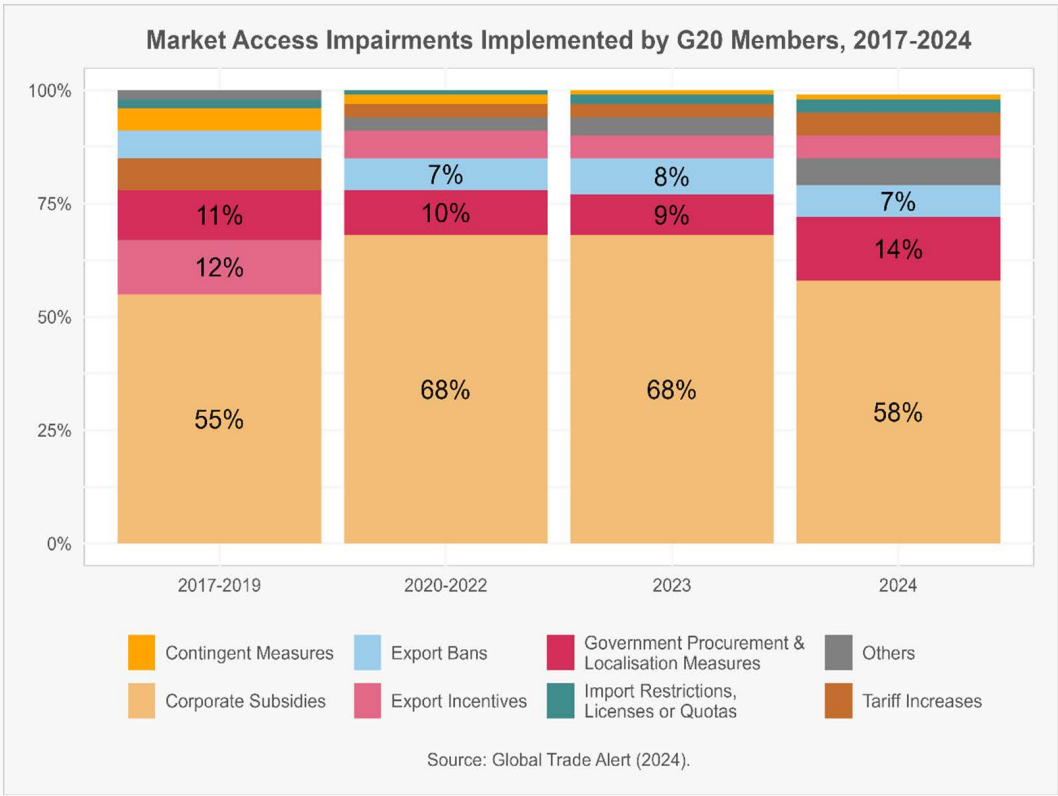


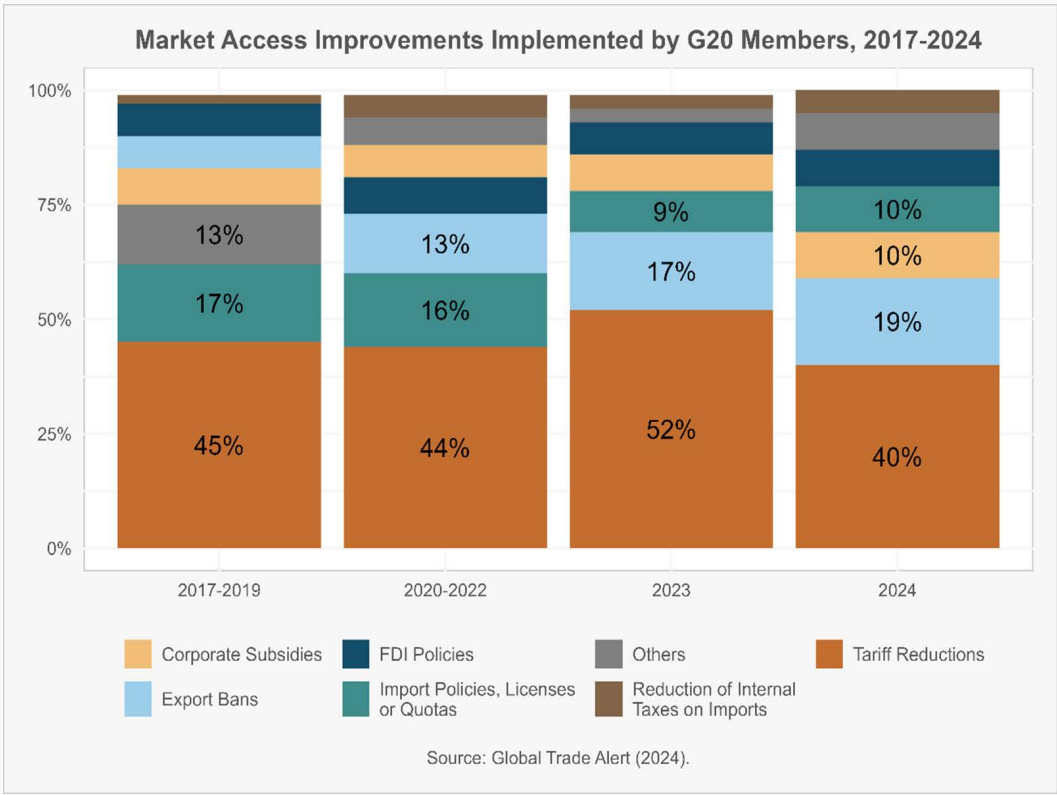
How was Figure 1 prepared?

For each year from 2017 to 2024, the total number of G20 policy interventions recorded by November 1 that disadvantaged the competitive position of foreign companies in local markets (referred to as "distortive" interventions in the figure) was recorded. Similarly, the total number of interventions that liberalised cross-border trade or improved the competitiveness of foreign firms was taken from the GTA database. Averages for 2017 and 2019 (pre-pandemic) and 2020-2022 (pandemic) are used as benchmarks.

The November 1 totals are important because they capture policy interventions recorded over the same 10-month period each year. This ensures a fair comparison of distortive and liberalising policies by the G20 from 2017 to 2024. Only EU interventions affecting non-EU trade are included.

Figure 2. In 2024, localisation and procurement policies have become more significant as sources of market access threats, while fewer tariff reductions have led to slower progress in market access improvements.





How was Figure 2 prepared?

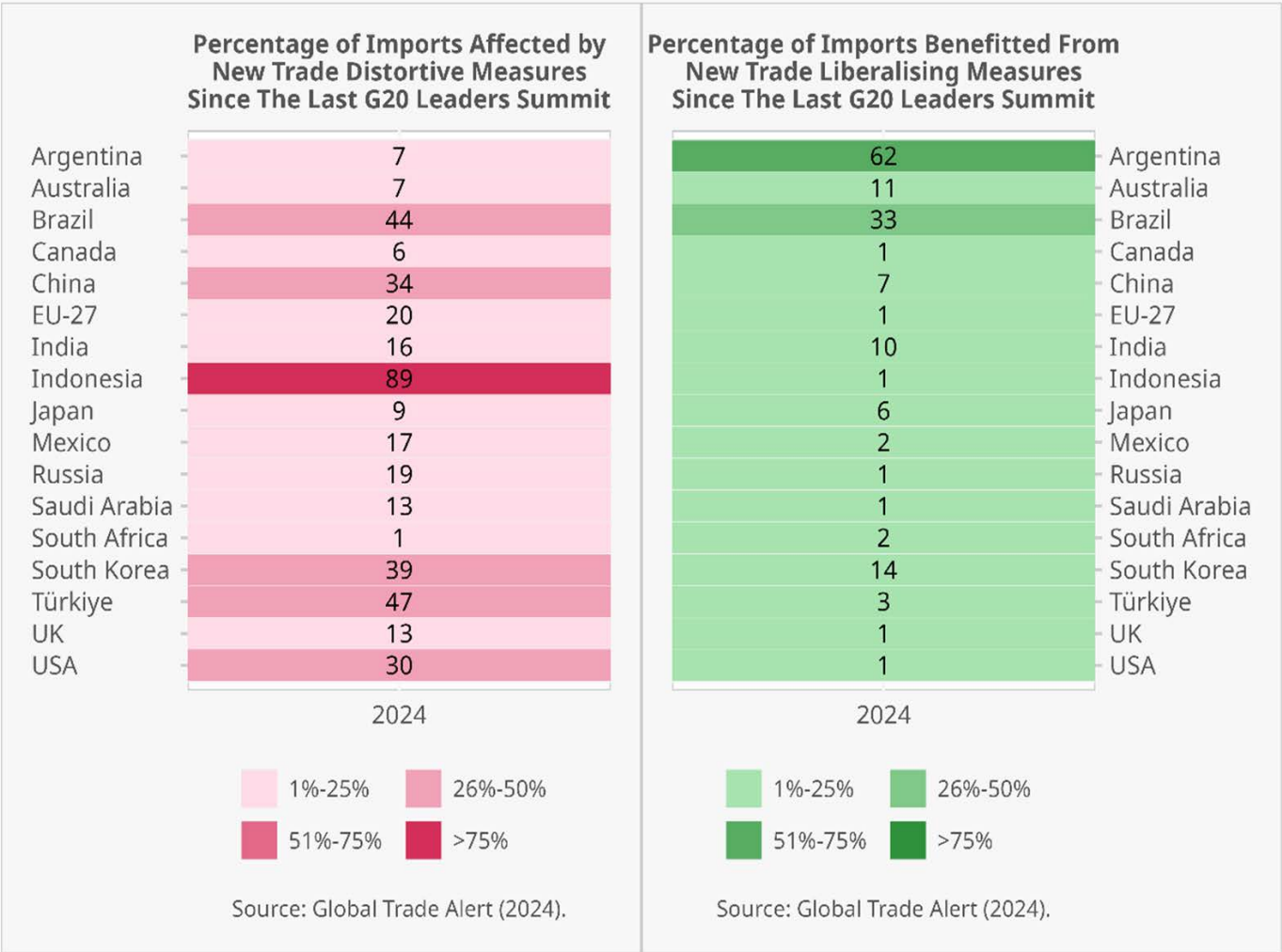
The upper panel presents data from the GTA database on the number of market access-reducing policy interventions implemented by G20 members from 2017 to 2024. The most common types of these interventions were identified, and a 100% stacked bar chart was created to illustrate the mix of distortive measures introduced by G20 members each year or over three-year periods.

A notable finding is the extensive use of corporate subsidies during the pandemic and its aftermath. Governments and companies often report these subsidies with significant delays, which likely accounts for the lower recorded percentage for 2024 so far. However, even this year, over half of the G20's market access-reducing interventions involve subsidies to domestic firms competing with imports. Since COVID-19, protectionist measures—such as government procurement restrictions, import licensing, and quotas—have been on the rise.

It is important to clarify that "corporate subsidies" excludes non-commercial subsidies, such as intergovernmental transfers, welfare payments to individuals, and international aid. These categories are not tracked by the GTA database and are not included in the totals presented in this Factbook.

The lower panel compares data from the GTA on the average number of market access-improving measures implemented by G20 members during 2017–2019 and 2020–2022, alongside the total number of such interventions in 2023 and 2024. A key insight from this panel is that while reductions in import tariffs still dominate the composition of liberalising policies, G20 members are implementing fewer tariff cuts than before. This suggests that for some G20 governments, a new trade policy paradigm may be emerging in which tariff reductions are less prominent than they once were.

