



Council for Trade in Services

**REPORT OF THE COUNCIL FOR TRADE IN SERVICES
TO THE GENERAL COUNCIL
ON THE WTO RESPONSE TO THE COVID-19 PANDEMIC
AND PREPAREDNESS FOR FUTURE PANDEMICS**

1 INTRODUCTION

1.1. This report has been prepared by the Council for Trade in Services (CTS) pursuant to paragraph 24 of the "Ministerial Declaration on the WTO Response to the COVID 19 Pandemic and Preparedness for Future Pandemics"¹ adopted at the Twelfth Ministerial Conference (MC12).²

1.2. It compiles information on the work undertaken by the CTS on the WTO response to pandemics and preparedness for future pandemics since MC12.

2 STOCKTAKING IN THE SERVICES AREA

2.1. The CTS addressed the Ministerial mandate related to the WTO response to the COVID-19 pandemic and preparedness for future pandemics at all its meetings following MC12.

2.1 Written submissions

2.2. At the March and June 2023 meetings, the Council addressed two communications by India on the "Role of telemedicine services in response to the pandemic"³ and "Building a pool of health professionals to respond effectively to pandemics/natural disasters".⁴ Several delegations underscored the importance of the issues raised in the Indian submissions and expressed support for engaging in dedicated discussions of those issues. Other delegations said that the informal experience-sharing session on health services already offered an avenue for engagement and cautioned against unnecessary duplications; they also questioned the relevance of the GATS and the WTO to some of the issues raised in the Indian submissions.

2.3. Additionally, the Council addressed a communication from India on trade-related measures taken in response to the COVID-19 pandemic at its October meeting.⁵

2.2 Informal experience-sharing

2.4. In the lead-up to the CTS meeting of October 2022, the first formal meeting following MC12, the Chairperson held bilateral consultations to gather Members' views on the implementation matters relevant to the CTS as per the MC12 Decisions and Declarations. At the meeting, he reported on the views he had heard from Members relevant to the WTO response to pandemics⁶, indicating

¹ [WT/MIN\(22\)/31](#).

² Paragraph 24 states: "Relevant WTO bodies [Footnote: "Relevant WTO bodies include [...] the Council for Trade in Services or its relevant subsidiary bodies [...]."] will, within their fields of competence, and on the basis of proposals by Members, continue or initiate work as soon as possible, to analyse lessons that have been learned and challenges experienced during the COVID 19 pandemic. A stocktaking exercise will be taken of the work by WTO bodies under this declaration yearly at the General Council until the end of 2024, based on the reports of those relevant bodies."

³ [S/C/W/426](#).

⁴ [S/C/W/427](#).

⁵ [JOB/SERV/CTS/15](#).

⁶ The Chairperson's report was subsequently circulated in [JOB/SERV/CTS/6](#) and [Addendum 1](#).

that delegations were open to discussing ideas that other Members might bring forward, as long as these were part of the WTO's core mandate, forward-looking and relevant to services trade.

2.5. At the December 2022 meeting, some Members shared information about national telehealth initiatives and the impact of COVID-19 on services exporters.

2.6. Following further consultations organised by the Chairperson⁷, at the March 2023 meeting the Council agreed to organize a series of informal experience-sharing sessions, modelled on a similar exercise conducted in the Committee on Market Access, addressing: 1) transport and logistics services; 2) health services; 3) tourism services; and 4) ICT and digitally delivered services.⁸ Members agreed on the understanding that the sessions would have balanced representation, provide for the participation of external stakeholders and address the trade impact of COVID-19, both generally and specifically on LDCs, and the trade-facilitative measures introduced by Members to respond to the pandemic. The sessions would be organised during the services clusters of meetings.

