

**Trade Policy Review Body****OVERVIEW OF DEVELOPMENTS IN THE INTERNATIONAL TRADING ENVIRONMENT****ANNUAL REPORT BY THE DIRECTOR-GENERAL<sup>1</sup>***(Mid-October 2022 to mid-October 2023)*

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<sup>1</sup> This Report covers the period mid-October 2022 to mid-October 2023. It is presented pursuant to Paragraph G of the Trade Policy Review Mechanism mandate and aims to assist the Trade Policy Review Body to undertake its annual overview of developments in the international trading environment that are having an impact on the multilateral trading system. The Report is issued under the sole responsibility of the Director-General. It has no legal effect on the rights and obligations of Members, nor does it have any legal implications with respect to the conformity of any measure noted in the Report with any WTO Agreements or any provisions thereof.

## EXECUTIVE SUMMARY

1. This WTO Trade Monitoring Report on trade-related developments arrives with multiple crises affecting the global economy. Inflation and large external debts in many countries, the war in Ukraine, climate change, high food and energy prices, as well as persistent pandemic-related ramifications, are all impacting the global economic environment. The recent outbreak of hostilities in parts of the Middle East is also adding to the uncertainty for the global economy.

2. The findings of this Report, as further detailed below, reveal that between mid-October 2022 and mid-October 2023, WTO Members introduced more trade-facilitating than trade-restrictive measures on goods, unrelated to the pandemic. Most of the facilitation happened on the import side while most restrictions took place on the export side. In the area of services trade, the trend was also mostly towards further liberalization. New general economic support measures by governments, including various environmental impact reduction programmes, were also introduced. Overall, implementation of new COVID-19 trade-related measures slowed significantly.

3. The number of export restrictions by WTO Members has risen significantly since 2020, first in the context of the pandemic and more recently because of the war in Ukraine and the food security crisis.

4. World trade growth continued to slow, as high inflation and rising interest rates weighed on trade and output in advanced economies, and as property market strains prevented a stronger post-pandemic recovery in China. World merchandise trade volume growth is expected to slow to 0.8% in 2023 (down from the previous estimate of 1.7%), before picking up to 3.3% in 2024.

5. Preparations for the WTO's 13<sup>th</sup> Ministerial Conference in February 2024 are entering their final phase with the recent Senior Officials Meeting in Geneva providing an important opportunity to build further momentum. In this context, WTO Members must work collectively towards ensuring a successful and substantive outcome at MC13, reinvigorating the multilateral trading system and boosting the world economy.

## Specific findings

6. This Report is set against a backdrop of continued **slow growth in world trade**. The volume of world merchandise trade was down 0.5% year-on-year in the first half of 2023 as high inflation and rising interest rates weighed on trade and output in advanced economies, and as property market strains prevented a stronger post-pandemic recovery in China. The WTO's latest forecast (on 5 October 2023) estimated merchandise trade volume growth of 0.8% in 2023 (down from the previous estimate of 1.7%) and 3.3% in 2024 (nearly unchanged from 3.2% previously). Risks to the forecast include a sharper-than-expected slowing of the Chinese economy, resurgent inflation in advanced economies and rising geopolitical tensions. The above forecast was made before the outbreak of hostilities in the Middle East. A widening Middle East crisis could exacerbate the downside risks to the October forecast.

7. The US dollar value of merchandise trade was down 5% year-on-year, partly because of falling global commodity prices, but this was balanced by an 8% rise in commercial services trade due to increased spending on travel, goods-related services, and other commercial services. There are signs that trade is reorienting along geopolitical lines, including a decline in the share of parts and components in world trade and increasing trade between politically like-minded countries. However, evidence of a broad trend towards de-globalization remains scant. The WTO will continue to monitor the incoming data for further proof of possible fragmentation.

8. Recent crises, including the COVID-19 pandemic, the war in Ukraine, rising geopolitical tensions and events related to climate change have caused disruption of **global supply chains**. Economies have increasingly looked for ways to develop resilience and diversify their trading networks.

9. The pace of implementation of new **export restrictions** by WTO Members has increased significantly since 2020. Although some of these have been rolled back, as of mid-October 2023, 75 export restrictions on food, feed and fertilizers were still in place globally, in addition to 20 COVID-19-related export restrictions.

10. During the review period, WTO Members introduced **more trade-facilitating (303) than trade-restrictive (193) measures on goods, unrelated to the pandemic**. Most of the trade-facilitating measures were on the import side, while most restrictions were on the export side. For the third time since the beginning of the Trade Monitoring Exercise, the number of new export restrictions (99 or 51% of all) outpaced that of import restrictions (93 or 48%). The trade coverage of the trade-facilitating measures was estimated at USD 977.2 billion (down from USD 1,160.5 billion in the last annual report), and that of the trade-restrictive measures at USD 337.1 billion (up from USD 278.0 billion in the last report).

11. The **stockpile of import restrictions** implemented since 2009 shows little meaningful roll-back. For 2023, the trade covered by import restrictions in force was estimated at USD 2,480 billion, representing almost one tenth of total world imports.

12. The average number of **trade remedy initiations** by WTO Members was 12.1 per month during the review period, down from its highest peak so far in 2020 (36.1 initiations per month). The monthly average of trade remedy terminations during the same period was 8.3, the lowest average since 2012. Trade remedy actions, especially anti-dumping measures, remain an important trade policy tool for many WTO Members, accounting for 33% of all non-COVID-19-related trade measures on goods recorded in this Report.

13. **In the services sectors**, 123 new measures were introduced by WTO Members, a sharp decline compared to the last two years. Most of these measures were trade-facilitating, either liberalizing or moving towards an improved regulatory framework. Half of these were horizontal policies affecting trade for many services sectors and/or multiple modes of supply. About 30% of measures related to communications and Internet- and other network-enabled services, and 15% to financial services. About 20% of measures affected various services sectors, such as business, health-related, tourism and recreational, and transport services.

14. The review period saw a significant increase in the number of new **general economic support measures** by WTO Members. These included environmental impact reduction programmes, renewable-energy production schemes, support for energy efficiency and decarbonization and for clean- and renewable-energy projects. Other measures included various support programmes for the agricultural sector, tourism, aviation, and transport.

15. The implementation of new **COVID-19 trade-related measures** by WTO Members decelerated further during the review period. These measures included extensions, renewals, or terminations of measures. In the services sectors, no new COVID-19-related measures were reported. The number of new COVID-19-related support measures by WTO Members and Observers fell sharply.

16. Since the outbreak of the pandemic, 458 trade and trade-related measures in goods have been implemented by WTO Members and Observers. Most of these were trade-facilitating (255 or 56%), while the rest could be considered trade-restrictive (203 or 44%). Members continued to phase out the pandemic-related measures, especially restrictive ones. As of mid-October 2023, 84.7% of the COVID-19-related trade restrictions had been repealed, leaving 20 export restrictions and 9 import restrictions in place. The trade coverage of the pandemic-related trade restrictions still in place was estimated at USD 15.6 billion (down from USD 134.6 billion in the previous annual report). In the area of services, 156 COVID-19-related measures have been introduced since the beginning of the pandemic, most of which are still in place (22 have been terminated, and 3 partially).

17. WTO Members continued to use the **SPS and TBT Committees' transparency mechanisms** to notify their sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) measures and to discuss and often resolve specific trade concerns (STCs) non-litigiously. Food safety was the most frequent objective identified in the regular SPS notifications submitted by WTO Members during the review period. Most new STCs raised in the SPS Committee concerned animal health/animal diseases and food safety. Since 1995, 55% of all STCs raised in the SPS Committee have been reported as resolved or partially resolved. Overall, WTO Members have submitted 133 SPS notifications and communications on measures taken in response to the pandemic.

18. Most of the new regular TBT notifications submitted by WTO Members during the review period indicated the protection of human health or safety as their principal objective. A total of 223 STCs were discussed during the review period. Overall, WTO Members have submitted 229 COVID-19-related TBT notifications to the WTO. Members have made references to the COVID-19 pandemic in 55 STCs.

19. The number of **trade concerns raised** in WTO Committees and bodies has been increasing yearly, in some cases sharply. During the review period, WTO Members continued to use WTO bodies to address their trade concerns and engage trading partners on real or potential areas of friction.

20. **In the Committee on Agriculture (CoA)**, Members posed 677 questions on specific implementation matters (SIMs), individual notifications, overdue notifications, and in relation to the follow-up to the Nairobi Decision on Export Competition. Most of these (82% of questions and 56% of SIMs) focused on domestic support notifications. Pursuant to the mandate in paragraph 8 of the Ministerial Declaration on the Emergency Response to Food Insecurity, the CoA approved a work programme to consider food security concerns of least developed countries (LDCs) and net-food-importing developing countries (NFIDCs).

21. WTO Members continued to fine-tune **their intellectual property (IP)** regimes. Although many pandemic-related IP measures have been phased out, some Members have formalized online procedures created during lockdowns. During the review period, WTO Members discussed the possible extension of the MC12 TRIPS Decision on COVID-19 Vaccines to diagnostics and therapeutics and shared national experiences and best practices on IP and innovation.

22. Discussions on **global environmental issues**, including the circular economy and plastics pollution, trade and climate change, and biodiversity intensified at the WTO. During the review period, some WTO Members continued their work through other platforms, including the Fossil Fuel Subsidy Reform, the Trade and Environmental Sustainability Structured Discussions, and the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade.

23. This Report also covers several other important trade-related developments and discussions that took place during the review period, including **fisheries subsidies; e-commerce; Aid for Trade; government procurement; dispute settlement; trade facilitation; trade finance; micro, small and medium-sized enterprises (MSMEs); regional trade agreements (RTAs) and trade and gender**.

## 1 INTRODUCTION

1.1. This Report is submitted to the Trade Policy Review Body (TPRB) pursuant to Paragraph G of the Trade Policy Review Mechanism mandate in Annex 3 to the WTO Agreement. This provides for an annual Report by the Director-General to assist the TPRB in undertaking its annual overview of developments in the international trading environment that are having an impact on the multilateral trading system. It builds on the Director-General's Report to the TPRB on trade-related developments circulated to Members on 14 July 2023.<sup>1</sup>

1.2. This Trade Monitoring Report covers the period from 16 October 2022 to 15 October 2023, unless otherwise indicated.<sup>2</sup> The Report is issued under the sole responsibility of the Director-General and is intended to be factual. It has no legal effect on the rights and obligations of Members, nor does it have any legal implication with respect to the conformity of any measure noted in the Report with any WTO Agreement. Specifically, the Report does not question the explicit right of Members to resort to trade remedy measures and is without prejudice to Members' negotiating positions (Box 1.2). The Trade Monitoring Reports aim to provide transparency across the multilateral trading system on the very latest trends and developments in the implementation of a broad range of trade policy measures and offer an update on the main indicators of the world economy and on the state of global trade. The regular discussions of the Reports among Members in the TPRB provide important input and perspective to the Trade Monitoring Exercise, including on the coverage and analysis of trade-related issues.

1.3. At the WTO's 8<sup>th</sup> Ministerial Conference in December 2011, Ministers recognized the regular work undertaken by the TPRB through the monitoring exercise of trade and trade-related measures, took note of the work initially done in the context of the global financial and economic crisis, and directed it to be continued and strengthened. They invited the Director-General to continue presenting the Trade Monitoring Reports on a regular basis and asked the TPRB to consider these Reports in addition to the meeting dedicated to undertaking the annual overview of developments in the international trading environment. Ministers committed to duly comply with the existing transparency obligations and reporting requirements needed for the preparation of these Reports, and to continue to support and cooperate with the WTO Secretariat in a constructive fashion.<sup>3</sup>

1.4. This Trade Monitoring Report again arrives with the global economy facing multiple challenges. Although COVID-19 related issues no longer capture headlines, access to vaccines is still lagging in some parts of the world and new variants will inevitably appear. The humanitarian crisis and general instability caused by the war in Ukraine remain and threats related to energy security and food security and to the world economy at large persist. The recent outbreak of hostilities in parts of the Middle East is also adding to the uncertainty for the global economy.

1.5. Information on measures included in this Report and its Annexes has been collated from inputs submitted by WTO Members and Observers and from other official and public sources. Overall, responses to the Director-General's request for information and to the subsequent verification request were received from 79 Members (counting the European Union and its member States separately) (Box 1.1), which represents 48% of the membership, and covers around 92.9% of world imports. Three Observers also replied to the request for information. Where it has not been possible to confirm the information, this is noted in the Annexes.

1.6. In early 2023, the WTO Secretariat introduced a digital platform for submitting and verifying trade measures. The principal objectives of this platform are to further participation in the Trade Monitoring Exercise and to facilitate the exchange of information between the Secretariat and delegations, particularly during the verification process. In April and September 2023, the Secretariat hosted dedicated information sessions regarding the platform, including the presentation of tutorials to guide Members and Observers through the process of submitting and verifying measures. Overall, the new digital platform has performed well with an increasing number of delegations opting to submit and verify trade measures online. The digital platform remains a work

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<sup>1</sup> WTO document [WT/TPR/OV/W/17](#), 14 July 2023.

<sup>2</sup> In addition to the trade policy measures implemented during the period under review and recorded by this Report, other measures that impact trade flows may have been taken by WTO Members and Observers.

<sup>3</sup> WTO document [WT/L/848](#), 19 December 2011.

in progress, and some features will undergo further modification and improvement in line with the inputs and suggestions of delegations.

1.7. Section 2 of this Report provides a brief account of recent economic and trade developments and includes the most recent forecasts for world trade growth. Section 3 presents selected trade and trade-related policy trends for the review period. Policy developments in trade in services and trade-related aspects of intellectual property rights (TRIPS) are included in Sections 4 and 5, respectively.

1.8. A separate Addendum to this Report contains Annexes with new regular measures recorded during the review period. Measures implemented outside of this period are not included in these Annexes. Information on all regular trade measures recorded since the beginning of the Trade Monitoring Exercise in October 2008 with an indication of their status, as updated by WTO delegations, is available through the Trade Monitoring Database (TMDb).<sup>4</sup>

1.9. Preparations for WTO's 13<sup>th</sup> Ministerial Conference (MC13) to be held in late February 2024 in Abu Dhabi are entering their final months. The recent Senior Officials Meeting in Geneva held on 23-24 October, where 100 high-level officials and nearly 1,000 delegates participated, provided an important opportunity to advance these preparations. There is a genuine sense of determination that all delegations must work together collectively towards ensuring the success of MC13 and for reinvigorating the multilateral trading system and boosting the world economy.

1.10. The Organization for Economic Development (OECD), the International Trade Centre (ITC), and the Digital Trade Alert (DTA) have kindly contributed topical boxes to this Report.

### Box 1.1 Participation in the preparation of this Report

1. Albania	29. Malaysia
2. Argentina	30. Mauritius
3. Australia	31. Mexico
4. Azerbaijan <sup>a</sup>	32. Moldova, Republic of
5. Bangladesh	33. Mongolia
6. Brazil	34. Montenegro
7. Cambodia	35. Mozambique
8. Canada	36. Myanmar
9. Chile	37. New Zealand
10. China	38. Norway
11. Colombia	39. Philippines
12. Costa Rica	40. Russian Federation
13. Dominican Republic	41. Saudi Arabia, Kingdom of
14. Democratic Republic of the Congo	42. Serbia <sup>a</sup>
15. Ecuador	43. Seychelles
16. Egypt	44. Singapore
17. El Salvador	45. South Africa
18. Ethiopia <sup>a</sup>	46. Sri Lanka
19. European Union	47. Switzerland
20. Guatemala	48. Chinese Taipei
21. Hong Kong, China	49. Thailand
22. India	50. Türkiye
23. Indonesia	51. Ukraine
24. Jamaica	52. United Kingdom
25. Japan	53. United States
26. Korea, Republic of	54. Uruguay
27. Kuwait, the State of	55. Viet Nam
28. Macao, China	

a Observer.

Source: WTO Secretariat.

<sup>4</sup> WTO, Trade Monitoring Database. Viewed at: <http://tmdb.wto.org>.

**Box 1.2 About the WTO Trade Monitoring Report**

The Trade Monitoring Report is first and foremost a transparency exercise. It is intended to be purely factual and has no legal effect on the rights and obligations of WTO Members. It is without prejudice to Members' negotiating positions and has no legal implication with respect to the conformity of any measure noted in the Report with any WTO Agreement or any provision thereof.

The Report aims to shed light on the latest trends in the implementation of a broad range of policy measures that facilitate as well as restrict the flow of trade and provide an update on the state of global trade. The Report neither seeks to pronounce itself on whether a trade measure is protectionist, nor does it question the right of Members to take certain trade measures. The Reports continue to evolve in terms of the coverage and analysis of trade-related issues and take into account discussions among WTO Members in the Trade Policy Review Body (TPRB).

Regarding trade remedy actions, it has been highlighted in discussions among WTO Members that some of these measures are taken to address what is perceived by some as a market distortion resulting from trade practices of entities in another trading partner. The Anti-Dumping Agreement and the Subsidies and Countervailing Measures Agreement permit WTO Members to impose anti-dumping (AD) or countervailing (CVD) duties to offset what is perceived to be injurious dumping or subsidization of products exported from one Member to another. The Reports are not in a position to establish if, where or when such perceived distortive practices have taken place. The Reports have never categorized the use of trade remedies as protectionist or WTO-inconsistent or criticized governments for utilizing them. The main objective of monitoring these measures is to provide additional transparency and to identify emerging trends in the application of trade policy measures.

With respect to sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) measures covered in the Report, it is important to emphasize that they are neither classified nor counted as trade-restrictive or trade-facilitating, and the increasing trend with respect to the number of notifications of such measures is carefully linked to the transparency provisions of the Agreements only. The Reports have consistently underlined the basic premise that an increased number of SPS and TBT notifications does not automatically imply greater use of protectionist or unnecessarily trade-restrictive measures, but rather enhanced transparency regarding these measures. Finally, the Reports clearly emphasize that the SPS and TBT Agreements specifically allow Members to take measures in the pursuit of a number of legitimate policy objectives.

The WTO Secretariat strives to ensure that the Trade Monitoring Reports are factual and objective. Since 2009, the Reports have sought to provide a nuanced perspective to developments in international trade. For example, the Reports have consistently emphasized that although the number of specific and often long-term restrictive trade measures remain a source of serious concern, other key factors may influence trade developments. During discussions of the Trade Monitoring Reports at the TPRB, Members have also drawn attention to this point and to the fact that, with respect to both, vigilance remains imperative.

Source: WTO Secretariat.

## 2 RECENT ECONOMIC AND TRADE DEVELOPMENTS

### 2.1 Merchandise trade volume and outlook

2.1. Merchandise trade statistics for the first half of 2023 came in weaker than expected, prompting the WTO to lower its goods trade projections for 2023 while maintaining a stable outlook for 2024.<sup>1</sup> The downgrade came as inflation and high interest rates weighed on manufacturing in advanced economies, and as distressed property markets prevented a stronger economic recovery from emerging in China.

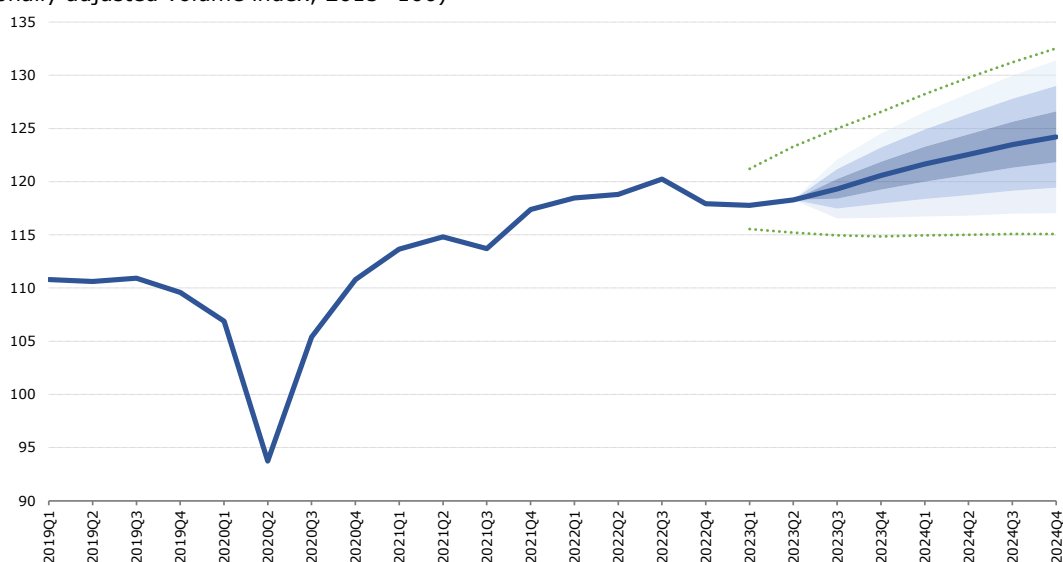
2.2. World merchandise trade volume growth is now expected to slow to 0.8% in 2023, below the WTO's previous forecast of 1.7% from last April. The pace of trade expansion should then pick up to 3.3% in 2024, nearly unchanged from 3.2% forecasted previously. Trade growth should be accompanied by real GDP growth at market exchange rates of 2.6% in 2023 and 2.5% in 2024.

2.3. The outlook for trade remains clouded by downside risks, including a stronger than expected slowdown in China, a resurgence of inflation in advanced economies, large external debts in developing countries, and further aftershocks from the war in Ukraine. There is also some upside potential if inflationary pressures recede quickly, or if the Chinese economy accelerates. In its latest forecast, the WTO saw risks evenly balanced between the upside and the downside, but a widening Middle East conflict could tip the balance in a more negative direction.

2.4. Chart 2.1 shows world merchandise trade volume developments through 2023Q2 and projections through 2024Q4. The shaded region represents an approximate 85% confidence interval around the trade forecast while the dotted lines represent the confidence interval from the previous forecasts. Recent developments are within the range of expected variation from last April. The volume of world trade remained below trend in Q2, but was up 0.7% compared to Q1, suggesting that the trade slump may have bottomed out. If current assumptions hold, trade growth for the whole of 2023 could be as low as -1.2% or as high as +1.5%.

**Chart 2.1 Volume of world merchandise trade, 2019Q1-2024Q4**

(Seasonally adjusted volume index, 2015=100)



Note: The shaded region represents both random variation and subjective assessment of risk. The dotted lines represent the confidence interval of the April 2023 trade forecast.

Source: WTO and UNCTAD for historical data; WTO Secretariat estimates for forecasts.

2.5. Commodity prices have fallen from their peaks in 2022 but remain high by historical standards. The average price of crude oil in September 2023 was up 50% compared to 2019, while European

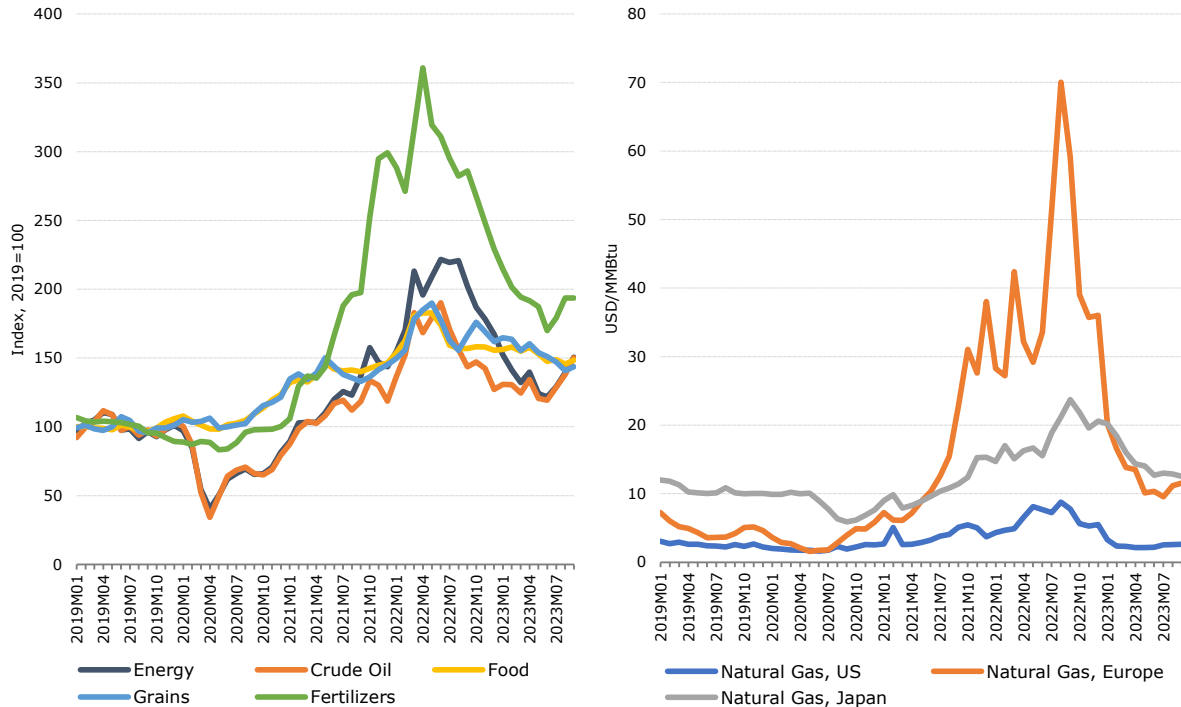
<sup>1</sup> WTO (2023), *Global Trade Outlook and Statistics, Update: 5 October 2023*.



natural gas prices were up 140%. Spikes in energy prices during winter in the northern hemisphere could again undermine trade and output growth as they did in 2022 (Chart 2.2).

**Chart 2.2 Global primary commodity prices, January 2019–September 2023**

(Index 2019=100 and USD per million Btu)



Source: World Bank.

2.6. Falling commodity prices helped bring down headline inflation in many economies, but core inflation (excluding volatile food and energy prices) remained sticky (Chart 2.3). In September, headline inflation stood at 3.7% in the United States and 4.3% in the Euro Area, well above central bank targets. Meanwhile, China approached deflation.

**Chart 2.3 Consumer price inflation in selected economies, January 2021–September 2023**

(Year-on-year % change)

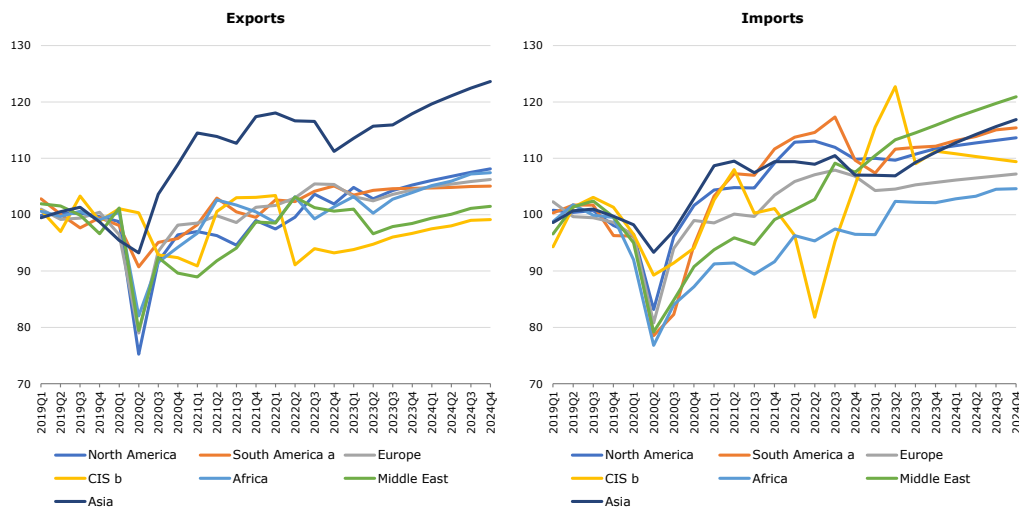


Source: OECD; and National Bureau of Statistics China.

2.7. Regional trade volume developments and projections are shown in Chart 2.4. North America recorded the fastest export growth of any region in the first half of 2023 (+5.4%) while Europe stagnated (+0.5%) and Asia declined (-2.3%). The fastest growth on the import side was recorded by regions that export fuels disproportionately (e.g. Middle East +12.2%) while more industrialized regions recorded declines (Europe -1.9%, Asia -2.0%, North America -2.8%).

**Chart 2.4 Merchandise exports and imports by region, 2019Q1-2024Q2**

(Volume index, 2019=100)



a Refers to South and Central America and the Caribbean.

b Commonwealth of Independent States, including certain associate and former member States.

Source: WTO and UNCTAD.

2.8. Table 2.1 summarizes the current WTO trade forecast. The relatively strong rate of trade growth predicted for 2024 (3.3%) can be partly explained by the larger share of goods that are sensitive to business cycles in trade compared to GDP, which causes trade to slow more than output during downturns, then rebound strongly when output stabilizes.

2.9. North America should see moderate export growth in 2023 (+3.6%) while other regions grow more slowly. Oil exporting regions are expected to record strong import volume growth, while more industrialized regions should see small declines. Stronger trade growth should resume in 2024 in all regions except the CIS<sup>2</sup> region, where imports are expected to contract. If the forecast for 2024 is realized, Asia would be the fastest growing region on both the export and import sides.

2.10. World GDP growth is projected to remain steady at 2.5% in 2024. However, Chinese GDP growth in Q3 has already exceeded expectations with a 1.3% quarter-on-quarter increase. If growth continues to strengthen in China, trade and output could outperform forecasts.

**Table 2.1 Merchandise trade volume and GDP growth, 2019-24<sup>a</sup>**

(Annual % change)

	2019	2020	2021	2022	2023P	2024P
<b>World merchandise trade volume<sup>b</sup></b>	<b>0.4</b>	<b>-5.0</b>	<b>9.6</b>	<b>3.0</b>	<b>0.8</b>	<b>3.3</b>
<b>Exports</b>						
North America	0.4	-8.9	6.5	4.2	3.6	2.7
South America <sup>c</sup>	-1.6	-4.9	6.5	2.2	1.7	0.6
Europe	0.4	-7.7	8.0	3.4	0.4	2.2
CIS <sup>d</sup>	0.0	-1.0	-1.8	-4.5	3.0	1.9
Africa	0.1	-6.8	5.2	-0.8	-1.5	4.1
Middle East	-1.0	-6.5	-0.4	7.7	2.0	3.8
Asia	0.8	0.6	13.1	0.4	0.6	5.1
<b>Imports</b>						
North America	-0.6	-5.9	12.5	6.0	-1.2	2.2

<sup>2</sup> Commonwealth of Independent States, including certain associate and former member States.

World merchandise trade volume <sup>b</sup>	2019	2020	2021	2022	2023P	2024P
	0.4	-5.0	9.6	3.0	0.8	3.3
South America <sup>c</sup>	-2.0	-10.5	26.2	3.6	-1.0	3.3
Europe	0.2	-7.2	8.5	5.7	-0.7	1.6
CIS <sup>d</sup>	8.5	-5.4	10.3	-5.5	25.0	-4.0
Africa	4.4	-15.2	8.3	6.3	5.1	3.1
Middle East	11.4	-9.0	12.8	13.7	12.5	4.6
Asia	-0.5	-0.8	10.6	-0.5	-0.4	5.8
<b>World GDP at market exchange rates</b>	<b>2.6</b>	<b>-3.1</b>	<b>6.1</b>	<b>3.1</b>	<b>2.6</b>	<b>2.5</b>
North America	2.1	-3.2	5.7	2.3	2.2	1.4
South America <sup>c</sup>	0.5	-6.3	7.6	4.0	1.9	1.7
Europe	1.7	-5.9	5.9	3.6	1.0	1.4
CIS <sup>d</sup>	2.6	-2.4	5.5	-0.5	1.7	1.9
Africa	2.6	-2.4	4.7	3.6	3.3	3.4
Middle East	0.8	-4.2	4.4	6.4	2.6	3.0
Asia	4.0	-0.7	6.5	3.3	4.1	4.0
<b>Memo: least developed countries (LDCs)</b>						
Volume of merchandise exports	0.4	-0.9	-1.0	1.1	2.2	5.6
Volume of merchandise imports	2.4	-8.9	9.9	1.8	1.2	3.1
Real GDP at market exchange rates	5.0	-2.1	3.7	5.3	4.9	5.2

a Figures for 2023 and 2024 are projections.

b Average of exports and imports.

c Refers to South and Central America and the Caribbean.

d Commonwealth of Independent States (CIS), including certain associate and former member States.

Note: These projections incorporate mixed-data sampling (MIDAS) techniques for selected countries to take advantage of higher-frequency data such as container throughput and financial risk indexes.