Figure 3. Since the last G20 Leaders' Summit, the majority of G20 members have implemented more restrictive trade policy measures affecting their imports.



How was Figure 3 prepared?

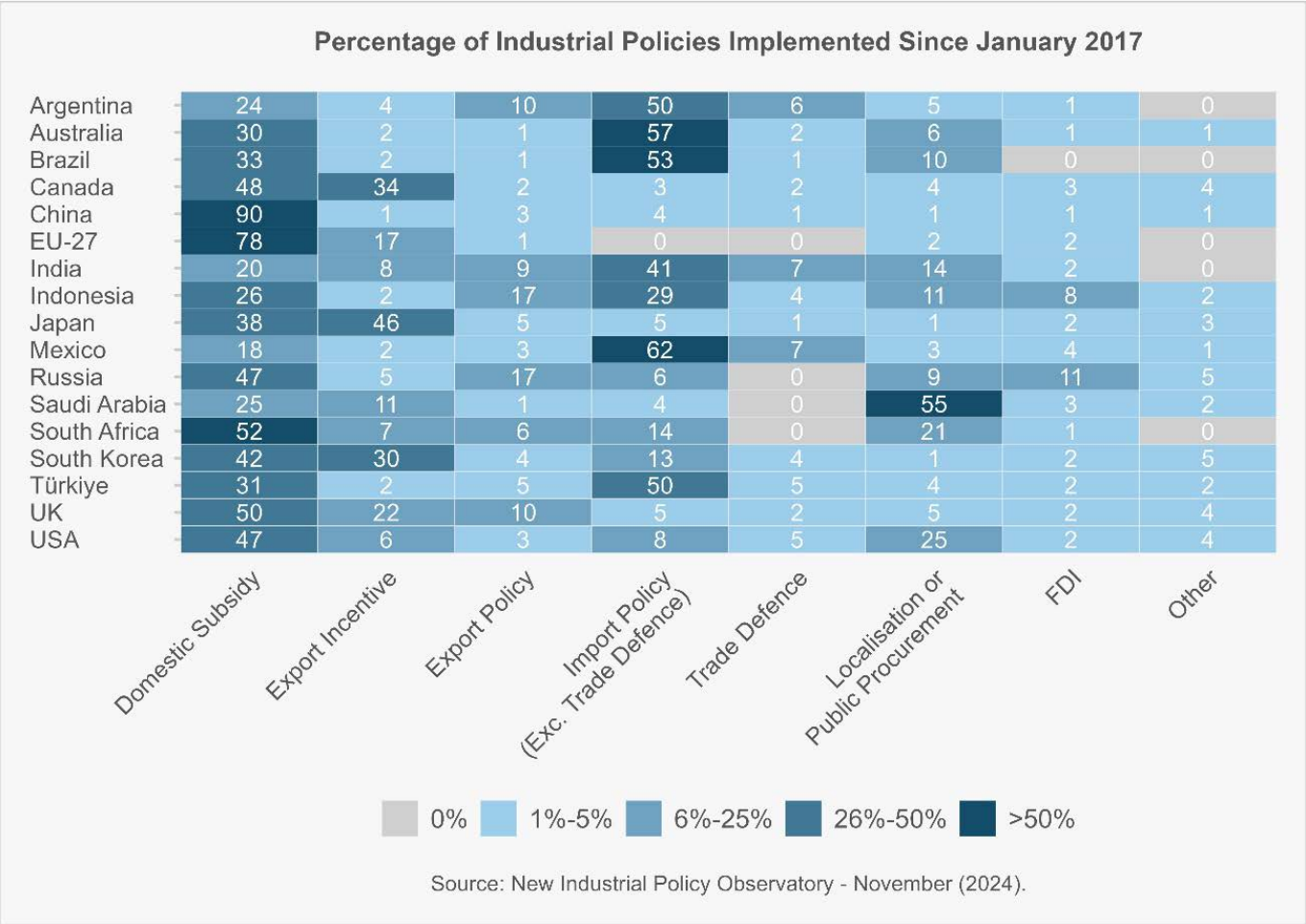
We compiled data on G20 commercial policy interventions affecting goods imports that have been implemented since the last G20 Summit on September 10, 2023. These measures are categorised into two groups: those that restrict market access for foreign competitors (referred to as “distortive interventions”) and those that promote market access (termed “liberalising interventions”). Each trade intervention is linked to specific six-digit product codes (HS 2012).

We calculated the value of goods imports by G20 members. It is important to note that measures impacting exports—such as export taxes, quotas, bans, and incentives—are not included in the totals reported here. To ensure accuracy, our analysis is based on 2019 trade flow data from UN COMTRADE, which helps mitigate the effects of the COVID-19 pandemic and the subsequent disruptions to cross-border supply chains. Additionally, only EU interventions affecting non-EU commerce are included.

2

Industrial Policy and G20 Trade Policymaking

Figure 4. Although subsidies are generally the preferred strategy for industrial policy, developing countries tend to place greater emphasis on import barriers and trade defence measures.



How was Figure 4 prepared?

Using data from the latest New Industrial Policy Observatory (November 2024), we calculated the percentage of industrial policies announced since 2017 by policy instrument for each G20 member.

Clear differences emerge in the choice of policy instruments for industrial policies across G20 countries. While subsidies are widely used, countries with larger fiscal space rely more on corporate subsidies, whereas developing countries focus on import barriers. The USA leans toward localisation and public procurement, India frequently employs trade defence measures, and Japan's strategies primarily involve export incentives or financial support for firms abroad. National industrial policy strategies tend to align with broader economic growth approaches.

Figure 5. Since the last G20 Leaders' Summit, industrial subsidies targeting strategic competitiveness surpass the combined funds allocated for climate change mitigation and supply security.

Stated Motive	G7 + Australia + EU-27 + South Korea			Rest of the G20 Members		
	Number of Entries	% Entries with Subsidy Value	Subsidy Value (Billion USD)	Number of Entries	% Entries with Subsidy Value	Subsidy Value (Billion USD)
All Corporate Subsidies in NIPO database	1,058	85.4%	502.3	440	49.5%	137.7
All Corporate Subsidies without Stated Motive	*634*	*81.4%*	*182.4*	*314*	*47.1%*	*119.7*
All Corporate Subsidies with Stated Motive	*424*	*91.5%*	*319.8*	*126*	*55.6%*	*18.0*
Promoting Competitiveness or "Strategic Sectors"	211	92.9%	215.2	105	51.4%	13.8
Climate Change Mitigation	295	92.5%	128.1	47	83%	9.9
Security of Supply	70	92.9%	46.2	5	40%	2.3
National Security	21	85.7%	4.7	0	0.0%	0
Geopolitical Concerns	1	100%	0.4	0	0.0%	0

Source: New Industrial Policy Observatory – November (2024).

How was Figure 5 prepared?

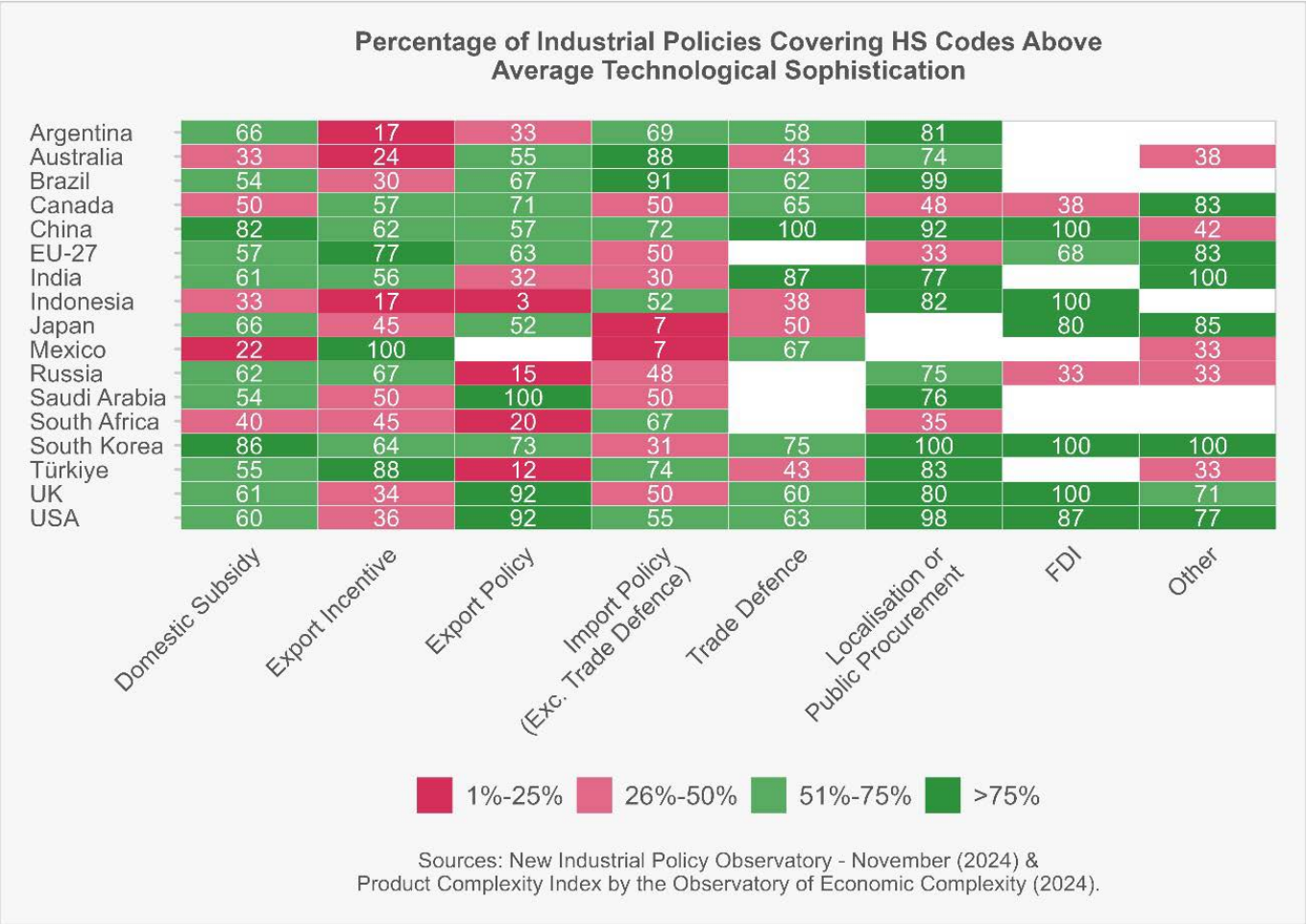
Using data from the latest New Industrial Policy Observatory (November 2024), we calculated the domestic subsidy allocations announced by each G20 member since the last G20 Summit on September 10, 2023, categorised by motive.

The NIPO database tracks 1,498 domestic inward subsidies across the G20 implemented since September 10, 2023. The total value of corporate subsidies related to industrial policy measures announced by the G7, Australia, the EU-27, and South Korea amounts to $502.3 billion. In contrast, the aggregate value of such subsidies announced by the rest of the G20 is $137.7 billion.

Notably, subsidies aimed at enhancing strategic competitiveness account for the largest share, totalling over $200 billion—surpassing the combined funds allocated for climate change mitigation and security of supply. Interestingly, non-G7 countries and their allies do not allocate subsidies for national security and geopolitical reasons.