2.7. The first CTS experience-sharing session, on the impact of COVID-19 on trade in transport and logistics services, was held on 13 June.⁹ The following Members contributed speakers to present their experiences: China (Cainiao Group); Hong Kong, China (Airport Authority of Hong Kong, China); Mongolia (Ministry of Foreign Affairs); the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Taoyuan International Airport Corporation); Bangladesh (Ministry of Commerce); India (Ministry of Ports, Shipping and Waterways); Mauritius (Mauritius Port Authority); the European Union (Directorate General for Mobility and Transport, European Commission); South Africa (E-commerce Forum South Africa and Africa); and the Dominican Republic (General Directorate of Customs). The Secretariat also delivered an overview presentation on the impact of the COVID-19 pandemic in the transport and logistics sectors.

2.8. The following questions were proposed to guide Members' presentations: (i) what were the key transport and logistics challenges Members encountered during the COVID-19 pandemic and what were their impacts?; (ii) what types of measures did Members take to mitigate the effects of transport and logistics disruptions and build resilience in this sector?; (iii) what were the considerations underpinning these measures and what motivated their continuation or termination?; and (iv) what were the specific implications of the pandemic for LDCs in the sector?

2.9. The paragraphs below reproduce the concluding remarks by the Chairperson.

Due to time constraints, the Chairperson of the Council for Trade in Services, Ms. Dimitrova, Permanent Representative of the Republic of Bulgaria, highlighted the main points of her concluding remarks, which are included hereafter in full for Members' reference. She noted that the presentations delivered by government and private sector representatives showed that the COVID 19 pandemic had presented many common challenges and had constituted a "stress test" for transport and logistics networks. Among the obstacles caused by the health emergency, limited transportation capacity, shortages of facilities and drivers, severe cost fluctuations, as well as the imperative of protecting the health of the workforce had been highlighted. The pandemic had created uncertainty for suppliers, which had struggled to sustain revenue, and which could not rely on work-from-home options for much of their workforce. The fragility of the delivery and logistics infrastructure in some regions, the remoteness of islands economies from international markets, as well as the constraints faced by certain land-locked economies had created further challenges. While constituting a source of sustained demand, the increased reliance on cross-border e-commerce had added further pressure to transport value chains.

⁷ An account of the consultations is contained in [JOB/SERV/CTS/9](#).

⁸ [JOB/SERV/CTS/10](#).

⁹ [JOB/SERV/CTS/16/Rev.1](#).

Despite the significant challenges, COVID-19 had also created new opportunities and accelerated trends that had begun to emerge before the pandemic. Above all, the pandemic had underscored the critical role of digital technologies, for instance to optimise parcel packing, shipment tracking and tracing, streamlined procedures, as well as e-documentation and clearance. Advanced digital technologies such as automation and AI were mentioned as especially key to the future of the transport and logistics sectors. The pandemic had also prompted the exploration of alternative options to increase the efficiency of transport and logistics operations, such as sea-air trans-shipment and the creation of one-stop upstream logistic services.

To address the complexities caused by the pandemic, Members had introduced various measures, including, for example, certain regulatory flexibilities (such as the temporary modification of airport slot allocation rules or the extension of validity of licences and certificates), financial support mechanisms, the designation of transport workers as "essential workers" to facilitate their movement, and "green lanes" to ensure the continuous flow of essential goods. In addition, certain Members had introduced targeted packages to sustain the progressive recovery of the economy as a whole. Some Members had also designed a set of guiding principles to step-up crisis preparedness and guide a rapid regulatory response in the event of future health crises.

Interventions generally confirmed the importance of the transparency and predictability of applicable regulatory frameworks. Moreover, it was noted that communication and coordination among transport authorities at the international level played a vital role. The information-sharing under the CTS could serve as a useful platform to maintain an open dialogue.

2.10. At the October 2023 meeting, Members expressed appreciation for the first CTS experience-sharing session.

2.11. The second session, on health services, was held on 4 October.¹⁰ Two Members, India (Permanent Mission to the WTO and Ministry of Health and Family Welfare) and the Russian Federation (Ministry of Health), as well as the World Health Organization and the International Council of Nurses, intervened as speakers to present their experiences and perspectives. The European Union and the Philippines contributed from the floor. The Secretariat also delivered an overview presentation on the impact of the COVID-19 pandemic on health-related services.