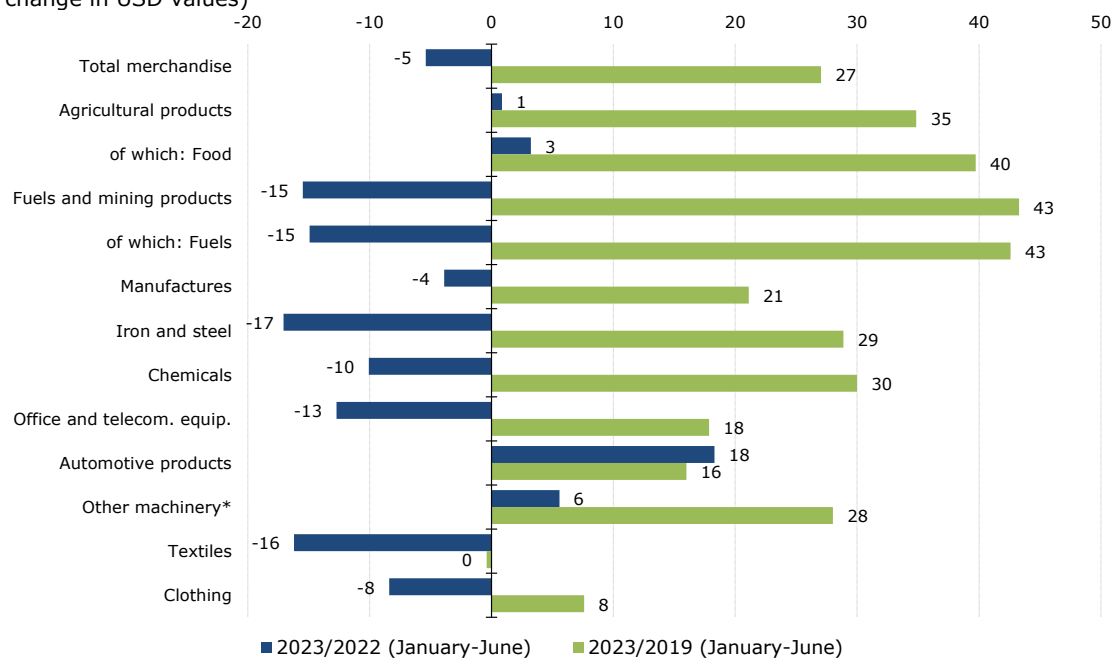
Source: WTO for trade, consensus estimates for GDP.

## 2.2 Trade development in value terms

2.11. Charts 2.5 and 2.6 show year-on-year growth in the US dollar value of merchandise and commercial services trade. Merchandise trade was down 5% in the first half of 2023, partly due to falling commodity prices and partly to falling quantities of traded manufactured goods. The slowdown in manufactures affected a wide array of products including steel, electronics, textiles, and clothing. The main exception was passenger vehicles, the production of which jumped 18% in the first half of the year.

**Chart 2.5 Year-on-year merchandise trade growth by product in the first half of 2023**

(% change in USD values)



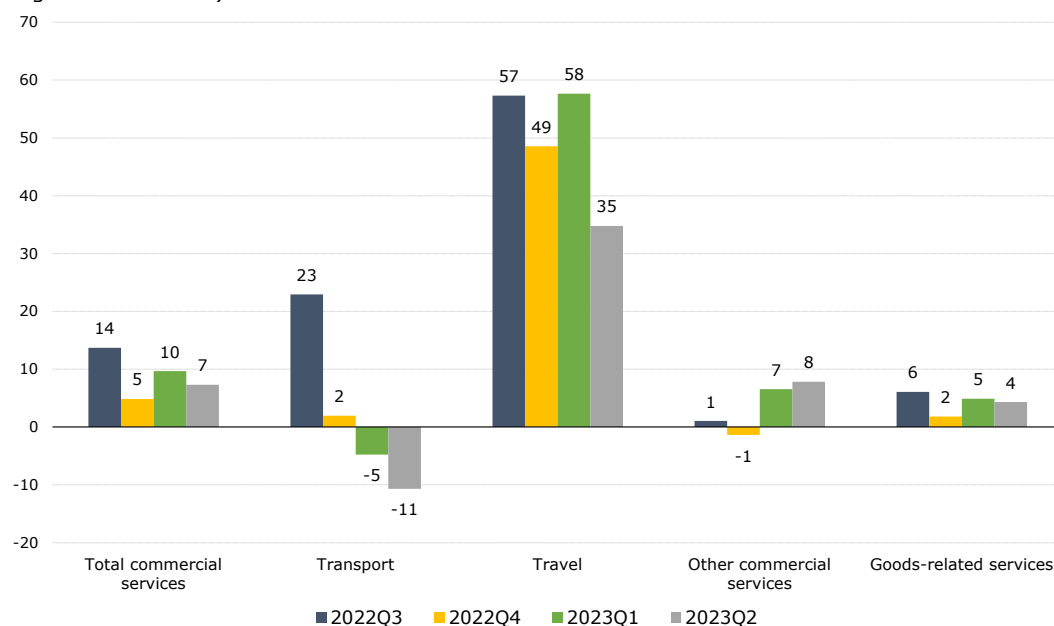
\* Includes electrical machinery, non-electrical machinery, and power-generating equipment.

Source: WTO Secretariat.

2.12. In contrast to merchandise, trade in commercial services was up 8% year-on-year in the first half of 2023. Spending on transport services was down 8%, mostly due to plunging shipping rates, while expenditure on travel rose 46% as tourism continued to revive following the COVID-19 pandemic. Other commercial services, including financial services, rose 7% in the first half of 2023 while goods-related services increased by 5%.

**Chart 2.6 Year-on-year growth in world commercial services trade, 2022Q3-2023Q2**

(% change in USD values)



Note: Trade refers to average of exports and imports.

Source: WTO; and UNCTAD.

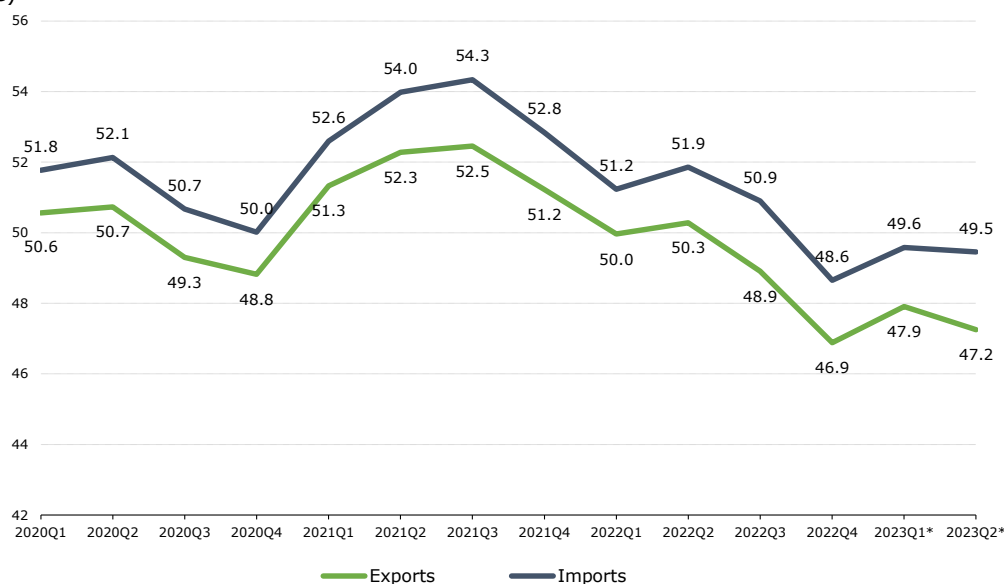
## Evidence of fragmentation

2.13. Geopolitical tensions are rising, sparking concerns that trade might reorient along regional and political lines. While some changes in trade patterns have been observed, evidence of wider deglobalization remains scant. One indicator of the extent of global supply chains is the share of intermediate goods in world trade (Chart 2.7). This ratio has fallen below 50% in 2023, but the change is not dramatic (48.5% in the first half of the year compared to 51% over the previous three years).

2.14. Shifts in trade shares with possible political motives are also discernible in recent data, although the causes are uncertain. For example, total US trade in parts and components with like-minded countries as measured by UN voting patterns fell from 77% in 2019 to 73% in 2020 before rebounding to 77% in 2023. These changes could reflect geopolitical tensions, but they could equally signal a reversion to pre-pandemic trade patterns. These and other indicators of fragmentation will be monitored closely by the WTO going forward.

**Chart 2.7 Intermediate goods share in world merchandise trade excluding fuels, 2020Q1-2023Q2**

(% share)



\* Preliminary data based on 100 available reporters in Trade Data Monitor (TDM).

Source: WTO estimates based on data from TDM.

2.15. The following box takes a closer look at potential bottleneck products or highly concentrated products in international trade that seem to prevent firms' diversification efforts around the world. According to the WTO's World Trade Report 2023, while shocks can severely impact the availability of these goods, this concerns only a few products considered essential according to this relatively broad list.<sup>3</sup>

### Box 2.1 Is concentration in global trade flows a risk to supply chain resilience?

Diversification is a useful strategy to ensure continuity of supply, even during crises (WTO, 2023). Being able to rely on a broad network of different suppliers, optimally in different regions, limits exposure to localized shocks, such as natural disasters. Recent crises have highlighted the value of having multiple options of supply. Localized lockdowns during the COVID-19 pandemic, the blockage of the Suez Canal by a container ship, or the 2011 Tōhoku earthquake and tsunami all led to severe temporary shortages in critical goods because they hit major trading hubs. A more diversified trading network could have softened these impacts.

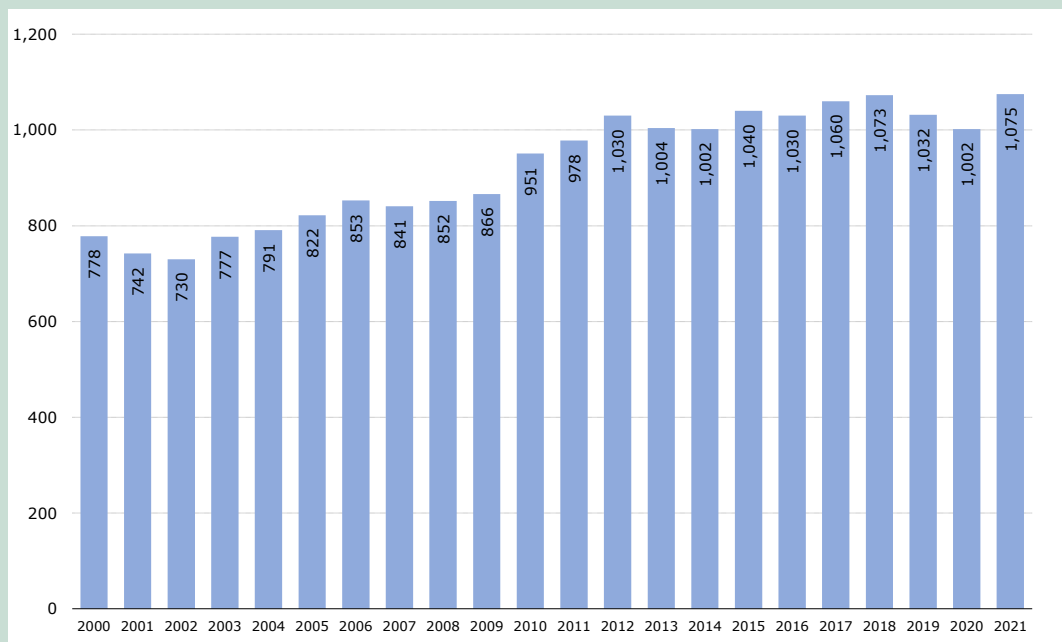
<sup>3</sup> WTO (2023), *World Trade Report 2023: Re-globalization for a Secure, Inclusive and Sustainable Future*. Viewed at: [https://www.wto.org/english/res\\_e/booksp\\_e/wtr23\\_e/wtr23\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/wtr23_e/wtr23_e.pdf).

However, a recent trend in international trade is putting a stumbling block in front of firms' diversification efforts: a growing share of trade is concentrated among a small number of big exporting economies. WTO research assesses exporter's market shares at the product level (HS 6-digit). It defines products as concentrated when they have on average not more than four major exporting economies while exceeding a threshold in terms of trade volume to exclude niche products.

This research shows that concentration has become an important aspect of international trade. While the share of concentrated products in total trade remained fairly low and stable until 2009, it jumped sharply during the global financial crisis and has been growing since. In numbers, the share of global trade that can be considered concentrated has more than doubled in about a decade from 9% to 19%. This increase is partly driven by a decline of competition within products, i.e. a falling number of suppliers per product. But this explains only about half of the trend. Figure 1 shows that the number of concentrated products increased from 778 in 2000 to 1,075 in 2021. In terms of the share in the total number of products traded (about 5,400), this implies an increase from only 14% to 19%. The other half is explained by a shift of trade towards highly concentrated products, most importantly cell phones and semiconductors.

Economies from the East Asia and Pacific (EAP) regions are by far the most important source of potential bottlenecks, accounting for over 60% of these products in 2021. China accounts for over half of this as it is the exporter of 36% of all concentrated products in terms of value. However, its role has declined over the past years from a peak of close to 40% in 2017. This highlights that firms have been actively trying to reduce overconcentration in trade, even in the absence of policy incentives.

**Figure 1: Number of potential bottleneck products in the world, 2000-2021**



Source: WTO Secretariat calculations based on UN Comtrade data from 2000-2021. Based on: Majune, S. K. and Stolzenburg, V. (forthcoming), *Mapping Global Concentration in Trade Flows*, WTO Staff Working Paper; and WTO (2023), *World Trade Report 2023: Reglobalization for a Secure, Inclusive and Sustainable Future*.

Source: WTO Secretariat.

2.16. The following box takes a brief historical at the downward trend in applied tariffs since the creation of WTO in 1995, according to available information.

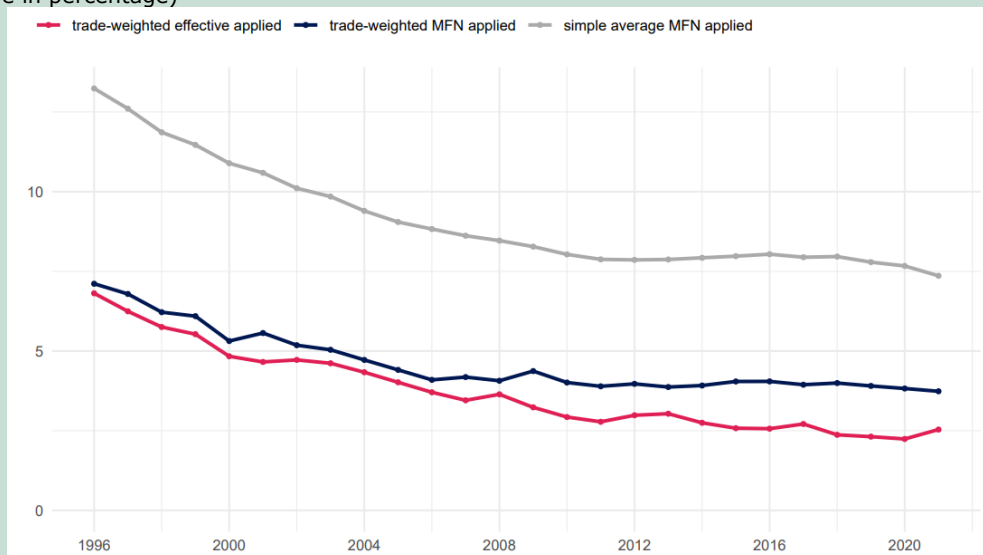
### Box 2.2 Tariffs applied by WTO Members have almost halved since 1996

Since 1996, global trade in goods has more than quadrupled, reaching a total of USD 18.6 trillion for imports in 2021, compared to USD 4.4 trillion in 1996.

Over the same period, available data indicate that the simple average tariff applied by WTO Members on a most-favoured nation (MFN) basis – by which WTO Members extend the same trade treatment, including tariff rates and market access, to all other Members – has declined by 44%, falling from 13.2% to 7.4%, as shown in Figure 1.

**Figure 1: WTO Members' average applied tariffs, 1996-2021**

(Average in percentage)



Note: Calculations are based on available tariff and import data from 74 WTO Members (counting the European Union as one, and excluding intra-EU trade), which account for 93% of total world imports. The effective applied tariffs are the lowest of the MFN and preferential tariffs applied by one Member to another. For some WTO Members, missing annual tariffs or trade or *ad valorem* equivalent (AVE) data were replaced by the data of the closest year available. For more information, visit <https://stats.wto.org/>.

Source: WTO Analytical Database.

A similar trend emerges for tariffs applied on a trade-weighted basis, with the average MFN tariff dropping by 47%, from 7.1% to 3.7%.

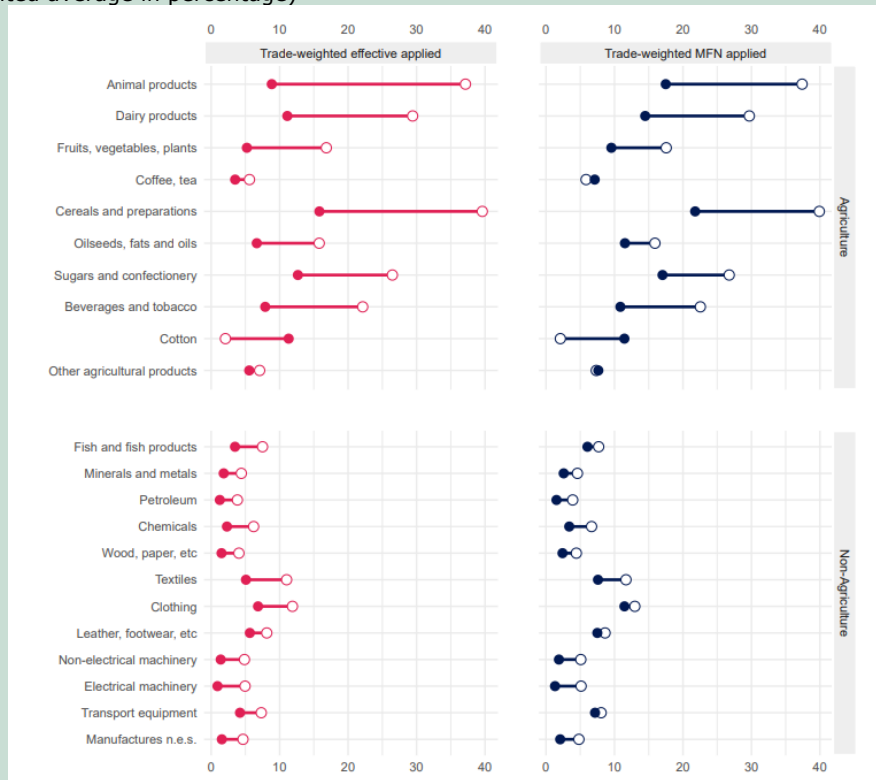
Taking into account preferential tariff regimes, including those offered by developed countries to developing and least developed countries (LDCs), and those in regional trade agreements (RTAs), an even steeper decline is visible. Between 1996 and 2021, the trade-weighted average of effectively applied tariffs – based on the assumption of full utilization of preferential tariffs – dropped from 6.8% to 2.5%. The reason for this larger decline was due to the increased trade in products subject to lower tariffs provided by these trade agreements.

Figure 2 illustrates changes by sector between 1996 and 2021. Notably, the tariffs on agricultural products declined more than on industrial products, which were already low in 1996. For example, the largest decrease in trade-weighted MFN applied tariffs on agricultural goods was for animal products, which fell from 37.4% to 17.5% between 1996 and 2021, while on industrial goods the largest decline was recorded for textiles, from 11.7% in 1996 to 7.6% in 2021.

The changes in trade-weighted averages could be attributed not only to changes in tariffs, but also to changes in trade flows. For instance, an increase in trade in goods combined with a lower tariff within a product group will result in a decrease in the trade-weighted average.



**Figure 2: WTO Members' average applied tariffs by product group, 1996 and 2021**  
(Trade-weighted average in percentage)



Note: The effective applied tariffs are the lowest of the MFN and preferential tariffs applied by one Member to another. The product groups are based on the WTO multilateral trade negotiations (MTN) categories.

Source: WTO Analytical Database.

It is difficult to predict the future direction of tariffs as a range of factors can influence WTO Members' actions. However, the WTO remains committed to helping its Members ensure that trade flows as smoothly, predictably and freely as possible.

Source: WTO Secretariat.

### 3 TRADE AND TRADE-RELATED POLICY DEVELOPMENTS

#### 3.1 Overview of trends identified during the review period

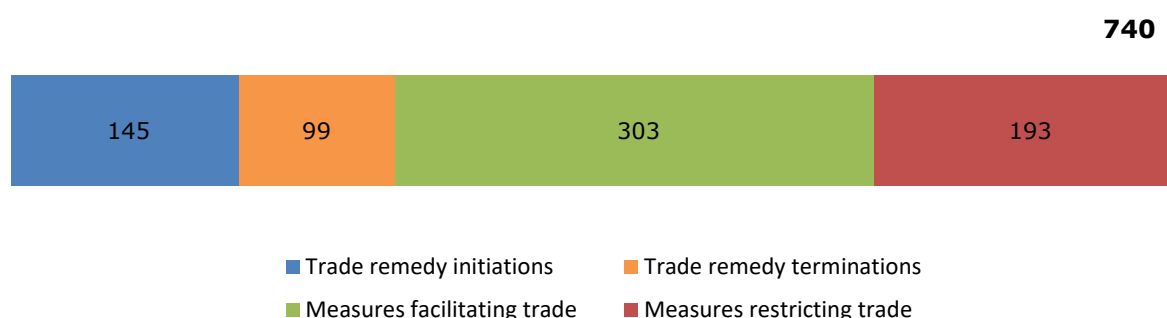
3.1. This Section provides analysis of selected trade and trade-related policy developments in the area of goods during the period from mid-October 2022 to mid-October 2023. It is divided into three parts. The first part looks at regular, i.e. non-COVID-19-related measures implemented during the review period, including calculations on trade coverage. The second part, in Section 3.1.2, covers measures taken in the context of the COVID-19 pandemic. These COVID-19-related measures are not included in the trade coverage calculations and are not counted towards the aggregate numbers in part 1. The third part, in Section 3.1.3, provides an overview of trade-related developments in the context of the war in Ukraine and the food crisis since the beginning of the conflict.

3.2. A separate Addendum<sup>1</sup> to this Report contains Annexes 1, 2 and 3 on recorded trade and trade-related measures taken by WTO Members and Observers from 16 October 2022 to 15 October 2023, in the area of trade in goods. Services measures are analysed in Section 4 of this Report and are listed in Annex 4 of the Addendum. This separate Addendum lists new regular (non-COVID-19-related) measures recorded during the review period.

##### 3.1.1 Regular trade measures

3.3. A total of 740 trade measures were recorded for WTO Members and Observers during the review period (Chart 3.1).<sup>2</sup> This figure includes measures facilitating trade, trade remedy measures and other trade and trade-related measures, i.e. trade-restrictive measures. Chart 3.2 illustrates the trade coverage<sup>3</sup> of the measures recorded for WTO Members and Observers during the review period. These figures include measures on food, feed, and fertilizers.

**Chart 3.1 Number of measures introduced between mid-October 2022 and mid-October 2023**

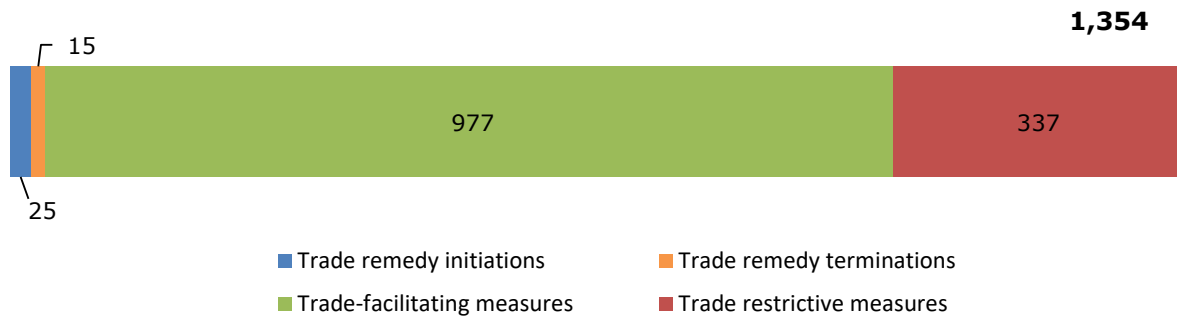


Source: WTO Secretariat.

<sup>1</sup> WTO document [WT/TPR/OV/26/Add.1](#), 23 November 2023.

<sup>2</sup> These Annexes do not include SPS and TBT measures, which are covered in Sections 3.3 and 3.4.

<sup>3</sup> The trade coverage does not include trade for measures that have been implemented and terminated within the review period. Trade coverage estimates for the review period were based on 2022 merchandise trade, when available. For several countries, 2021 merchandise trade was used as 2022 data were not available at the time of calculations.

**Chart 3.2 Trade coverage of import and export measures introduced between mid-October 2022 and mid-October 2023 in USD billion**

Note: Values are rounded. Trade-facilitating and trade-restrictive measures cover import and export-facilitating measures.

Source: WTO Secretariat.

### Measures facilitating trade

3.4. During the review period, 303 new trade-facilitating measures were recorded for WTO Members and Observers.<sup>4</sup> This represents 40.9% of the total number of measures recorded.

3.5. Most of the trade-facilitating measures were on the import side. The reduction or elimination of import tariffs made up the bulk of trade-facilitating measures, followed by the elimination or simplification of import and export quantitative restrictions (QRs). The monthly average of 25.3 facilitating measures recorded for the period was the third highest since 2015 (Table 3.1).

**Table 3.1 Measures facilitating trade (Annex 1), 2015 to mid-October 2023**

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-Oct 21 to mid-Oct 22 (WT/TPR/OV/25)	Mid-Oct 22 to mid-Oct 23 (WT/TPR/OV/26)
<b>Import</b>	<b>205</b>	<b>148</b>	<b>113</b>	<b>144</b>	<b>100</b>	<b>96</b>	<b>138</b>	<b>351</b>	<b>351</b>	<b>235</b>
- Tariff	154	112	93	119	85	84	114	284	289	151
- Customs procedures	30	27	17	15	2	3	6	23	21	16
- Tax	5	4	3	6	5	8	8	6	8	7
- QRs	5	1	0	3	1	1	8	33	27	46
- Other	11	4	0	1	7	0	2	5	6	15
<b>Export</b>	<b>40</b>	<b>32</b>	<b>24</b>	<b>18</b>	<b>14</b>	<b>7</b>	<b>14</b>	<b>71</b>	<b>54</b>	<b>66</b>
- Duties	18	5	1	6	10	5	10	14	12	6
- Quantitative Restrictions (QRs)	3	1	2	0	1	1	3	47	39	41
- Other	19	26	21	12	3	1	1	10	3	19
<b>Other</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>
<b>Total</b>	<b>249</b>	<b>183</b>	<b>137</b>	<b>162</b>	<b>115</b>	<b>104</b>	<b>154</b>	<b>424</b>	<b>406</b>	<b>303</b>
<i>Average per month</i>	20.8	15.3	11.4	13.5	9.6	8.7	12.8	35.3	33.8	25.3

Note: Revisions of the data reflect changes undertaken in the TMDB to fine-tune and update the available information.

Source: WTO Secretariat.

3.6. The trade coverage of the import-facilitating measures introduced during the review period was estimated at USD 955.0 billion (down from USD 1,038.4 billion in the last annual report), i.e. 3.8%

<sup>4</sup> This figure also includes measures taken in response to the war in Ukraine and terminations of restrictive measures that were implemented during the review period.

of the value of world merchandise imports (Table 3.2 and Chart 3.3). This includes 11 measures under the ITA expansion scheme, estimated at USD 83.9 billion.<sup>5</sup>

3.7. Based on trade coverage, the HS Chapters within which most of the import-facilitating measures were taken include mineral fuels and oils (HS 27) (27.5%), electrical machinery and parts thereof (HS 85) (10.3%), machinery and mechanical appliances (HS 84) (8.0%), and copper and articles thereof (HS 74) (6.9%).

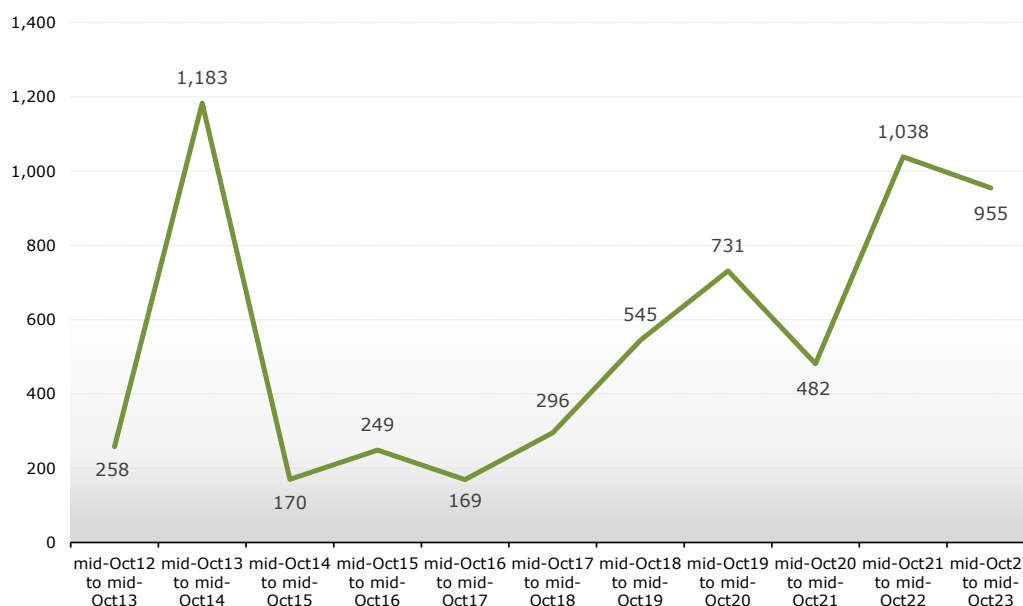
**Table 3.2 Share of trade covered by import-facilitating measures, mid-October 2014 to mid-October 2023**

(%)

	Mid-Oct 14 to mid-Oct 15	Mid-Oct 15 to mid-Oct 16	Mid-Oct 16 to mid-Oct 17	Mid-Oct 17 to mid-Oct 18	Mid-Oct 18 to mid-Oct 19	Mid-Oct 19 to mid-Oct 20	Mid-Oct 20 to mid-Oct 21	Mid-Oct 21 to mid-Oct 22	Mid-Oct 22 to mid-Oct 23
Share in total world imports	0.91	1.51	1.07	1.68	2.80	3.88	2.74	4.72	3.80

Source: WTO Secretariat and UN Comtrade database.

**Chart 3.3 Trade coverage of new import-facilitating measures in each reporting period (not cumulative) in USD billion**



Note: These figures are estimates and represent the trade coverage of the measures (i.e. annual imports of the products concerned from economies affected by the measures) introduced during each reporting period, and not the cumulative impact of the trade measures.

Source: WTO Secretariat.

3.8. The trade coverage of the export-facilitating measures introduced during the review period was estimated at USD 22.2 billion (down from USD 122.1 billion in last report), i.e., 0.1% of the value of world merchandise exports. The HS Chapters within which most of the export-facilitating measures were taken, in terms of trade coverage, include cereals (HS 10) (41.7%), iron and steel

<sup>5</sup> The main measures in terms of trade coverage were introduced by China (USD 66.3 billion), European Union (USD 8.5 billion), Republic of Korea (USD 4.8 billion), Malaysia (USD 2.1 billion) and Thailand (USD 1.8 billion).

(HS 72) (29.5%), motor vehicles including parts and accessories thereof (HS 87) (15.1%), and ores, slag and ash (HS 26) (7.1%).

3.9. Overall, the trade coverage of the import- and export-facilitating measures introduced during the review period was estimated at USD 977.2 billion (down from USD 1,160.5 billion in the last report).

### Trade remedy actions

3.10. During the period under review, 244 trade remedy actions (145 initiations and 99 terminations) were recorded for WTO Members and Observers (Annex 2 of the Addendum), accounting for 33.0% of all trade-related measures covered in this Report. Anti-dumping continued to be the most frequent trade remedy action, accounting for 87.6 % of all initiations and 90.9 % of all terminations.

3.11. After reaching its highest peak so far in 2020 (36.1), the average number of trade remedy initiations during the review period was 12.1 per month, the third lowest since 2012. The monthly average of trade remedy terminations recorded during the review period was 8.3, the lowest since 2012 (Table 3.3 and Chart 3.4).

**Table 3.3 Trade remedy actions (Annex 2), 2015 to mid-October 2023**

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-Oct 21 to mid-Oct 22 (WT/TPR/OV/25)	Mid-Oct 22 to mid-Oct 23 (WT/TPR/OV/26)
<b>Initiations</b>	<b>277</b>	<b>343</b>	<b>298</b>	<b>273</b>	<b>281</b>	<b>433</b>	<b>213</b>	<b>112</b>	<b>142</b>	<b>145</b>
- AD	229	298	249	202	215	355	186	89	113	127
- CVD	31	34	41	55	36	56	18	19	23	12
- SG	17	11	8	16	30	22	9	4	6	6
<i>Average per month</i>	23.1	28.6	24.8	22.8	23.4	36.1	17.8	9.3	11.8	12.1
<b>Terminations</b>	<b>212</b>	<b>171</b>	<b>158</b>	<b>225</b>	<b>184</b>	<b>216</b>	<b>302</b>	<b>237</b>	<b>264</b>	<b>99</b>
- AD	167	141	129	201	167	184	258	203	233	90
- CVD	25	15	12	24	7	13	23	23	24	7
- SG <sup>a</sup>	20	15	17	0	10	19	21	11	7	2
<i>Average per month</i>	17.7	14.3	13.2	18.8	15.3	18.0	25.2	19.8	22.0	8.3

a The figure for a specific year is the sum of the following: (i) all ongoing investigations terminated during the course of that specific year, normally as of late October, without any measure; and (ii) all imposed measures expired during the course of that specific year, normally as of late October.