It is important to note that these financial allocations may be spread over multiple years, and the total subsidy value is expected to rise as additional records are made public.

Figure 6. Not all industrial policies focus on high-complexity products typically linked to the stru ctural transformation of economies.



How was Figure 6 prepared?

Combining data from the latest New Industrial Policy Observatory (November 2024) and the Product Complexity Index (PCI) from the Observatory of Economic Complexity (OEC), we rank the protectionist industrial policies of G20 members based on the knowledge intensity of the products they target.

To create the Economic Complexity Index of Industrial Policies, the following steps are followed:

1) Convert the HS 2012 vintage used in NIPO to the HS 1992 vintage using a conversion table from UNSTATS.

2) Since industrial policies often impact multiple tariff lines, calculate the average PCI of all products under each intervention in the NIPO database. This average serves as the economic complexity index for each policy. For example, an industrial policy covering semiconductors, such as products with HS codes 854190 (PCI of 1.5) and 854150 (PCI of 1.3), would have an economic complexity index of 1.4.

3) Industrial policies above the average technological sophistication have an economic complexity index higher than 0.

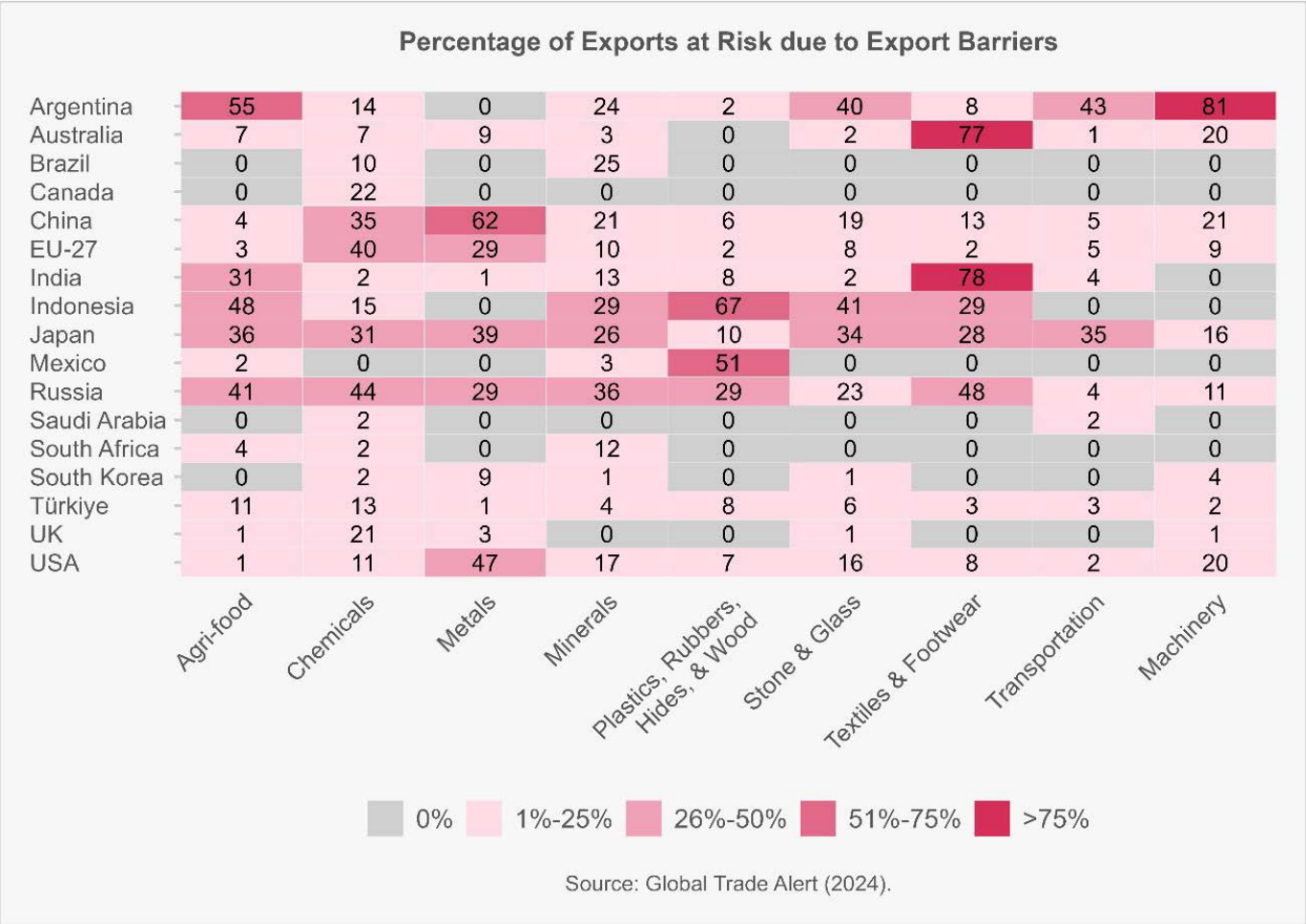
"Industrial" has become a broad term, so it's not surprising that some newer policies do not exclusively target high-complexity products traditionally associated with economic structural transformation. In fact, we observe significant differences among countries in the complexity of products targeted by various policy instruments.

In general, public procurement, localisation policies, and domestic subsidies tend to emphasise more complex products and technologies compared to export and import restrictions. Economic coercion is more frequently applied to high-complexity products. Export curbs tend to affect more complex tariff lines than import barriers, indicating that governments are more likely to restrict the outward flow of more advanced technologies while limiting to a lesser degree imports of more basic products. Additionally, governments often use export incentives to assist domestic firms in securing foreign contracts for simpler products.

3

Trade Coercion Policy by the G20 Members

Figure 7. For most product categories, the percentage of exports affected by export restrictions from their own countries is relatively low.



Source: Global Trade Alert (2024).

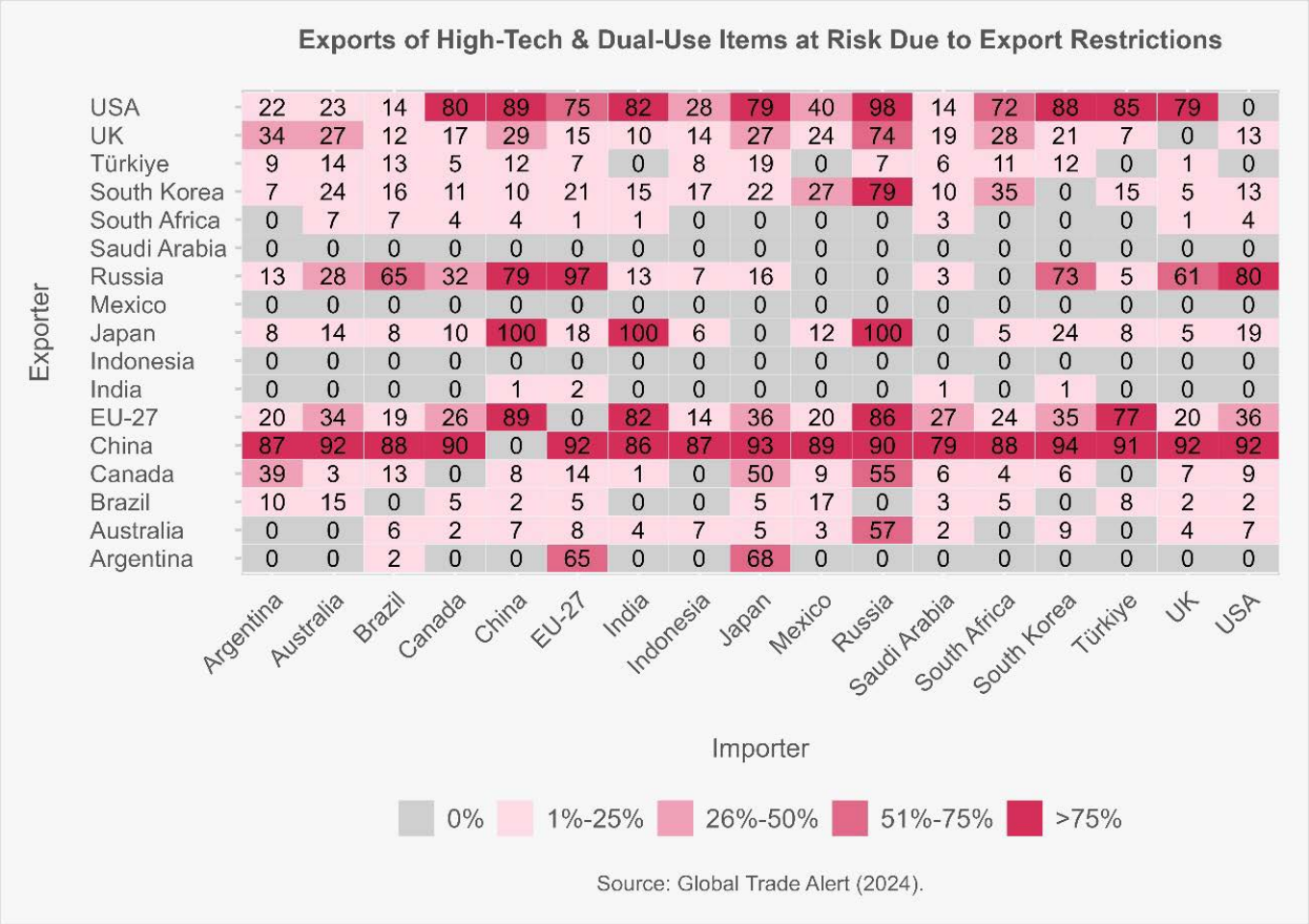
How was Figure 7 prepared?

We have compiled data on export restrictions implemented by G20 members since 2017 that are currently in force. Our analysis estimates the percentage of exports from each G20 member, categorised by HS chapter, that are impacted by their own export barriers.

To ensure accuracy, we used 2019 trade flow data from UN COMTRADE to minimise the effects of the COVID-19 pandemic and subsequent disruptions to global supply chains. Only EU interventions affecting non-EU trade are included in our analysis.

For instance, 55% of Argentina's total agri-food exports are subject to trade-distorting export restrictions. The accompanying heatmap highlights which nations are most active in restricting their exports and identifying the products that face the highest levels of distortion.

Figure 8. Leading exporters of high-tech and dual-use items tend to impose a large number of export restrictions, with a greater focus on geopolitical rivals.



Source: Global Trade Alert (2024).

