

Corporate Subsidy Inventory 2.0

Simon J. Evenett and Fernando Martín Espejo, 11 May 2023

This note provides an overview of the second corporate subsidy inventory issued by the Global Trade Alert team in May 2023. Such subsidies have been a source of tension between nations, irrespective of whether they are geopolitical allies or rivals. Information on corporate subsidies awarded by 57 customs territories since 1 November 2008 has been collected, processed, classified, and linked to other information pertinent to assessing the stated motive and economic activities covered.

In October 2021 the Global Trade Alert (GTA) released its first inventory of corporate subsidies to coincide with the publication of its 28th Report, which examined the resort to corporate subsidies by China, the European Union, and the United States since 1 November 2008. The scope of the first inventory matched those of the report and therefore covered the subsidies awarded and changes in subsidy policy by these three customs territories.

So as to facilitate evidence-based deliberation on the cross-border commercial implications of selective corporate subsidies, a second inventory was compiled and made publicly available in May 2023. The Global Trade Alert's Corporate Subsidy Inventory 2.0 contains information on subsidy awards and subsidy policy changes by 148 customs territories, a significant expansion in country coverage.

This inventory includes information on 31,116 subsidy awards or policy changes undertaken since 1 November 2008 that have likely created 552,660 effects on trading partners (this being the number of rows in the Inventory 2.0.)

Each row in this inventory refers to a *subsidy-affected trading partner* tuple. A subsidy may affect multiple trading partners. In the case of trade in goods the UN COMTRADE database of bilateral trade flows is used to identify trading partners selling more than a *de minimis* amount in the market where the conditions of competition are likely affected by the corporate subsidy.

Corporate subsidies were not excluded from this inventory because it has been claimed the subvention generates societal benefits beyond the immediate beneficiary. Therefore, subsidies said to facilitate the transition to a low carbon economy are included in the inventory. It is for users to decide whether to exclude these or any other subsidies from their analyses.

Our information collection on subsidies was not confined to subsidy measures implemented by national/central governments. Subsidies affecting exports and overseas investments were included as well as those paid to import-competing firms.

Over 99.25% of the entries in Corporate Subsidy Inventory 2.0 were documented using official sources or from legally mandated declarations concerning the receipt of subsidies by companies listed on stock-markets.

Inventory 2.0 has been deliberately designed to align with the subsidy classification schemes of the OECD and of UNCTAD (in particular the relevant entries in Chapters L and P of the latter's MAST system for classifying non-tariff measures).

Under the subsidy categories, there are two groups: those falling under MAST chapter L that affected "inflows" of trade, and those falling under MAST chapter P6, where markets in third countries are affected, "outward (subsidized)".

Please send any questions about Inventory 2.0 to data@globaltradealert.org

Variables included in Inventory 2.0

Inventory 2.0 draws upon entries in the GTA database, hence the descriptions below of many of the variables listed below.

Column of Inventory 2.0	Description of column entries.
GTA database Entry ID	Intervention ID of the measure.
Title of corporate subsidy measure	Title of the policy intervention.
Description of the corporate subsidy measure	Description of the policy intervention in the GTA database.
Type of corporate subsidy (GTA intervention type)	Policy instrument type as recorded in the GTA database. ¹
MAST policy intervention sub-chapter ID	MAST sub-chapter according to the International Classification of Non-tariff Measures. ²
MAST Chapter (UN MAST NTM system)	L (Subsidies and other forms of support) or P (Export-related measures) according to the International Classification of Non-tariff Measures. ³
Transfer Mechanism (OECD classification)	Transfer mechanism classification employed by the OECD. ⁴
Implementing Jurisdiction	The jurisdiction(s) responsible for the corporate subsidy measure.
Implementing Jurisdiction UN Code	Standard UN territory codes for statistical use (M49) referring to the implementing jurisdiction(s).
Affected Jurisdiction (where they can be credibly identified)	The jurisdictions whose commercial interests are potentially affected by the announced subsidy measure.
Affected Jurisdiction UN Code	Standard UN territory codes for statistical use (M49) referring to the affected jurisdiction(s).
Market affected by the subsidy	The jurisdiction(s) where the subsidy in question affects conditions of market competition.
Announcement date	The issuance date of the recorded government statement.
Implementation date	The date the documented subsidy measure came into force.
Removal date	The date the documented subsidy measure is either withdrawn or replaced.

¹ Capital injection and equity stakes (including bailouts); Financial grant; Import incentive; In-kind grant; Interest payment subsidy; Loan guarantee; Price stabilisation; Production subsidy; State aid, nes; State aid, unspecified; State loan; Tax or social insurance relief; Export subsidy; Financial assistance in a foreign market; Other export incentive; Tax-based export incentive; and Trade finance.

² <https://unctad.org/publication/international-classification-non-tariff-measures-2019-version>

³ <https://unctad.org/publication/international-classification-non-tariff-measures-2019-version>

⁴ OECD (2019-12-12), "Measuring distortions in international markets: The semiconductor value chain", OECD Trade Policy Papers, No. 234, OECD Publishing, Paris. <http://dx.doi.org/10.1787/8fe4491d-en>

Column of Inventory 2.0	Description of column entries.
GTA Evaluation	Harmful (commerce-distorting subsidies) or Liberalising (subsidies that favour foreign firms vis-à-vis local rivals)
Is subsidy corporate firm-specific?	TRUE if the intervention targets only firms or projects. FALSE otherwise.
Is corporate subsidy SME-specific?	TRUE if the beneficiaries of the subsidy change are SMEs. FALSE otherwise.
Level of government awarding corporate subsidy	The GTA database differentiates between subsidy measures or announcements of six different government levels or agencies: Supra-national; National; Sub-national; National Financial Institution (NFI); and International Financial Institution (IFI).
HS Codes (2012 HS system)	The GTA uses the Harmonised System (HS version 2012) at the 6-digit level to identify the products associated with subsidy awards or policy changes affecting goods producers.
CPC Sector code (UN CPC version 2.1)	The GTA uses the Common Product Classification (CPC, version 2.1) at the 3-digit level to identify the commercial sector in which the subsidy recipients operate.
Is corporate subsidy horizontal (across all or almost all sectors)?	TRUE if the subsidy measure is across-the-board or almost across-the-board (but is selective in some other respect). FALSE otherwise.
Is the corporate subsidy related to the environment or Low-Carbon Emitting Technology?	TRUE if one of the stated objectives of the subsidy measure is related to environmental improvements or the transition to a Low-Carbon Emitting Technology. FALSE otherwise.
Is the corporate subsidy related to public health concerns (including COVID-19)?	TRUE if one of the stated objectives of the subsidy measure is related to public health matters associated with the COVID-19 pandemic. FALSE otherwise.
Is the corporate subsidy linked to the invasion of Ukraine?	TRUE if one of the stated objectives of the subsidy measure is related to consequences of the invasion of Ukraine. FALSE otherwise.
URL	Link of the measure report on the GTA webpage.

Further relevant documentation

For the definition of a corporate subsidy employed see our 28th Report, available [here](#). The definition employed in compiling Inventory 2.0 is the same as that used when preparing the first inventory.

An account of the rationale of the GTA information collection methodology can be found in a published peer-review journal article, available [here](#). A detailed description of the GTA's methodology is available in the GTA Handbook, available [here](#). The methodology employed by the GTA team has not changed between the issuance of the first corporate subsidy inventory and Inventory 2.0.

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Please send comments or suggestions to data@globaltradealert.org.