Note: The information on trade remedy actions for 2015 to 2022 is based on the semi-annual notifications. For the present review period, the information is also based on the responses and the verifications received directly from Members. Anti-dumping and countervailing investigations are counted based on the number (*n*) of exporting countries or customs territories affected by an investigation. Thus, one anti-dumping or countervailing investigation involving imports from (*n*) countries/customs territories is counted as (*n*) investigations.

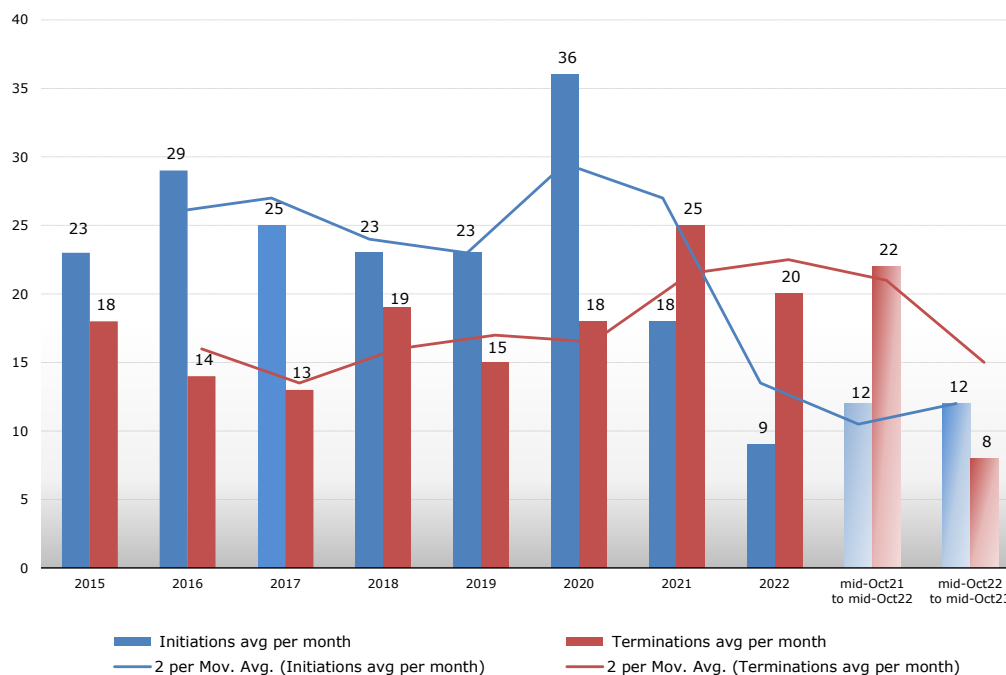
Source: WTO Secretariat.

3.12. Over the past couple of years, significant fluctuations have been observed in the number of initiations of trade remedy investigations and in the number of terminations of trade remedy instruments (Chart 3.4). There might be several reasons for this. For example, in the case of both the pandemic, and the war in Ukraine, countries appear to have focused on supply chain resilience by making sure that their territories remained accessible for a wide range of products. More recently, inflation and high interest rates as well as large external debts in many countries have made imports more expensive. This, in turn, may have resulted in less of a need for protection of domestic industries and may have influenced the use of trade remedy instruments.

3.13. The trade coverage of all trade remedy investigations initiated during the review period was USD 24.6 billion (up from USD 8.3 billion in last report), i.e., 0.10% of the value of world merchandise imports. For terminations, the trade coverage was valued at USD 15.5 billion (up from USD 14.0 billion in the last report), i.e., 0.06% of the value of world merchandise imports (Table 3.4).

3.14. Trade remedy actions taken during the review period, in terms of trade coverage, included initiations of investigations on furniture, mattresses, mattresses support (HS 94) (37.8%), plastics and articles thereof (HS 39) (13.0%), iron and steel (HS 72) (11.5%), and electrical machinery and parts thereof (HS 85) (7.1%).

**Chart 3.4 Trade remedies initiations and terminations, average number per month**



Note: Values are rounded. The blue and red lines show the average of the last two periods (2 period moving average).

Source: WTO Secretariat.

**Table 3.4 Share of trade covered by trade remedy initiations, mid-October 2014 to mid-October 2023**

(%)

	Mid-Oct 14 to mid-Oct 15	Mid-Oct 15 to mid-Oct 16	Mid-Oct 16 to mid-Oct 17	Mid-Oct 17 to mid-Oct 18	Mid-Oct 18 to mid-Oct 19	Mid-Oct 19 to mid-Oct 20	Mid-Oct 20 to mid-Oct 21	Mid-Oct 21 to mid-Oct 22	Mid-Oct 22 to mid-Oct 23
Share in total world imports	0.17	0.55	0.48	0.53	0.24	0.36	0.15	0.04	0.10

Source: WTO Secretariat and UN Comtrade database.

### Other trade and trade-related measures

3.15. Annex 3 of the Addendum to this Report lists measures that may be considered to have a trade-restrictive effect. A total of 193 new trade-restrictive measures were recorded for WTO Members and Observers during the review period. Most of the trade-restrictive measures recorded were export measures. For the third time since the beginning of the Trade Monitoring

Exercise the number of new export restrictions (99 or 51.3% of all) outpaced that of import restrictions (93 or 48.2%).

3.16. Export restrictions mainly included the imposition of QRs and increases of export duties. Import restrictions consisted mainly of increases of import tariffs, followed by stricter customs procedures and the imposition of QRs. The average of 16.1 trade-restrictive measures per month is the fourth highest recorded since 2012 (Table 3.5).

**Table 3.5 Other trade and trade-related measures (Annex 3), 2015 to mid-October 2023**

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-Oct 21 to mid-Oct 22 (WT/TPR/OV/25)	Mid-Oct 22 to mid-Oct 23 (WT/TPR/OV/26)
<b>Import</b>	<b>167</b>	<b>98</b>	<b>84</b>	<b>115</b>	<b>77</b>	<b>73</b>	<b>78</b>	<b>79</b>	<b>90</b>	<b>93</b>
- Tariff	106	63	47	70	46	40	36	44	54	43
- Customs procedures	32	16	19	6	6	11	24	11	10	20
- Tax	10	6	9	13	6	6	5	0	0	1
- QRs	13	12	7	17	14	10	11	18	20	20
- Other	6	1	2	9	5	6	2	6	6	9
<b>Export</b>	<b>44</b>	<b>20</b>	<b>18</b>	<b>17</b>	<b>19</b>	<b>27</b>	<b>67</b>	<b>146</b>	<b>137</b>	<b>99</b>
- Duties	13	6	4	8	7	4	14	16	16	17
- QRs	7	10	8	4	3	11	27	113	103	67
- Other	24	4	6	5	9	12	26	17	18	15
<b>Other</b>	<b>13</b>	<b>11</b>	<b>14</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1</b>
- Local content	13	7	12	0	1	0	4	0	0	0
- Other	0	4	2	0	1	0	1	0	0	1
<b>Total</b>	<b>224</b>	<b>129</b>	<b>116</b>	<b>132</b>	<b>98</b>	<b>100</b>	<b>150</b>	<b>225</b>	<b>227</b>	<b>193</b>
<i>Average per month</i>	<i>18.7</i>	<i>10.8</i>	<i>9.7</i>	<i>11.0</i>	<i>8.2</i>	<i>8.3</i>	<i>12.5</i>	<i>18.8</i>	<i>18.9</i>	<i>16.1</i>

Note: Revised data reflect changes undertaken in the TMDb to fine-tune and update the available information.

Source: WTO Secretariat.

3.17. The trade coverage of the import-restrictive measures implemented during the review period was estimated at USD 178.0 billion (up from USD 163.5 billion in last annual report), i.e., 0.7% of the value of world merchandise imports (Table 3.6 and Chart 3.5).

**Table 3.6 Share of trade covered by import-restrictive measures (Annex 3), mid-Oct 2014 to mid Oct-2023**

(%)

	Mid-Oct 14 to mid-Oct 15	Mid-Oct 15 to mid-Oct 16	Mid-Oct 16 to mid-Oct 17	Mid-Oct 17 to mid-Oct 18	Mid-Oct 18 to mid-Oct 19	Mid-Oct 19 to mid-Oct 20	Mid-Oct 20 to mid-Oct 21	Mid-Oct 21 to mid-Oct 22	Mid-Oct 22 to mid-Oct 23
Share in total world imports	1.23	0.62	0.50	3.33	3.84	2.40	0.60	0.74	0.71

Source: WTO Secretariat and UN Comtrade database.

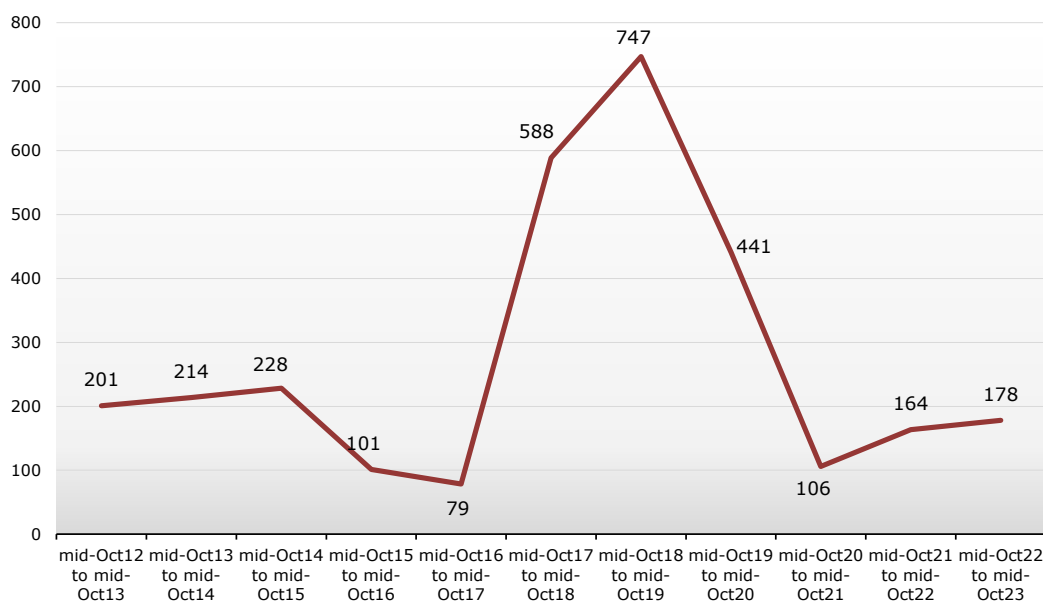
3.18. The import-restrictive measures recorded during the review period cover a range of products. The main sectors affected (HS Chapters), in terms of trade coverage, were machinery and mechanical appliances (HS 84) (17.3%), motor vehicles including parts and accessories thereof (HS 87) (15.3%), pharmaceutical products (HS 30) (10.4%), and iron and steel (HS 72) (9.9%).

3.19. The trade coverage of the export-restrictive measures implemented during the review period was estimated at USD 159.1 billion (up from USD 114.5 billion in last report), i.e., 0.7% of the value of world merchandise exports. The export-restrictive measures recorded cover a range of products.

The main sectors affected (HS Chapters), in terms of trade coverage, were mineral fuels and oils (HS 27) (44.1%), aluminium and articles thereof (HS 76) (11.5%), cereals (HS 10) (11.4%), and organic chemicals (HS 29) (9.4%).

3.20. Overall, the trade coverage of the import- and export-restrictive measures implemented during the review period was estimated at USD 337.1 billion (up from USD 278.0 billion in the last report).

**Chart 3.5 Trade coverage of new import-restrictive measures in each reporting period (not cumulative) in USD billion**



Note: These figures are estimates and represent the trade coverage of the measures (i.e. annual imports of the products concerned from economies affected by the measures) introduced during each reporting period, and not the cumulative impact of the trade measures.

Source: WTO Secretariat.

### Stockpile of import-restrictive measures

3.21. Estimating the roll-back of import-restrictive measures, and eventually the overall stockpile, is made complex by the fact that many temporary measures remain in place beyond the envisaged termination date. In addition, the Secretariat does not always receive timely and accurate information on changes to recorded measures. As a result, the figures below are estimates based on the information recorded in the TMDB since 2009. These estimates are also conditioned by the availability of termination dates of the import-restrictive measures and of the HS codes of products covered.<sup>6</sup>

3.22. Table 3.7 and Chart 3.6 show that the stockpile of import restrictions in force has grown steadily since 2009 – in value terms and as a percentage of world imports – and that a significant increase in both took place from 2017 to 2018. This particular jump is largely explained by measures introduced on steel and aluminium, and by various tariff increases introduced as part of bilateral trade tensions. Global imports decreased substantially in 2020 compared to 2019. The decline was also reflected in total imports and in the value of import restrictions in force. Global trade grew again in 2021 and 2022, due to rising export and import prices as inflation took hold across most countries. For 2023, the trade covered by import restrictions in force was estimated at USD 2,480 billion<sup>7</sup>, representing 9.9% of total world imports.

<sup>6</sup> Only import measures where HS codes were available are included in the calculation. Cumulative figures exclude measures having an initiation and termination date within the same review period.

<sup>7</sup> Based on import restrictions recorded up to 15 October 2023.



**Table 3.7 Cumulative trade coverage of import-restrictive trade-related measures, 2015-22**

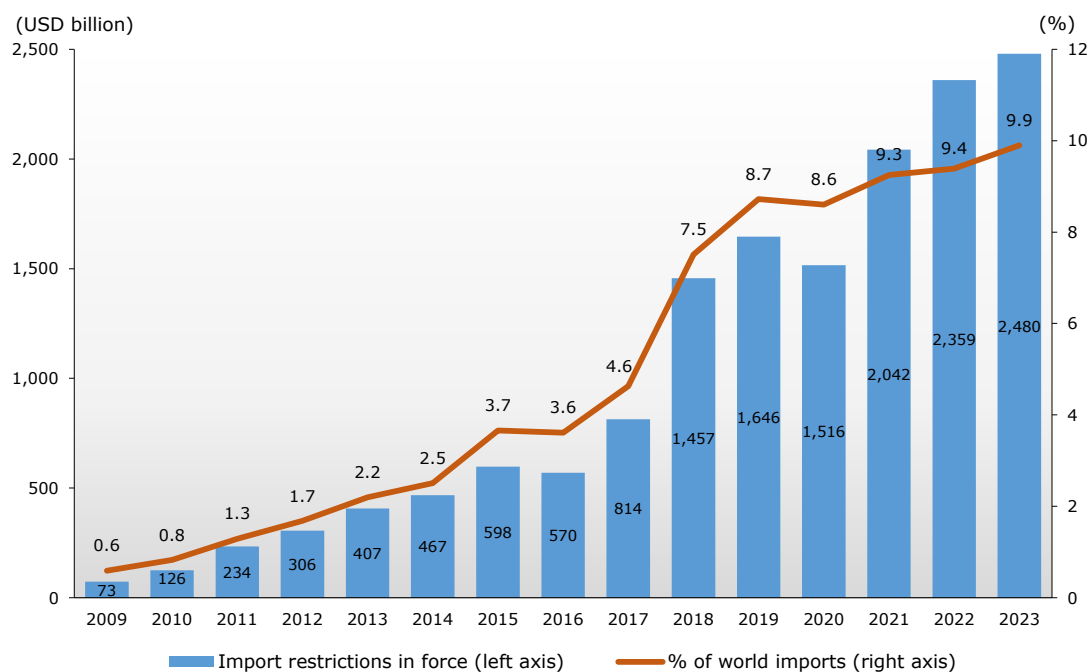
(USD billion, unless otherwise indicated)

	2015	2016	2017	2018	2019	2020	2021	2022 <sup>a</sup>
<b>Total imports (world)</b>	<b>16,360</b>	<b>15,812</b>	<b>17,587</b>	<b>19,402</b>	<b>18,883</b>	<b>17,625</b>	<b>22,081</b>	<b>25,120</b>
<b>Total import restrictions in force</b>	<b>598</b>	<b>570</b>	<b>814</b>	<b>1,457</b>	<b>1,646</b>	<b>1,516</b>	<b>2,042</b>	<b>2,359</b>
Share in world imports (%)	3.66	3.61	4.63	7.51	8.72	8.60	9.25	9.39
Total import restrictions terminated	1.51	38.09	3.88	5.45	13.12	n.a.	n.a.	n.a.
Share in world imports (%)	0.01	0.24	0.02	0.03	0.07	n.a.	n.a.	n.a.

n.a. Not applicable. In 2022, for two measures the date of termination is 31 December. These will be taken into account as terminated in 2023.

a 2022 figures are provisional.

Source: WTO Secretariat calculations, based on UN Comtrade database.

**Chart 3.6 Cumulative trade coverage of import-restrictive measures on goods since 2009**

Note: The cumulative trade coverage estimated by the Secretariat is based on information available in the TMDB on import measures recorded since 2009 and considered to have a trade-restrictive effect. The estimates include import measures for which HS codes were available. The figures do not include trade remedy measures. The import values were sourced by the UN Comtrade database.

Source: WTO Secretariat.

### 3.1.2 COVID-19 trade and trade-related measures

3.23. Since the outbreak of the pandemic, 458 trade and trade-related measures in the area of goods have been implemented by WTO Members and Observers (Table 3.8)<sup>8</sup>, of which 255 (55.7%) were of a trade-facilitating nature and 203 (44.3%) were trade-restrictive.

<sup>8</sup> Measures implemented in the context of the pandemic up can be viewed at: [https://www.wto.org/english/tratop\\_e/covid19\\_e/covid19\\_e.htm](https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm).

3.24. During the review period, 24 COVID-19 measures on goods – mostly facilitating measures – were communicated by 38 Members and 1 Observer.<sup>9</sup> Most of these measures were new measures (19) with several (14) being implemented during the review period. Out of the 24 pandemic-related measures, 16 targeted imports, 7 were export measures and 1 was a more general measure. Most of these pandemic-related measures (14 out of 24) were temporary in nature and either have been already terminated or will be phased out.

3.25. Members continued to phase out pandemic-related measures, and in particular the restrictive ones. According to information received by the Secretariat, as of mid-October 2023, 133 (52.2%) of the COVID-19 trade-facilitating and 172 (84.7%) of the trade-restrictive measures have been repealed.

**Table 3.8 Number of COVID-19 trade and trade-related measures since the outbreak of the pandemic**

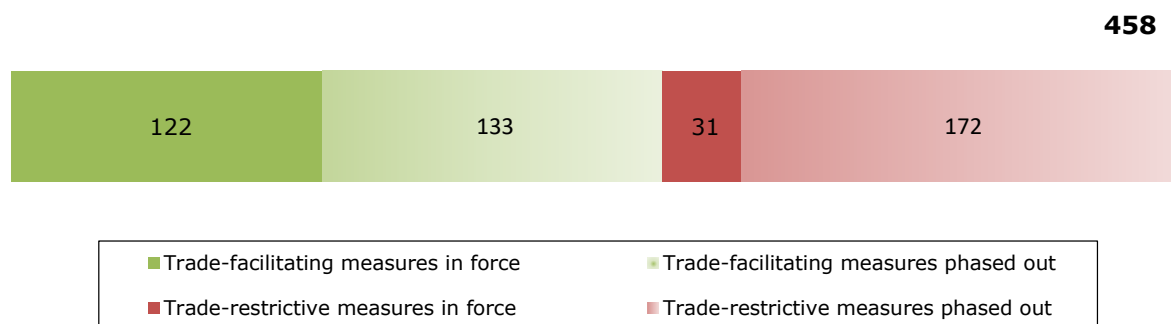
	Facilitating	Phased out	Restrictive	Phased out	Total
<b>Import</b>	211	115	20	11	231
<b>Export</b>	28	12	174	154	202
<b>Other</b>	16	6	9	7	25
<b>Total</b>	<b>255</b>	<b>133</b>	<b>203</b>	<b>172</b>	<b>458</b>

Note: Revised data reflect changes to fine-tune and update available information.

Source: WTO Secretariat.

**Chart 3.7 Number of COVID-19 trade and trade-related measures on goods, by mid-October 2023**

(by number)



Source: WTO Secretariat.

3.26. Most of the COVID-19 trade-facilitating measures (82.7%) introduced since the beginning of the pandemic were import measures while most of the trade-restrictive measures (85.7%) targeted exports.

3.27. These import-facilitating measures aimed to reduce or eliminate import tariffs and import taxes. Certain WTO Members and Observers reduced their import tariffs on a variety of goods such as personal protective equipment (PPE), sanitizers, disinfectants, medical equipment, and medicine/drugs. In many cases, tariff reductions were also accompanied by exemptions from VAT and other taxes. Extensions, often more than once, of some measures were introduced, while other measures have simply remained in force.

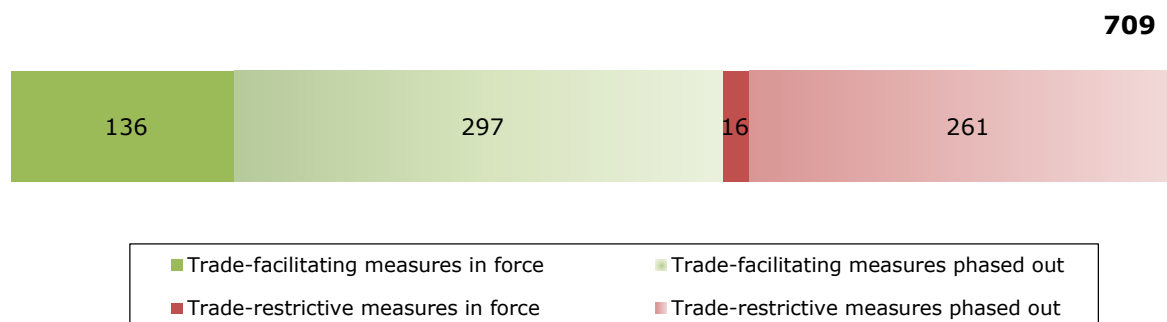
3.28. The COVID-19 export-restrictive measures came in the form of temporary export bans or prohibitions, export licence requirements or export authorization mechanisms targeting a variety of goods such as PPEs, drugs, vaccines, diagnostics, medical supplies and products, and certain food products. The roll-back of these export restrictions taken in the early stages of the pandemic continued during the review period. As of mid-October 2023, 20 COVID-19-related export

<sup>9</sup> Australia, Azerbaijan (Observer), Brazil, Costa Rica, European Union (EU-27 and its member States are counted separately), India, Indonesia, Myanmar, Philippines, Chinese Taipei, Thailand, and Türkiye.

restrictions related were still in place according to information either identified by the Secretariat or received from delegations.

3.29. The trade coverage of the COVID-19 trade-facilitating measures implemented since the outbreak of the pandemic was estimated at USD 432.6 billion, and that of trade-restrictive at USD 276.7 billion.<sup>10</sup> Members and Observers have continued to phase out the measures implemented in response to the pandemic. The trade coverage of the COVID-19-related trade-facilitating measures terminated since the beginning of the pandemic was estimated at USD 296.8 billion and that of trade-restrictive measures at USD 261.1 billion (Chart 3.8).

**Chart 3.8 Trade coverage of COVID-19 trade and trade-related measures on goods, by mid-October 2023 in USD billion**



Note: Values are rounded.

Source: WTO Secretariat.

### 3.1.3 Developments in the context of the war in Ukraine and the food crisis

3.30. The war in Ukraine continues to impact the global economy and in particular the trade of agricultural products. Since 16 October 2022, several WTO Members and Observers have extended existing measures and introduced new measures affecting export and import of food, feed, and fertilizers. The war has continued to be one of the major drivers for the continuation of food insecurity given the importance of the Russian Federation and Ukraine in global agricultural markets. Indeed, some of the export restrictions introduced in the first months of the war, i.e. in the spring and summer of 2022, remain in place, were extended, or were reintroduced.

3.31. During the review period, however, a broader range of export restrictions affecting food and feed items has been imposed, and those restrictions are more difficult to link directly to the war in Ukraine. Certain climate-change-related events have resulted in devastating losses of harvests leading to a rise of export restrictions. Other factors, including concerns about El Niño, inflationary pressures, and supply uncertainty have all likely contributed to the rise of export restrictions. Throughout the review period, there was ample evidence of WTO Members adapting to supply challenges and finding alternative sources for their imports.

#### Export restrictions on food, feed, and fertilizers

3.32. Since the outbreak of the war in late February 2022, the WTO Secretariat has identified 122 export trade-restrictive measures introduced by 32 WTO Members and 8 Observers<sup>11</sup> on agricultural commodities, of which 113 applied to food and feed (92.6%) and 9 targeted fertilizer

<sup>10</sup> Including imports and exports and based on annual 2022 trade figures, except for Algeria, Bangladesh, Belarus, The Gambia, Honduras, Mali, Russian Federation, Saint Kitts and Nevis, Kingdom of Saudi Arabia, Seychelles, and Viet Nam. For those listed, the most recent year available is used for the calculations. The concordance to HS22 nomenclature was applied to the best extent possible.

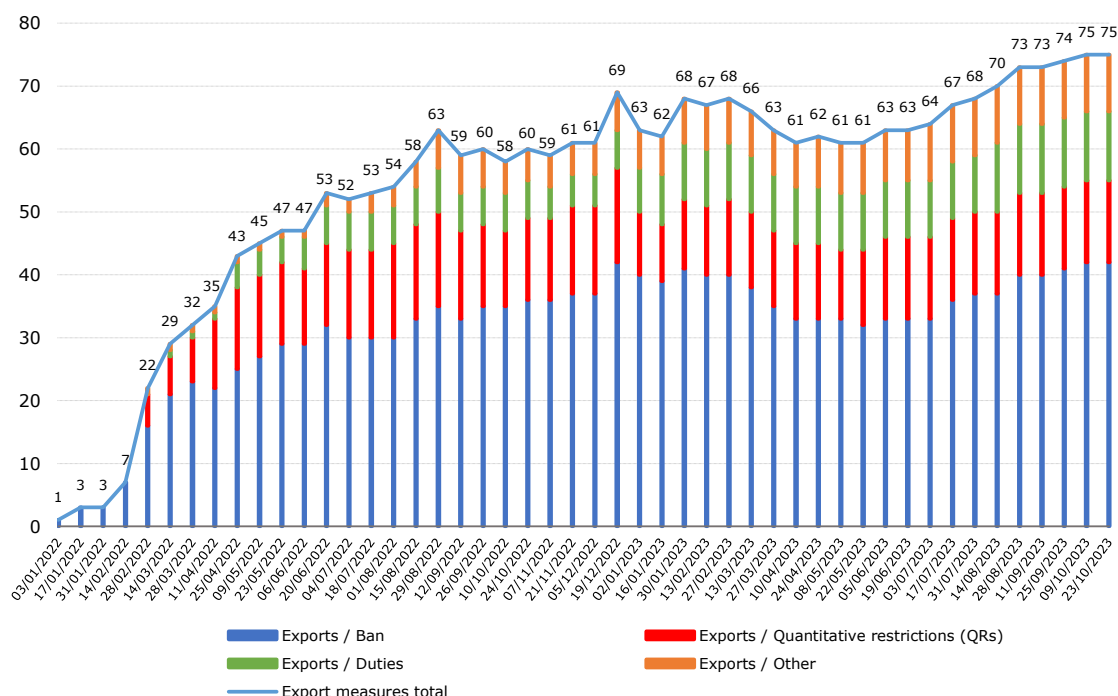
<sup>11</sup> Afghanistan, Algeria (Observer), Argentina, Armenia, Azerbaijan (Observer), Bangladesh, Belarus (Observer), Plurinational State of Bolivia, Botswana, Burkina Faso, China, Egypt, Georgia, Ghana, Hungary, India, Indonesia, Islamic Republic of Iran (Observer), Kazakhstan, State of Kuwait, Kyrgyz Republic, Lebanon (Observer), Malaysia, Mexico, Mongolia, Republic of Moldova, Morocco, North Macedonia, Pakistan, Russian Federation, Serbia (Observer), Syrian Arab Republic (Observer), Tajikistan, Tanzania, Tunisia, Türkiye, Uganda, Ukraine, United Arab Emirates and Uzbekistan (Observer).

exports (7.4%). As of mid-October 2023, 47 of all identified export restrictions had been phased out, bringing the number of restrictions in force to 75.<sup>12</sup>

3.33. Since 24 February 2022, the trade coverage of the export restrictive measures introduced by all WTO Members and Observers is estimated at USD 133.9 billion, out of which USD 12.3 billion referred to fertilizers. The trade coverage of the repealed export restrictions is estimated at USD 104.2 billion, of which USD 7.5 billion on fertilizers. Thus, the trade coverage of export restrictions that are still in place is estimated at USD 29.6 billion.

3.34. During the past 12 months, export restrictions targeted a wide range of agricultural products. However, the beginning of 2023 saw a rise in export restrictions on onion, garlic, and other root vegetables. Further, as of summer 2023, the most common products falling under export restrictions were rice and olive oil. The nature of the export restrictions remained diverse. The introduced measures included export bans, quotas, duties, licensing requirements and other restrictions (Chart 3.9).

**Chart 3.9 Number of export restrictions on food, feed, and fertilizers in force, January 2022 to mid-October 2023**



Source: WTO Secretariat.

### Import-facilitating measures on food, feed, and fertilizers

3.35. Since the beginning of the war in Ukraine, the WTO Secretariat has also identified a number of import-facilitating measures on food, feed, and fertilizers. As of mid-October 2023, 100 import-facilitating measures on various agricultural products were recorded for 65 WTO Members and 3 Observers.<sup>13</sup> Out of these, 43 were new measures. Out of all identified

<sup>12</sup> Implemented by 28 Members and 8 Observers: Afghanistan, Algeria (Observer), Argentina, Armenia, Azerbaijan (Observer), Bangladesh, Belarus (Observer), Plurinational State of Bolivia, Botswana, Burkina Faso, Egypt, Ghana, Hungary, India, Indonesia, Islamic Republic of Iran (Observer), Kazakhstan, State of Kuwait, Kyrgyz Republic, Lebanon (Observer), Malaysia, Mexico, Mongolia, Morocco, Pakistan, Russian Federation, Serbia (Observer), Syrian Arab Republic (Observer), Tajikistan, Tanzania, Tunisia, Türkiye, Uganda, Ukraine, United Arab Emirates and Uzbekistan (Observer).

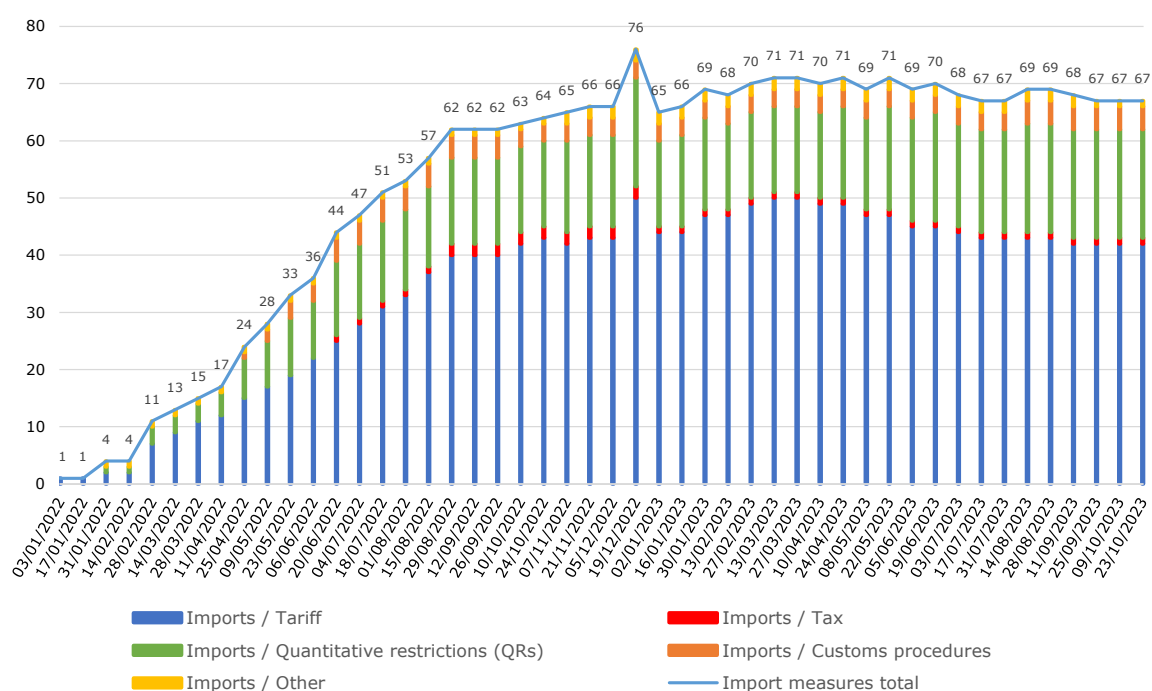
<sup>13</sup> Azerbaijan (Observer), Armenia, Argentina, Bangladesh, Belarus (Observer), Brazil, Botswana, China, Colombia, Costa Rica, Dominican Republic, Egypt, El Salvador, Eswatini, European Union (EU-27 and its member States are counted separately), Guatemala, India, Iraq (Observer), Kazakhstan, Kyrgyz Republic, Kenya, Republic of Korea, Lesotho, Liberia, Malaysia, Mexico, Mongolia, Morocco, Namibia, New Zealand,

import-facilitating measures, 33 have been phased out or expired by mid-October 2023. Currently, 67 import-facilitating measures remain in place.