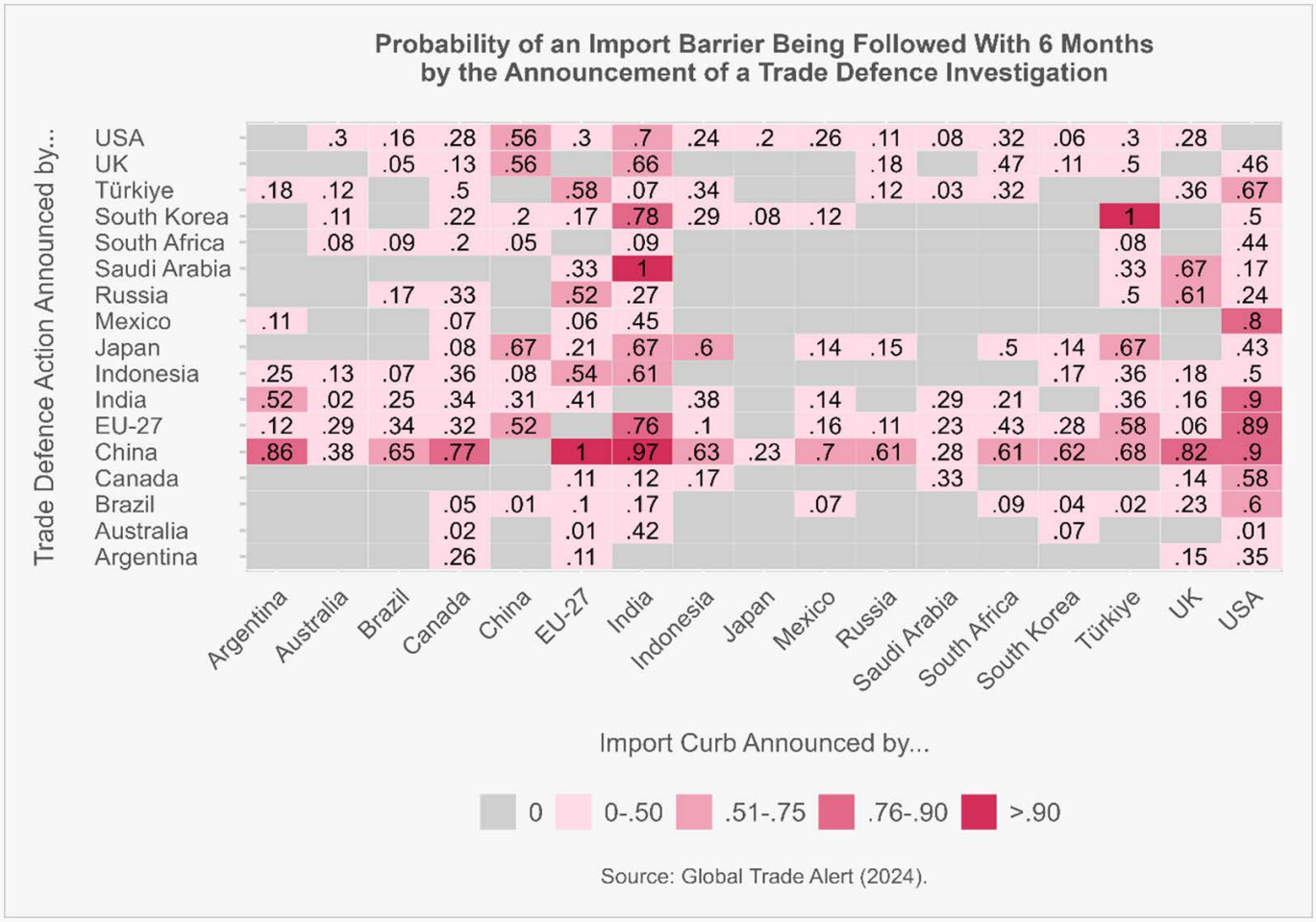
How was Figure 8 prepared?

We have gathered data on export restrictions, including export barriers and limitations on outward foreign direct investment (FDI), focusing on dual-use items, advanced technologies, and high-priority products like tools and machinery essential for producing advanced semiconductor devices, military equipment, and quantum computers. This data pertains to measures implemented by G20 members since 2017 that are currently in effect. Our analysis estimates the percentage of exports from each G20 member, that are affected by their own export barriers.

To ensure accuracy, we used 2019 trade flow data from UN COMTRADE to minimise the impact of the COVID-19 pandemic and subsequent disruptions to global supply chains. Only EU interventions that affect non-EU trade are included in our analysis.

For instance, 92% of China's total exports of dual-use items and high-tech goods to the USA are impacted by China's own trade-distorting export barriers.

Figure 9. China exhibits the most frequent responses to being targeted by an import barrier, while the USA and India initiate the highest number of import barriers.



How was Figure 9 prepared?

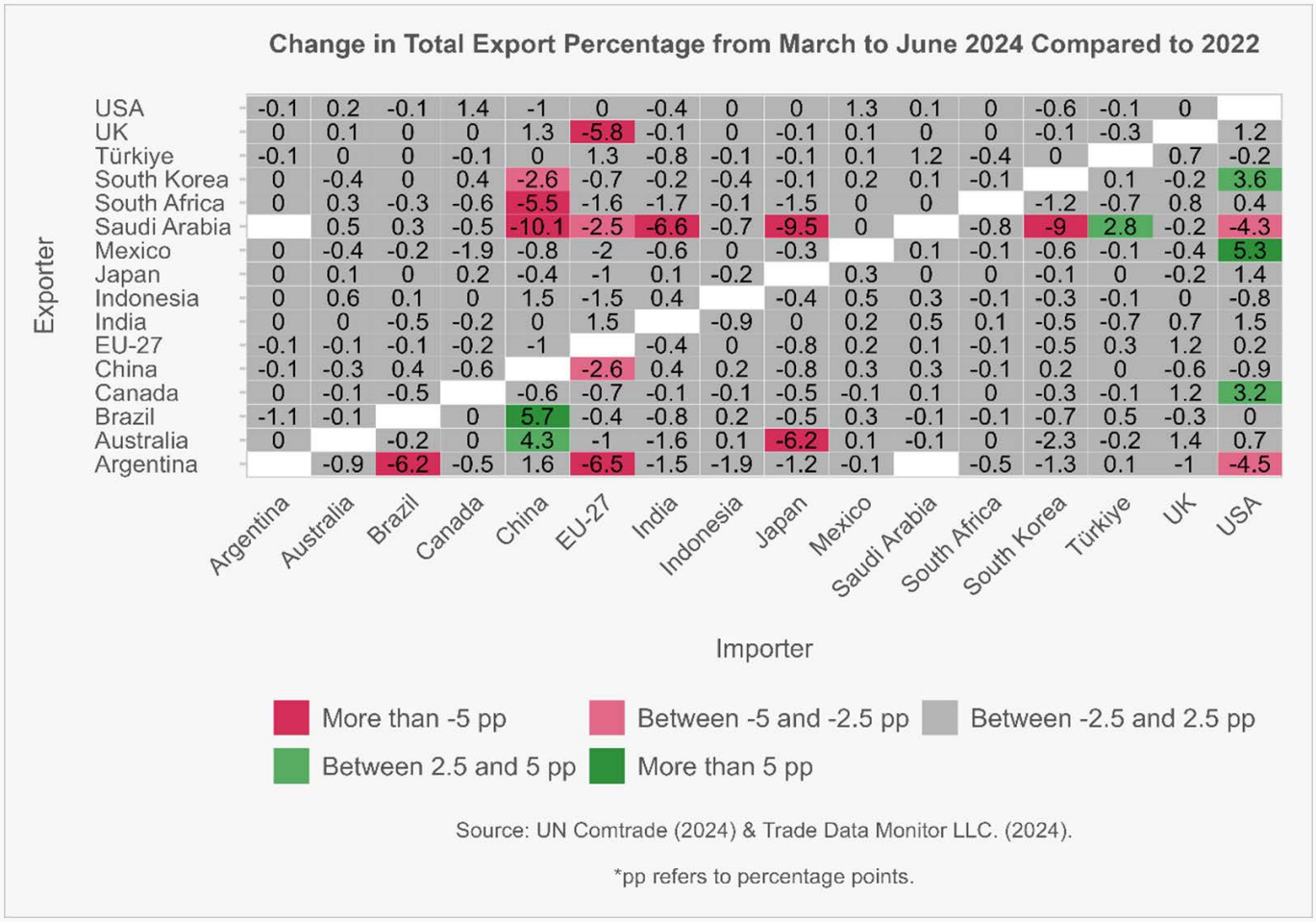
We estimated the likelihood that a G20 member will announce a trade defence measure within six months of being targeted by an import barrier imposed by another G20 member. This calculation considers trade defence measures taken in response to import barriers, regardless of whether they apply to the same tariff line. The data reveals a trend: larger economies or those with significant trade relationships—such as the EU-27, China, India, and the USA—tend to prompt stronger defensive responses from targeted countries.

For instance, China consistently adopts a trade defence measure within six months after being affected by an EU-27 import barrier. This probability decreases to 0.9 in response to U.S. import barriers and 0.97 in the case of India. Japan shows the strongest reaction to a Chinese import barrier, with a 0.67 probability of implementing a trade defence measure. Overall, China exhibits the most frequent responses to being targeted by an import barrier, while the USA and India initiate the highest number of import barriers against other G20 members.

4

Geopolitics and G20 Trade Re-configuration

Figure 10. Minimal intra-G20 trade reconfiguration since 2022.



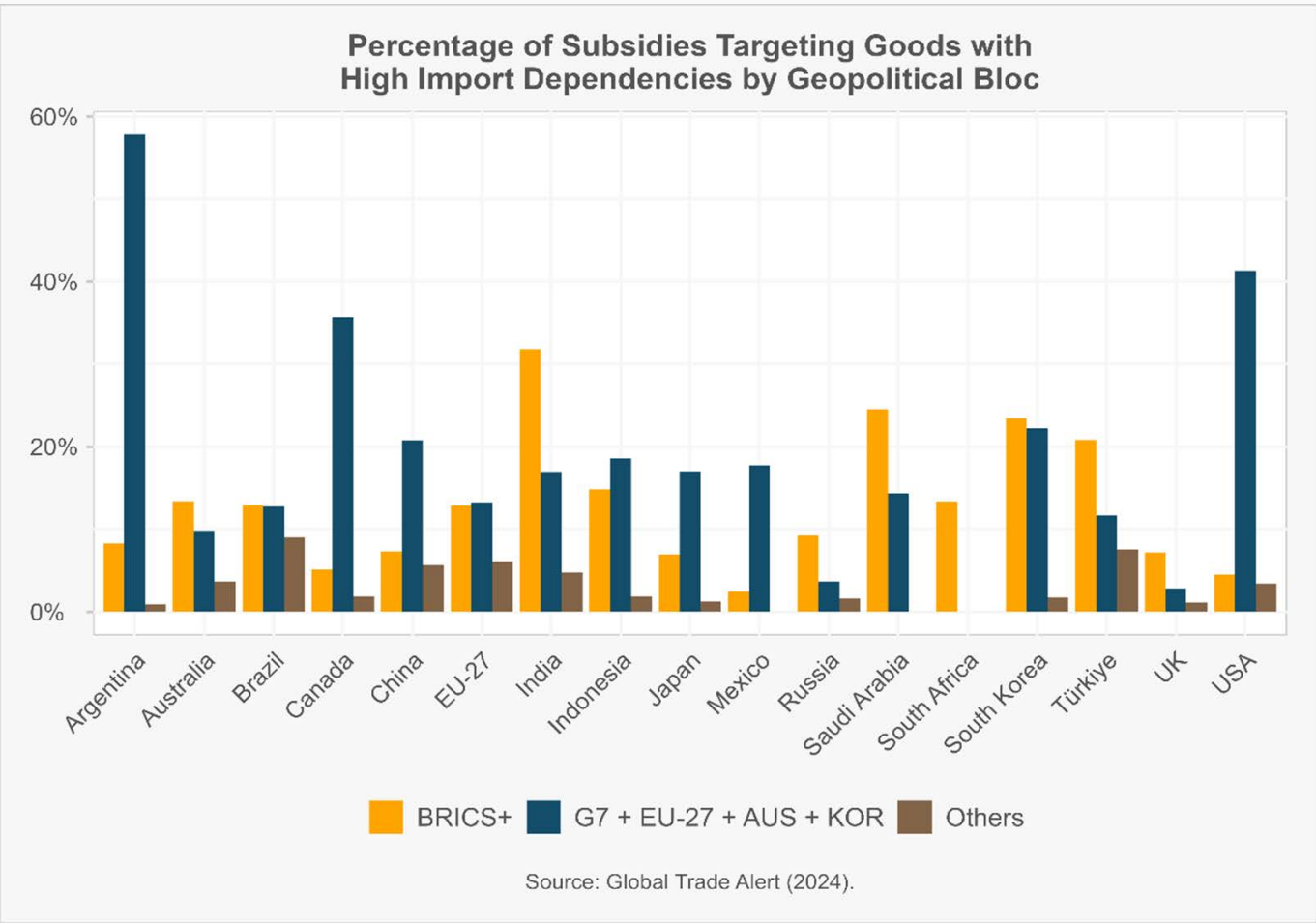
Source: UN Comtrade (2024) & Trade Data Monitor LLC. (2024).

