
WTO fires warning over protectionism

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Reuters quoted Mr Pascal Lamy director general of World Trade Organization as saying that governments are unfairly blocking trade in response to the global downturn, pinching auto and steel exports and hurting wealthy economies most.

In a report prepared for the WTO's 153 members, and obtained by Reuters, he described the global economy as fragile and said that rich nations would see their exports slide 14% this year due to the world's slump. He added that "Developed economies have been hit hardest, especially the major exporters of automotive products and other machinery."

While weak demand for iron ore and minerals will hurt some emerging players, such as China, WTO report said that on the whole developing countries should fare slightly better, with a 7% overall export drop in 2009.

The protectionism report, the third Mr Lamy has issued since the global economy started its slide last year, raised concerns about stimulus measures in both rich and poor countries and said that many governments had imposed unfair restrictions on imports to shield their national markets.

WTO rules allow countries to temporarily limit or restrict imports in response to public health or safety threats that are backed up by scientific evidence, or in some situations where market prices are seen to be skewed.

(Sourced from www.reuters.com)

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