3.36. Since 24 February 2022, the trade coverage of the import-facilitating measures introduced is estimated at USD 128.4 billion, out of which USD 2.7 billion was related to fertilizers. The trade coverage of terminated import-facilitating measures is estimated at USD 45.6 billion, out of which USD 1.2 billion was related to fertilizers. Therefore, the trade coverage of import-facilitating measures on food, feed, and fertilizers that are still in place is estimated at USD 82.9 billion.

3.37. Import-facilitating measures targeted a wide range of agricultural products, including vegetable oils, cereals, rice, meats, and poultry, as well as fertilizers. These measures came in the form of reduction of import tariffs, increases of import quotas and introduction of tariff-free quotas. Other measures included exemptions from value added taxes and the lifting of import permit requirements (Chart 3.10).

**Chart 3.10 Number of import-facilitating measures on food, feed and fertilizers in force, January 2022 to mid-October 2023**



Source: WTO Secretariat.

### Import-restrictive measures on food, feed, and fertilizers

3.38. Since mid-October 2022, several measures restricting imports of various agricultural products, including wheat, were identified. Similar to what was reported in July 2023, some of the current import restrictions appear to be designed to prevent excess supply of imported agricultural commodities and to protect domestic producers of these products. Such measures included the European Union's exceptional and temporary preventive measure on imports of wheat, maize, rapeseed, and sunflower seed from Ukraine adopted on 2 May 2023. Although this EU-wide measure expired on 15 September 2023, Poland, Hungary, and Slovak Republic introduced individual bans on imports of various agricultural products from Ukraine. These measures are currently covered by a Ukrainian request for consultations in the context of WTO dispute settlement.

3.39. In the weeks and months after the outbreak of the war in Ukraine, many sanctions were imposed on the Russian Federation as well as on Belarus. Several countermeasures were implemented by the Russian Federation and Belarus in response to these sanctions. The

overwhelming majority of these measures were not specifically trade-related, and applied to the financial, military, civil aviation, and energy sectors, as well as to specific entities and individuals. Most of these sanctions were generally announced and implemented with reference to security considerations.

3.40. In recent meetings of the TPRB to discuss the Director-General's Trade Monitoring Reports, delegations have stressed their right to implement sanctions, often with reference to the essential security interests listed in Article XXI(a) and (b) of the GATT 1994. Furthermore, delegations have consistently articulated that they do not wish for the Trade Monitoring Reports to cover these sanctions substantively.

### 3.2 Trade remedy trends<sup>14</sup>

3.41. This Section provides an assessment of trends in trade-remedy actions over three periods: July 2020 to June 2021, July 2021 to June 2022, and July 2022 to June 2023.<sup>15</sup>

3.42. WTO Members initiated 136 trade remedies investigations (i.e. anti-dumping, countervailing duty, and safeguards investigations) in the latest period (July 2022 to June 2023), a drop of nearly 60% from the 335 initiations in the first period (July 2020 to June 2021). Following a similar trend, the total number of trade remedy measures applied by Members in the latest period (125) decreased by almost 50% from the 248 measures applied in the first period.

3.43. Anti-dumping actions are the most numerous among trade remedy initiations and measures applied. Since the first period (July 2020 to June 2021), most anti-dumping actions have targeted products in the metals, chemicals, and plastics and rubber sectors. Metals, chemicals, and machinery products accounted for the largest share of countervailing initiations in the review period.

3.44. Safeguard measures are subject to different rules and timelines compared to anti-dumping and countervailing actions, as they apply to all exporting countries/customs territories. Since they peaked in 2019, initiations of safeguard investigations have decreased significantly.

### Anti-dumping measures<sup>16</sup>

3.45. The total number of anti-dumping initiations decreased by 59% between the first and latest periods. While anti-dumping investigations do not necessarily lead to the application of measures, a decrease in the number of investigations initiated is an early indicator of a likely decrease in the number of new measures applied. Between July 2020 and June 2023, a total of 508 anti-dumping measures were applied. As it can take up to 18 months for an anti-dumping investigation to be concluded, the measures applied in a given period may not necessarily be the result of investigations initiated in the same period.

**Table 3.9 Number of initiations of anti-dumping investigations and measures applied, by Member, July 2020 to June 2023**

Reporting Member	July 2020-June 2021		July 2021-June 2022		July 2022-June 2023	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Argentina	8	13	14	7	10	9
Australia	9	2	3	6	0	1
Bahrain, Kingdom of; Kuwait, State of; Oman; Qatar; Saudi Arabia, Kingdom of; United Arab Emirates <sup>a</sup>	3	1	9	0	1	7

<sup>14</sup> This Section is without prejudice to Members' right to take trade remedy actions under the WTO.

<sup>15</sup> These periods coincide with the periods covered by Members' semi-annual reports of anti-dumping and countervailing actions.

<sup>16</sup> Anti-dumping and countervailing investigations are counted based on the number (*n*) of exporting countries or customs territories affected by an investigation. Thus, one anti-dumping or countervailing investigation involving imports from *n* countries/customs territories is counted as *n* investigations.

Reporting Member	July 2020-June 2021		July 2021-June 2022		July 2022-June 2023	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Brazil	13	3	4	3	4	8
Canada	23	11	3	14	1	1
Chile	1	0	0	0	0	0
China	4	30	1	2	1	1
Colombia	3	1	0	2	0	0
Egypt	6	9	0	3	1	0
European Union <sup>b</sup>	15	6	7	14	3	8
Ghana	0	1	0	0	0	0
India	60	32	13	26	37	9
Indonesia	0	0	0	2	4	0
Japan	2	2	0	0	0	2
Korea, Republic of	7	1	8	4	3	9
Malaysia	9	5	0	1	1	0
Mexico	3	6	5	5	5	5
Morocco	3	1	1	0	0	3
New Zealand	4	1	0	1	1	0
Pakistan	9	7	1	12	0	0
Paraguay	0	0	0	0	1	0
Peru	2	0	1	2	1	1
Philippines	1	0	0	0	0	1
Russian Federation <sup>c</sup>	4	5	0	4	4	2
South Africa <sup>d</sup>	10	0	8	4	2	12
Chinese Taipei	5	0	3	5	1	3
Thailand	7	2	1	13	0	2
Türkiye	9	2	1	3	0	6
Ukraine	10	2	6	7	0	0
United Kingdom <sup>e</sup>	1	0	1	0	0	1
United States	42	59	27	42	36	13
Uruguay	1	0	0	1	0	0
Viet Nam	8	7	2	8	0	4
<b>Total</b>	<b>282</b>	<b>209</b>	<b>119</b>	<b>191</b>	<b>117</b>	<b>108</b>

- a Notified by all Gulf Cooperation Council (GCC) member States collectively, as investigations are initiated by the GCC regional investigating authority on behalf of all GCC member States.
- b The European Union is counted as one (28 member States until 31 January 2020, 27 member States thereafter).
- c Notified by the Russian Federation, but investigations are initiated by the Eurasian Economic Union on behalf of all of its members, i.e. Armenia, Kyrgyz Republic, Kazakhstan, and Belarus (non-WTO Member) collectively.
- d Notified by South Africa, but investigations are initiated at the level of the Southern African Customs Union (SACU) on behalf of its member States (also for Botswana, Eswatini, Lesotho and Namibia).
- e The United Kingdom withdrew from the European Union as of 1 February 2020. The European Union and the United Kingdom communicated that during the transition period, which ended on 31 December 2020, European Union law, with a few limited exceptions, continued to be applicable to and in the United Kingdom. See WTO documents [WT/LET/1462](#), 29 January 2020; and [WT/GC/206](#), 1 February 2020.

Source: WTO Secretariat.

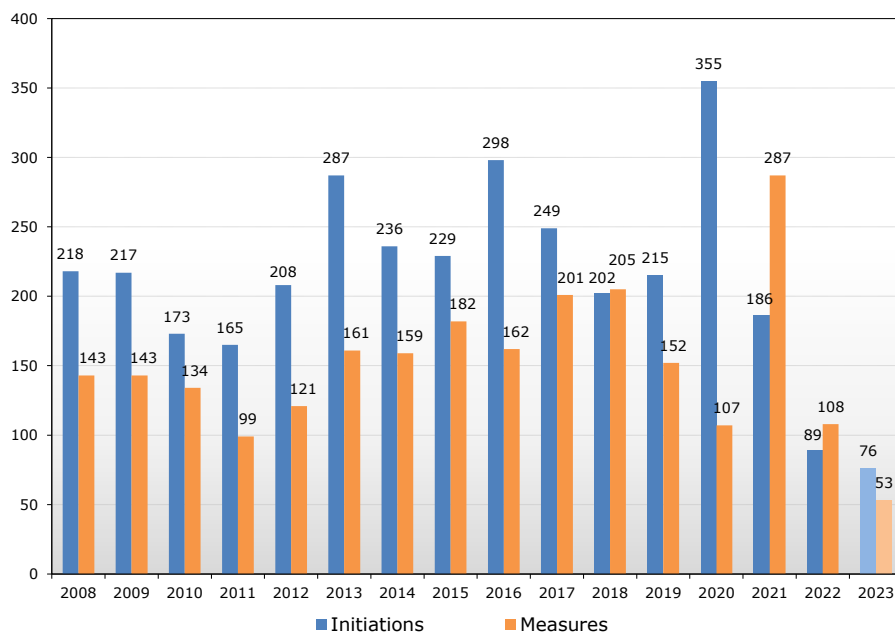
3.46. Fifty exporting Members were affected by new anti-dumping investigations during the first period, while 37 were affected during the second period and 31 in the last period. China remained, by far, the most frequent subject of anti-dumping initiations during the three reporting periods,

accounting for 28% of all investigations. India and the Republic of Korea were each the subjects of 5% of all initiations.

3.47. Chart 3.11 shows annual numbers on initiations of anti-dumping investigations and measures applied. The number of anti-dumping initiations increased significantly in 2020 compared with the previous years. The 355 initiations in 2020 represent the peak since 2002 but this level is lower than the all-time high of 372 seen in 2001. The increase in the initiations in 2020 also led to an increase in total number of measures applied in 2021.

**Chart 3.11 Initiations of anti-dumping investigations and measures applied, 2008-23**

(Number)



Note: Data for 2023 cover January to June.

Source: WTO Secretariat.

3.48. There was little change in terms of the products affected by anti-dumping investigations initiated between 2020 and June 2023, with most initiations targeted products in the metals, chemicals, and plastics and rubber sectors.

3.49. At the regular meetings of the Committee on Anti-Dumping Practices on 26 October 2022 and 3 May 2023<sup>17</sup>, 40 trade concerns were raised with respect to anti-dumping practices. Most of these concerns (70%) were raised on anti-dumping actions by China (6), the European Union (4), the Republic of Korea (3), Viet Nam (3), Egypt (2), the United States (3), India (2), Morocco (2), South Africa (2), and Ukraine (2). The remaining trade concerns were raised on anti-dumping actions by Australia (1), Brazil (1), Canada (1), EAEU member States (Armenia, Kazakhstan, Kyrgyz Republic, and the Russian Federation) (1), Egypt (1), Israel (1), Malaysia (1), the Philippines (1), Chinese Taipei (1), Thailand (1), and the United Kingdom (1).

3.50. Other additional issues and concerns were raised with respect to (i) the continued application of anti-dumping measures resulting from sunset reviews; (ii) the length of US anti-dumping measures – prolonged measures; (iii) sunset reviews conducted by the European Union leading to the continued imposition of prolonged anti-dumping measures; (iv) the European Union's Regulation (EU) 2017/2321 and Regulation (EU) 2018/825; (v) the United States' non-market economy (NME) treatment of certain countries in anti-dumping investigations; (vi) the NME methodology in anti-dumping investigations; (vii) the importance of prompt notifications for transparency purposes; (viii) the transitional reviews, continued application by the United Kingdom of the European Union's anti-dumping measures conducted after Brexit and lengthy transitional reviews; (ix) the anti-circumvention inquiries frequently initiated in recent years by the U.S. Department of

<sup>17</sup> WTO documents [G/ADP/M/62](#), 18 January 2023; and [G/ADP/M/63](#), 16 June 2023, respectively.



Commerce; (x) the negative effects of the geopolitical situation on the Ukrainian economy, its infrastructure, vital production facilities, capacities, cost of production, production, export potential and the ability of the interested parties to defend their interests in anti-dumping investigations; and (xi) the United States' sunset reviews attributing single country rates.

### Countervailing measures

3.51. Both the overall number of initiations of countervailing duty investigations and the number of new countervailing measures decreased significantly in the latest period compared with the two previous periods. As with anti-dumping, countervailing duty investigations do not necessarily lead to measures being applied. Also, similarly to anti-dumping, it can take up to 18 months for a countervailing duty investigation to be concluded, and as such, the measures applied in a given period may not necessarily result from investigations initiated in the same period. This may explain the relative stability in the number of measures applied in the first and second periods, notwithstanding the substantial decline in the number of initiations between these periods.

3.52. During the latest period, 19 exporting Members were affected by new countervailing investigations. China was the most frequent subject of investigations (24), accounting for 32% of all investigations during the three periods. India (12), the second most frequent subject, accounted for 16% of initiations, followed by the Russian Federation (6) and Malaysia (5), which accounted for 8% and 7% of the total, respectively.

**Table 3.10 Number of initiations of countervailing investigations and measures applied, by Member, July 2020 to June 2023**

Reporting Member	July 2020-June 2021		July 2021-June 2022		July 2022-June 2023	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Australia	2	0	0	2	0	0
Brazil	2	0	0	0	1	2
Canada	4	2	2	4	1	1
China	4	2	0	0	0	0
European Union <sup>a</sup>	4	0	2	4	0	0
India	5	1	3	4	0	3
United Kingdom <sup>b</sup>	0	0	2	0	0	0
United States	19	25	14	15	10	6
Viet Nam	1	1	0	0	0	0
<b>Total</b>	<b>41</b>	<b>31</b>	<b>23</b>	<b>29</b>	<b>12</b>	<b>12</b>

a The European Union is counted as one (28 member States until 31 January 2020, 27 member States thereafter).

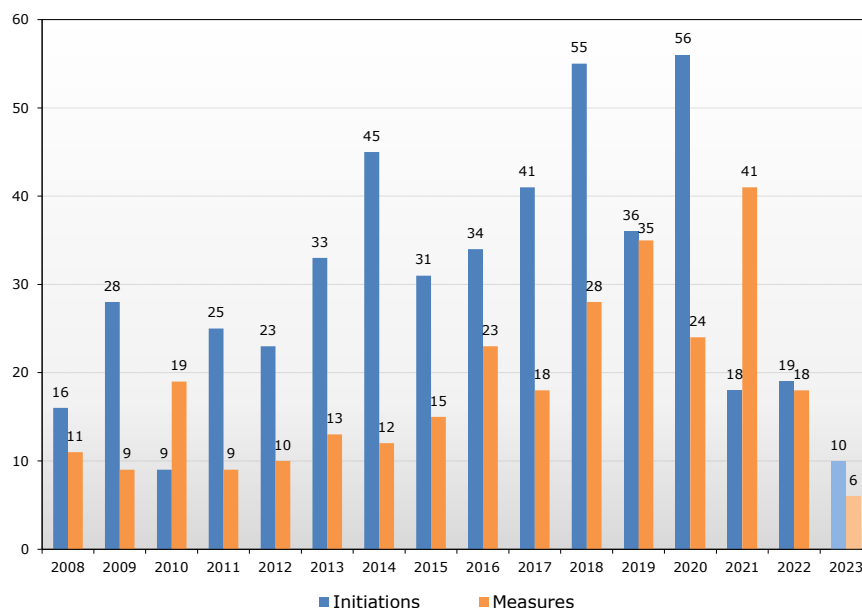
b The United Kingdom withdrew from the European Union as of 1 February 2020. The European Union and the United Kingdom communicated that during the transition period, which ended on 31 December 2020, European Union law, with a few limited exceptions, continued to be applicable to and in the United Kingdom. See WTO documents [WT/LET/1462](#), 29 January 2020; and [WT/GC/206](#), 1 February 2020.

Source: WTO Secretariat.

3.53. Chart 3.12 reflects annual figures for 2008-22, plus the first half of 2023, and shows an upward trend in countervailing initiations from 2015 to 2020, notwithstanding some fluctuation in 2019. Following its peak in 2020, the number of countervailing initiations decreased to the lowest that has been observed since 2010.

**Chart 3.12 Initiations of countervailing investigations and measures applied, 2008-23**

(Number)



Note: Data for 2023 cover January to June.

Source: WTO Secretariat.

3.54. At the regular meetings of the Committee on Subsidies and Countervailing Measures on 25 October 2022 and 2 May 2023<sup>18</sup>, 11 trade concerns were raised with respect to countervailing duty actions by Brazil (1), China (1), the European Union (3), India (2), the United States (3) and Viet Nam (1).

3.55. Additional concerns were raised with respect to (i) the elimination of export subsidies by Members that received extensions under Article 27.4 of the SCM Agreement; (ii) the low and declining level of compliance with the notification and transparency obligations in the SCM Agreement; (iii) the requests for information pursuant to Articles 25.8 and 25.9 (proposal on procedures from the United States); (iv) the request for information on allegedly discriminatory subsidies policies and measures of the United States; (v) subsidies and overcapacity; (vi) the use of adverse facts available by the United States in various CVD investigations; (vii) the CVD investigations by the European Union regarding the so-called transnational subsidies; (viii) the subsidy transparency and China's publication and inquiry point obligations under China's protocol of accession; (ix) the proposed amendment to procedures for review of new and full subsidy notifications; and (x) the European Union Foreign Subsidies Regulation.

### Safeguard measures

3.56. Safeguard measures are temporary measures applied in response to increased imports of goods that are causing serious injury, and are applied on products from all sources, i.e. all exporting countries/customs territories.<sup>19</sup> Safeguard measures are subject to different rules and timelines than anti-dumping and countervailing measures and are, therefore, not directly comparable to these other types of trade remedies.

<sup>18</sup> WTO documents [G/SCM/M/121](#), 2 February 2023; and [G/SCM/M/123](#), 27 June 2023, respectively.

<sup>19</sup> With the exception of exporting Members covered by the special and differential treatment provided for developing countries in Article 9.1 of the Agreement on Safeguards.

**Table 3.11 Number of initiations of safeguard investigations and measures applied, by Member, July 2020 to June 2023**

Reporting Member	July 2020-June 2021		July 2021-June 2022		July 2022-June 2023	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Costa Rica	0	1	0	0	0	0
Egypt	0	1	0	0	0	0
Guatemala	0	0	0	0	0	0
India	0	0	0	0	2	2
Indonesia	3	2	0	3	0	0
Madagascar	0	0	1	0	2	1
Malaysia	1	0	0	0	0	0
Morocco	1	1	0	0	1	0
Peru	1	0	1	0	0	0
Philippines	1	0	0	0	1	1
South Africa <sup>a</sup>	0	0	0	1	0	0
Thailand	1	0	0	0	0	0
Tunisia	0	0	1	0	1	0
Türkiye	0	1	1	1	0	1
Ukraine	3	2	3	1	0	0
United States	1	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>8</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>5</b>

a Notified by South Africa, but investigations are initiated at the level of the Southern African Customs Union, i.e. also in respect of Botswana, Eswatini, Lesotho, and Namibia.

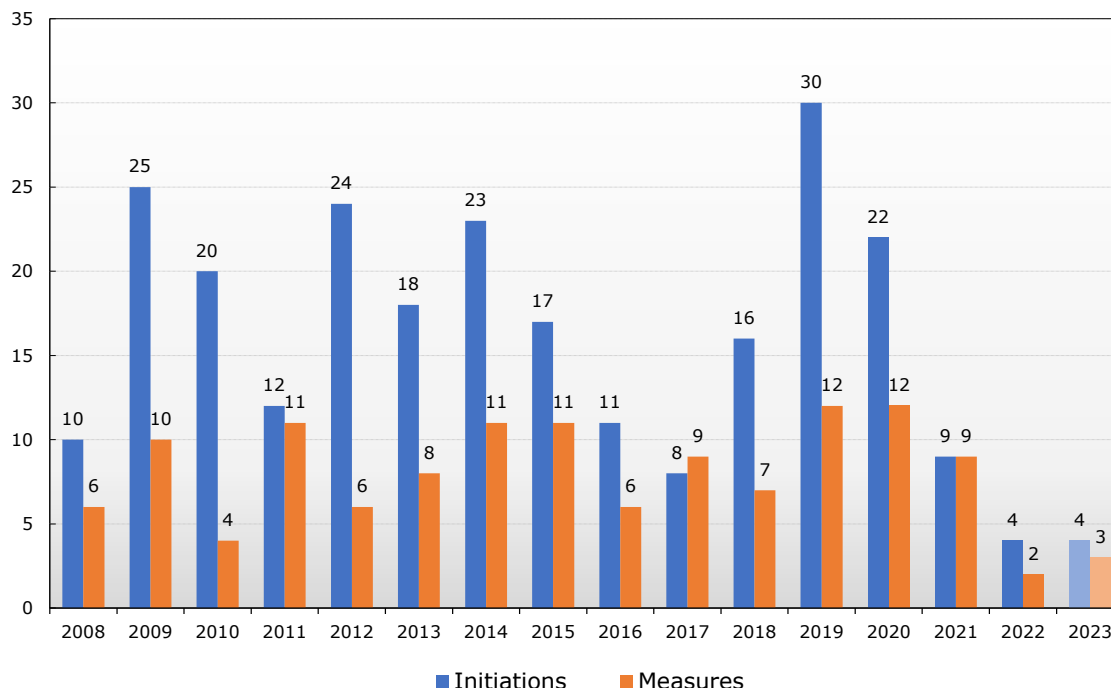
Note: Some notifications are ambiguous about the timing when the measures took effect. For those, an additional notification clarifying, *ex post*, the effective date of the measure is sometimes filed. For this reason, the number of applications of measures in a given period indicated in past reports may differ from the figures indicated in the most recent report. The same applies to the following Chart 3.13.

Source: WTO Secretariat.

3.57. Between January and June 2023, four investigations were initiated, and three measures were applied. The figures for 2022 (four initiations and two measures) were among the lowest since 1995. The recent low level of activity seems to be continuing in 2023, as shown in Table 3.11 and Chart 3.13.

**Chart 3.13 Initiations of safeguard investigations and measures applied, 2008-2023**

(Number)



Note: Data for 2023 cover January to June.

Source: WTO Secretariat.

3.58. At the regular meetings of the Committee on Safeguards on 24 October 2022 and 1 May 2023<sup>20</sup>, 18 concerns were raised on safeguard investigations by Costa Rica (1), the European Union (1), India (2), Indonesia (3), Madagascar (3), Morocco (2), the Philippines (1), Tunisia (1), Türkiye (1), the United Kingdom (1), the United States (1) and Viet Nam (1).

### 3.3 Sanitary and phytosanitary (SPS) measures<sup>21</sup>

3.59. This Section covers SPS transparency-related matters, including specific trade concerns discussed in SPS Committee meetings, for the period from 1 October 2022 to 30 September 2023. In addition, new SPS measures taken in relation to the COVID-19 pandemic are reported in a separate section covering the period from 1 February 2020 to 30 September 2023. The last two sections refer to the impact of the Ukraine conflict in the work of the SPS Committee and to the work on the MC12 SPS Declaration.

3.60. Under the SPS Agreement, WTO Members are obliged to provide an advance notice of intention to introduce new or modified SPS measures<sup>22</sup>, or to notify immediately when emergency measures are imposed. The main objective of complying with SPS notification obligations is to inform other Members about new or changed regulations that may significantly affect international trade. Therefore, an increased number of notifications does not automatically signal greater use of protectionist measures, but rather enhanced transparency regarding food safety and animal and plant health measures, most of which are, presumably, legitimate health-protection measures.

<sup>20</sup> WTO documents [G/SG/M/61](#), 1 February 2023; and [G/SG/M/62](#), 19 June 2023, respectively.

<sup>21</sup> Information presented in this Section was retrieved from the [ePing SPS&TBT Platform](#). Viewed at: <https://eping.wto.org/>. This Section is based on notifications to the WTO for the period 1 October 2022 to 30 September 2023. Specific trade concerns (STCs) are raised at SPS Committee meetings, and this Section summarizes the STCs raised at the 9-11 November 2022, 22-24 March 2023, and 12-14 July 2023 SPS Committee meetings. More detailed searches on STCs have been retrieved from the [Trade Concerns Database](#). Viewed at: <https://tradeconcerns.wto.org/en>.

<sup>22</sup> Transparency obligations are contained in Article 7 and Annex B to the SPS Agreement.

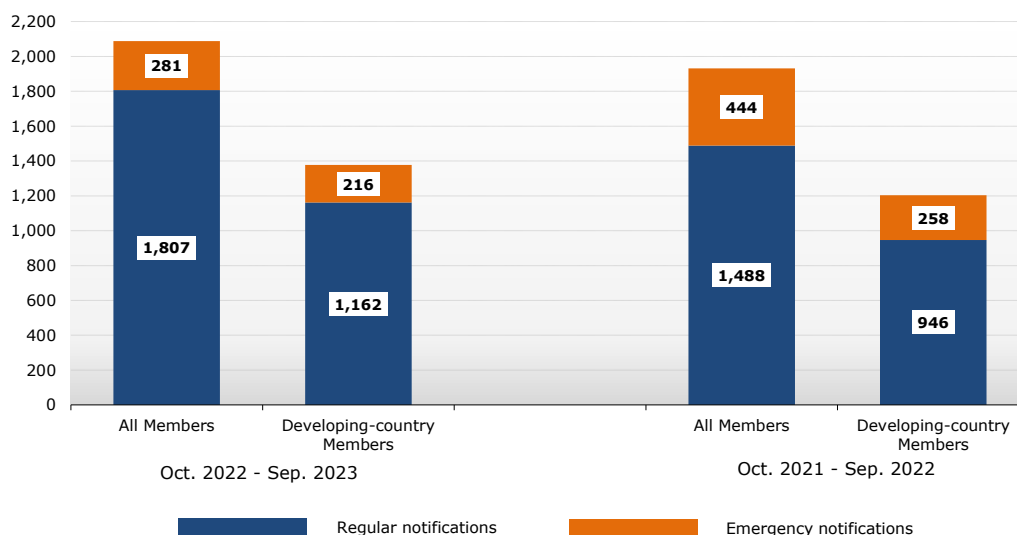
3.61. In the period from 1 October 2022 to 30 September 2023, 2,088 SPS notifications (regular and emergency, including revisions and addenda) were submitted<sup>23</sup> to the WTO, an 8% increase compared with the previous 12-month period (1,932 notifications from 1 October 2021 to 30 September 2022). The share of notifications from developing-country Members, accounting for 66% (1,378 notifications) of the total number, was higher than the 62% (1,204 notifications) corresponding to the previous 12-month period (Chart 3.14).

3.62. During the review period, WTO Members submitted 1,807 regular SPS notifications (including revisions and addenda), 64% (1,162 notifications) of which were submitted by developing-country Members. Compared with the previous 12-month period, the total number of regular notifications increased by 21%, while those submitted by developing-country Members increased by about 23%.

3.63. The total number of emergency notifications (including addenda) decreased by 37% in the current review period (281 compared with 444 during the previous 12-month period); however, while the proportion of all emergency notifications (including addenda) submitted by developing-country Members remained higher than the proportion of emergency notifications submitted by developed-country Members, constituting 77% of the total of emergency notifications, there has been a decrease of 16% in the total of notifications submitted by developing-country Members compared with the previous 12-month period (216 compared with 258). High percentages of emergency notifications by developing-country Members have been considered consistent with the general trend of most emergency measures being notified by developing-country Members, i.e. as a result of less extensive SPS regulatory systems compared with those of developed-country Members. Consequently, when facing emergency challenges, developing-country Members are more likely than developed-country Members to introduce new regulations or change existing ones.

3.64. Many Members follow the recommendation to notify SPS measures even when they are based on a relevant international standard<sup>24</sup>, as this substantially increases transparency. In this context, of the 1,339 regular notifications (excluding addenda) submitted from 1 October 2022 to 30 September 2023, 43% indicated that at least one international standard, guideline or recommendation was applicable to the notified measure (Chart 3.15). Of these, about 74% indicated that the proposed measure was in conformity with the applicable international standard.

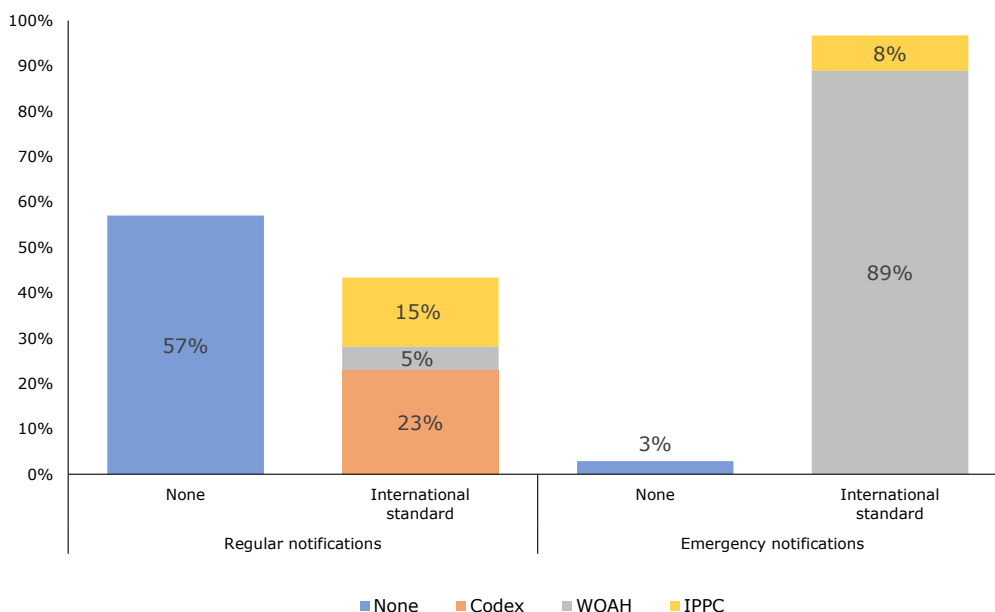
**Chart 3.14 Number of SPS notifications, including regular, emergency, revisions and addenda**



Source: WTO Secretariat.

<sup>23</sup> For this Report, "submission" refers to the date of circulation.

<sup>24</sup> WTO document [G/SPS/7/Rev.5](#), 16 January 2023, para. 2.3. WTO document [G/SPS/7/Rev.5](#) was updated in January 2023 to reflect relevant changes in the set of tools available for Members to search for SPS related information, namely the [ePing SPS&TBT Platform](#).

**Chart 3.15 Regular and emergency SPS notifications (excluding addenda) and international standards**

Note: Codex - Codex Alimentarius; WOA (founded as OIE) - World Organisation for Animal Health; and IPPC - International Plant Protection Convention.

Source: WTO Secretariat.

3.65. International standards often provide useful guidance regarding measures to address disease outbreaks and other emergency situations. Indeed, 237 out of 244 (about 97%) emergency notifications (excluding addenda) submitted during the review period indicated that an international standard, guideline, or recommendation was applicable to the notified measure.

3.66. Of the 1,339 regular notifications (excluding addenda) submitted during the review period, the majority (76%) were related to food safety.<sup>25</sup> The remainder related to plant protection and animal health and, to a lesser extent, the protection of the Member's territory from other damage from pests and the protection of humans from animal diseases or plant pests. Regular notifications usually contain more than one objective.

3.67. Of the 244 emergency measures (excluding addenda) notified in the same period, the majority (87%) related to animal health, followed by those related to food safety, the protection of humans from animal diseases or plant pests, plant protection, and the protection of the Member's territory from other damage from pests. Emergency notifications may also contain more than one objective.

3.68. The WTO Secretariat prepares annual transparency reports containing detailed information on the implementation of the transparency provisions of the SPS Agreement.<sup>26</sup>

3.69. While there is no formal provision for "counter notification", concerns regarding the failure to notify an SPS measure, or regarding a notified measure, can be raised as a specific trade concern (STC) at any of the regular meetings of the SPS Committee each year.

3.70. Three SPS Committee meetings were held during the review period, on 9-11 November 2022, 22-24 March 2023 and 12-14 July 2023. More capital-based delegates were able to travel to Geneva

<sup>25</sup> The objective of an SPS measure falls under one or more of the following categories: (i) food safety; (ii) animal health; (iii) plant protection; (iv) protection of humans from animal/plant pests or diseases; and (v) protection of territory from other damage from pests. Members are required to identify the purpose of the measure in their notifications. It is common for more than one objective to be identified for a measure.