*pp refers to percentage points.

How was Figure 10 prepared?

We estimated intra-G20 trade flows for the March-June quarter of 2024 using TDM data, and calculated the percentage of exports relative to total exports for each importer. We then did the same for 2022 using UN COMTRADE data. By subtracting the 2022 percentage from the 2024 percentage, we assessed how the share of exports has changed over this period. A positive value indicates that the exporter has a higher share of its total exports going to the importer in 2024 compared to 2022. Russia is not included, as the TDM database only includes trade flows from Russia up to January 2022.

Figure 11. No clear relationship exists between subsidies aimed at building capacity in goods with high concentration from a country within a competing geopolitical bloc.



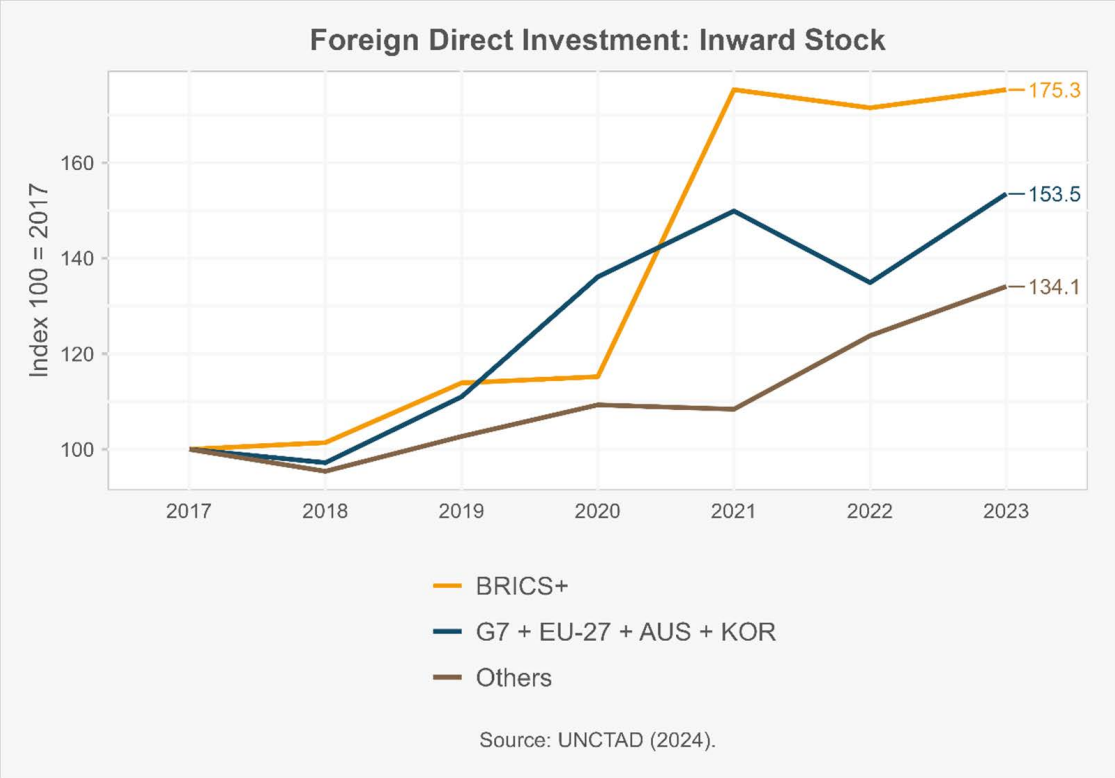
How was Figure 11 prepared?

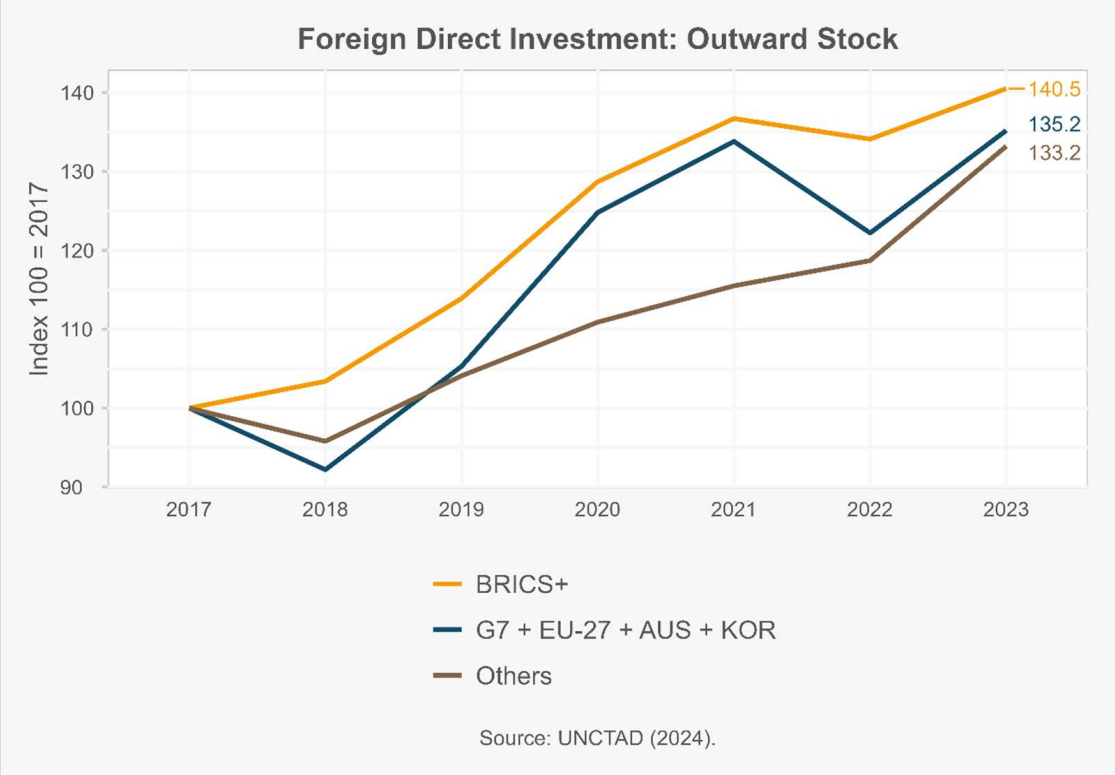
Using 2022 UN COMTRADE data, we estimated the tariff lines for which each importer has a high concentration, defined as importing more than 75% of its total imports of a product from a single exporter. We then identified the exporters corresponding to these dependencies and grouped them into three categories: 1) G7 + Australia + EU-27 + South Korea, 2) BRICS+ (Brazil, China, India, Russia, Saudi Arabia, and South Africa), and 3) Others (Argentina, Indonesia, Mexico, and Türkiye).

Next, using the GTA database, we counted the number of subsidies implemented by each importer to build domestic capacities from 2017. We also analysed how many of these subsidies target goods where the importer has high concentration on exporters from one of the three categories. This assessment helps us determine whether importers are directing financial support toward developing local capacity in products where they are highly dependent on a certain exporter, and the origin of the concentration by geopolitical bloc.

For example, nearly 80% of Argentina's subsidies apply to tariff lines with high import concentration on a single exporter. Of these, almost 60% are for goods where the concentration is on an exporter from the G7 or an allied bloc.

Figure 12. Since 2021, inward FDI stocks for BRICS+ and the G7 and allies have remained essentially flat, while they continue to rise in other regions of the world.





How was Figure 12 prepared?

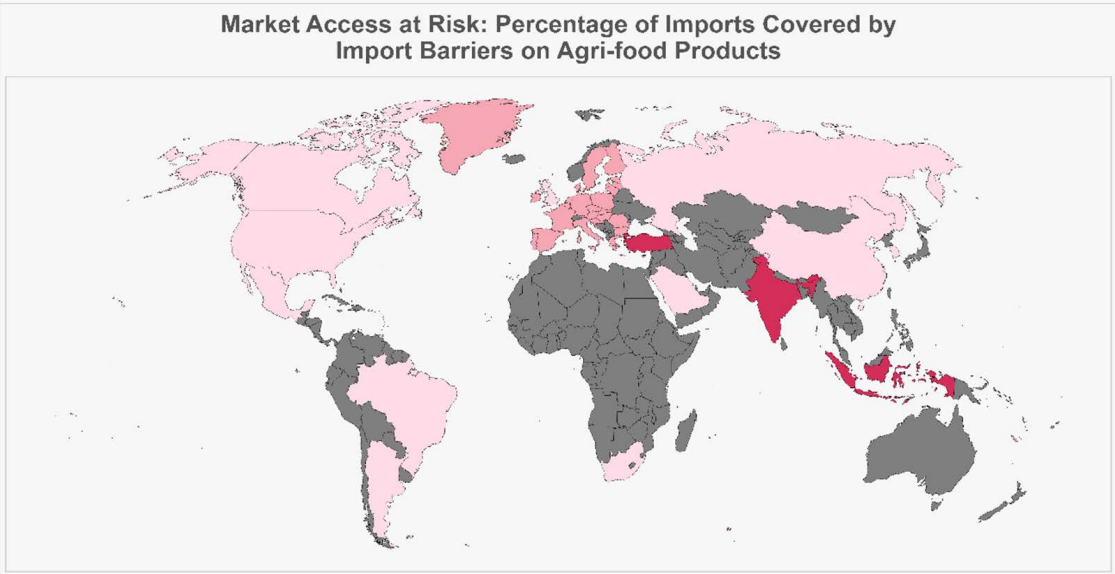
Using UNCTAD data, we downloaded foreign direct investment (FDI) inward and outward stocks from 2017 to 2023 in current dollars. We then indexed the 2017 values to 100 and charted the trajectory through 2023.

