

# Stick up for global trade, report says

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GLOBALISATION must be promoted by business and governments as “a positive force for economic and social good,” an influential report said today.

Despite a slight slowdown during the recession, the world’s largest economies will continue to globalise steadily between now and 2014, according to the Ernst and Young globalisation index.

And authorities must “avoid any descent into protectionism,” said Ernst and Young’s John Ferraro.

The index ranked the world’s largest 60 economies according to their level of globalisation relative to GDP.

The UK remained at number 15, overtaking Canada but being overtaken by Slovakia, which jumped 12 places. Poland and Slovakia both performed well, largely due to big increases in internet subscriptions and tourism.

Despite its economic troubles, Ireland received a rare piece of good news, moving from third place to second place in the list.

“Exports have remained the bright light in Ireland’s story, underpinned by the country’s chemicals, pharmaceutical and tech sectors,” Ferraro said.

“The government has also remained absolutely adamant that Ireland retain its 12.5 per cent corporate tax rate to ensure that multinational companies that have headquarters in Ireland will remain,” he added.

“The survey supports the view that governments will find protectionist arguments less compelling and more expensive to implement,” commented Dan Ikenson, trade economist at the Cato Institute in Washington DC.

“Openness to trade, finance, and labour in all directions will become even more imperative in the years ahead,” he added.

Despite the global economic slowdown, there has not been a return to “ruinous tit-for-tat protectionism,” he said.

According to the World Bank, 400m people in China have escaped poverty due to trade liberalisation, Ikenson said.