<sup>26</sup> See the latest revision of WTO document [G/SPS/GEN/804/Rev.15](#), 1 March 2023.

due to the easing of COVID-19 restrictions, and the margins of the SPS Committee meetings<sup>27</sup> provide important opportunities for delegations to discuss and resolve trade concerns bilaterally. Several STCs had been withdrawn or not raised by certain Members during the review period.

3.71. At the November 2022 SPS Committee meeting, before adoption of the agenda, India withdrew two new STCs: Japan's compulsory inspection of farmed shrimps; and Canada's SPS notification the requirement for aquatic animals being exported to Canada to have a zoosanitary certification. Brazil withdrew the previously raised STC ID 542, US undue delays in opening its citrus market; and China did not raise STC ID 519, EU regulatory approach to maximum levels for contaminants, which was only raised by Canada.<sup>28</sup>

3.72. At the March 2023 SPS Committee meeting, before adoption of the agenda, India withdrew four new STCs: Brazil's MRLs for prothioconazole (G/SPS/N/BRA/2054); Brazil's modifications of MRLs and pre-harvest intervals (PHI) inconsistent with established risk assessment guidelines by the FAO (G/SPS/N/BRA/2029/Add.2); and South Africa's MRLs for abamectin, pyraclostrobin and chlorpyrifos (G/SPS/N/ZAF/78). Chinese Taipei did not raise the previously raised STC ID 487, China's actions related to COVID-19 that affect trade in food and agricultural products, which was only raised by Australia, the European Union, and Japan.<sup>29</sup>

3.73. At the July 2023 SPS Committee meeting, before adoption of the agenda, Brazil withdrew STC ID 521, Chinese Taipei's import restrictions on poultry and beef; India removed STC ID 525, the Russian Federation's classification of tea as "fruits and vegetables"; and the Russian Federation withdrew STC ID 527, delays in Thailand's approval procedures for animal products.<sup>30</sup>

3.74. In the SPS Committee meetings of 9-11 November 2022, 22-24 March 2023 and 12-14 July 2023, 20 STCs were raised for the first time (Table 3.12), and 47 previously raised STCs were discussed again.<sup>31</sup> Twenty-six previously raised STCs were raised in the three meetings.<sup>32</sup> Of these, seven addressed persistent problems that have been discussed 15 times or more (Table 3.13). In addition, 13 STCs raised for the first time in the review period were discussed again in March or July 2023.<sup>33</sup>

**Table 3.12 New STCs raised in the SPS Committee meetings of November 2022, March 2023 or July 2023**

ID	New STCs
<a href="#">549</a>	EU regulation No 396/2005 setting pesticide MRLs in food and feed of plant and animal origin
<a href="#">550</a>	EU Commission proposal for reduction of the current MRL for "nicotine" for imported tea from India (G/SPS/N/EU/581)
<a href="#">551</a>	EU Regulations 2021/405 and 2017/185 on vitamin D3
<a href="#">552</a>	EU increased sampling frequency for inspection of farmed shrimps and newly listed fishery establishments not permitted to export aquaculture products
<a href="#">553</a>	India's Draft Food Safety and Standards (Import) Amendment Regulation
<a href="#">554</a>	India's Order related to requirement of health certificate accompanied with imported food consignment of milk, pork, fish and related products
<a href="#">555</a>	Namibia's approval procedures for beef and meat of small ruminants
<a href="#">556</a>	Japan's approval procedures for poultry products
<a href="#">557</a>	Korea's requirement of a health certificate with a declaration of aquatic disease status
<a href="#">558</a>	EU import restrictions on ostrich meat
<a href="#">559</a>	Australia's MRLs stricter than Codex standards in products of interest to India – request to share risk assessments (G/SPS/N/AUS/555)
<a href="#">560</a>	New Zealand's amendment of MRLs for cyantraniliprole, tetracyclines and trichlorfon (G/SPS/N/NZL/695)
<a href="#">561</a>	China's suspension of beef imports due to bovine spongiform encephalopathy (BSE) restrictions

<sup>27</sup> The November 2022, March 2023 and July 2023 meetings were held in person, and Members were also able to participate remotely via a virtual conferencing platform (WTO documents [JOB/SPS/23](#), 21 October 2022; [JOB/SPS/26](#), 3 March 2023; and [JOB/SPS/29](#), 23 June 2023).

<sup>28</sup> See summary of the 9-11 November 2022 SPS Committee meeting in WTO document [G/SPS/R/108](#), 16 December 2022.

<sup>29</sup> See summary of the 22-24 March 2023 SPS Committee meeting in WTO document [G/SPS/R/109](#), 5 May 2023.

<sup>30</sup> See summary of the 12-14 July 2023 SPS Committee meeting in WTO document [G/SPS/R/110](#), 13 September 2023.

<sup>31</sup> The 47 previously raised STCs that were discussed again were STC IDs 193, 373, 382, 392, 393, 406, 431, 439, 441, 446, 448, 456, 466, 471, 482, 485, 486, 487, 489, 490, 493, 498, 501, 503, 506, 508, 509, 512, 516, 518, 519, 521, 523, 524, 525, 526, 529, 530, 532, 533, 534, 538, 539, 543, 544, 545, 548.

<sup>32</sup> These were STC IDs 193, 382, 392, 406, 431, 439, 441, 446, 448, 466, 471, 485, 487, 490, 501, 503, 509, 516, 523, 526, 529, 530, 532, 534, 539, 544.

<sup>33</sup> These were STC IDs 549, 550, 551, 552, 553, 554, 557, 561, 562, 563, 565, 566, 567.

ID	New STCs
<a href="#">562</a>	China's import restrictions on heat-treated pet food containing poultry ingredients due to highly pathogenic avian influenza
<a href="#">563</a>	Mexico's import restrictions due to African swine fever
<a href="#">564</a>	South Africa's delays in granting SPS access for poultry, beef, pork, fish and seafood
<a href="#">565</a>	India's approval procedures to import plants, animals and their products
<a href="#">566</a>	India's undue delay in importing 12 species of fresh mushrooms
<a href="#">567</a>	Japan's approval procedures to import plant products
<a href="#">568</a>	Canada's restrictions on Brazilian pork from internationally recognized FMD free zones without vaccination

Source: WTO Secretariat.

**Table 3.13 Previously raised SPS STCs discussed in the November 2022, March 2023 or July 2023 meetings, raised 15 times or more<sup>34</sup>**

STC ID	Title of the STC	Member(s) responding	Member(s) raising the concern	First date raised (times subsequently raised)	Primary objective
<a href="#">193</a>	General import restrictions due to bovine spongiform encephalopathy (BSE)	Several Members, including China	European Union, United States	22/06/2004 (48 times)	Animal health/Animal diseases
<a href="#">382</a>	European Union legislation on endocrine disruptors	European Union	Argentina, China, Dominican Republic, Ecuador, Guatemala, India, Panama, Paraguay, United States	25/03/2014 (26 times)	Food safety
<a href="#">406</a>	China's import restrictions due to highly pathogenic avian influenza	China	European Union, United States	16/03/2016 (20 times)	Animal health/Animal diseases
<a href="#">392</a>	China's import restrictions due to African swine fever	China	European Union	15/07/2015 (18 times)	Animal health/Animal diseases
<a href="#">431</a>	South Africa's import restrictions on poultry due to highly pathogenic avian influenza	South Africa	European Union	02/11/2017 (16 times)	Animal health/Animal diseases
<a href="#">439</a>	United States import restrictions on apples and pears	United States	European Union	01/03/2018 (16 times)	Plant health
<a href="#">441</a>	Indonesia's approval procedures for animal and plant products	Indonesia	European Union, Russian Federation	12/07/2018 (15 times)	Other concerns

Source: WTO Secretariat.

3.75. Of the 20 STCs raised for the first time in the three SPS Committee meetings, 6 (30%) concerned food safety, 8 concerned measures covering animal health/animal diseases (40%), 1 related to plant health (5%) and 5 covered other concerns (25%).<sup>35</sup> Regarding the 47 previously raised STCs during the review period, 13 concerned measures covering food safety, 12 concerned animal health/animal diseases, 6 related to plant health and 16 covered other types of concerns. Of the 67 STCs raised or discussed during the review period, 19 concerned measures covering food safety, 20 covered animal health/animal diseases, 7 concerned plant health and 21 related to other types of concerns. Discussions among Members in the SPS Committee continue to be multifaceted and dynamic.

3.76. The WTO Secretariat prepares annual reports containing detailed information on STCs discussed in the SPS Committee.<sup>36</sup> Since 1995, 55% of all STCs raised in the Committee have been reported as resolved or partially resolved. At the November 2022 SPS Committee meeting, the Secretariat informed the Committee that it had contacted 37 Members to seek information regarding the status (resolved, partially resolved, or not reported as resolved) of STCs that had not been discussed since November 2020. As a follow-up to the exercise, 31 of these STCs had been reported as resolved and 14 STCs as partially resolved. For transparency purposes, the information provided by Members to the Secretariat was circulated in document [G/SPS/GEN/2062/Rev.1](#) in November 2022, and included the results of similar exercises undertaken in 2013, 2017 and 2020. At the March 2023 meeting, the European Union announced the partial resolution of STC ID [493](#), non-publication of US final rule on importation of sheep, goats and certain other ruminants. At the July 2023 SPS

<sup>34</sup> Further information on the STCs previously raised during the review period is available in the [ePing SPS&TBT Platform](#). Viewed at: <https://tradeconcerns.wto.org/en/stcs?searchParameterDomainIds=2>.

<sup>35</sup> These concerns include pesticide maximum residue limits, approval procedures, and undue delay.

<sup>36</sup> See the latest revision of the annual report on STCs [G/SPS/GEN/204/Rev.23](#), 1 March 2023 and the [Trade Concerns Database](#).



Committee meeting, Brazil provided information about the resolution of STC ID [489](#), Mexico's import restrictions on pork, and STC ID [482](#), Peru's import restrictions on pork.

3.77. During the November 2022 SPS Committee meeting, the Committee held a thematic session on international standards and best practices in pest risk identification, assessment, and management in close collaboration with the International Plant Protection Convention (IPPC). Among the topics discussed were the use of technology for pest identification, addressing plant health hazards in different parts of the food system for food safety and food security, and the importance of communication including among trading partners as well as with the private sector.<sup>37</sup>

3.78. In March 2023, the SPS Committee adopted WTO document [G/SPS/67](#), which lists existing tools and resources to enhance the implementation of the SPS Agreement relating to SPS approval procedures for food, animal and plant products. It also adopted WTO document [G/SPS/68](#), which provides recommendations on SPS approval procedures. Approval procedures cover any procedure to check and ensure the fulfilment of SPS measures.<sup>38</sup> The documents were the outcome of work from the Working Group on Approval Procedures, which was established following a recommendation from the Fifth Review of the Operation and Implementation of the SPS Agreement, in 2020.<sup>39</sup>

### COVID-19-related SPS measures (1 February 2020<sup>40</sup>-30 September 2023)

3.79. Between 1 February 2020 and 30 September 2023, 31 Members (counting the European Union as one) notified 68 SPS measures related to the COVID-19 pandemic. The most recent SPS COVID-19-related documents were received on 16 January 2023, when two addenda were notified lifting previous temporary restrictions.<sup>41</sup> Twenty-seven measures were notified as regular notifications. Additionally, 29 addenda to regular notifications were submitted, mostly extending both implementation periods of temporary measures and comment periods and dates of adoption of previously notified regulations. Twenty measures were notified as emergency measures. Additionally, 12 emergency addenda were notified, 9 lifting (or partially lifting) temporary restrictions previously imposed and 3 extending the validity of temporary trade-facilitating measures. Nine Members submitted their measures through an information communication (GEN document), and one additional GEN document<sup>42</sup> was submitted by 40 Members. Overall, 24% of notifications on COVID-19 were SPS measures.<sup>43</sup> One previously raised STC related to COVID-19 was again discussed at the November 2022, March 2023, and July 2023 SPS Committee meetings.<sup>44</sup> Overall, two SPS STCs related to COVID-19 had been discussed in the SPS Committee since the start of the pandemic.<sup>45</sup>

3.80. Initially, the measures notified mainly related to restrictions on animal imports and/or transit from affected areas (some of these measures were subsequently lifted), and increased certification requirements. While some restrictions were still imposed at a later stage, most notifications and communications submitted since the beginning of April 2020 relate to measures taken to facilitate trade, by allowing temporary flexibility for control authorities to use electronic versions of veterinary and/or phytosanitary certificates, since the COVID-19 situation made the transmission of original paper certificates problematic. Overall, about two-thirds of notifications (excluding addenda) and communications submitted were measures considered to be trade-facilitating.

<sup>37</sup> To access the report, presentations and recordings of the thematic session, visit the event webpage: [https://www.wto.org/english/tratop\\_e/sps\\_e/thematic\\_session\\_nov22\\_e.htm](https://www.wto.org/english/tratop_e/sps_e/thematic_session_nov22_e.htm).

<sup>38</sup> They can, for example, be used to assess products or categories of products before they are allowed into a market to ensure that imported products comply with SPS requirements of the importing country or to check that the SPS system of an exporting country provides necessary assurances before a product enters a market.

<sup>39</sup> The full report is available in WTO documents [G/SPS/64](#) and [G/SPS/64/Add.1](#), 3 August 2020.

<sup>40</sup> The first COVID-19-related notifications were received in February 2020.

<sup>41</sup> WTO documents [G/SPS/N/DNK/6/Add.1](#), 16 January 2023; and [G/SPS/N/HKG/47/Add.1](#), 16 January 2023. Search for information on notifications on the [ePing SPS&TBT Platform](#).

<sup>42</sup> WTO document [G/SPS/GEN/1778/Rev.5](#), 14 January 2021 (also circulated as WTO document [G/TBT/GEN/296/Rev.5](#), 14 January 2021).

<sup>43</sup> WTO, *COVID-19 and World Trade*. Viewed at: [https://www.wto.org/english/tratop\\_e/covid19\\_e/covid19\\_e.htm](https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm).

<sup>44</sup> STC ID 487: China's actions related to COVID-19 that affect trade in food and agricultural products.

<sup>45</sup> STC IDs 487 and 488. Visit the [Trade Concerns Database](#) for further information on STCs.

### **Impact of the Ukraine conflict in the work of the SPS Committee**

3.81. At the November 2022, March 2023 and July 2023 Committee meetings, Ukraine provided the Committee with information on its SPS situation and reported on its SPS activities. Several Members expressed their support and showed appreciation for Ukraine's efforts to fulfil its SPS WTO obligations, strongly condemned the Russian Federation's military action in Ukraine as a violation of international law and the UN Charter and stated that the invasion was further exacerbating the current food security crisis. The Russian Federation underlined that the matter was not within the mandate of the WTO and complained that the politically motivated trade-restrictive actions against the Russian Federation imposed by several WTO Members were behind the possible shortages in net-food-importing countries. At the July 2023 meeting, Members called on the Russian Federation to renew the Black Sea Grain Initiative and cease military operations in Ukraine. The Russian Federation noted that the Black Sea Grain Initiative had been prolonged under the condition of achieving tangible normalization of agricultural exports, but there had been no progress.<sup>46</sup>

### **MC12 SPS Declaration on Responding to Modern SPS Challenges**

3.82. During the reporting period, meetings were held in October and November 2022, and in February, March, May, July and September 2023 to advance the Work Programme that emerged under the MC12 SPS Declaration on Responding to Modern SPS Challenges (Box 3.1).<sup>47</sup> Members have discussed the two draft outcome documents from the Work Programme: a factual summary of the Work Programme (WTO document [G/SPS/GEN/2134](#), 21 June 2023 and revisions) and the SPS Committee's draft report to the 13th Ministerial Conference (WTO document [G/SPS/W/344](#), 21 June 2023 and revisions).

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<sup>46</sup> See further information in the summary reports of the November 2022, March 2023 and July 2023 SPS Committee meetings in WTO documents [G/SPS/R/108](#), 16 December 2022; [G/SPS/R/109](#), 5 May 2023; and [G/SPS/R/110](#), 13 September 2023.

<sup>47</sup> The proposed process for the Work Programme of the MC12 SPS Declaration is available in WTO document [G/SPS/W/330/Rev.1](#), 10 November 2022.

### Box 3.1 MC12 SPS Declaration Work Programme

WTO Members and Observers, including the three international standard-setting bodies recognized in the SPS Agreement (Codex, WOH, IPPC), are participating in discussions on the SPS Declaration, which was adopted at the WTO's 12<sup>th</sup> Ministerial Conference in 2022 (MC12 SPS Declaration). The MC12 SPS Declaration, recognizes new opportunities and emerging challenges brought about by the evolution of the global agricultural landscape since the adoption of the SPS Agreement in 1995. The Ministerial Conference instructed the SPS Committee to carry out a Work Programme to further enhance the implementation of the SPS Agreement in an effort to better manage issues related to international trade in food, animals and plants.

The MC12 SPS Declaration Work Programme was implemented through discussions in five thematic groups:

1. How to facilitate global food security and more sustainable food systems, including through sustainable growth and innovation in agricultural production and international trade, and through the use of international standards, guidelines, and recommendations developed by the Codex Alimentarius Commission, the WOH and the IPPC as the basis of harmonized SPS measures to protect human, animal or plant life or health.
2. How to support basing SPS measures on scientific evidence and principles, including where international standards, guidelines, or recommendations do not exist or are not appropriate; and how to promote the use by Members of principles employed by the international standard setting bodies for considering scientific uncertainty in risk analysis.
3. How to enhance the safe international trade in food, animals and plants and products thereof through the adaptation of SPS measures to regional conditions, including pest- or disease-free areas and areas of low pest or disease prevalence which can strengthen Members' ability to protect plant and animal life or health through efforts to limit the spread of pests such as the Mediterranean fruit fly, diseases such as African swine fever, disease-carrying organisms, or disease-causing organisms.
4. How to encourage cooperation with observer organizations that support the work of the SPS Committee and the international standard setting bodies through technical exchanges and assistance in the context of this Work Programme.
5. How to increase participation of and support for the special needs of developing and least developed country Members in the development and application of SPS measures; and in particular, to increase awareness of and sensitivity to the impacts of SPS measures on the export possibilities of such Members.

The outcome of this Work Programme will be reported to Ministers at the WTO's 13<sup>th</sup> Ministerial Conference in February 2024. The text of the MC12 SPS Declaration is available in WTO document [WT/MIN\(22\)/27](#), 22 June 2022.

Source: WTO.

### 3.4 Technical Barriers to Trade (TBT)

3.83. WTO Members continued to use the TBT Committee's transparency mechanisms to notify their technical barriers to trade (TBT) measures and to discuss and often resolve specific trade concerns (STCs) non-litigiously. Most of the new regular TBT notifications submitted by WTO Members during the review period referred to protection of human health or safety as their main objective. A total of 223 STCs were discussed during the review period. Members have submitted 229 COVID-19-related TBT notifications to the WTO in response to the COVID-19 pandemic since 2020. Members have made references to the COVID-19 pandemic in 55 STCs.

#### Notifications submitted to the TBT Committee

3.84. Under the TBT Agreement, WTO Members are required to notify their intention to introduce new or modified technical regulations and conformity assessment procedures, or to notify adopted emergency measures immediately. The principal objective of complying with the TBT notification obligations is to inform other Members about new or changed regulations that may significantly affect trade and provide an opportunity for comments.

3.85. From 1 October 2022 to 1 October 2023 (the TBT review period), WTO Members submitted 2,373 new regular notifications of TBT measures.<sup>48</sup> Members that notified the most measures during

<sup>48</sup> Source: [ePing SPS&TBT platform](#).

the review period - 59% of all new regular notifications – were Rwanda (233), Tanzania (217), Kenya (210), Uganda (173), Burundi (143), the United States (126), the European Union (84), India (84), China (63) and the Republic of Korea (63). Most of these new regular TBT notifications indicated as their main objective protection of human health or safety. Various other notifications related to quality requirements, consumer information, labelling, prevention of deceptive practices, consumer protection, reducing trade barriers and facilitating trade, harmonization, and protection of the environment.

3.86. A total of 1,536 follow-up notifications (i.e. addenda, corrigenda, or supplements) were submitted during the review period. The continuing and frequent use by Members of follow-up notifications is a positive development, as it increases transparency and predictability across the measures' regulatory lifecycle.

### **Measures discussed in the TBT Committee (STCs)<sup>49</sup>**

3.87. WTO Members use the TBT Committee as a forum for discussing trade issues related to specific TBT measures proposed or maintained by other Members. Issues can range from requests for additional information and clarification to questions on the consistency of measures with TBT Agreement disciplines. The overall trend suggests an increasing use of the TBT Committee as a forum for Members to raise and resolve trade concerns non-litigiously.

3.88. A total of 223 (43 new and 180 previously raised) STCs were discussed during the three Committee meetings that fell within the review period. The new STCs concerned TBT measures by the European Union (11); India (9); the United States (5); China (4); Angola (2); and one each by Argentina, Australia, Brazil, Indonesia, Ireland, Malaysia, Morocco, Panama, Spain, the United Arab Emirates, the United Kingdom, and Viet Nam. These new STCs covered regulations on a range of products (e.g. washing machines, hazardous substances, chemicals, alcoholic beverages, electric vehicles, digital products, footwear, textiles, medical, electrical and charging equipment), and dealt with a variety of issues (e.g. labelling and packaging, waste management, energy efficiency and conservation, cybersecurity, conformity assessment procedures and technical regulations).

3.89. During the three Committee meetings covered by the review period, 10 persistent STCs were discussed (these STCs have each been previously raised on more than 16 occasions in the TBT Committee meetings).

### **COVID-19-related TBT notifications and discussions at the TBT Committee**

3.90. Since the outbreak of the COVID-19 pandemic, 34 WTO Members have submitted 229 COVID-19-related TBT notifications to the WTO.<sup>50</sup> These notifications mostly dealt with extraordinary and temporary streamlining of certification and related procedures, and the introduction of new regulatory requirements for medical goods, in response to the pandemic. The majority (about 67%) of these notifications cover regulations on medical goods, such as PPE, pharmaceutical products, medical devices, other medical supplies, and other products. Members have made references to the COVID-19 pandemic in 55 STCs.

### **Developments in the context of the war in Ukraine**

3.91. At the TBT Committee meetings of 8-10 March 2023 and 21-23 June 2023, Ukraine and several Members expressed their strong opposition to the war in Ukraine and noted that it violated international law. The Russian Federation called on Members to refrain from interventions on issues and events that were outside the scope of the TBT Committee and the WTO itself.<sup>51</sup>

3.92. At the TBT Committee meetings of 8-10 March and 21-23 June 2023, Ukraine provided an update of its TBT activities. Ukraine noted that it continued to take steps to ensure proper functioning of its technical regulatory system. In the same context, Ukraine also notified to the TBT Committee

<sup>49</sup> This Section takes account of the STCs raised in the TBT Committee meetings of 16-18 November 2022, 8-10 March 2023 and 21-23 June 2023.

<sup>50</sup> TBT notifications are classified as COVID-19-related if they contain the terms "coronavirus", "COVID", "SARS-COV-2" or "nCoV".

<sup>51</sup> WTO documents [G/TBT/M/89](#), 11 May 2023; and [G/TBT/M/90](#), 21 September 2023.

(i) the postponement of entry into force of certain regulatory measures in light of martial law in Ukraine<sup>52</sup>; (ii) relaxation of certain regulatory requirements<sup>53</sup>; and (iii) termination of certain regulatory flexibilities that had been introduced during martial law in Ukraine.<sup>54</sup>

### 3.5 Policy developments in agriculture

3.93. The Committee on Agriculture (CoA) provides a forum for Members to discuss matters related to agricultural trade, and to consult on matters related to Members' implementation of commitments under the Agreement on Agriculture (AoA). The review work of the CoA is based on notifications that Members make in relation to their commitments and on matters raised under Article 18.6 of the AoA (i.e. Specific Implementation Matters (SIMs)). The CoA has also been tasked with the monitoring of the implementation of specific outcomes reached under the agriculture negotiations. Additionally, it takes up other matters, including the follow-up to the Marrakesh Decision on Least-developed and Net Food-Importing Developing Countries (NFIDCs). Since 2020, the Committee has also hosted discussions on the impact of the COVID-19 pandemic on global agriculture and food systems and monitoring governments' policy responses to address its effects and aftershocks. Since MC12, this discussion has been guided by the overall framework of the Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics.<sup>55</sup>

3.94. During the review period, the CoA held four regular meetings, on 21-22 November 2022, and 27-28 March, 27-28 June, and 27-28 September 2023.<sup>56</sup> Members posed a total of 677 questions, of which 348 questions concerned SIMs under Article 18.6, 285 questions regarding individual notifications, 10 questions on overdue notifications, and 34 questions in relation to the follow-up to the Nairobi Decision on Export Competition.<sup>57</sup>

3.95. Domestic support continued to be an area to which Members pay significant attention. About 82% of questions under individual notifications and 56% of SIMs under Article 18.6 concerned domestic support policies. Close to half of the questions posed on notifications (122 questions) and on SIMs (36 SIMs) concerned domestic support measures by China, India and the United States. Of the 78 SIMs raised during the review period, 60 were raised for the first time. Members sought clarification on support policies targeting specific sectors or products, including cereals (Thailand's corn farmer income guarantee scheme; Mexico's domestic support programmes; India's annex to domestic support notification pursuant to the Bali PSH Decision; India's rice sale under the Open Market Sale Scheme; China's Blue Box support; China's purchase policy of grains and oils; China's wheat support; China's grain subsidies; US expanded insurance coverage for soybean and grain sorghum; US corn support; Japan's structural transition programme for rice; and Pakistan's wheat policies), dairy (India's dairy subsidies and Japan's support system for milk), livestock (China's support to the beef cattle sector; China's pork reserve programme; and China's swine support), soya (US expanded insurance coverage for soybean and grain sorghum), palm oil (Thailand's palm oil price guarantee scheme), and wine (France's support to wine producers). There were 40 SIMs raised on domestic support policies with a wider sectoral scope.

3.96. Measures potentially limiting market access was the second area of interest in the CoA. Some 36 questions concerning notifications and 25 concerning SIMs were raised during the review period. On notifications, most questions (27) concerned imports under tariff rate quotas (TRQs). Out of the 25 SIMs concerning market access policies, 14 were discussed for the first time. These new SIMs related to policies potentially affecting market access of specific products or groups of products

<sup>52</sup> WTO documents [G/TBT/N/UKR/233](#), 27 October 2022; [G/TBT/N/UKR/212/Add.1](#), 15 November 2022; [G/TBT/N/UKR/234/Add.1](#), 23 November 2022; [G/TBT/N/UKR/124/Add.2](#), 25 November 2022; [G/TBT/N/UKR/209/Rev.1](#), 3 May 2023; [G/TBT/N/UKR/255](#), 5 May 2023; and [G/TBT/N/UKR/239/Add.1](#), 16 August 2023.

<sup>53</sup> WTO documents [G/TBT/N/UKR/254](#), 5 May 2023; [G/TBT/N/UKR/264](#), 21 July 2023; and [G/TBT/N/UKR/266](#), 15 August 2023.

<sup>54</sup> WTO document [G/TBT/N/UKR/258](#), 31 May 2023.

<sup>55</sup> WTO document [WT/MIN\(22\)31-WT/L/1142](#).

<sup>56</sup> WTO documents [G/AG/R/104](#), 17 January 2023; [G/AG/R/105](#), 10 May 2023; [G/AG/R/106](#), 22 August 2023; and [G/AG/R/107](#), 7 November 2023.

<sup>57</sup> Questions can be accessed through the compilation of questions issued for each CoA meeting under WTO documents [G/AG/W/226](#), 11 November 2022 (21-22 November meeting), [G/AG/W/231](#), 17 March (27-28 March meeting); [G/AG/W/237](#), 16 June (27-28 June meeting); and [G/AG/W/241](#), 15 September 2023 (27-28 September meeting). All questions and answers are available in the Agriculture Information Management System ([AG-IMS](#)).

including cereals (Türkiye's increased import tariffs), livestock (Canada's country-specific allocation for beef and veal TRQ; the Republic of Korea's tariff quotas), and dairy (Australia's SPS measures on dairy imports and Brazil's tariff increase on dairy products), and poultry (Philippines' SSG trigger price for chicken; Nicaragua's information about import quotas; South Africa's poultry TRQ administration; Philippines' calculation methodology for SSG trigger prices; and South Africa's import measures on poultry meat). The remaining SIMs concerned broader market access policies and commitments (the United Kingdom's tariff quota import arrangements; Philippines' inspection and testing of agricultural products; Cameroon's import substitution policy; Congo's import-limiting price measures; and Argentina's currency controls and import licensing rules).

3.97. Measures that potentially limited or restricted exports of foodstuffs were also subject to several specific questions in the Committee during this period. The new SIMs raised during the review period on this area concerned the United Arab Emirates's rice export ban; Tanzania's export restriction on maize; the Russian Federation's export ban on rice; Malaysia's export restriction measure on chickens; Türkiye's export licensing requirement; China's export restrictions on corn starch; Mexico's ban on exports of agricultural products; Morocco's export restriction of chickpea; Mexico's export restriction on white corn; Morocco's export ban on certain vegetables; Tajikistan's export ban on onions and other vegetables; and Türkiye's export ban on onions and potatoes. The main thrust of all these questions was on assessing the consistency of these measures with the relevant WTO rules, ascertaining how the interests of affected importing Members were taken into account and underlining the importance of timely ER notifications to the Committee. In some cases, the concerned Member subject to questions informed the CoA about an adjustment in the scope of the measure, its complete elimination or even denied having applied the export restriction.

3.98. Members continued to express concerns about the European Union deforestation and forest degradation strategy, which has been under discussions in the CoA since July 2020. Two Joint Letters of July 2022 and September 2023<sup>58</sup> by a group of developing WTO Members addressed to the EU Parliament, Council and Commission on this matter were also shared with the Committee.

## Transparency

3.99. Members commenced discussions on the streamlining of notifications and transparency requirements in the area of export competition. In view of a long list of outstanding export subsidy notifications (Table ES:1), and simultaneously a majority of export subsidy notifications merely stating no recourse to such subsidies ("nil" statements), including in the wake of the 2015 Nairobi Export Competition [Decision](#), the Committee<sup>59</sup> decided to allow Members not using export subsidies to fulfil their outstanding export subsidy notifications simply by making an oral announcement to this effect in the CoA. This avenue to announce non-recourse to agricultural export subsidies was used for the first time by six LDCs (Guinea, Haiti, Mauritania, Niger, Sierra Leone and Uganda) at the March 2023 CoA meeting and by Brunei Darussalam, Paraguay and Tanzania at the June 2023 CoA meeting to fulfil their outstanding export subsidy obligations collectively for more than 170 outstanding years.

3.100. In a continuing discussion on the transparency of TRQ administration and fill rates, and as a follow-up to the implementation of the 2013 Bali Ministerial Decision<sup>60</sup> on TRQ administration, the Committee meeting reached agreement<sup>61</sup> in June 2023 on enhanced transparency of TRQ imports in respect of country-specific quota allocations in the Schedule, and committed to review the notification format agreed in WTO document [G/AG/2](#), 30 June 1995, for the reporting of TRQ import arrangements so as to enable WTO Members to include information on the implementation of paragraphs 2 to 5 of the Bali Decision.

## Food security

3.101. Food security has remained high on the agenda of the CoA, especially since the outbreak of the COVID-19 pandemic. Food security is also routinely referred to as a key theme for potential deliverables at MC13. Pursuant to the mandate in paragraph 8 of the Ministerial Declaration on the

<sup>58</sup> WTO documents [G/AG/GEN/213](#), 29 November 2022; and [G/AG/GEN/223/Rev.2](#), 2 October 2023.

<sup>59</sup> WTO document [WT/MIN\(15\)/45](#), [WT/L/980](#), 21 December 2015.

<sup>60</sup> WTO document [WT/MIN\(13\)/39](#), [WT/L/914](#), 11 December 2013.

<sup>61</sup> WTO document [G/AG/36](#), 29 June 2023.



Emergency Response to Food Insecurity<sup>62</sup>, the CoA approved a work programme<sup>63</sup> to consider the food security concerns of LDCs and NFIDCs comprising the following four themes – access to international food markets; financing of food imports; agricultural and production resilience of LDCs and NFIDCs; and horizontal issues, including collaboration with international organizations – and established a Working Group to undertake thematic deliberations. The Working Group aims to finalize its work and propose concrete solutions no later than end-November 2023. The Working Group has met six times and organized dedicated discussions on several elements forming part of the work programme supported by thematic workshops and expert sessions involving international organizations, regional and corporate financial institutions, and farmer organizations. Based on inputs and discussions by WTO Members, the Working Group coordinator released a report in July 2023 containing the possible areas of convergence and recommendations emanating from the work programme.<sup>64</sup> Based on comments on the report and discussions in the Working Group, including on the new submissions, the Working Group coordinator intended to circulate a revised report in the third week of October 2023. A dedicated [webpage](#) includes more details on discussions under the work programme.<sup>65</sup>

### Developments in the context of the war in Ukraine

3.102. References to the war in Ukraine featured routinely in CoA's discussions on food security and under specific matters dealing with trade in grains, where the Russian Federation and Ukraine were the first and fifth largest exporters of wheat globally, accounting together for 25% of global exports of this commodity in 2021.<sup>66</sup> Several Members expressed concerns over the continuing war in Ukraine and its serious impact on global food security. The Russian Federation raised repeatedly the issue of economic and trade sanctions and port restrictions, including by way of written questions or SIMs.

