International Trade After the Economic Crisis:

Challenges and New Opportunities

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FOREWORD

The severe contraction of world trade volume during the recent global crisis – the steepest since the Great Depression – was a major blow to the global economy and to countries which had pursued development strategy of export-led growth. In the aftermath of the crisis many governments in developed and developing countries contemplated or were pushed into using trade policy instruments, especially in the form of non-tariff measures (NTMs), to protect their domestic industries and producers. The danger of "beggar-thy-neighbor" protectionist policies was again a close reality.

Happily, initial fears of a mutually devastating protectionist war in response to the economic crisis did not materialize. This was thanks to a large extent, to the strength of the existing rules-based multilateral trading system. However, the threat of retaliatory protectionism is not yet over and requires the full attention of the international community in the post-crisis policy environment to guard against it. It is important therefore to continue monitoring and analyzing trade policy actions, particularly NTMs and for that, we need comprehensive and accurate information.

The financial and economic crisis has changed the landscape of economic policy and presents one of those rare occasions when a new direction could be taken. Opportunities exist in the area of trade policy to adapt the international trade agenda to the changing requirements and expectations of the private sector. There are also substantial business opportunities arising in new areas, such as environmental goods and 'green' technologies.

This publication aims to provide decision makers in government and the private sector with a post-crisis analysis of some of the major trade challenges and opportunities, particularly for developing countries. It represents the continuation of a collaborative project between UNCTAD and JETRO (Japan External Trade Organization).

I would like to express my gratitude to JETRO for its cooperation and support in making this joint collaboration possible.

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Desktop publishing was done by Jenifer Tacardon-Mercado. Sophie Combette designed the cover and Charlotte Gray edited the report. Susan Graham provided overall logistical, administrative and web-related support.

TABLE OF CONTENTS

Page

Page

Page

List of figures

List of boxes