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The G20 Hamburg Summit

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The agenda alone of the G20 summit in Hamburg, Germany on July 7-8, 2017 was not sufficient to draw the world's attention. Although the forum brings together the leaders of the world's 19 leading economies and the European Union, representing two thirds of the global population and 80 percent of the global GDP, it generally draws little more than thousands of demonstrators protesting globalization. This summit, however, generated much interest as it provided the stage for personal meetings between leaders, some the first of their kind, such as between Presidents Trump and Putin. In addition, at the summit Trump had to confront the other 19 leaders directly on some trade issues and the Paris Agreement, and the summit itself took place while eyes were also directed eastward, starting just after North Korea successfully tested its first intercontinental ballistic missile.

President Trump made the US imbalanced trade relations into a major campaign issue, and as President continued to take action to reduce the US trade deficit (\$2.7 trillion in imports, versus \$2.2 trillion in exports in 2016). This has already caused serious tensions between traditional US political and economic allies, as he threatened the North America Free Trade Area (NAFTA) agreement and pulled the United States out of the Trans Pacific Partnership. The final statement of the Hamburg G20 Summit is an attempt to please both the US and the other leaders. The leaders "note the importance of bilateral, regional and plurilateral agreements" as well as "the importance of reciprocal and mutually advantageous trade and investment frameworks and the principle of non-discrimination...and recognize the role of legitimate trade defense instruments in this regard."

On the steel trade issue, Trump came out of the summit with some success. The US is the largest importer of steel, having imported 30 million metric tons in 2016. It also produces steel, but charges dumping tactics by exporters to the US. Countries may protect themselves by adapting antidumping and countervailing duties or suspending agreements.

The US has already imposed antidumping duties, primarily against China, although the latter is a relatively small exporter of steel to the US. Trump threatened to impose much higher duties, and Commerce Secretary Wilbur Ross claimed steel importation as “a genuine national issue.” The issue was included in the Leaders’ Declaration under the heading of “Excess Capacities” whereby the leaders called for the removal of market-distorting subsidies and other types of support by governments and state entities. The G20 will issue a report in November 2017 on steel excess capacity as a basis for “a tangible and swift policy action, and follow-up progress reporting in 2018.”

The 2015 Paris Agreement on climate was clearly a dividing issue between the US and the other G20 members. They declared the Paris Agreement “irreversible” and reaffirmed their commitment to the accord, while noting the US withdrawal. The Declaration’s language does not describe the bitter arguments between the US and other members on some of the major related issues or the US decision, which may entail some financial problems, as the US may not share in helping other countries meet their obligations under the Paris Agreement.

Displacement and migration was another difficult issue for some of the participants. One clear and important principle that was emphasized is the “importance of nationally determined integration” and “the sovereign right of states to manage and control their borders and in this regard to establish policies in their own national interests and national security.” This statement should be read in light of the debate in Europe about values, rights of refugees, and rights of states. This paragraph refers mostly to migrants to and in Europe, but it also reflects President Trump’s views on the subject.

In addition to the Declaration, the G20 issued a separate statement on Countering Terrorism. However, despite the shared concern, it is difficult to believe that this is a forum conducive to joint action and cooperation involving intelligence organs in states that on the one hand are members in this relatively small group but on the other find themselves in tense confrontations with some of the members. Indeed most of the recommendation is for action within existing international organizations in which states can easily calibrate their involvement.

While Trump described the Hamburg summit as a “wonderful success,” commentators emphasized the extent to which the US has been isolated, claiming that the summit provided additional evidence of the US losing its leadership status. Beyond the issues of disagreement between the US and other G20 members mentioned in the Hamburg Declaration, participants also noted the failure of the US to bring the G20 to condemn North Korea’s missile test. While it is clear that China prevented a G20 formal condemnation, it is not clear whether a different US president would have convinced

China to join it. On the other hand, Trump's encounter with President Putin may have added to Trump's credibility, as the US reached an agreement with Russia on a partial ceasefire in Syria. While this is a relatively minor issue, it involves what for Russia is a strategic asset.

While Trump may have overstated the results of the Hamburg G20 summit, Merkel and the other participants avoided the temptation to showcase Trump as an outcast, and even tried to meet his concerns half way while standing their ground, especially on the climate Paris Protocol. Perhaps this is no surprise: the G20 is an informal group. In 1999 the G7 countries decided to "establish an informal mechanism for dialogue." As such, the Hamburg meeting served the purpose for all the major participants who came out feeling they had successfully made their country's point.