3.103. The following box on the environmental effects of support in agriculture has been contributed by the OECD.

#### Box 3.2 Environmental effects of agricultural support

According to the annual *OECD Agricultural Policy Monitoring and Evaluation Report*, total support to agriculture reached a record high of USD 851 billion per year in 2020-22 across 54 OECD countries and major emerging economies. Most of this support (USD 630 billion per year) is provided directly to producers. The remainder is provided in the form of general services for the sector (USD 106 billion) and support to consumers (USD 115 billion). Much of the support to producers (USD 411 billion per year) takes the form of the potentially most market distorting support. This includes market price support policies which raise domestic commodity prices above relevant reference levels that would pertain in the absence of such policies (such as import barriers); payments based on output; and payments based on the unconstrained use of variable inputs (such as fuel or fertilisers) (OECD, 2023).<sup>a</sup>

In addition to impacts on global markets, different ways of supporting agriculture also have consequences for the environment and natural resource use. Existing agricultural support policies can contribute to increasing greenhouse gas (GHG) emissions and encouraging the unsustainable use of natural resources (OECD, 2022). The potentially most market distorting policies (those listed above, accounting for USD 411 billion per year) are also the potentially most environmentally harmful support policies. This is because they are linked to farmers' production decisions and cannot be easily targeted to those most in need, and they provide incentives for intensified use of inputs, for allocation of land to crops receiving support and for the entry of land into the agricultural sector (Henderson and Lankoski, 2019; Henderson and Lankoski, 2020; Lankoski and Thiem, 2020; DeBoe, 2020). These policies can have negative impacts on water quality and direct agricultural GHG emissions<sup>b</sup>, and negatively affect biodiversity by promoting less diverse agricultural systems (DeBoe, 2020; Henderson and Lankoski, 2019). In particular, payments based on the unconstrained use of variable inputs (USD 67 billion per year in 2020-22) can encourage the excessive use of fertilisers, feed and fuel. Over-application of synthetic fertilisers leads to substantial nutrient surpluses and can cause severe damage to freshwater ecosystems.

Many of these policies also support the production of specific agricultural products. Such support accounted for three fifths of all the support provided to producers, or USD 379 billion per year over 2020-22 (out of total support to producers of USD 630 billion). This can have an impact on agricultural GHG emissions as emission intensities differ across commodities. Support for livestock products, which tend to have high emission

<sup>62</sup> WTO document [WT/MIN\(22\)/28](#), [WT/L/1139](#), 22 June 2022.

<sup>63</sup> WTO document [G/AG/35](#), 22 November 2022.

<sup>64</sup> WTO document [G/AG/GEN/240](#), 19 July 2023.

<sup>65</sup> Viewed at: [https://www.wto.org/english/tratop\\_e/agric\\_e/wrkprog-fsldcs\\_e.htm](https://www.wto.org/english/tratop_e/agric_e/wrkprog-fsldcs_e.htm).

<sup>66</sup> WTO document [G/AG/GEN/204](#), 6 September 2022, para. 5.

intensities, amounted to USD 123 billion per year over 2020-22. Rice, a significant source of methane emissions and the most emission-intensive staple crop, received USD 46 billion per year in support.

Other types of support policies can also impact the environment. Payments based on current land area create incentives to expand cropping areas and maintain marginal lands in production, but do not incentivise higher input intensities on that land. Payments based on animal numbers without constraints will generally result in increased livestock numbers, either through increased stocking densities or increased area, and in either case are likely to cause negative environmental effects (DeBoe, 2020).

Payments based on non-current area, animal numbers, receipts or income (e.g. payments based on historical entitlements) are among the least environmentally harmful support policies (Henderson and Lankoski, 2019). These measures allow farmers to follow market signals in their production decisions, and in some cases, production is not required for farmers to receive support payments. However, by supplementing farmer incomes and making agriculture more profitable relative to other land uses, such payments could still stifle structural change and hinder the conversion of agricultural land to more sustainable land uses. Ultimately, the environmental impact of these payments depends on the type and effectiveness of mandatory environmental conditions and requirements (cross compliance) that accompany them (DeBoe, 2020).

Agricultural policies can also be specifically designed to generate positive environmental outcomes, by paying farmers for providing environmental goods and services such as carbon sequestration, preservation of rural landscapes, resilience to natural disasters, pollination, habitat provision, and control of invasive species. However, just USD 1.6 billion of the USD 297 billion per year of budgetary payments to producers in 2020-22 was linked clearly to the provision of environmental public goods (i.e. payments based on specific non-commodity outputs).

More broadly, of the USD 851 billion in total support to agriculture over 2020-22, only USD 106 billion went to general services for the sector, such as innovation, biosecurity and infrastructure. Of this, only USD 24 billion per year went to R&D and innovation, which is critical for ensuring sustainable productivity growth in the sector. Sustainable productivity growth in turn is essential if the sector is to meet the triple challenge of providing adequate, affordable, safe and nutritious food for a growing global population, providing livelihoods all along the food chain, and doing so while increasing the environmental sustainability of the sector.

- a At the same time, some emerging economies implemented policies reducing domestic prices for some or most agricultural commodities below reference levels, thus implicitly taxing producers of these products. These negative transfers averaged USD 179 billion per year in 2020-22.
- b The most distorting policies are expected to raise GHG emissions at the national level. However global effects may differ in the case of market price support (MPS); the relocation of production due to reforms could slightly increase global GHG emissions due to land use changes. A global elimination of MPS could continue to deliver important benefits to consumers, without increasing global GHG emissions from land use change, if implemented alongside an effective ban on deforestation (Guerrero et al. 2022).

Source: DeBoe, G. (2020), "Impacts of agricultural policies on productivity and sustainability performance in agriculture: A literature review", *OECD Food, Agriculture and Fisheries Papers*, No. 141, OECD Publishing, Paris, <http://dx.doi.org/10.1787/6bc916e7-en>. Guerrero, S., et al. (2022), "The impacts of agricultural trade and support policy reform on climate change adaptation and environmental performance: A model-based analysis", *OECD Food, Agriculture and Fisheries Papers*, No. 180, OECD Publishing, Paris, <https://doi.org/10.1787/520dd70d-en>. Henderson, B. and J. Lankoski (2020), "Assessing the Environmental Impacts of Agricultural Policies", *Applied Economic Perspectives and Policy*, pp. 1-16, <https://doi.org/10.1002/aep.13081>. Henderson, B. and J. Lankoski (2019), "Evaluating the environmental impact of agricultural policies", *OECD Food, Agriculture and Fisheries Papers*, No. 130, OECD Publishing, Paris, <http://dx.doi.org/10.1787/add0f27c-en>. Lankoski, J. and A. Thiem (2020), "Linkages between agricultural policies, productivity and environmental sustainability", *Ecological Economics*, Vol. 178, <https://doi.org/10.1016/j.ecolecon.2020.106809>. OECD (2023), *Agricultural Policy Monitoring and Evaluation 2022: Adapting Agriculture to Climate Change*, OECD Publishing, Paris, <https://doi.org/10.1787/b14de474-en>. OECD (2022), *Agricultural Policy Monitoring and Evaluation 2022: Reforming Agricultural Policies for Climate Change Mitigation*, OECD Publishing, Paris, <https://doi.org/10.1787/7f4542bf-en>. OECD (2021), *Agricultural Policy Monitoring and Evaluation 2021: Addressing the Challenges Facing Food Systems*, OECD Publishing, Paris, <https://doi.org/10.1787/2d810e01-en>.

Source: OECD.

### 3.6 General economic support

3.104. At the 27 July 2023 informal TPRB meeting dedicated to discussing the Director-General's Report on Trade-Related Developments, WTO Members engaged in a constructive exchange of views. Several highlighted the increasing number new general economic support measures introduced by governments, and some indicated the importance of reporting these measures to the Trade Monitoring Exercise. Members also took note of the decline in the number of new COVID-19-related general economic support by WTO Members during the period under review.



3.105. Since the early stages of the COVID-19 pandemic, the online list of support measures taken by WTO Members and Observers in response to the pandemic has been updated regularly by the WTO Secretariat.<sup>67</sup> It aims to provide an informal and factual situation report and to enhance transparency around support measures taken in response to the pandemic. The list includes only information and measures communicated by delegations directly to the WTO Trade Monitoring Section and only in the original language of the submission.

3.106. Since the creation of the Trade Monitoring Exercise in late 2008, the Trade Monitoring Reports had included a separate Annex on general economic support measures introduced by governments during the period under review. However, since July 2017, the Reports have not included this separate Annex, partly due to the low response rate of WTO Members to the request for information on such measures, and partly because such an Annex was biased against those Members that traditionally share and publish detailed information on such policies. Although discussions among delegations have addressed this issue with several emphasizing the need to preserve and strengthen transparency through the Trade Monitoring Exercise, the response rate to the general economic support information remains low.

3.107. The Trade Monitoring Exercise does not make any judgement as to the WTO-compatibility of any of the measures referred to in this Section. While it is possible that these measures, whether taken as part of an overall commercial strategy or as part of the emergency response to the COVID-19 pandemic, may affect trade in some way, it is often difficult to conclude that they restrict or facilitate trade (and by how much), or that they distort competition. Nevertheless, providing a brief overview of such measures taken during the review period represents an important element of transparency regarding developments that impact the international trading system.

3.108. Recent studies emphasize that phasing out environmentally harmful subsidies would make a major contribution to slowing climate change and increasing government revenues while supporting the achievement of environmental policy goals (see e.g. Box 3.2 above). According to the International Energy Agency's (IEA) World Energy Investment 2023 report, global investment in clean energy will reach USD 1.7 trillion in 2023<sup>68</sup> and will significantly outpace spending on fossil fuels. At the same time, fossil fuel subsidies have surged to a record USD 7 trillion in 2022 according to the IMF<sup>69</sup>, as governments supported consumers and businesses during the global spike in energy prices caused by the war in Ukraine and the economic recovery from the pandemic. Other publications indicate that subsidies and support measures have proliferated, especially in G20 economies where a significant number of subsidies to import-competing firms appear to have been introduced in 2023.<sup>70</sup> In addition, sectoral support has also risen in response to the different recent crises.<sup>71</sup> Although the proliferation of subsidies and support programmes could lead to an increase of countervailing measures, this trend has not yet materialized according to the latest numbers.

### **Regular economic support measures (not related to COVID-19)**

3.109. In response to the Director-General's 10 March and 4 September 2023 requests for information for this Trade Monitoring Report, 44 WTO Members<sup>72</sup> volunteered information on 233 regular general economic support measures unrelated to the COVID-19 pandemic. The Secretariat's

<sup>67</sup> WTO, *COVID-19: Support Measures*. Viewed at:

[https://www.wto.org/english/tratop\\_e/covid19\\_e/trade\\_related\\_support\\_measures\\_e.htm](https://www.wto.org/english/tratop_e/covid19_e/trade_related_support_measures_e.htm).

<sup>68</sup> IEA (2023), *World Energy Investment 2023*. Viewed at: <https://www.iea.org/news/clean-energy-investment-is-extending-its-lead-over-fossil-fuels-boosted-by-energy-security-strengths>.

<sup>69</sup> IMF (2023) *Fossil Fuel Subsidies Data*. Viewed at: <https://www.imf.org/en/Publications/WP/Issues/2023/08/22/IMF-Fossil-Fuel-Subsidies-Data-2023-Update-537281>.

<sup>70</sup> GTA (2023), *G20 Trade Policy Factbook*, 5 September 2023. Viewed at: <https://www.globaltradealert.org/reports/119>.

<sup>71</sup> OECD (2022) "Support to agriculture has risen in response to global crises, while reforms to combat climate change and market distortions remain essential", 23 June. Viewed at: <https://www.oecd.org/agriculture/support-to-agriculture-has-risen-in-response-to-global-crises-while-reforms-to-combat-climate-change-and-market-distortions-remain-essential.htm>.

<sup>72</sup> Albania; Colombia; Costa Rica; European Union (counting the EU-27 and its member States separately); Hong Kong, China; Indonesia; Jamaica; Mauritius; Mongolia; Montenegro; Mozambique; the Kingdom of Saudi Arabia; South Africa; Switzerland; Thailand; Türkiye and United Kingdom.

own research suggests that during the review period multiple other support measures with potentially important implications for trade were implemented by WTO Members.

3.110. According to the regular support measures communicated by WTO Members and those identified by the Secretariat, the number of new support measures introduced by governments has increased significantly (an almost 5-fold increase) during the review period. Most measures were environmental impact reduction programmes, including renewable-energy production schemes through new technologies, support for energy efficiency and decarbonization, programmes to tackle methane emissions, and support for solar photovoltaic systems. Other measures included credits to energy firms, schemes to compensate companies for higher electricity prices and investments to expand productive capacities by reducing environmental impacts.

3.111. Several measures were introduced to support farmers and the agricultural sector, including support for crop prices and food production plans, and aid schemes to support the livestock sector and other specific agricultural sectors, such as wheat, barley, and olive oil. Many measures were linked to the effects of the war in Ukraine. Incentives were also provided for the use of technologies to increase agricultural productivity, grants to support agri-food companies and general programmes for the development of bio-agriculture. Other support measures implemented during the review period targeted tourism, aviation, and transport. Certain measures also included support to cope with inflation, fiscal incentives, investments to promote innovation and digital development, funds and incentives for electric and autonomous vehicles, support to high-tech strategic industries, including on semiconductors, secondary batteries, or biotech. Several of these economic support measures were introduced as multi-year programmes, others were one-off grants or aid schemes.

#### **COVID-19-related economic support measures**

3.112. In response to Director-General's requests for information, 10 Members<sup>73</sup> volunteered information on 39 COVID-19-related support measures to the Secretariat, mainly related to extensions, renewals, or terminations of measures. The number of pandemic-related support measures introduced by governments during this review period remained low and significantly below the levels observed in the second, third and fourth quarters of 2020.

3.113. Since the outbreak of the pandemic, at least 1,801 COVID-19-related economic support measures have been put in place by 113 WTO Members and 7 Observers.<sup>74</sup> Of these, by mid-October 2023, 1,156 (64%) had been communicated directly to the WTO Secretariat. More than half of these measures (58.2%) were introduced by G20 economies. The number of COVID-19-related support measures put in place since the beginning of the pandemic far exceeded the activity seen in the wake of the global financial crisis of 2008-09.

3.114. Governments followed diverse approaches in introducing pandemic-related support to their economies. Measures came in the form of grants, loans or stimulus packages targeting sectors of the economy heavily impacted by the pandemic as well as fiscal and financial measures to support businesses and MSMEs and broader stimulus packages. Another set of support measures in response to the COVID-19 pandemic included various interventions by Central Banks.

3.115. The COVID-19-related support measures generally appeared to be of a temporary nature. However, information about the time span of a measure, including its termination, is often not easily available as specific legislative acts rolling back support programmes entirely or partially are not regularly displayed on governmental websites, announced in the press, or communicated to the Secretariat. Therefore, providing an accurate number of terminated measures remains a difficult task.

#### **Developments in the context of the food crisis, the energy crisis, and the conflict in Ukraine**

3.116. The current review period saw several general economic support measures in response to the continuing interlinked crises in the energy and food sectors and because of surging inflation. Measures included support to specific industries and businesses to compensate for increased costs

<sup>73</sup> Cambodia; Chile; Hong Kong, China; Macao, China; Mongolia; Montenegro; Myanmar; Kingdom of Saudi Arabia; Thailand and the United Kingdom.

<sup>74</sup> Azerbaijan, Belarus, Equatorial Guinea, Ethiopia, Iraq, Lebanon, and Serbia.

in the production of agricultural, food and energy products and assistance to whole sectors of the economy (agriculture, food, feed and fertilizers, livestock, transport, and energy) directly affected by the multiple crises. The various impacts felt because of the war in Ukraine, the food crisis and climate-related events continued to weigh heavily on the global economy and governments responded with a range of measures that may affect trade directly or indirectly. Several WTO Members have referred to the importance of monitoring such measures, especially in the context of a crisis.

### 3.7 Other selected trade policy issues

3.117. This Section provides a brief overview of other trade policy issues where important developments took place during the review period.

#### Discussions at the General Council of developments in relation to COVID-19, the war in Ukraine and the food crisis

3.118. The General Council has seen WTO Members engage on COVID-19-related matters and the food crisis on several occasions during the review period. Delegations have also referred to the war between the Russian Federation and Ukraine as part of their statements under various agenda items.<sup>75</sup> At the request of the Russian Federation, the item entitled "Unilateral Trade-Restrictive Measures of Certain WTO Members - Statement by the Russian Federation" was taken up at the General Council in 6-7 March 2023.<sup>76</sup> Canada and Australia circulated addenda to their respective communications<sup>77</sup> concerning trade measures they have taken against imports from the Russian Federation.

3.119. Pursuant to paragraph 8 of the Ministerial Decision on the TRIPS Agreement<sup>78</sup>, Ministers had decided that "No later than six months from the date of this Decision, Members will decide on its extension to cover the production and supply of COVID-19 diagnostics and therapeutics." In December 2022, the General Council agreed to the recommendation as put forward by the TRIPS Council to extend the deadline, and the General Council agreed to revert to the matter of the duration of such deadline at its next meeting. An understanding emerged at the General Council meeting in March 2023 that (i) this issue - of the duration of the deadline - will remain on the General Council agenda; (ii) Members will provide an update on where they stand with their internal processes; and (iii) substantive discussions will continue in the TRIPS Council "on its extension to cover the production and supply of COVID-19 diagnostics and therapeutics".<sup>79</sup> This matter was discussed at the November meeting of the General Council. Pursuant to paragraph 6, the General Council undertook the annual review of this decision at its regular session in July 2023.

3.120. Building on paragraphs 23-24 of the Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics<sup>80</sup>, the African Group presented a communication<sup>81</sup> requesting the General Council to call on the relevant WTO bodies to identify issues and develop a work programme in line with this Declaration. Likewise, India presented papers related to the expansion of telemedicine during the pandemic<sup>82</sup> and how to have the pooling of healthcare resources in case of pandemics or natural disasters.<sup>83</sup> The General Council Chairperson has also updated Members on pandemic response and preparedness work.<sup>84</sup> Pursuant to paragraph 24, the

<sup>75</sup> WTO documents [WT/GC/M/202](#), 2 March 2023; [WT/GC/M/203](#), 25 May 2023; [WT/GC/M/204](#), 23 June 2023; and [WT/GC/M/205](#), 2 October 2023.

<sup>76</sup> WTO document [WT/GC/M/203](#), 25 May 2023.

<sup>77</sup> WTO documents [WT/L/1131/Add.1](#), 6 February 2023; and [WT/L/1134/Add.1](#), 14 April 2023 and Add.2, 6 October 2023.

<sup>78</sup> The MC12 Ministerial Decision on the TRIPS Agreement of 17 June 2022 can be found in WTO document [WT/MIN\(22\)/30](#), [WT/L/1141](#), 22 June 2022.

<sup>79</sup> WTO documents [WT/GC/M/202](#), 2 March 2023; [WT/GC/M/203](#), 25 May 2023; and [WT/GC/M/204](#), 23 June 2023.

<sup>80</sup> WTO document [WT/MIN\(22\)/31](#), [WT/L/1142](#), 22 June 2022.

<sup>81</sup> "Implementation of the Ministerial Declaration on the WTO Response to the Pandemic and Preparedness for Future Pandemics" (WT/GC/W/858, 9 December 2022).

<sup>82</sup> "Role of Telemedicine Services in Response to the Pandemic" (WTO documents [WT/GC/W/866](#) - [S/C/W/426](#), 24 February 2023).

<sup>83</sup> "Building a Pool of Health Professionals to Respond Effectively to Pandemics/Natural Disasters" (WTO documents WT/GC/W/867 - [S/C/W/427](#), 24 February 2023).

<sup>84</sup> WTO documents [WT/GC/M/202](#), 2 March 2023; [WT/GC/M/203](#), 25 May 2023; and [WT/GC/M/204](#), 23 June 2023.

first stocktaking exercise of the work by WTO bodies took place at the regular session of the General Council in July 2023 – with Members sharing their views on the matter.<sup>85</sup>

3.121. Members have discussed the food crisis within the context of MC13 preparations and the implementation of the Ministerial Declaration on the Emergency Response to Food Insecurity<sup>86</sup>, where the General Council Chairperson provided updates on work that is ongoing in relevant bodies such as the CoA.<sup>87</sup> During these discussions, reference was made to the Black Sea Grain Initiative and a call was made for a "food security and livelihood package" at MC13. At the request of Argentina, the Plurinational State of Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Panama, Paraguay, Peru, and Uruguay, discussion took place on the communication entitled "Food Security through Agricultural Reform: Towards Agriculture Outcomes at the 13th Ministerial Conference"<sup>88</sup> during the regular session of the General Council in July 2023. In particular, the co-sponsors underscored, the importance of agriculture reform negotiations under Article 20 of the AoA to ensure food security.<sup>89</sup> A session on "Agriculture including Food Security" was held at the Senior Officials Meeting on 23-24 October 2023.<sup>90</sup>

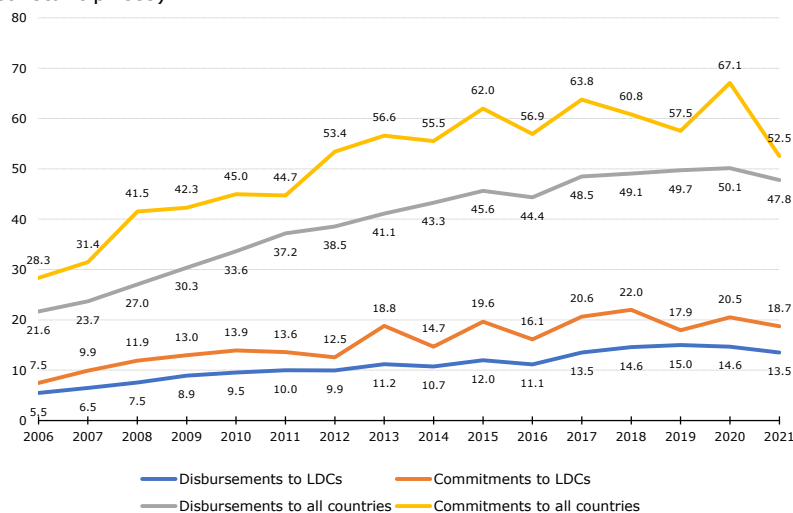
3.122. At the General Council meeting on 1 November, under Other Business, statements were made concerning the European Deforestation Regulation (EUDR).

### Aid for Trade

3.123. The Aid-for-Trade (Aft) initiative was launched at 2005 Ministerial Conference. The recent trends in Aft flows, show that Aft disbursements totalled USD 47.8 billion in 2021, down 4.7% from the previous year but up 120.5% since the launch of the Initiative (Chart 3.16). Economic infrastructure accounted for 49% of total Aft support, with 48% going to building productive capacity and 3% to trade policy and regulations. Africa and Asia remained the largest beneficiaries (Chart 3.17).

### Chart 3.16 Aid-for-Trade commitments and disbursements by income group

(USD billion, 2021 constant prices)



Source: OECD-CRS (Creditor Reporting System).

<sup>85</sup> WTO documents [WT/GC/M/205](#), 2 October 2023; and [JOB/GC/352](#), 25 July 2023.

<sup>86</sup> WTO document [WT/MIN\(22\)/28](#), [WT/L/1139](#), 22 June 2022.

<sup>87</sup> WTO documents [WT/GC/M/203](#), 25 May 2023; [WT/GC/M/204](#), 23 June 2023; and [WT/GC/M/205](#), 2 October 2023.

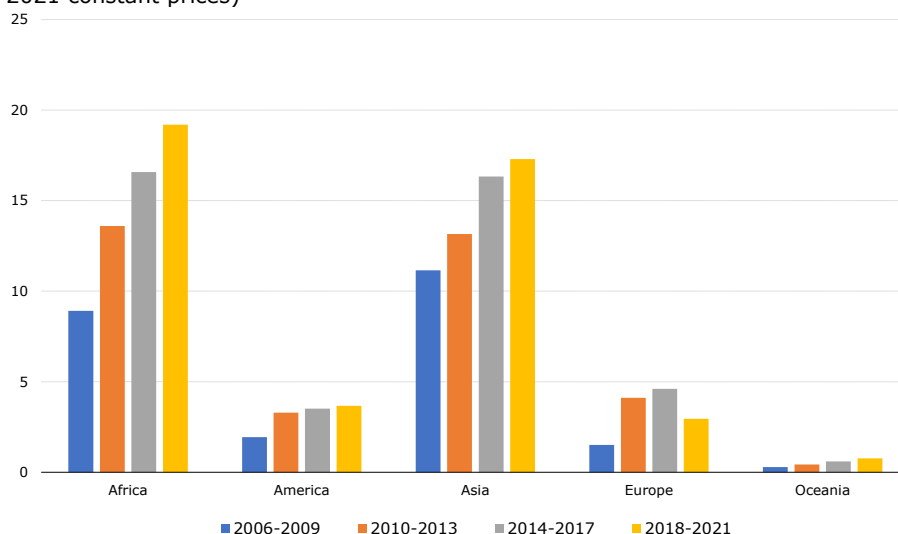
<sup>88</sup> WTO document [WT/GC/W/893](#), 13 July 2023.

<sup>89</sup> WTO document [WT/GC/M/205](#), 2 October 2023.

<sup>90</sup> WTO documents [JOB/GC/358](#) - [JOB/TNC/114](#), 11 October 2023; and [JOB/GC/357](#) - [JOB/TNC/113](#), 11 October 2023.

**Chart 3.17 Aid-for-Trade disbursements by continent**

(USD billion, 2021 constant prices)



Source: OECD-CRS (Creditor Reporting System).

3.124. In addition to monitoring Aft flows, the WTO and OECD Secretariats are launching a new Aft Monitoring and Evaluation (M&E) exercise. The exercise has four primary objectives: (i) gathering information on the evolving supply side and trade-related infrastructure constraints faced by developing countries, with a particular focus on the LDCs; (ii) understanding the provision of Aid-for-Trade support by development partners and how this support aligns with the priority needs of developing countries; (iii) assessing the impact and outcomes of Aft support; and (iv) identifying and addressing the future needs of Aft support. It also seeks to promote policy coherence by examining how trade is integrated into national strategies, with a focus on how it can contribute to critical thematic areas for developing countries, such as food security, sustainable development, and digital connectivity. This M&E exercise is a key input deliverable for the 9th Global Review of Aid for Trade scheduled for 26-28 June 2024. The Global Review forms the centrepiece of the 2023-2024 Aft Work Programme, themed "Partnerships for Mainstreaming Trade".

### Committee on Import Licensing

3.125. At the 31 October 2023 meeting of the Committee on Import Licensing<sup>91</sup>, nine recurring and one new trade concerns were raised. Four concerns were raised regarding Indonesia's Commodity Balancing Mechanism, import licensing regime for certain textile products, compulsory registration by importer of steel products, and import restrictions on air conditioners. Additionally, Members expressed concerns regarding Angola's import licensing requirements, Dominican Republic's new import licensing system, Egypt's import licensing requirements for certain agricultural and processed products, India's importation of pneumatic tyres, and Thailand's importation of wheat feed. Furthermore, a new concern was raised regarding India's import licensing measures on PCs, tablets, and other electronic products.

### Committee on Market Access

3.126. At the 18-19 October 2022 meeting<sup>92</sup> of the Committee on Market Access (CMA), 34 trade concerns were raised, of which 17 were new. The new trade concerns covered a broad range of trade policy measures, such as (i) unilateral measures adopted by Members in response to the war in Ukraine; (ii) unilateral environmental measures with a trade impact; (iii) alleged inconsistency with specific WTO Agreements (Anti-Dumping Agreement, TRIMS); (iv) market access prohibitions for 5G equipment; (v) internal measures on some food products; and (vi) tariff and non-tariff measures on a wide range of products.

<sup>91</sup> WTO document [G/LIC/M/57](#) (forthcoming).

<sup>92</sup> WTO document [G/MA/M/77](#), 28 March 2023.

3.127. Concerns were raised on measures by Angola (1); Australia (2); Canada (1); China (3); Dominican Republic (1); Egypt (1); the European Union (5); India (5); Indonesia (2); Mexico (1); Nepal (1); Peru (1); the Philippines (1); Sri Lanka (1); Chinese Taipei (1); the United States (4); and Viet Nam (1). One concern was also raised on a measure adopted by the following Members as a group: the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the United Arab Emirates, the State of Kuwait, Oman, and Qatar; and one concern on measures implemented by Australia, Canada, the European Union, Japan, New Zealand, Switzerland, the United Kingdom, and the United States.

3.128. At the formal CMA meetings of 26-27 April<sup>93</sup> and 16-17 October 2023<sup>94</sup>, the Committee continued to consider an increasing number of trade concerns. A total of 36 trade concerns were raised in 2023, of which 12 were new as compared to 2022. A growing number of concerns related to increased political tensions and/or unilateral environmental measures. Trade concerns covered measures by Angola (1); Australia (2); Canada (1); China (4); Dominican Republic (1); the European Union (4); India (7); Indonesia (2); Mexico (1); Nepal (1); Peru (1); Sri Lanka (1); Thailand (1); Chinese Taipei (1); Türkiye (1); and the United States (4). One concern was also raised on a measure adopted by the following Members as a group: the Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, the State of Kuwait, Oman, and Qatar; on one measure implemented by China; Hong Kong, China; and Macao, China; and one measure adopted by Japan the Netherlands and the United States.

3.129. During the review period, the CMA took note of three QR notifications from Australia (WTO document [G/MA/QR/N/AUS/6/ADD.1](#), 27 April 2023), the United Kingdom (WTO document [G/MA/QR/N/GBR/2/ADD.2](#), 12 June 2023), and the United States (WTO document [G/MA/QR/N/USA/6](#), 10 October 2022), which contained import and/or export restrictions and prohibitions against the Russian Federation on the grounds of national security. The Committee also considered four QR notifications from Ukraine on export restrictions on sugar products, coking coal and fuel oil (WTO documents [G/MA/QR/N/UKR/6/ADD.5](#), 8 May 2023; [G/MA/QR/N/UKR/6/ADD.6](#), 8 June 2023; [G/MA/QR/N/UKR/6/ADD.7](#), 20 July 2023; and [G/MA/QR/N/UKR/6/ADD.8](#), 25 September 2023). Eight Members (Australia, Canada, the European Union, Japan, the Republic of Korea, Switzerland, the United States and the United Kingdom) took the floor to express support for Ukraine. The Russian Federation took the floor twice and recalled the Terms of Reference of the CMA.

### Council for Trade in Goods

3.130. At the 24-25 November 2022 meeting<sup>95</sup> of the Council for Trade in Goods (CTG), 45 trade concerns were raised, the highest number of trade concerns ever raised at a single meeting of the CTG. This number has more than doubled since 2019. Concerns were raised on measures by Australia (2); China (7); Egypt (2); the European Union (11); India (4); Indonesia (2); Mexico (1); Nigeria (1); Pakistan (1); Panama (1) and the Philippines (1). One concern was also raised by the following Members as a group: the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the United Arab Emirates, the State of Kuwait, Oman, and Qatar; and on one measure implemented by Australia, Canada, the European Union, Japan, New Zealand, Switzerland, the United Kingdom, and the United States. Concerns were also raised on measures by the United Kingdom (2); the United States (7); and Viet Nam (1). Of the 45 trade concerns, 9 related to political tensions between China and the United States, and 7 to unilateral environmental measures with a trade impact.

3.131. At the 3-4 April 2023 CTG meeting<sup>96</sup>, 41 trade concerns were raised, most related to increased political tensions and/or unilateral environmental measures. Trade concerns concerned measures by Australia (1), China (7), Egypt (2), the European Union (9), India (5), Indonesia (2), Mexico (1), Nepal (1), Pakistan (1), Panama (1), the United Kingdom (2), the United States (7) and on one measure implemented by the following Members as a group: Australia, Canada, the European Union, Japan, New Zealand, Switzerland, the United Kingdom, and the United States.

<sup>93</sup> WTO document [G/MA/M/78](#), 15 September 2023.

<sup>94</sup> WTO document [G/MA/M/79](#), (forthcoming).

<sup>95</sup> WTO document [G/C/M/144](#), 10 March 2023.

<sup>96</sup> WTO document [G/C/M/145](#), 22 May 2023.



A concern was also raised by the following Members as a group: the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the United Arab Emirates, the State of Kuwait, Oman, and Qatar.

3.132. At the 6-7 July 2023 CTG meeting<sup>97</sup>, 37 trade concerns were raised, all of which had been previously raised and related to increased political tensions and/or unilateral environmental measures.