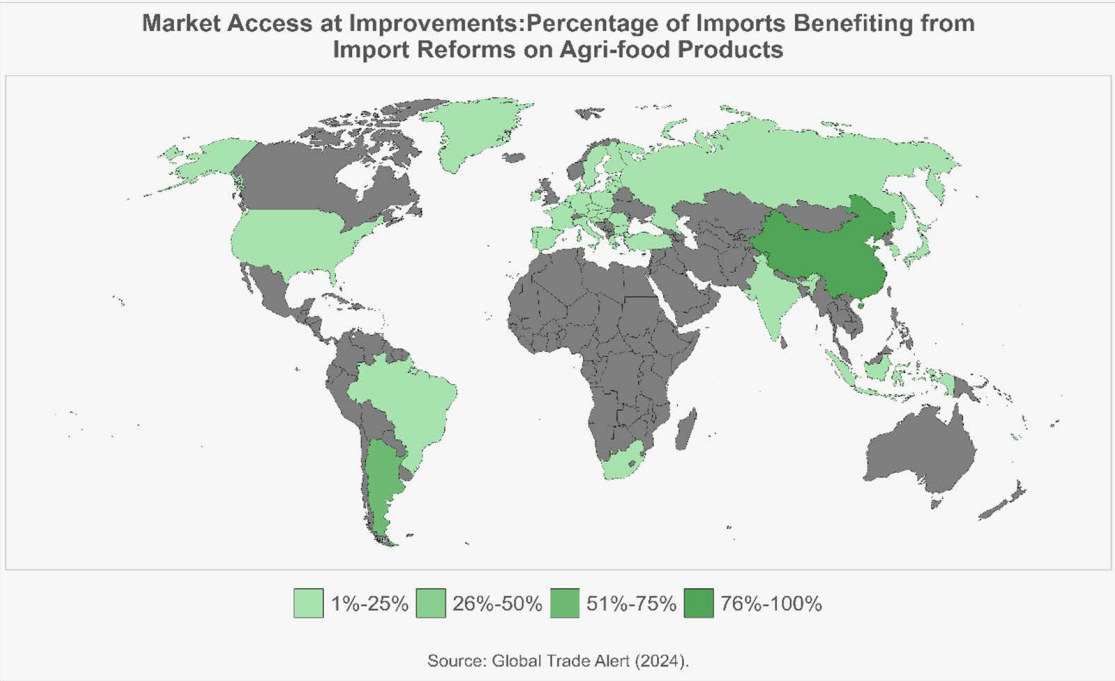
Since 2017, BRICS+ countries have seen the largest growth in both inward and outward FDI, receiving 75% more FDI in 2023 than in 2017 and investing 40% more abroad over the same period. This growth is followed by the G7 and its allied bloc.

5

Commodities and G20 Trade Policymaking

Figure 13. Food Security: While Indonesia and Türkiye impose restrictions on most agri-food imports, China facilitates imports across all its tariff lines.



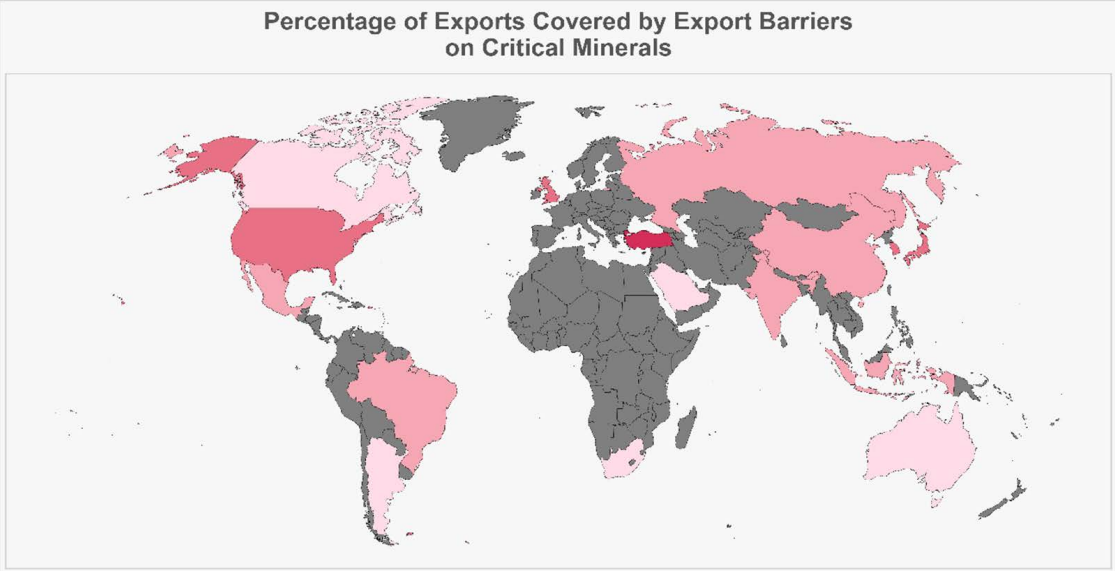


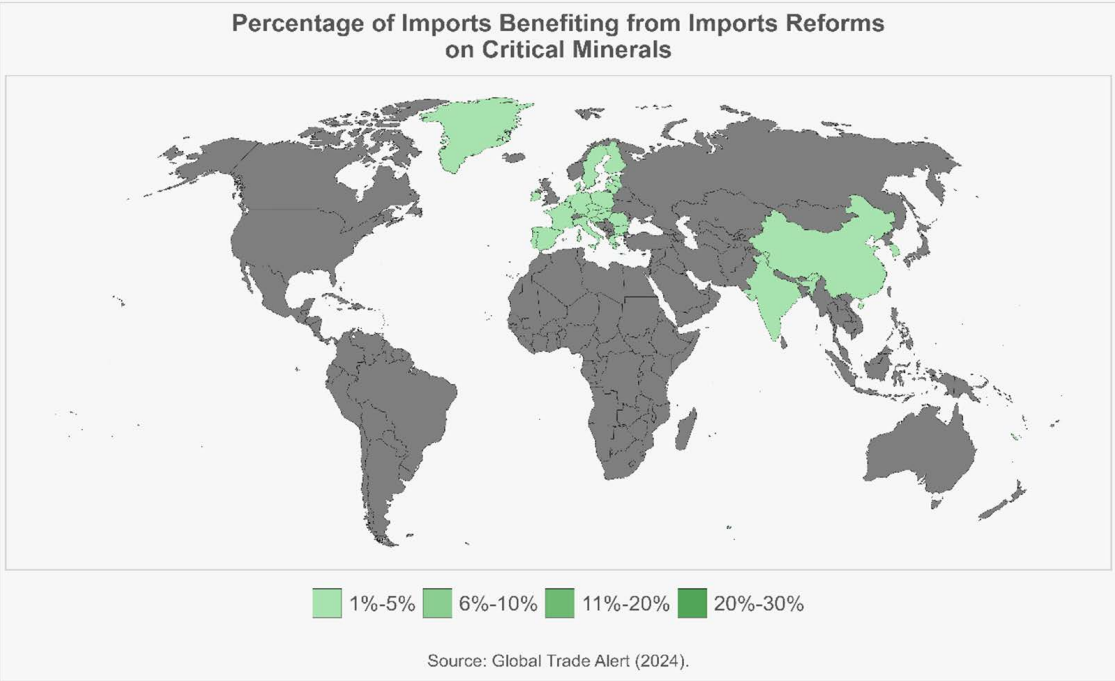
How was Figure 13 prepared?

We have gathered data on trade policy interventions enacted by G20 members since the last G20 Summit on September 10, 2023, focusing on measures that impact agri-food products. To estimate the trade affected by these measures, we use 2019 trade flow data from UN COMTRADE, which minimises the influence of the COVID-19 pandemic and subsequent disruptions to global supply chains. Only interventions by the EU that impact non-EU trade are included.

The upper panel illustrates the percentage of agri-food product imports at risk due to protectionist measures adopted by the respective importers. In contrast, the lower panel highlights the market access improvements, represented by the percentage of agri-food product imports that benefit from liberalising measures implemented by the same importers.

Figure 14. The scramble for critical minerals: While most critical mineral producers have export controls in place, trade-facilitating import reforms are quite rare.



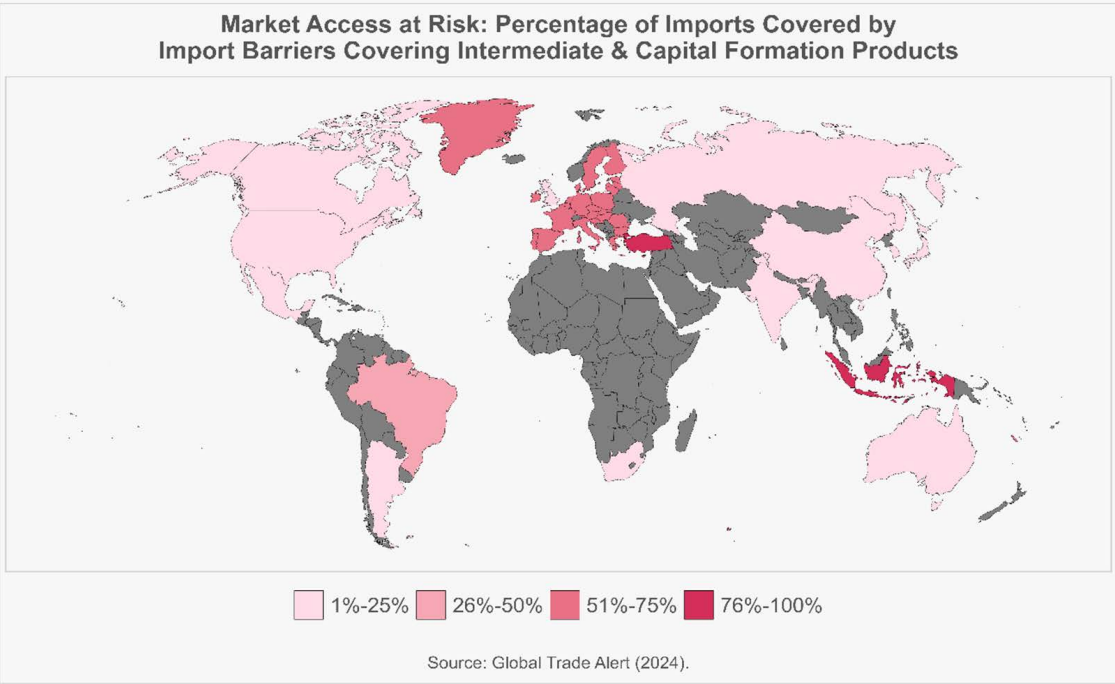


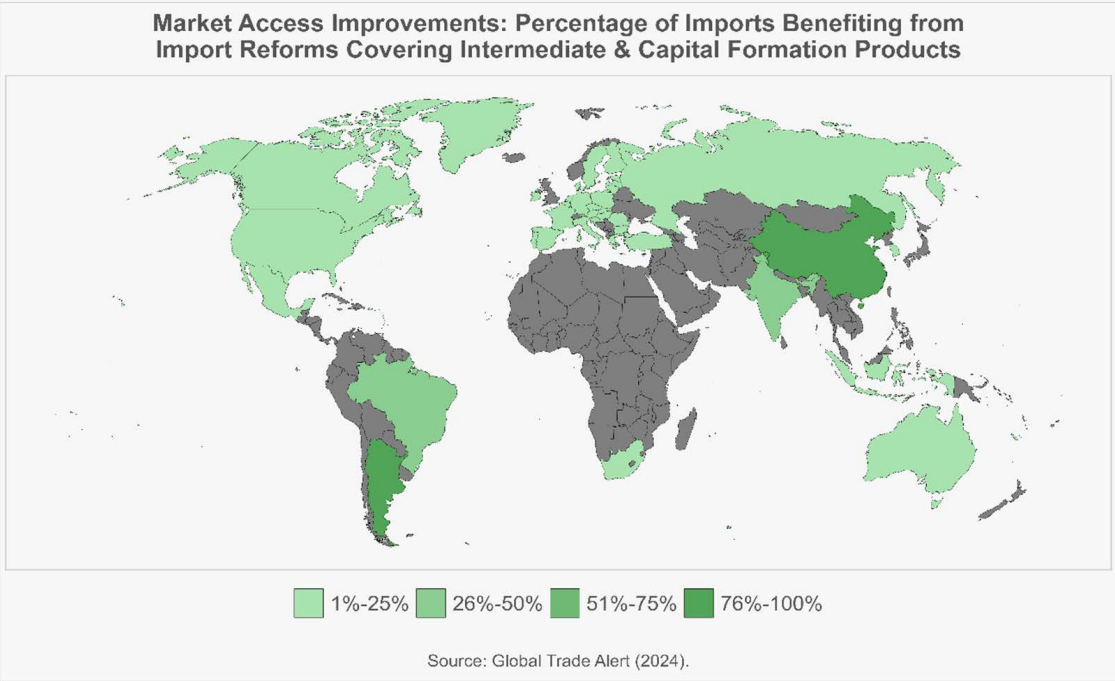
How was Figure 14 prepared?

