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A new agenda for trade multilateralism in the post-crisis

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On the theme of trade and investments, G20's main explicit goal is the maintenance of an open international economy. However, the Group's agenda contemplates other themes and objectives whose attainment tends to generate tensions in trade relations and produce new distortions in the trade and investment flows: the reduction of the global macro imbalances and the search for energy and food security are amongst the agenda's themes which are highly prone to generate trade conflicts.


Therefore, the achievement of G20's objective in the trade and investments sphere will require integration of various other overriding themes by the trade agenda, especially in the multilateral realm, and mainly those which have the highest potential to affect negatively G20's macro-objective in the trade area.



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The topics below represent an initial approach to this theme:

- the main topics composing the G20 agenda, according to how it has been consolidated in the three meetings which took place between November 2008 and September 2009 (only themes which have a high potential of having an impact on the Group's main macro objective, in the trading sphere);
 - the political measures which have been or will be adopted to reach the objectives in the G20 agenda;
 - the main impacts on trade and investment flows and policies which can be produced by the different themes in the agenda;
 - the thematic content of a trade agenda compatible with the objectives of the G20.
- It can be seen in the chart that some themes appear to be recurrent in this new multilateral agenda. The following themes are prominent:
- subsidies – they become a priority for different reasons: political answers through subsidies tend to produce long term effects, influencing the condition of competition in sectoral markets and distorting trade and investment flows in the post-crisis period. Also, subsidies mechanisms are found in the developed countries' political menu for mitigating climate change. The same can be said of the national actions relating to energy and food security.
 - investments – here also several developments converge to make the theme a priority and make the multilateral sphere the most adequate for its treatment. On the one hand, there is a debate, in both Northern and Southern countries, about the model of the hegemonic bilateral investments agreement of the nineties. On the other hand, there is the aggravation, starting before the eclosion of the economical crisis, of new forms of “protectionism” and discrimination against direct foreign investments, again both in developed and developing countries. In these new forms of discrimination, security arguments and concerns about the role of sovereign funds in emerging countries become relevant.
 - inclusion of new dimensions (concerns about security) in themes already dealt with. This is the case for agriculture and services (energy), in which security concerns tend to dominate countries' national agendas bringing new risks to the maintenance of an open global order. In this case, more than problematizing the legitimacy of this questioning, the case would be one of creating frameworks for dealing with the security concerns and at the same time minimizing the risks of protectionism and discrimination associated with the former.

G20's objectives and the implications for the commercial agenda

Themes in the G20 agenda	National policy measures	Potential impacts on the trade and/or investment flows	Trade negotiation themes
Anti-crisis fiscal efforts	Bail-outs, subsidies and incentives for national companies.	Discrimination against foreign companies and investments.	Subsidies on goods and services, IDE regimes, investment treatment x security rationale (strategic sectors, sovereign funds).
Reduction of global macro imbalances	Export incentives and protection for domestic producers in deficit countries and for domestic consumption in surplus countries.	Increase of exports and reduction of imports in deficit countries. Rebalancing of trade flows.	Subsidies, contingent protection mechanisms (anti-dumping, safeguards).
Regulation of the financial system	Revision of the national financial activities, regulation and supervision charts .	Financial services' impact on trade and investments.	Services liberalization x regulation objectives
Energy and climate change	National measures to preserve energy security, climate change mitigation policies. Subsidies for fossil fuels.	Search for self-sufficiency: distortion of trade flows, impact on developing countries exports (carbon-intensive), new competitive exports of products with low carbon content.	Energy security x service liberalization. BCAs and other trade barriers with climate change mitigation rationale. Subsidies for mitigation efforts and development of new green technologies and products (are non-actionable subsidies back?). Negotiation of policies for fossil fuel subsidies.
Food and poverty security	National measures for guaranteeing food security: subsidies and protection of domestic production, import taxes, land acquisition for production directed at the buyers market, etc.	Distortion of trade and investment flows, bilateralization of agreements and flows.	Food security x liberalization of agricultural markets (trade and subsidies).