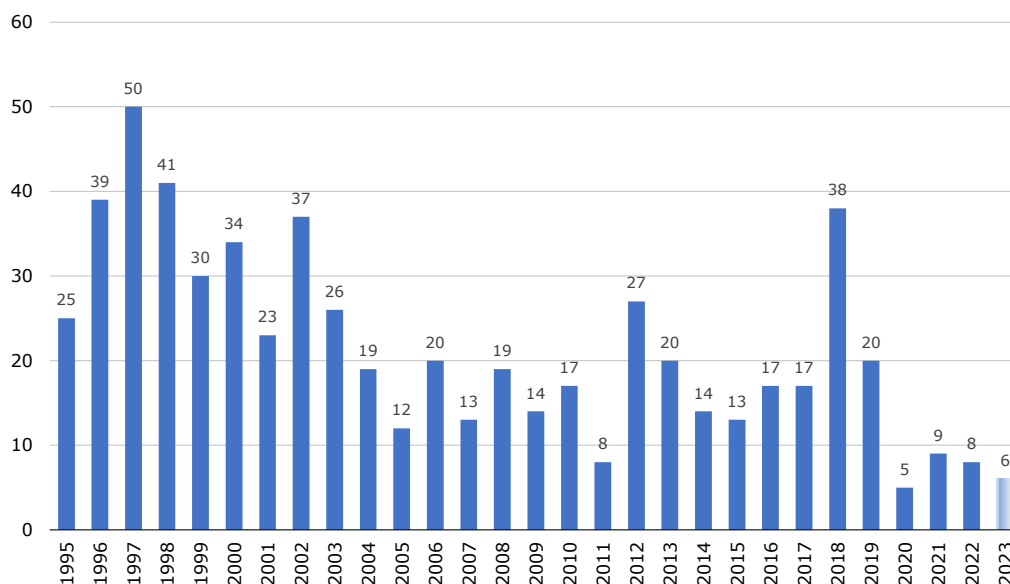
### Dispute settlement

3.133. Measures taken by a WTO Member can be the subject of dispute settlement proceedings when another Member believes that such measures violate an agreement, or a commitment made in the WTO.<sup>98</sup> As shown in Chart 3.18, the number of disputes initiated has fluctuated over the years with a significant slowdown since 2019. Between October 2022 and October 2023 (the review period), Members initiated seven new disputes, six of which were filed between January and October 2023. In addition, the WTO dispute settlement system continued to deal with proceedings that were initiated between 2018 and early 2022. At the end of September 2023, panel proceedings in 13 disputes and 1 arbitration under Article 22.6 of the Dispute Settlement Understanding (DSU) on the level of suspension of concessions or other obligations were ongoing.

3.134. The subject matter of the new disputes initiated during the review period spanned a range of issues covered under the GATT 1994, the GATS, the TRIPS Agreement, the Agreement on Agriculture, the TRIMS Agreement, the Anti-Dumping Agreement, and the SCM Agreement. As in previous years, both developed and developing Members were involved in dispute settlement proceedings, as complainants, respondents, or third parties.

3.135. During the review period, panels circulated reports in 15 disputes. In nine of these disputes, the panel reports were appealed. Currently, these appeals cannot be considered, as in the absence of consensus among WTO Members to launch the selection process for Appellate Body members, all seven positions on the Appellate Body remain vacant.

**Chart 3.18 Disputes initiated, 1995 to September 2023**



Note: Data for 2023 cover January to September.

Source: WTO Secretariat.

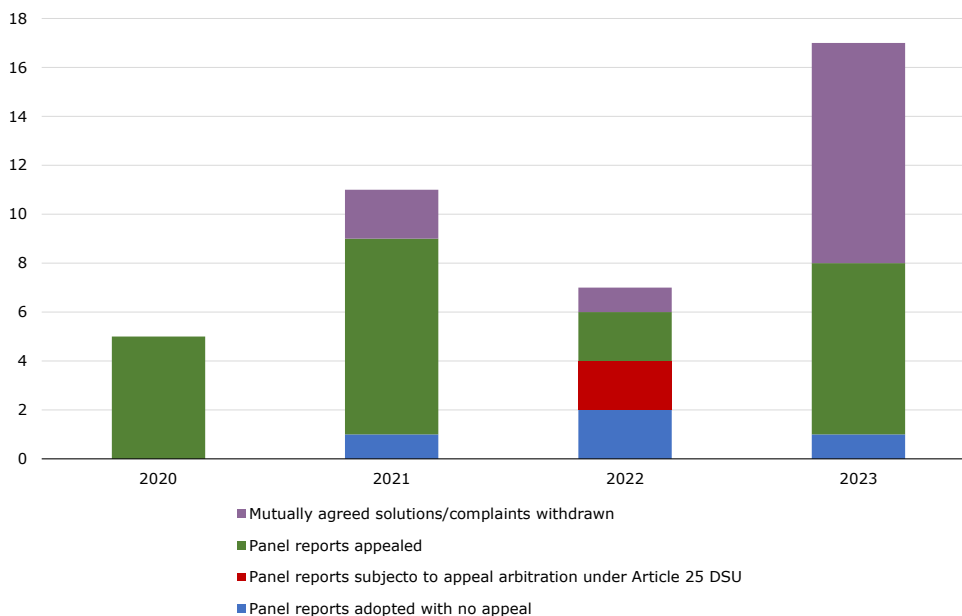
3.136. In the absence of a functioning Appellate Body, WTO Members have resorted to other means to ensure effective resolution of disputes. Since the beginning of 2020, parties to 13 disputes have

<sup>97</sup> WTO document [G/C/M/146](#), 17 September 2023.

<sup>98</sup> Measures can also be challenged through dispute settlement proceedings if they nullify or impair benefits accruing to a Member under a WTO agreement, even without a violation.

agreed to an alternative appeal mechanism based on arbitration proceedings under Article 25 of the DSU. One such appeal arbitration award was issued during the review period. In addition, during the same period, the Dispute Settlement Body (DSB) adopted panel reports in two disputes as none of the parties opted to appeal them. Finally, in eight disputes, Members reached mutually agreed solutions that were notified to the DSB during the review period (Chart 3.19).

**Chart 3.19 Outcomes of panel proceedings, 2020 to September 2023**



Note: Data for 2023 cover January to September.

Source: WTO Secretariat.

### Electronic commerce

3.137. Work under the Work Programme on e-commerce has intensified pursuant to the MC12 Decision, which called for the reinvigoration of the Work Programme with particular emphasis on its development dimension. The Decision also requested Members to intensify discussions on the scope, definition, and impact of the moratorium. Pursuant to that Decision, from January until September 2023, eight dedicated discussions were held during which Members shared national and regional experiences on several identified topics. The focus of the dedicated discussions was specifically on consumer protection; digital divide; legal and regulatory frameworks; the moratorium on the imposition of customs duties on electronic transmissions; digital trade facilitation and facilitation of electronic transactions; digital industrialization; and e-commerce related technology transfer.

3.138. Two of the dedicated discussions focused on the moratorium. Several delegations have circulated submissions as inputs to the dedicated discussions. In sharing views on what the WTO could do in these areas either on its own or in coordination with other organizations, many have highlighted the need for the WTO to use its convening power to bring together relevant intergovernmental organizations (IGOs) working on e-commerce matters. In that regard, a workshop with IGOs was held on 1 and 2 June 2023 and focused on issues discussed in the first quarter of the year, i.e. consumer protection, digital divide, the moratorium, and legal and regulatory frameworks. The E-commerce Work Programme and Moratorium have also been discussed in all regular sessions of the General Council and the facilitator has made regular reports. In terms of the way forward, thematic sessions were concluded in September. From October, the discussions will focus on identifying areas of convergence that could enable Members to develop possible outcomes and recommendations for MC13 with respect to the Work Programme and the moratorium.

3.139. Under the Joint Statement Initiative on E-commerce, the now 89 participants are accelerating work towards a substantial conclusion by the end of 2023. In that regard, there has been re-engagement on core issues, some of which had not been discussed for some time, including



data flows and data localization, source code, and development. A revised consolidated text was issued in August 2023 reflecting progress made. To date, participants have reached convergence on 12 articles, including open government data, consumer protection, spam, e-signatures and e authentication, e-contracts, transparency, cybersecurity, open Internet access, paperless trading, electronic transactions frameworks, e-invoicing, and single windows. Small group discussions are active on privacy, data flows and data localization, Information, Communications, and Technology (ICT) products that use cryptography, telecommunications, development, and source code.

3.140. The following box on the implications of regulatory differences for digital trade has been contributed by the Digital Policy Alert (DPA).

### Box 3.3 The implications of regulatory differences for digital trade: A global perspective

Digital goods and services are important contributors to the post-pandemic recovery and to long-term growth. However, certain domestic regulatory choices impair the digital economy's potential by contributing to the fragmentation of the global internet. Restrictions on cross-border data flows and localisation requirements are held by some as roadblocks to digital trade. This emergent regulatory heterogeneity contributes to digital fragmentation.

Domestic regulatory choices can have cross-border spillovers as exporters of digital goods and services must comply with multiple regulatory regimes. Significant misalignment between regulatory environments influences market entry or exit decisions and reduces digital trade. To square the right to regulate with maximal international openness, regulators aim to build "interoperability" bridges between distinct domestic regulatory environments. The intensifying regulatory activity around the digital economy worldwide raises the need for a common factual base to understand regulatory differences and to develop alignment processes that advance interoperability.

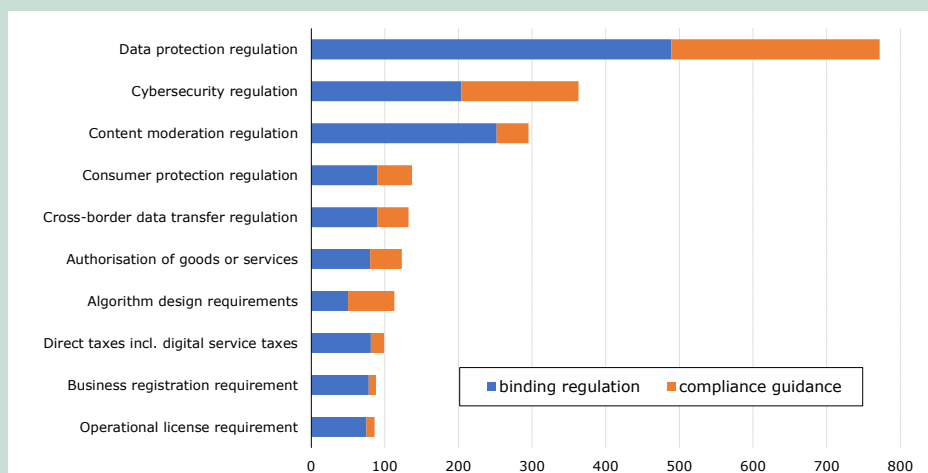
The Digital Policy Alert (DPA), by systematically tracking governmental websites for regulatory activity affecting the digital economy, has created a [publicly available inventory](#) that includes documents over 4,500 legislative or regulatory developments since 1 January 2020. The DPA monitors binding regulation, compliance guidance, and enforcement actions with a focus on just under 50 of the world's largest economies. To create a comprehensive description of the regulatory environment, the DPA collection covers all government branches, an extensive range of policy areas including data governance, content moderation, competition and taxation affecting the digital economy. Daily updates facilitate early stakeholder engagement as the DPA tracks regulatory developments across their entire lifecycle, starting as soon as the first official drafts become available.

In terms of discriminatory measures, the DPA database records 51 public procurement access restrictions related to digital goods and services, including business software and recreational applications. Since 1 January 2020, 31 new data localisation requirements have been recorded, adding to a legacy stock of such obligations. Similarly frequent are local operation mandates, including content moderation or data privacy contact points. Furthermore, over a dozen distinct local content stipulations mandating quotas for domestically produced media or investment obligations in local content production were identified.

Discriminatory measures are not limited to data	Instances since 1 January 2020
Public procurement measures	51
Data localisation requirements	31
Local operation requirements	27
Local content requirements	11
Investment in local content obligations	5

On non-discriminatory measures, data protection regulation is the most frequently deployed policy instrument recorded since 1 January 2020. Out of the 772 measures recorded, 489 are binding regulations and 283 compliance guidance documents. The high priority assigned to protecting personal data is further illustrated by the frequency of measures mandating cybersecurity requirements (363) as well as conditions for cross-border data transfers (132). Online safety is a second salient policy objective: 295 measures demand online content moderation, while 137 measures require the protection of online consumers. Thirdly, governments emphasise the formalisation of digital business operations, as evidenced by the frequency of business registration requirements (88) and operational licence requirements (86). Governmental authorisation requirements for specific goods and services are even more common (123). Novel algorithm design rules accompany the recent rise of artificial intelligence (AI) systems. Notably, of the total 113 measures, over half are compliance guidance documents, suggesting that governments approach this novel regulatory object with caution.

### New regulatory measures and compliance guidance by policy instrument



Source: Digital Policy Alert, 21 October 2023.

The regulatory landscape is evolving at varying speeds across different sectors. While a significant portion of recent policy advancements apply to all sectors (915), certain state measures affect distinct segments of the digital economy. User-generated content platforms are subject to 396 new measures, encompassing content moderation mandates, particular data protection obligations, and provisions for minor safety. Digital payment providers are navigating 257 regulatory modifications, which include service authorisation stipulations, operational licensing requirements, and online consumer protection measures. A noticeable trend is the increase in regulatory developments relating to AI, with 135 measures targeting AI developers, including data protection regulation and algorithm design requirements. In addition, e-commerce platforms and online advertising services feature prominently among the digital economy activities coming under regulatory focus.

Regulatory heterogeneity is advancing in parallel with increasing regulatory activity. For instance, domestic data protection regulators exhibit varied approaches toward lawful personal data processing but not every jurisdiction mandates a formal legal basis for data processing. Among those that do, there is a spectrum of what legal bases are recognised, such as individual consent, contractual necessity, or the legitimate interest of the processor. Furthermore, within each of these legal bases, the definitions and requisites diverge on what qualifies as valid consent, what processing is deemed necessary for a contract, and under which circumstances data processors possess legitimate interests. Such variance also exists in other digital policy realms, including the classifications of harmful online content or the emerging risk categories for AI applications.

Regulatory interoperability, aiming to mitigate regulatory heterogeneity, is within reach through international cooperation. Numerous recent initiatives have sought to ease data flows, employing mechanisms such as internationally recognised certification and by inter-governmental agreements. Lately, domestic regulators are proactively coordinating their work on emerging AI frameworks. Besides a willingness to cooperate, domestic policymakers need transparency to learn from each other and craft interoperable policies. Active discussions among WTO Members on digital trade issues, the Joint Statement Initiative on E-commerce and deliberations on the Moratorium of Customs Duties on Electronic Transmissions, contribute to forming a collaborative international environment and remove roadblocks for digital trade. In the Trade Policy Review mechanism, WTO Members have already started to voluntarily document domestic digital policy developments. Further information-sharing regarding policies which affect digital market access, especially policies that raise the cost of foreign digital service delivery, is possible. Deliberating over a common factual base to find interoperable solutions is crucial to mitigating fragmentation and realising the digital economy's potential to generate inclusive economic outcomes.

Source: Digital Policy Alert.

### Fisheries subsidies

3.141. Work on achieving comprehensive disciplines on fisheries subsidies intensified following the adoption in June 2022 of the Agreement on Fisheries Subsidies at WTO MC12. Pursuant to a request made by Members during an October 2022 brainstorming retreat on the substance and process of further negotiations on the issues that were not resolved at MC12 (in particular, subsidies contributing to overcapacity and overfishing and related special and differential treatment provisions), the Secretariat held two technical workshops. The first, in November 2022, addressed implementation of the Agreement and the evolution of the outstanding issues; and the second, in January 2023, addressed data on the state of fisheries resources and on fisheries subsidies.

3.142. Upon the appointment in February 2023 of the new Chair of the Negotiating Group on Rules (NGR), the NGR adopted a work programme comprising a series of week-long clusters of meetings (so-called Fish Weeks) scheduled between March and December 2023 for the negotiations on outstanding issues. On the basis of this work programme, Members are working to reach agreement on new disciplines by December, for adoption at MC13.

3.143. The Fish Weeks held between March and July began with conceptual discussions and then progressed to discussion of specific textual proposals submitted by Members. On 4 September, the Chair circulated a starting point text of draft disciplines on outstanding issues, drawing on the previous negotiating texts<sup>99</sup> and proposals from Members. In plenary meetings of the NGR in the September and October Fish Weeks, Members shared their reactions to the text, and made textual suggestions for amending it.

3.144. Members have engaged in complementary workstreams as well. First, in addition to plenary sessions focused on the text, the NGR has held two interactive thematic discussions in October, aimed at deepening Members' understanding of specific technical issues in the draft text. Second, in parallel with the negotiating meetings of the NGR, Members have launched a technical workstream to develop the documents, procedures, and practices to be used by the Committee on Fisheries Subsidies upon the entry into force of the current Agreement. As of 27 October 2023, 52 WTO Members have accepted the Agreement<sup>100</sup> representing about 48% of the two thirds of WTO Members required for the Agreement to enter into force.

3.145. The WTO Fisheries Funding Mechanism (so-called Fish Fund, or Fund) was established in November 2022 to assist developing and LDC Members in implementing the Agreement. The Fund aims to become fully operational as soon as possible and as of mid-October 2023 the Fund has received contributions amounting to CHF 7.3 million and commitments (signed agreements) of over CHF 2 million, as well as pledges amounting to almost CHF 2 million. Donors that have either contributed or committed funds to the Fish Fund include Australia, Canada, France, Germany, Iceland, Japan, the Netherlands, New Zealand, Spain, and Sweden.

### Government procurement

3.146. The plurilateral WTO Agreement on Government Procurement 2012 (GPA 2012) is an important instrument for keeping GPA Parties' government procurement markets open and safeguarding their good governance in their government procurement markets. Currently, the GPA 2012 has 21 Parties, covering 48 WTO Members<sup>101</sup> and there are 36 observers to the Committee on Government Procurement (CGP).

3.147. During the review period, there were significant positive developments with regard to accessions to the GPA 2012. First, following a decision adopted by the CGP on the terms of accession of North Macedonia, North Macedonia deposited its instrument of accession and will therefore soon become the 22<sup>nd</sup> Party to the GPA 2012 and the 49<sup>th</sup> WTO Member to be covered by it. Second, Albania formally reactivated its accession process and has already taken steps to move the accession negotiations forward. Third, Costa Rica submitted its application to accede to the GPA 2012 and is preparing technical documents to start the negotiations.

3.148. The European Bank for Reconstruction and Development (EBRD) became an international intergovernmental organization observer to the CGP. The EBRD runs a technical assistance facility and programme to support WTO Members in assessing the benefits of joining the GPA 2012 and negotiating accession to it.

<sup>99</sup> WTO documents [WT/MIN\(21\)/W/5](#), 24 November 2021; and [WT/MIN\(22\)/W/20](#), 20 June 2022, both referred to in the Ministerial Decision adopting the Agreement on Fisheries Subsidies (WT/MIN(22)/33, 17 June 2022).

<sup>100</sup> In order of receipt: Switzerland; Singapore; Seychelles; the United States; Canada; Iceland; the United Arab Emirates; the European Union for its 27 member States; Nigeria; Belize; China; Japan; Gabon; Peru; Ukraine; Hong Kong, China; New Zealand; Macao, China; Albania; Australia; Botswana; Cote d'Ivoire; Cuba; Republic of Korea; Saint Lucia; and Fiji.

<sup>101</sup> The European Union and its 27 member States are covered by the Agreement as one Party.

### Micro, small and medium-sized enterprises (MSMEs)

3.149. The MSME Informal Working Group was launched by 88 WTO Members at MC11 in December 2017 as an inclusive group with the shared objective to improve MSME trade access. Participation grew to 98 Members in 2023.

3.150. During the review period, the Group proceeded with its revised work programme based on five pillars (1) promoting MSME access to information; (2) building MSME trade capacity; (3) providing policy guidance; (4) implementing the December 2020 package<sup>102</sup>; and (5) strengthening engagement with the private sector. Topics under discussion by the Group include MSME cyber readiness; fostering trade digitalization through wider use of standards and encouraging adoption of UNCITRAL's model law on electronic transferable records (MLETR); low-value shipments; sustainability; informality; and MSME provisions in regional trade agreements.

3.151. The Group released a revamped version of the Trade4MSMEs website together with The Trade Game on MSME Day 2023. Trade4MSMEs is an online resource which aggregates trade information for MSMEs and policymakers with new country pages, improved searchability and updated visuals. The Trade Game, a joint undertaking with the Institute of Exports and International Trade (IOE&IT), is a "choose your own adventure" online export readiness tool to help players understand trade decisions.

3.152. Preparations for MC13 are under way. The Group will issue two handbooks based on the Trade4MSMEs Business and Policymaker guides; a joint compendium on Access to Finance for Women-led MSMEs; and a compendium on national Authorized Economic Operator (AEO) MSME support programmes. The Group held a second Trade4MSMEs Network meeting with nine international organizations<sup>103</sup>; awarded winners in the third ICC-ITC-WTO MSME Group Small Business Champions competition with the theme "helping smallholder farmers go global; and concluded a call for academic papers on MSME provisions in regional trade agreements.

### Regional trade agreements (RTAs)

3.153. During the review period, WTO Members notified 10 RTAs (15 notifications) compared to 11 RTAs (17 notifications) during the previous period. Of these RTAs, five include trade liberalization in both goods and services; two relate to trade in goods only, while for the remaining three RTAs, trade liberalization in services was added to complement agreements in trade in goods already in place among the parties.<sup>104</sup>

3.154. As at 15 October 2023, the total number of RTAs notified to the WTO, and to the GATT before it, and currently in force, amounted to 361 (194 covering goods and services, 165 goods only, and 2 services only). The WTO Secretariat has also identified and verified, through the respective parties, 56 RTAs that are in force, but have not yet been notified to the WTO.<sup>105</sup>

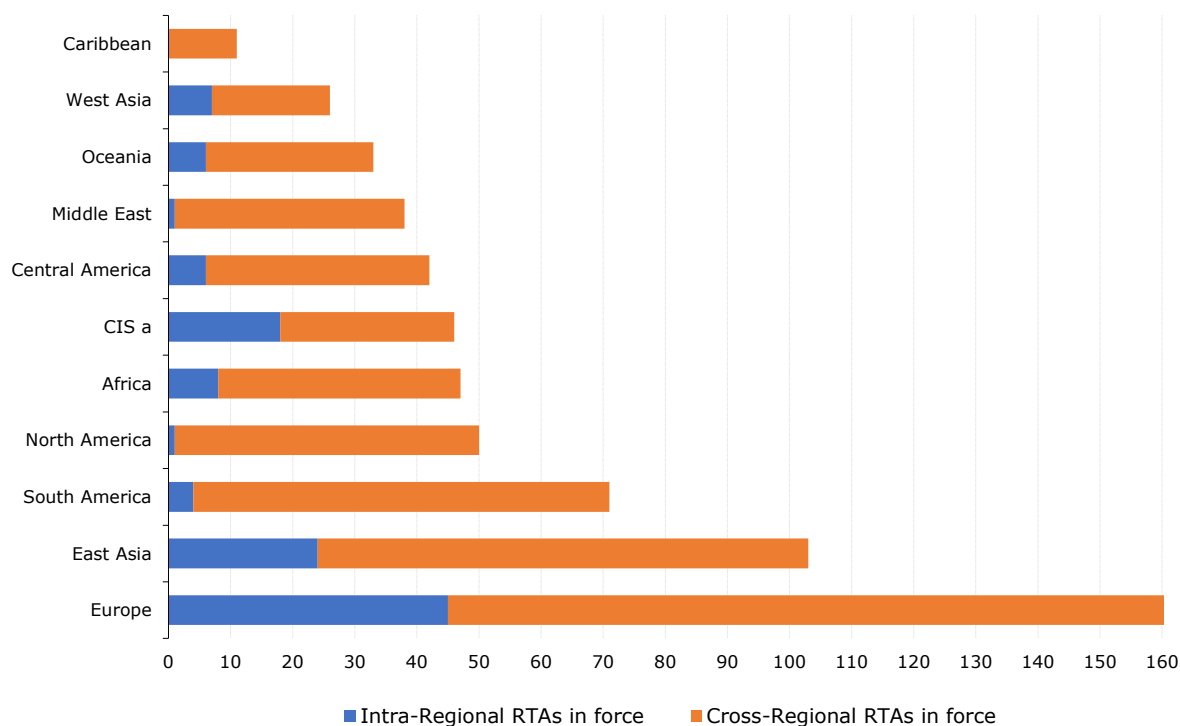
3.155. Based on notifications, RTA activity remains strongest in Europe (26% of RTAs in force), with successive EU enlargements, the United Kingdom's new agreements following its withdrawal from the European Union and agreements with trading partners in Eastern Europe and around the Mediterranean basin, as well as RTAs notified by EFTA; this is followed by East Asia (16%) and South America (11%) (Chart 3.20).

<sup>102</sup> WTO documents [INF/MSME/4/Rev.1](#), 18 March 2021; and [INF/MSME/4/Rev.2](#), 6 October 2021.

<sup>103</sup> WTO document [INF/MSME/W/44](#), 31 July 2023.

<sup>104</sup> The WTO RTA Database (viewed at: <http://rtais.wto.org>) provides updated information on all RTA notifications submitted by WTO Members.

<sup>105</sup> WTO document [WT/REG/W/181](#), 14 September 2023.

**Chart 3.20 RTAs in force, by region**

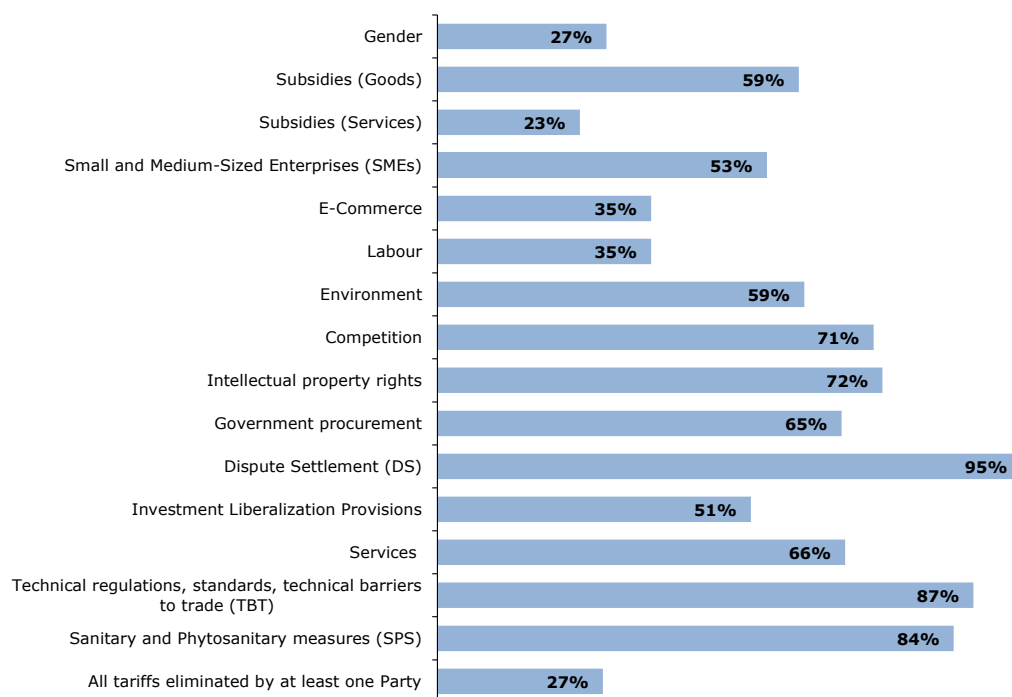
a Commonwealth of Independent States, including certain associate and former member States.

Note: RTAs involving countries/territories in two (or more) regions are counted more than once.

Source: WTO Secretariat.

3.156. The WTO Members with the most RTAs in force are the European Union, the United Kingdom, the EFTA States, Chile, and Singapore, with over 25 RTAs in force each, followed by Türkiye, Mexico, Peru, and the Republic of Korea, which have over 20 RTAs in force each. A number of other developing countries also have several RTAs in force, such as India, Malaysia, and Panama.

3.157. Over the years, RTAs have become more complex, and many currently include provisions that go beyond market access in goods and services. Of 347 RTAs notified to the WTO and currently in force, the vast majority include dispute settlement mechanisms, followed by provisions related to trade in goods such as technical regulations, standards, and TBT and SPS measures. Other provisions frequently found in RTAs include intellectual property rights and government procurement. More recent RTAs also include provisions on which there are few or no WTO rules, including competition, environment, labour, and SMEs (Chart 3.21).

**Chart 3.21 Key provisions in RTAs**

Note: Figures are based on 347 RTAs (out of 361) notified to the WTO and currently in force. For more details on these provisions, see: <http://rtais.wto.org/>.

Source: WTO Secretariat.

3.158. New initiatives or agreements which focus on regulatory rather than market access provisions have become features of the global preferential trade landscape. The digital economy partnership agreement (DEPA), bilateral digital economy agreements (DEAs) and bilateral environmental agreements are but a few examples. The DEPA, originally signed by three partners (Chile, New Zealand and Singapore) and in force since January 2021, and which goes beyond the digital trade provisions in recent RTAs, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, to which all three are party), has set up accession working groups for Canada and China.<sup>106</sup> It includes provisions on the adoption and use of technology to facilitate trade, including through paperless trading and legal frameworks based on international models and confirms the WTO moratorium on customs duties; data issues, such as the protection of personal information, cross-border transfer of information electronically and location of computing facilities; issues related to safety such as cybersecurity and consumer protection; and cooperation on SMEs and digital inclusion. DEAs are currently in force for Singapore with three other parties: Australia, the Republic of Korea, and the United Kingdom. They aim to align digital rules and standards and facilitate interoperability between digital systems; support cross-border data flows and consumer rights; and encourage cooperation in emerging areas such as digital identities, artificial intelligence, and data innovation.<sup>107</sup> DEAs have also been signed by other WTO Members; for example, the digital trade agreement between the United States and Japan was signed in October 2019. This agreement prohibits certain taxes on digital products, disallows data localization measures, and guarantees consumer privacy protection.

3.159. There are also other types of bilateral agreements such as mutual recognition agreements (MRAs), which by recognizing the other party's technical standards or qualifications, provide better treatment than that provided on a multilateral basis; agreements on intellectual property rights or

<sup>106</sup> An exchange of side letters between the Parties indicates that nothing in the DEPA will derogate from commitments under their RTAs: New Zealand-Singapore FTA, the ASEAN-Australia-New Zealand FTA, and the Trans-Pacific Strategic Economic Partnership Agreement and the CPTPP (both including all three Parties).

<sup>107</sup> Singapore Ministry of Trade and Industry. Viewed at: <https://www.mti.gov.sg/Trade/Digital-Economy-Agreements>.



the environment; or agreements on investment. Information on many of these agreements is not easily available.

3.160. Other plurilateral initiatives have also emerged such as the Indo-Pacific Economic Framework for Prosperity (IPEF), which was launched in May 2022 by 13 partners.<sup>108</sup> Discussions are taking place under four broad pillars - trade, supply chains, clean economy and fair economy - and aim to reach agreement by the end of 2023.<sup>109</sup> The America's Partnership for Economic Prosperity (APEP), announced in June 2022, aims for discussions to try and reduce economic inequality, foster regional economic integration and employment, and restore faith in democracy. While RTA networks continue to expand, the growth of such regulatory agreements and discussions suggest that the global trade landscape is evolving and there is a need to better understand the implications of such agreements on the multilateral trading system.

### Committee on Rules of Origin

3.161. Since mid-October 2022 no specific trade concerns have been raised at the Committee on Rules of Origin. Members have continued to actively engage in discussions about specific aspects of preferential rules of origin and how such rules impact the ability of LDCs to utilize non-reciprocal trade preferences.

### State trade enterprises (STEs) and trade-related investment measures (TRIMs)

3.162. At the 21 October 2022 and 28 April 2023 meetings of the Working Party on State Trade Enterprises (STEs)<sup>110</sup>, trade concerns were raised on STEs-related policies and measures by Australia (1), China (3), Costa Rica (1), India (2), New Zealand (1), Panama (1), the Russian Federation (2) and Thailand (2). At the 20 October 2023 STEs meeting<sup>111</sup>, trade concerns were raised on STEs-related policies, measures, and outstanding notifications by China (2), India (1), Mexico (1), Viet Nam (1) and the Russian Federation (1). At all three meetings the low level of compliance with notification obligations was also raised by some Members.

3.163. During the review period, at the 23 February 2023 and 12 October 2023 meetings of the TRIMs Committee<sup>112</sup>, issues and trade concerns were raised on measures implemented by China (2), India (1), Indonesia (3) and Kazakhstan (1).

### Committee on Trade and Development

3.164. At the meeting of the Committee on Trade and Development (CTD) held on 17 November 2022<sup>113</sup>, discussion continued on the communication from India and South Africa titled "Global Electronic Commerce for Inclusive Development".<sup>114</sup> This communication states, *inter alia*, that the digital divide between developed and developing countries is a matter of considerable concern, and that the existing e-commerce moratorium on electronic transmissions limits the ability of developing countries to impose tariffs on the growing imports of electronic transmissions. A revised version of the document, which builds on the original communication, was considered at the CTD meetings of 5 April 2023<sup>115</sup> and 11 July 2023.<sup>116</sup> At these meetings, developing Members also raised concerns with the negative impact of the COVID-19 pandemic on their trade and economies. Suggestions were made on possible work that the CTD could do in the context of the MC12 Ministerial Declaration on the WTO response to the pandemic and preparedness for future pandemic.<sup>117</sup> A communication from the United States titled "Responding to the COVID-19 Pandemic and Supporting Resiliency"<sup>118</sup> was considered. The meetings of 5 April and 11 July 2023 additionally allowed for the consideration of communications from the African Group under the theme of policy space for industrial

<sup>108</sup> Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, Philippines, Singapore, Thailand, the United States and Viet Nam.