We have gathered data on trade policy interventions enacted by G20 members since the last G20 Summit on September 10, 2023, focusing on measures that impact critical minerals needed for the transition to the low-carbon and digital economy. To estimate the trade affected by these measures, we use 2019 trade flow data from UN COMTRADE, which minimises the influence of the COVID-19 pandemic and subsequent disruptions to global supply chains. Only interventions by the EU that impact non-EU trade are included.

The upper panel illustrates the percentage of mineral exports at risk due to protectionist measures adopted by the respective exporter. In contrast, the lower panel highlights the market access improvements, represented by the percentage of mineral imports that benefit from liberalising measures implemented by the same importers.

Figure 15. Sourcing of inputs and capital formation products: There is potential for further reforms in goods that support both short-term operations and long-term growth, which could enhance the stability of global supply chains.





How was Figure 15 prepared?

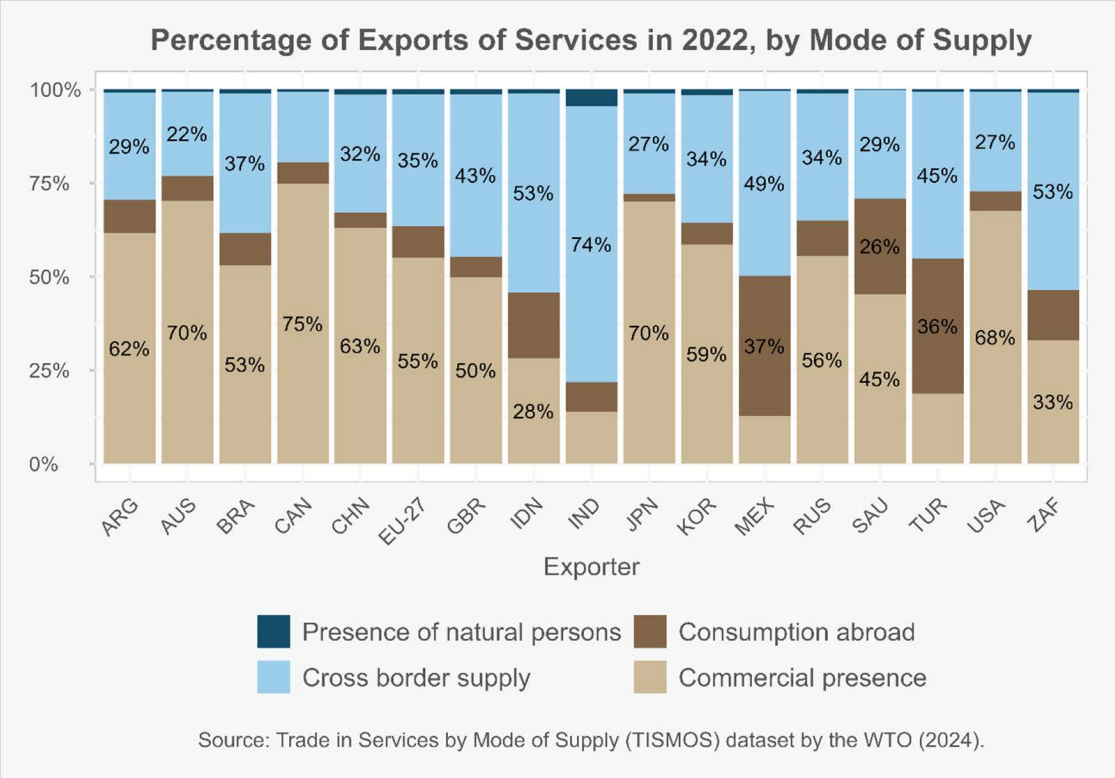
We have gathered data on trade policy interventions enacted by G20 members since the last G20 Summit on September 10, 2023, focusing on measures currently in effect that impact intermediate and capital formation goods which are building blocks for the production process, supporting both short-term operations and long-term growth. To estimate the trade affected by these measures, we use 2019 trade flow data from UN COMTRADE, which minimises the influence of the COVID-19 pandemic and subsequent disruptions to global supply chains. Only interventions by the EU that impact non-EU trade are included.

The upper panel illustrates the percentage of intermediate and capital formation imports at risk due to protectionist measures adopted by the respective importers. In contrast, the lower panel highlights the market access improvements, represented by the percentage of intermediate and capital formation imports that benefit from liberalising measures implemented by the same importers.

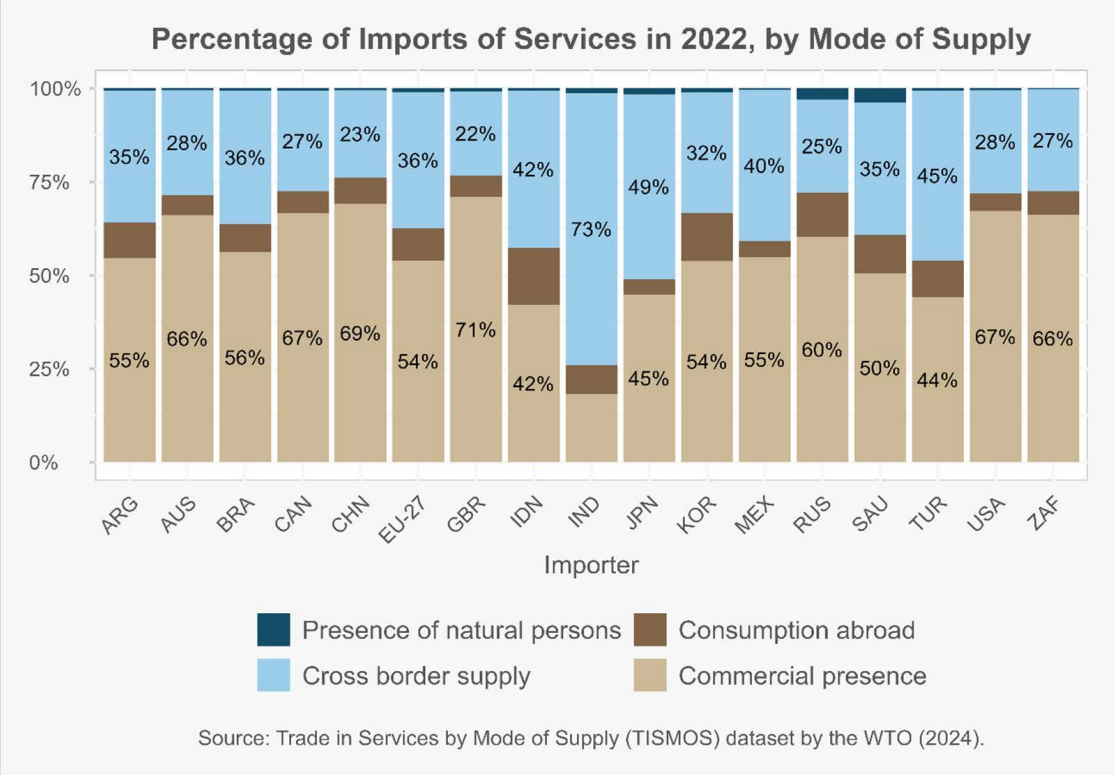
6

G20 Trade in Services

Figure 16. Most trade in services occurs through the establishment of a commercial presence in a foreign country.



Source: Trade in Services by Mode of Supply (TISMOS) dataset by the WTO (2024).



Source: Trade in Services by Mode of Supply (TISMOS) dataset by the WTO (2024).

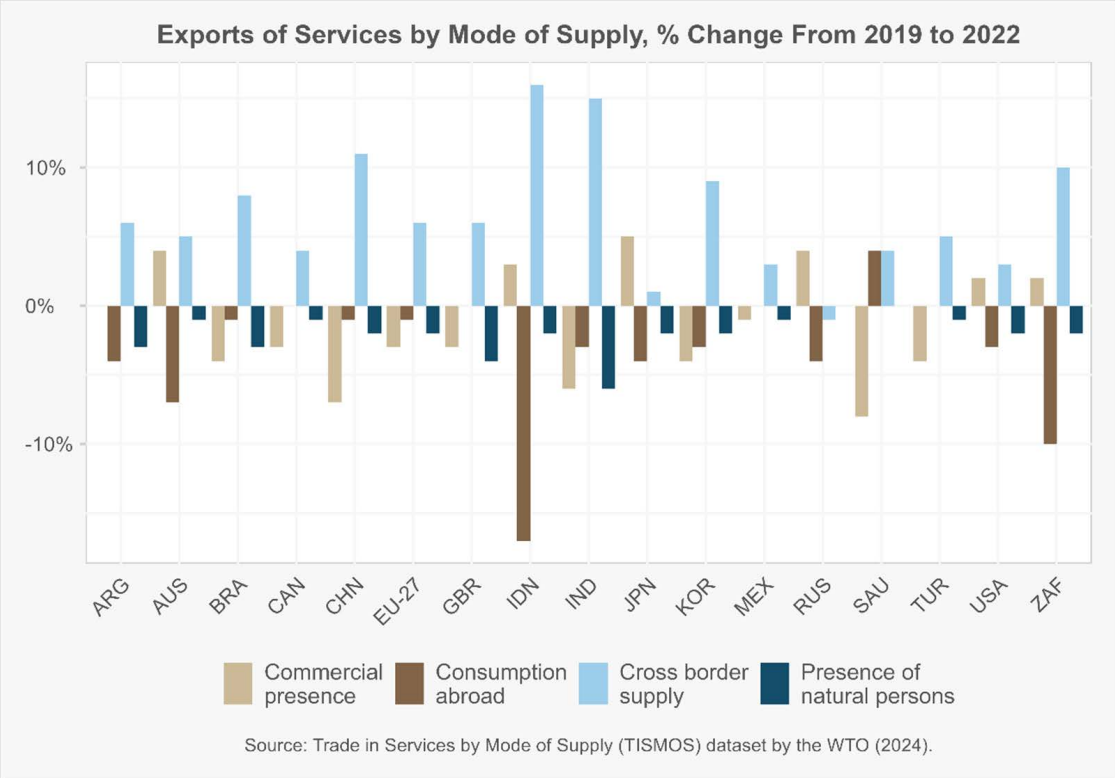
How was Figure 16 prepared?