2.12. The following questions were proposed to guide Members' presentations: (i) What were the key challenges Members encountered during the COVID-19 pandemic with regard to trade in health-related services and what were their impacts? Was there a change in how health-related services were traded (e.g., health-related travel abroad, cross-border telehealth services)?; (ii) What types of measures affecting trade in health-related services did Members take to mitigate the effects of the pandemic?; (iii) What were the considerations underpinning these measures and what motivated their continuation or termination? Were there any takeaways?; (iv) What were the specific implications of the pandemic for Least Developed Countries (LDCs) in the sector?

2.13. The paragraphs below reproduce the concluding remarks by the Chairperson.

The Chairperson of the Council for Trade in Services, Mrs. Tsvetelina Dimitrova, Permanent Representative of the Republic of Bulgaria, offered some concluding remarks. She noted that trade in health-related services had been growing fast over the previous decade, at an average annual rate of 7% per year compared to about 4% for other services. The pandemic had caused dramatic effects on trade in health services, which relied mainly on the cross-border movement of individuals, i.e. modes 2 and 4. At the same time, health-related services traded through mode 1 – as practitioner-to-practitioner services, but increasingly as practitioner-to-patient services – had been experiencing significant growth. Still, given that low and middle-income economies resorted mainly to modes 2 and 4 to export health services, health service suppliers from these countries had been especially affected by the pandemic.

¹⁰ [JOB/SERV/CTS/21/Rev.2](#).

To address the challenges caused by the pandemic, Members had introduced various regulatory flexibilities and adaptations in the health sector, broadly along four lines. First, they had eased the entry to practice, for instance, for students or retired health professionals. Second, they had increased the scope of practice. Third, Members had facilitated international mobility, both for emergency as well as routine situations. Finally, they had supported the supply of telemedicine services, mainly domestically but also internationally.

The WHO had presented its digital health strategy, which had been set up with the goal of, inter alia, advancing the implementation of relevant strategies and strengthening the governance of digital health at the global, regional and national levels. This included comprehensive guidelines to support telemedicine implementation. When it came to the international mobility of health workers, this was a phenomenon that had already been well at play before COVID-19. Between 2006 and 2016, the foreign health workforce in OECD countries had grown by 60%. International mobility had declined in 2020 due to COVID-related travel bans, but, in subsequent years, it had accelerated further, driven by the pandemic itself. This had increased concerns about brain drain in economies of origin. The WHO Global Code of Practice established principles and practices for the ethical international recruitment of health workers and provided guidance on the adoption of relevant bilateral and international agreements. 55 economies, of which 37 in the African region, were identified by the WHO as facing the most severe health workforce vulnerabilities; active recruitment from these economies was discouraged.

The ICN's presentation showed that, at present, there were over 28 million nurses worldwide, with the vast majority working in high-income countries. A shortage of a further 13 million nurses was expected in the future, and the gap between demand and supply was still widening. It was noted that there was a need to invest in the nursing workforce for health systems' effectiveness, and this included investing in education, looking at how international migration was happening and how it impacted the sending economy, in particular in vulnerable economies, and strengthening the WHO Global Code of Practice.

Members who contributed as speakers had shared their experience on how COVID-19 had affected health-related services and trade in this sector, how they had addressed the challenges posed by the pandemic and the actions they had introduced, as well as presenting their key takeaways. A couple of key themes emerged from these contributions. First, the importance of being prepared and "future-proofing" the risks from future pandemics. Second, the imperative of creating an enabling regulatory environment and "whole of government" approach – in this regard the importance of having digital capabilities and infrastructure was also underlined. Finally, on a more positive note, it was noted that the pandemic had also served an enabler for the development of novel health solutions, including based on digital technologies.

