

**Informal TPRB Meeting, 9 February 2009.**

**Review and monitoring developments in the international trading environment which are having an impact on the multilateral trading system**

*Intervention by Norway*

Welcome the balanced, factual report by the WTO Secretariat and the initiative by the DG for the debate in the TPRB. This process could and should develop into the WTO at its most

Cannot underestimate the seriousness of the global financial and economic crisis; every day new signs point to it getting worse before there is hope for improvement. Initially some suggested the crisis would only hit the industrial world, and perhaps some emerging economies, or at least not the poorest developing countries. The way we are affected can be different, so is the magnitude of the problems and the means we have at our disposal to rectify the crises. Unfortunately, however, there is no longer any doubt, we are all hit. And only if we all acknowledge our responsibilities can we collectively get out of the mire without too much permanent damage to the world economy or the multilateral trading system on which we all depend.

We are all under pressure to introduce trade restrictive elements in the rescue and stimulus packages we are frantically working on to stem the negative flows and protect our people and economies against the most serious effects of the crisis.

This is not a forum where we need delve on the dangers we face if we give in to such temptations, for temptations they are. However, what governments need is collective help to resist the pressure.

We take heart from the DGs assessment (para. 4) that “to date, most WTO Members appear to have successfully kept domestic protectionist pressures under control.”

It is encouraging that when we last week checked with about 30 of our embassies around the world, we still found very few specific trade measures having been introduced or proposed to date and most of what they reported is reflected in the DGs report.

Consequently, the discussion today has mostly been focussed on the process and the overall situation.

Although there are some reports of new border measures such as pre-shipment inspections, import licensing and increased import tariffs, others are encouraging initiatives in countries such as Brazil, Egypt and Mexico for reductions of duty on machinery and other inputs to industrial production as a means to keeping industries competitive.

Also on the positive side is the open – I would even say transparent - debate going on in the US about possible “Buy American” provisions of the economic stimulus package. We can only applaud and encourage President Obama for his opposition to such provisions, and hope he prevails

Industrial countries and some of the largest emerging economies have the financial muscle to introduce rescue measures for banks and stimulus packages for the economy at large. Obviously we must be strongly encouraged to continue to do so, without such stimulus markets risk completely drying up and trade collapsing this would make matters even worse for open economies largely dependant on exports for their production, employment and income.

However, both in the DG`s and our own reports as well as in the international press there are a number of indications that pressure on governments to introduce protectionism in their packages is mounting and that some may be giving in to the pressure.

In fact, preferential treatment of domestic industries are among the most serious signs on the horizon that need to be guarded against - be they official buy-domestic provisions or more subtle pressure on government entities or industries to procure domestically or in other ways favour domestic clients. Such provisions would be counter productive and only contribute to prolonging the crisis.

To this effect, we have a challenge in that such measures - contrary to more traditional and direct trade- related measures - are not necessarily in direct contravention of WTO rules.

We believe that in today`s situation, it is not sufficient to insist that members stay within their WTO obligations; the yardstick for WTO work on monitoring of the crisis needs to be what is economically sensible, not what is legally permissible.

The WTO forum where we use that yardstick is here – the TPRB – where we are less focused on whether or not a measure is defensible or not. It is here where we can give the DG and the Secretariat the leeway to identify and critically comment on our trade policies in a broader way. Here, we as Members can be free to ask for explanations and where we can react to such comments without immediately are on the defensive.

To facilitate this important process that has started today, the Secretariat Report should be subject to regular updates, with active participation from Members, along the lines proposed by Singapore, Canada and others.

I have not mentioned the Doha round. That is because the focus at this meeting is on resisting protectionist pressure on a day to day basis as we develop and put in place policies to combat the economic crisis.

But of course, are we really committed to solving the crisis and to use trade and trade policies positively in that regard, the by far most important tool at our – trade policy makers – disposal is the completion of the DDA as soon as possible.