Using the Trade in Services by Mode of Supply (TISMOS) dataset provided by the WTO, we estimate the percentage of trade by mode of supply for 2022. TISMOS encompasses total imports and exports of services from 2005 to 2022 across more than 200 countries and regions. Trade is categorised into various modes of supply:

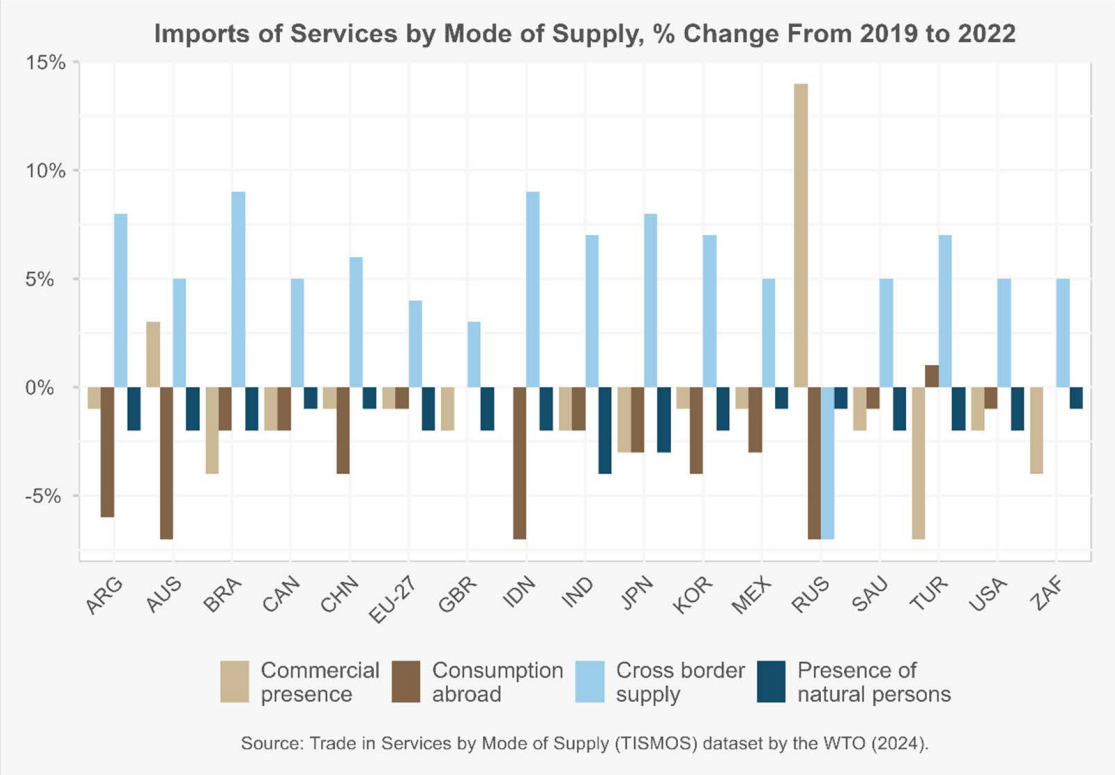
- **Cross-border supply:** Services delivered from the territory of one country to another without the movement of either the consumer or the producer; only the service itself crosses the border. Examples include services provided via phone, fax, or electronic means, such as medical diagnoses, legal advice, and financial services.
- **Consumption abroad:** Services provided within one country to consumers from another country. This includes individuals traveling to another country to access local services (e.g., visiting museums, theatres, doctors, or attending language courses). It also covers services related to the consumer's property while abroad, such as ship repairs.
- **Commercial presence:** Services provided by any type of business or professional establishment from one country through a commercial presence in another country. Establishing a local affiliate can help a supplier company maintain closer contact during various stages of service delivery, including production, distribution, marketing, sales, and after-sales support. For example, a foreign bank may set up operations in another country.
- **Presence of natural persons:** Services provided by individuals from one country through temporary presence in another country. This includes scenarios such as a computer services company sending an employee to a client in another country or a self-employed lawyer traveling abroad to provide legal advice.

In the upper panel, we estimate the exports of services from G20 members, while the lower panel illustrates the imports of services into G20 members.

Figure 17. The majority of the increase in service trade from 2019 to 2022 is attributed to cross-border services provided without a commercial presence in the destination country.



Source: Trade in Services by Mode of Supply (TISMOS) dataset by the WTO (2024).



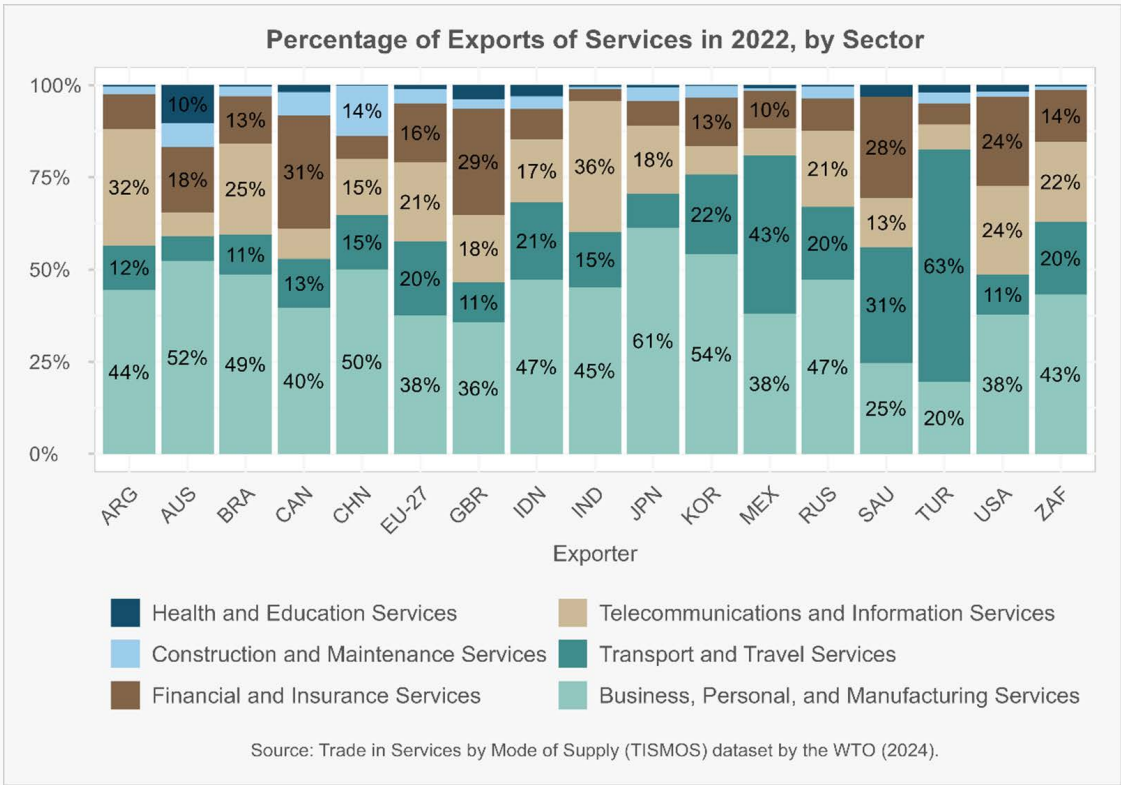
Source: Trade in Services by Mode of Supply (TISMOS) dataset by the WTO (2024).

How was Figure 17 prepared?

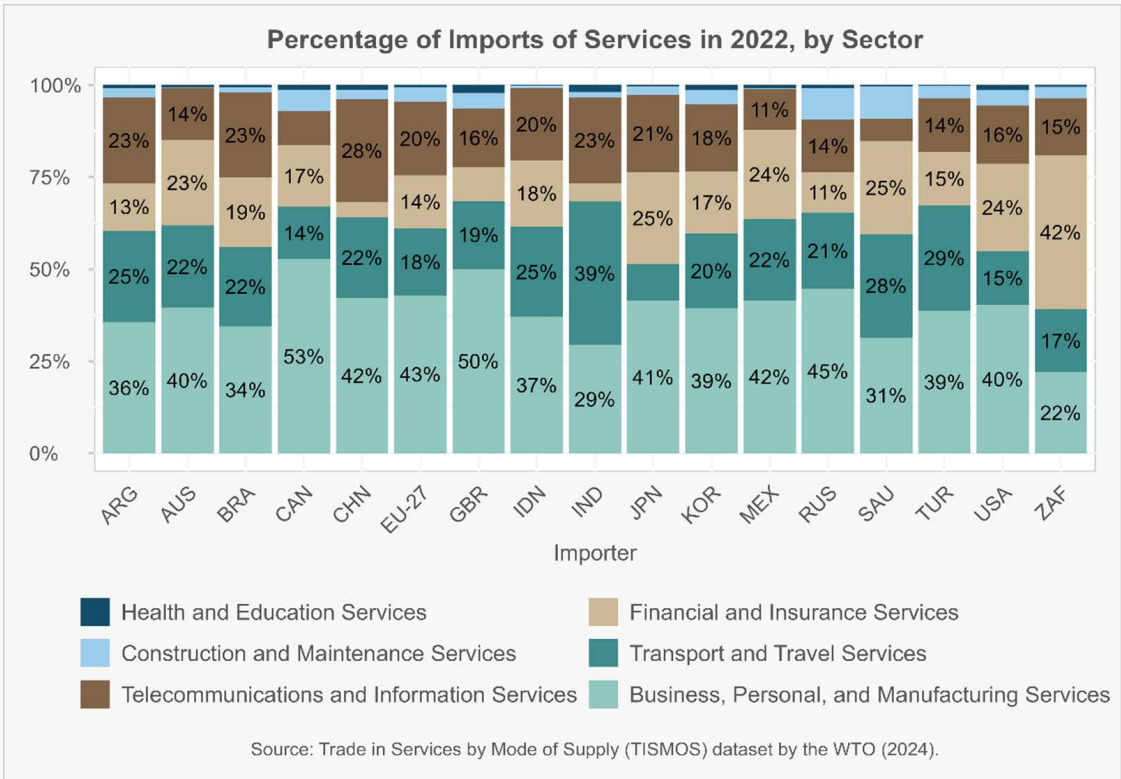
Using the Trade in Services by Mode of Supply (TISMOS) dataset from the WTO, we estimate the percentage change in trade by mode of supply from 2019 to 2022. The upper panel presents the percentage change in service exports from G20 members, while the lower panel illustrates the percentage change in service imports into G20 members.

Most countries experienced an increase in both the exports and imports of cross-border supply services. This refers to services delivered from the territory of one country to another without the movement of either the consumer or the producer; only the service itself crosses the border. For instance, from 2019 to 2022, the EU-27 increased its exports of cross-border supply services by 6% and its imports by 4%.

Figure 18. Business, personal, and manufacturing services constitute the largest share of imports and exports in the services sector.



Source: Trade in Services by Mode of Supply (TISMOS) dataset by the WTO (2024).



Source: Trade in Services by Mode of Supply (TISMOS) dataset by the WTO (2024).

How was Figure 18 prepared?

Using the Trade in Services by Mode of Supply (TISMOS) dataset provided by the WTO, we estimate the percentage of trade by mode of supply for 2022. TISMOS encompasses total imports and exports of services from 2005 to 2022 across more than 200 countries and regions. Trade covers 55 sectors by different levels. We aggregate the sectors in 6 categories.

In the upper panel, we estimate the exports of services from G20 members, while the lower panel illustrates the imports of services into G20 members.

Contact
Please send questions and suggestions to data@globaltradealert.org

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

St.Gallen Endowment
for Prosperity through Trade