2.14. The third session, on tourism services, was organised on 6 December.¹¹ Two Members, Hong Kong, China (Culture, Sports and Tourism Bureau) and Mexico (Secretary of Tourism), as well as the UN World Tourism Organization (UNWTO), the Organisation for Economic Co-operation and Development (OECD), the Enhanced Integrated Framework (EIF), and the World Travel & Tourism Council (WTTC), intervened as speakers to present their experiences and perspectives. Canada, China, the European Union, Chinese Taipei and the United Kingdom contributed from the floor. The Secretariat also delivered an overview presentation on the impact of the COVID-19 pandemic on tourism services.

2.15. The following questions were proposed to guide Members' presentations: (i) What were the key challenges Members encountered during the COVID-19 pandemic with regard to trade in tourism services and what were their impacts? (ii) What types of measures affecting trade in tourism services did Members take to mitigate the effects of the pandemic? (iii) What were the considerations underpinning these measures and what motivated their continuation or termination? Were there any takeaways? (iv) What were the specific implications of the pandemic for LDCs in the sector?

¹¹ Summary report to be issued.

2.16. The paragraphs below reproduce the concluding remarks by the Chairperson.

The tourism sector is a pillar industry for many Members and was devastated by the pandemic. Tourism accounted for 10.4% of GDP in 2019, and this share was halved by the onset of COVID-19. The number of tourist arrivals in 2020 was 74% lower compared to 2019; by way of comparison, during the economic crisis of 2009, tourist arrivals had fallen only by 4%. Domestic tourism increased, but only very partly compensated the plunge in international tourist arrivals. Internal tourism receipts fell by US\$2.6 trillion between 2019 and 2022. While in 2019, tourism services were the 3rd top export sector, by 2021 they had fallen to 9th place.

At the regional level, the Asia and Pacific region was particularly affected by COVID-19, falling from 30% of world tourism receipts pre-pandemic to just 13% in 2022. In terms of income groups, LDCs have been the most impacted, and are currently still at 30% below pre-COVID levels in terms of international tourist arrivals. Other impacts of the pandemic-induced tourism crisis in LDCs included reduced air transport connectivity for the smaller, remote LDC economies and a negative effect on the informal sector of the tourism value chain. It was indeed highlighted that the fall in international tourism had broad impacts beyond the immediate tourism sector, affecting other sectors throughout the tourism ecosystem.

The good news, however, is that the sector is on the road to a full recovery. The estimates show that tourist receipts will reach 93% of the pre-pandemic levels in 2023. Some regions, such as the Middle East and Europe, are doing particularly well. Looking ahead, although one question mark for the sector's recovery relates to economic growth, which is expected to decline in 2024, over the next ten years the sector is expected to grow from US\$9.5 trillion in 2023 to US\$15.5 trillion in 2033. Some new trends can also be observed, namely tourists staying longer and spending more during their visits, the sector digitally transforming and focusing on sustainability.

Government measures introduced to counter the impact of the pandemic were in three main phases, as the pandemic evolved. First, mitigation measures, to protect tourists, jobs and businesses. These were of two main kinds: (i) targeted fiscal and monetary measures for businesses and their workforce, such as tax reliefs, government guarantees, job retention schemes or temporary redeployment of tourism workers to other sectors; (ii) following initial travel restrictions and border controls, several governments introduced targeted safety protocols, alongside measures to facilitate safe cross-border movements, such as vaccination or COVID certificates or quarantines. Second, measures to manage the restart of tourism activities, such as lifting travel restrictions, restoring traveller confidence, or addressing labour shortages. Third, measures to prepare for the future, such as introducing new tourism strategies, supporting the acceleration of digital capacities and the digital transformation and upskilling, or diversifying tourism offerings and markets.

Other issues that were mentioned include the challenges of inconsistent and unpredictable travel restrictions, lack of interoperable systems and fragmented health and safety standards; the importance of evaluating the impact of measures taken; the need to improve data and share information to ensure evidence-based decisions can be taken; and the relevance of collaboration, and, in that regard, a number of joint initiatives by various International Organisations were mentioned.

2.17. At the December 2023 meeting, Members took note of the second and third CTS experience-sharing sessions.

2.18. The fourth session, on ICT and digitally delivered services, is planned to be held during the first cluster of services meetings in March 2024.