<sup>109</sup> India has opted out of the discussions on the Trade Pillar.

<sup>110</sup> WTO documents [G/STR/M/41](#), 22 December 2022; and [G/STR/M/42](#), 26 May 2023.

<sup>111</sup> WTO document [G/STR/M/43](#) (forthcoming).

<sup>112</sup> WTO documents [G/TRIMS/M/53](#), 3 April 2023; and [G/TRIMS/M/54](#) (forthcoming).

<sup>113</sup> WTO document [WT/COMTD/M/119](#), 15 March 2023.

<sup>114</sup> WTO document [WT/COMTD/W/264](#), 9 November 2021.

<sup>115</sup> WTO document [WT/COMTD/M/120](#), 21 June 2023.

<sup>116</sup> WTO document [WT/COMTD/M/121](#), 3 August 2023.

<sup>117</sup> WTO document [WT/MIN\(22\)/31](#) - [WT/L/1142](#), 22 June 2022.

<sup>118</sup> WTO document [WT/COMTD/W/268](#), 21 September 2022.

development.<sup>119</sup> These communications, expressed concerns with the trade and economic situation of many developing country Members and called for a rebalancing of trade rules to address the matter.

3.165. At the meeting of the CTD's Dedicated Session on Small Economies of 30 March 2023<sup>120</sup>, discussion began on the topic of "integrating small economies into the post COVID-19 economy: effects of the pandemic, challenges and opportunities".<sup>121</sup> A background note by the Secretariat on this topic was considered.<sup>122</sup> Members of the Small, Vulnerable Economies (SVE) Group highlighted the challenges their economies have faced since the COVID-19 pandemic, which have exacerbated many longstanding difficulties and vulnerabilities. Discussions continued at the 19 October 2023 meeting of the Dedicated Session<sup>123</sup> with a focus on the challenges and opportunities for small economies in the post-COVID-19 recovery phase. Presentations were made by several international organizations and some Members of the SVE Group.

### Trade and environment

3.166. At MC12, Ministers highlighted the importance of the Committee on Trade and Environment (CTE) as a standing forum dedicated to dialogue on the relationship between trade measures and environmental measures. This gave new impetus to environment-related discussions in the WTO. Since then, the CTE held three regular meetings, and its third<sup>124</sup> and fourth<sup>125</sup> Trade and Environment Weeks, and it continued to focus on important global issues, including the circular economy and plastics pollution, trade and climate change, and biodiversity. The March and July 2023 CTE meetings also discussed possible CTE contributions to MC13 and how to revitalize the work of the CTE with inputs from several delegations.<sup>126</sup>

3.167. Other briefings included topics such as the preparations for COP28 which, for the first time, would include a dedicated "Trade Day". In parallel, the WTO Secretariat also worked with various stakeholders, including the OECD (for the Inclusive Forum on Carbon Mitigation Approaches (IFCMA)), the World Bank and the World Economic Forum (jointly launching the "Action on Climate and Trade Initiative" (ACT)), the TRADE Hub (for a series of webinars on trade and biodiversity), and the steel industry (for the first WTO forum on decarbonization standards<sup>127</sup>).

3.168. Some WTO Members continued their work through other platforms. For example, in July 2023, the third meeting of the Fossil Fuel Subsidy Reform (FFSR)<sup>128</sup> took place, deepening discussions on key areas where the WTO could contribute to efforts to advance reform, both in the run-up to MC13 and beyond. The Trade and Environmental Sustainability Structured Discussions (TESSD)<sup>129</sup> held a high-level stocktaking event in December 2022 and its four informal working groups made progress on possible outcomes for MC13, including on a compilation of Member practices in the development of trade-related climate measures; an analytical summary of discussions on environmental goods and services and renewable energy; a mapping of the trade aspects of the circular economy along the lifecycle of products; and a compilation of national experiences and considerations regarding subsidy design. The Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP)<sup>130</sup> organized a dedicated workshop on trade-related "reduction" strategies, in cooperation with UNEP; finalized its two surveys (on

<sup>119</sup> WTO documents [WT/COMTD/W/270](#), 1 March 2023; and [WT/COMTD/W/274](#), 16 March 2023.

<sup>120</sup> WTO document [WT/COMTD/SE/M/44](#), 23 May 2023.

<sup>121</sup> The MC12 Ministerial Decision on the Work Programme on Small Economies (WTO document [WT/MIN\(22\)/25](#) - [WT/L/1136](#), 22 June 2022) instructed the Dedicated Session to undertake work on this topic.

<sup>122</sup> WTO document [WT/COMTD/SE/W/45](#), 14 February 2023.

<sup>123</sup> WTO document [WT/COMTD/SE/M/45](#) (forthcoming).

<sup>124</sup> Viewed at: [https://www.wto.org/english/tratop\\_e/envir\\_e/tedweek2022\\_e.htm](https://www.wto.org/english/tratop_e/envir_e/tedweek2022_e.htm).

<sup>125</sup> Viewed at:

[https://www.wto.org/english/tratop\\_e/envir\\_e/envir\\_1206202310\\_e/envir\\_1206202310\\_e.htm](https://www.wto.org/english/tratop_e/envir_e/envir_1206202310_e/envir_1206202310_e.htm).

<sup>126</sup> Annual Report 2022, WTO document [WT/CTE/29](#), 16 December 2022; Minutes of the October 2022, and March and July 2023 CTE meetings in WTO documents [WT/CTE/M/76](#), 6 March 2022; [WT/CTE/M/77](#), 5 June 2023; and [WT/CTE/M/78](#), 29 August 2023, respectively.

<sup>127</sup> Viewed at: [https://www.wto.org/english/tratop\\_e/tbt\\_e/tbt\\_09032023\\_e/tbt\\_09032023\\_e.htm](https://www.wto.org/english/tratop_e/tbt_e/tbt_09032023_e/tbt_09032023_e.htm).

<sup>128</sup> Viewed at: [https://www.wto.org/english/tratop\\_e/envir\\_e/fossil\\_fuel\\_e.htm](https://www.wto.org/english/tratop_e/envir_e/fossil_fuel_e.htm).

<sup>129</sup> Viewed at: [https://www.wto.org/english/tratop\\_e/tessd\\_e/tessd\\_e.htm](https://www.wto.org/english/tratop_e/tessd_e/tessd_e.htm).

<sup>130</sup> Viewed at: [https://www.wto.org/english/tratop\\_e/ppesp\\_e/ppesp\\_e.htm](https://www.wto.org/english/tratop_e/ppesp_e/ppesp_e.htm).



trade-related plastic measures and plastic pollution-related AfT needs); and progressed towards their potential MC13 Statement and related outcomes.

3.169. Finally, as a sign of growing interest of TBT Committee Members in exchanging experiences on environmental standards and regulations, in March 2023 the Committee organized two Thematic Sessions about regulatory cooperation: one on climate change and another on plastics.<sup>131</sup>

3.170. The following box on the exposure of small African businesses to climate change was contributed by the International Trade Centre (ITC).

### Box 3.4 Climate change and small African business

#### Small firms struggle to cope with climate crisis, and not just financially

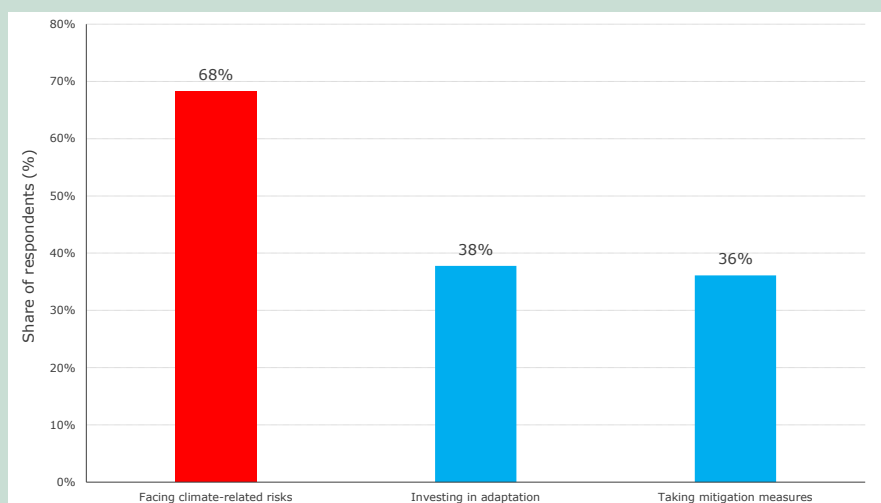
Climate change is a global crisis, affecting lives and businesses worldwide. Temperature variability, water scarcity and extreme weather conditions increasingly weigh on firms, particularly those in Africa.

Most small African companies are vulnerable to the effects of climate change. Though the continent emits just 4% of global greenhouse gases, it is exposed to more climate change-related shocks than any other continent.<sup>a</sup> Ensuring that firms understand risks, adapt to them, and mitigate their own negative climate impacts will boost their resilience and create positive spill overs.

A survey conducted in francophone Africa by the International Trade Centre and the Permanent Conference of African and Francophone Consular Chambers (CPCCAF) reveals that 68% of firms saw shifts in temperatures and weather patterns as a threat to their operations.<sup>b</sup> Figures are even higher for those in the primary sector.

Despite perceiving the risks, only 38% of firms had put in place adaptation strategies to reduce their vulnerability to climate-related risks.<sup>c</sup> Similarly, only 36% had taken steps to reduce their own environmental footprint.

#### Most businesses see climate change as a threat but few act<sup>d</sup>



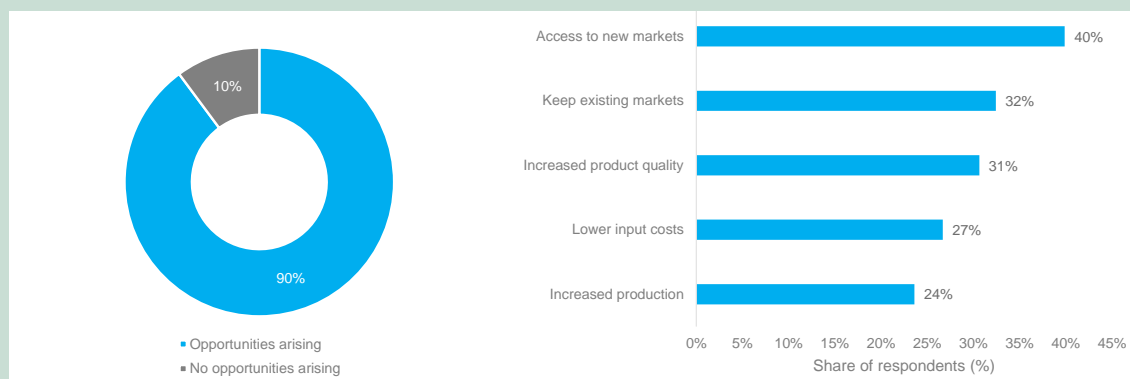
Lack of action is partially due to constrained financial resources. The survey shows that firms in a favourable economic situation were 13 percentage points more likely to put in place adaptation measures.<sup>e</sup> Those in good financial health or expanding their workforce were also more inclined to invest in mitigation measures. Providing support to financially constrained businesses is thus crucial to enable their investment in climate change adaptation and mitigation.

Still, not all barriers are financial. Small and medium-sized enterprises are twice less likely to invest in adaptation and mitigation measures compared to large businesses, even if their financial situation is solid.<sup>f</sup> This is because small firms tend to lack the knowledge and skills needed to properly identify climate-related risks as well as the measures that can reduce their adverse effects.<sup>g</sup>

#### Climate finance and technical assistance must go hand-in-hand

Taking climate action can create opportunities for SMEs and strengthen their competitiveness. Indeed, 90% of survey respondents that greened their businesses benefited from these investments, above and beyond the reduction of climate risks.<sup>h</sup> Among the most common opportunities reported were access to new markets, retaining of existing markets and improvement in product quality.

<sup>131</sup> Viewed at: [https://www.wto.org/english/tratop\\_e/tbt\\_e/tbt\\_0703202315\\_e/tbt\\_0703202315\\_e.htm](https://www.wto.org/english/tratop_e/tbt_e/tbt_0703202315_e/tbt_0703202315_e.htm) and [https://www.wto.org/english/tratop\\_e/tbt\\_e/tbt\\_0703202310\\_e/tbt\\_0703202310\\_e.htm](https://www.wto.org/english/tratop_e/tbt_e/tbt_0703202310_e/tbt_0703202310_e.htm).

**Green investment opens opportunities<sup>i</sup>**

Given the financial constraints faced by most firms, grants can play an important role, along with accreditation of national or regional financial institutions by multilateral climate funds, such as the Green Climate Fund, and can facilitate companies' access to loans. Business support organizations can also help enterprises in planning and developing projects, thereby increasing their ability to attract investment.

Financial support must nonetheless be complemented by technical assistance. Support in the form of climate strategy-building can assist SMEs in understanding where climate risks lie, which measures are most adequate to tackle these risks and how to implement them. In this regard, ITC developed the Green Performance Toolkit, an online solution designed to enhance the environmental performance of small businesses by allowing them to assess current operations, identify areas for improvement, and track progress.

Additionally, the ITC GreenToCompete Hubs, hosted by local business support organizations in seven countries, play the role of field multipliers, helping the ITC reach a larger number of SMEs. The hubs act as a one-stop shop, providing knowledge, practical expertise, and a global network, through which local stakeholders are empowered and enabled to support SMEs improve their competitiveness by going green.

- a Kairé et al. (2015), Enjeux des mécanismes de financement de l'adaptation au changement climatique pour l'Afrique de l'Ouest.
- b ITC and the CPCCAF surveyed 5,625 businesses in French-speaking Africa between April and July 2023. Data were gathered from companies in Benin, Burkina Faso, Cameroon, Chad, Congo, Democratic Republic of Congo, Gabon, Ivory Coast, Mali, Mauritania, Morocco, Senegal, and Togo. For more information, see ITC, "SME Competitiveness in Francophone Africa 2023: Building resilience to climate change" (Geneva, Switzerland: International Trade Centre, forthcoming November 2023). Viewed at: <https://intracen.org/resources/publications/promoting-sme-competitiveness-in-francophone-africa-building-resilience-to-climate-change>.
- c ITC.
- d The figure describes the responses of businesses to the question "Which of the following environmental risks are significant for your business?" If the respondent chose one or more environmental risk options (except "None" or "Do not know"), they are identified as facing significant environmental risks. Respondents were also asked "In the last three years, did your company invest in any of the following measures to reduce the environmental risks that your company is facing?" Those that chose any of the answer options (except "None" and "Do not know") are identified as investing in adaptation. Finally, respondents were asked "In the last three years, did you invest in any of the following measures to reduce your company's negative impact on the environment?". The data were weighted using the distribution of companies surveyed by country and the contribution of economic sectors to GDP in each country.
- e ITC.
- f ITC.
- g ITC, "SME Competitiveness Outlook 2021: Empowering the Green Recovery" (Geneva, Switzerland: International Trade Centre, June 2021). Viewed at: <https://intracen.org/resources/publications/sme-competitiveness-outlook-2021-empowering-the-green-recovery>.
- h ITC.
- i The figure describes the responses of businesses to the question "Have these investments opened up any of the following opportunities for your company?", as percentages (%) of firms that say they invested in measures. The data were weighted using the distribution of companies surveyed by country and the contribution of economic sectors to GDP in each country.

Source: ITC.

3.171. The following box on the relationship between subsidies in the aluminium and steel sectors and greenhouse gas emissions was contributed by the OECD.

### Box 3.5 Climate implications of government support in aluminium smelting and steelmaking

The significant government support to the energy-intensive aluminium and steel industries are well documented (OECD, 2019), (OECD, 2021). However, there is less evidence on the impact of such support on emissions of greenhouse gases from these sectors. If these policies contribute to increased emissions, this would raise concerns in view of the climate emergency and recent pledges by many countries to reach to net zero on greenhouse gas (GHG) emissions by 2050. Efficient and coherent government policies require that measures across programme areas support one another to reach overarching policy goals.

A new report from the OECD combines novel datasets to shows that (OECD, 2023):

- Government support has contributed to increased emissions from aluminium and steelmaking activities, mainly through an increase in production output – that is, a scale effect.
- Government support has contributed to shifting production to more carbon-intensive plants, further increasing overall emissions from both sectors.
- While technology improvements – i.e. reductions in plant emissions intensity – are found to have driven overall emissions downward, there is no evidence that government support in the sector was targeted at, or contributed to, the development of techniques enabling this enhanced environmental performance.

Using simulations from an Inter-Country Input-Output model, this report also provides evidence that removing government support in aluminium and steelmaking activities would imply large effects beyond these two industries, decreasing global emissions by 1% while reducing global output by 0.3% in aluminium and steel industries and downstream sectors.

Removing government support for aluminium smelting and steelmaking activities might therefore be a cost-effective strategy towards decarbonisation. For instance, for a comparable decline in output, removing government support to aluminium smelting and steel making worldwide would reduce carbon emissions by 75% more than the reduction observed in 2020 from COVID-19-related restrictions. Additionally, removal of such government support would free up scarce public resources for alternative uses.

Further analysis could better identify the design features of government support that generate the most adverse effects from both a trade and environmental perspective. More research is also needed to better understand the distributional concerns that may arise from phasing out government support to energy-intensive industries.

Source: OECD (2019), *Measuring distortions in international markets: the aluminium value chain*. In OECD Trade Policy Papers. OECD Publishing, Paris. Viewed at: <https://dx.doi.org/10.1787/c82911ab-en>. OECD (2021), *Measuring distortions in international markets: Below-market finance*. In OECD Trade Policy Papers. OECD Publishing, Paris. Viewed at: <https://dx.doi.org/10.1787/a1a5aa8a-en>. OECD (2023), *The climate implications of government support in aluminium smelting and steelmaking*. OECD Publishing, Paris. Viewed at: [https://one.oecd.org/document/COM/TAD/ENV/JWPTE\(2022\)2/FINAL/en/pdf#:~:text=Results%20show%20that%2C%20if%20no,cost-effective%20strategy%20for%20decarbonisation](https://one.oecd.org/document/COM/TAD/ENV/JWPTE(2022)2/FINAL/en/pdf#:~:text=Results%20show%20that%2C%20if%20no,cost-effective%20strategy%20for%20decarbonisation).

Source: OECD.

### Trade and gender

3.172. WTO Members are progressively introducing gender equality at the centre of their national trade policies, introducing dedicated support programmes for women entrepreneurs or for female farmers, and developing policies to support women's access to the labour force and gender-responsive trade policies.

3.173. WTO Members are increasingly including gender equality as part their development plans and trade policies, recognizing that women's economic empowerment improves poverty reduction and contributes to their development as well as achieving SDGs (SDG 5 in particular). Some also recognize the benefit between gender equality and the multilateral trading system, confirming that women's economic empowerment contributes to trade expansion and export growth. Most national trade policies target women entrepreneurs and establish dedicated support programmes for small-scale businesswomen to develop their trading capacity, their access to finance and to government procurement markets. Some export promotion programmes include measures to assist entrepreneurs in exporting for the first time or to further expand their presence on international markets. Other measures focus on carving dedicated quotas for small-scale female entrepreneurs to have access to government procurement markets.

3.174. Access to finance and credits with advantageous conditions is also a key focus of trade policies, which for example may provide female entrepreneurs with medium- and long-term indirect credit lines or loan guarantees. In addition, some WTO Members provide such financial support targeting the green sector. To give businesswomen an advantage on foreign markets and to allow them accessing to support schemes, some governments provide them with a certification (based on specific eligibility criteria) confirming their status as a female entrepreneur. As part of their Trade Policy Review, some Members have started reporting on measures, mostly financial support, put in place in favour of female entrepreneurs during the COVID-19 pandemic.

3.175. Several trade policies also seek to target female farmers, often smallholders, and some governments use their domestic support and their green box subsidies for this purpose. Such support measures can include access to productive resources such as farming and processing equipment as well as input subsidies. They also focus on providing women access to training or agricultural land. They also provide female farmers with financial support by, for example, creating dedicated funds providing grants to smallholders with a quota for women, often in specific agricultural sectors.

3.176. Some WTO Members have conducted analysis or data collection exercises on wage discrimination in export sectors, mobility issues, discrimination on access to public transport or female employment in export-led sectors, with the purpose to better target their policies in support of women. Usually, trade policy measures aiming at fostering women's access to the job market and the labour force in internationalized sectors include, for example, tax incentives to the private sector, with specific conditions. The European Union has created a facility with the objective to foster women's integration in the labour market and limit gender discrimination in employment. Several WTO Members have started integrating impact assessments as part of their policy implementation processes while some have developed specific "sustainability impact assessments" that include a gender perspective. Others have included an estimation of the impact of their policy initiatives that also incorporates a performance and achievement monitoring exercise. Impact assessments of gender provisions are increasingly being negotiated in new free trade agreements. Djibouti has set up regular monitoring of the female beneficiaries of government-led programmes targeting women entrepreneurs and has created a centralized database managed and hosted by the Ministry of Women's Affairs.

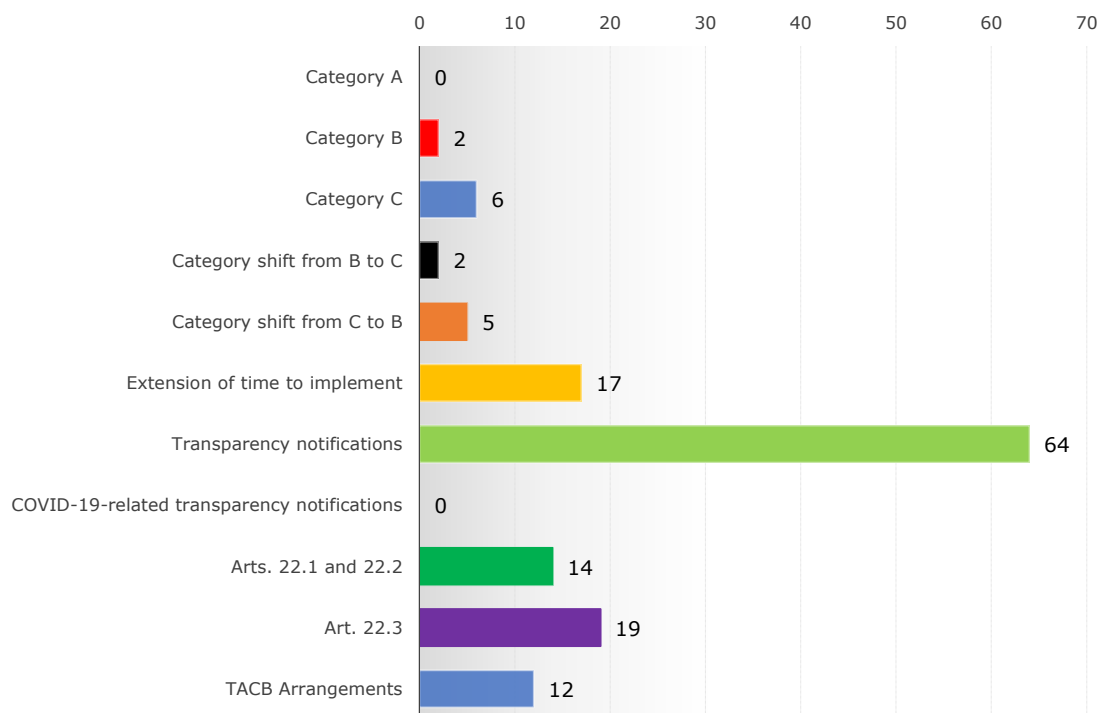
3.177. In the policy-making process, a number of governments organize internal consultations, including with officials responsible for women's affairs, to allow a cross-cutting integration of gender issues in trade policies. Also, remarkably, Malaysia has reported that it has embarked in gender budgeting to ensure that the gender-responsive measures included in its national policies are supported financially. Overall, the key challenge highlighted by WTO Members in gender-responsive trade policy making is the lack of gender-disaggregated data in trade and the technical difficulty in collecting such data.

### **Trade facilitation**

3.178. The Trade Facilitation Agreement (TFA) entered into force on 22 February 2017, when two thirds of WTO Members presented their instruments of acceptance amending the Marrakesh Agreement to incorporate the TFA into Annex 1A (Multilateral Agreements on Trade in Goods). At the conclusion of the review period, 156 Members had domestically ratified the TFA and deposited their instruments of acceptance to the WTO, representing 95.1% of the WTO membership.

3.179. The current global rate of implementation commitments of the TFA stands at 77%. During the review period, Members submitted the notifications summarized in Chart 3.22 below. These included notifications by 11 LDCs.

**Chart 3.22 Number of WTO Members that presented TFA notifications, 3 October 2022 to 20 October 2023**



Source: WTO, TFA database. Viewed at: [TFAD - Trade Facilitation Agreement Database \(tfadatabase.org\)](https://tfadatabase.org).

3.180. During the review period, the TFA Facility (TFAF) organized the participation of 50 capital based officials in the 3-5 October 2023 Committee on Trade Facilitation (CTF) meeting. The TFAF organized additional workshop sessions, including a donor roundtable and a session on digitalization, with both activities being included in the 2023 workplan. The 2024 workplan is currently being finalized.

3.181. The TFAF also supported the attendance of 28 transit experts from Land Locked Developing Countries (LLDC) and transit Members to the 15-16 June 2023 meeting of the CTF, and its dedicated session on transit. The outcomes of the workshop were presented by participants from Eswatini, Gabon, Pakistan, and Zimbabwe. A detailed report was produced to capture these outputs and will be summarized in the TFAF Annual Report 2023.

### Trade financing

3.182. The global trade finance gap has increased by 47% in the past two years, reaching USD 2.5 trillion in 2022, according to the latest Asian Development Bank survey released in September 2023.<sup>132</sup> Multilateral development banks continue to see high demand for their trade finance facilitation programmes, reaching a combined support of nearly USD 50 billion last year.

3.183. The supply of international trade finance was negatively affected by the post-pandemic macro stress, the increase in geopolitical tensions, country risks, and by recent financial turbulence, which have a knock-on effect on interbank market conditions. As trade finance is mostly short term, its availability is particularly sensitive to interbank market conditions, which impacts credit availability and its costs. Moreover, access to foreign exchange, which is indispensable for issuing trade finance instruments, has also been a growing problem for countries experiencing external sector constraints. For balance-of-payments-constrained countries, the increase in the value of

<sup>132</sup> Asian Development Outlook (ADO) September 2023. Viewed at: <https://www.adb.org/publications/asian-development-outlook-september-2023#:~:text=The%20economic%20outlook%20for%20Asia,2024%2C%20but%20risks%20remain%20elevated.>

imports, notably food and energy, has been stretching the capacity of local financial sectors to provide higher levels of trade finance.

3.184. At the same time, digitalization of trade finance processes, along with the emergence of non-bank financial actors in this market, should offer new opportunities in coming years for accessing trade finance at lower cost in emerging markets.

3.185. On 13 October, at the recent annual meeting of the World Bank Group and International Monetary Fund, the WTO Director-General participated in a high-level discussion with senior officials from leading multilateral development banks, including the African Development Bank, the African Export–Import Bank, the Asian Development Bank, the Bank for International Settlements, the EBRD and the Islamic Development Bank's International Islamic Trade Finance Corporation. Discussions focused on, among other things, ongoing initiatives aimed at capacity-building, narrowing trade finance gaps, and bolstering financing for local supply chains.

## 4 POLICY DEVELOPMENT IN TRADE IN SERVICES

### Regular measures affecting trade in services

4.1. During the review period 123 new trade in services measures were introduced, albeit significantly less than in previous periods. Half of these were horizontal policies affecting trade for many services sectors and/or multiple modes of supply. Approximately 30% of measures related to communications and Internet- and other network-enabled services, and 15% to financial services. About 20% of measures affected various services sectors, such as business, health-related, tourism and recreational, and transport services. Overall, three quarters of the 123 measures could be considered either as liberalizing trade in services or improving the regulatory framework. The remaining quarter were trade-restrictive. Half of these were horizontal policies affecting trade for many services sectors and/or multiple modes of supply. About 20% of measures affected various other services sectors, such as business, health-related, tourism and recreational, and transport services, 15% of measures related to communications' services, and 15% to financial services.

4.2. Annex 4 of the Addendum provides additional information on the 123 new services measures introduced by 60 WTO Members and 4 Observers.

### *Measures affecting supply through multiple modes of supply across various sectors*

4.3. Between October 2022 and October 2023, some Members introduced measures affecting supply through multiple modes of supply across various sectors. For example, the State of Kuwait adopted on 16 July 2023 a new measure allowing foreign companies to establish branches to conduct operations directly. This removes the requirement to have a local agent to operate in the country. Brazil introduced a new law, effective on 30 December 2022, which calls for a greater amount of currency allowed when traveling abroad (USD 10,000), as well as lifting the reciprocity requirement for foreign banks to acquire more than 30% of shares with voting rights in Brazilian banks. Argentina established a new wealth tax levy of 25% for purchases and expenses abroad that exceed a limit of USD 300 per month with credit and debit cards. This duty was introduced in addition to new rules and tax rates for foreign currency purchases of goods and services overseas and has added an increase from 35% to 45% on some purchases made abroad recently imposed by authorities.

### *Measures affecting supply through commercial presence across various sectors*

4.4. During the review period, many Members, in particular some EU member States (Belgium, Denmark, Estonia, France, Luxembourg, Romania, Slovak Republic, Slovenia, and Spain), made changes to their legislation that affect the supply of services through commercial presence. These revised or new policies mainly relate to the screening of foreign direct investment (FDI), which may impact many services sectors. For example, starting on 1 July 2023, non-EU investors investing in Belgium are required to seek prior approval if they invest in areas that may affect national security, public order, or strategic interests. The mechanism covers the acquisition of at least 25% of voting rights in Belgian companies engaged in sectors, such as critical or digital infrastructure activities, media, data processing or storage, technologies, and resources essential for public safety (including health), artificial intelligence, cybersecurity, or access to strategically sensitive information and personal data. Acquisition of a minimum of 10% of voting rights in Belgian target companies is also covered if those operate, *inter alia*, in the energy, cybersecurity, electronic communication, or digital infrastructures sectors, with a turnover over EUR 100 million in the year preceding the acquisition.

4.5. Starting 29 March 2023, the Slovak Republic introduced three screening procedures: obligatory screening, voluntary screening, and *ex officio* screening. All foreign investments may be screened when there is a reasonable presumption that they may threaten or disrupt security or public order, unlike the previous regime under which only investments into critical infrastructure were subject to screening procedures. Foreign investments falling under the category of critical investments should be made only after approval by the Ministry of Economy. The list of critical investments is to be determined by separate legislation. Luxembourg also adopted a new law establishing an FDI screening process for transactions affecting national security and public order, and targeting individuals who are not nationals of the European Economic Area (EEA), entities established outside the EEA, and entities who are ultimately controlled by a non-EEA entity or national. The new law, effective on 1 September 2023, applies to investments in critical activities,



covering, *inter alia*, the sectors of communications, energy, transport, health, finance, media, data processing and storage, or activities involving access to sensitive information.

4.6. Other Members also revised their FDI approval policies, to either increase thresholds above which foreign investments must be scrutinized (Canada, 3 February 2023), or added new critical sectors to the existing review mechanism (Japan, 24 April 2023).

4.7. Some Members introduced trade-facilitating measures affecting the supply of services through commercial presence (mode 3) across various sectors. In Jordan, a new law published on 16 October 2022 provides for non-discriminatory treatment, freedom of capital transfer and investment guarantees and incentives. The new law has, however, not repealed the Non-Jordanian Investments Regulation No. 77 of 2016, which provided for ownership restrictions in certain activities. On 1 January 2023, China increased the number of sectors where foreign investment is encouraged. The list of sectors now covers modern services, such as recycling and processing services of retired wind turbine blades and waste photovoltaic modules, technical services (e.g. advanced system integration technology and service of low carbon, environmental protection, green energy saving and water saving), construction engineering, language services or elder-care-related services. In Mozambique, a new decree, published on 6 June 2023, extends from 11 to 66 the number of business activities that can be started without a licence. Most activities that do not require a technical overview or specific licences can be registered with an online notification process.

#### ***Measures related to communication services, e-commerce and digitally enabled services***

4.8. Almost a third of measures reported since October 2022 concerned trade in communications services, Internet- and other network-enabled services, or computer services. The European Union's Digital Services Act (DSA) became effective on 16 November 2022. It applies to online intermediary services, which include cloud computing and webhosting services, intermediary services offering network infrastructure, online platforms bringing together sellers and consumers (e.g. app stores), and very large online platforms, as well as very large search engines reaching over 10% of the total EU population. The DSA includes new obligations on the traceability of business users on online marketplaces, obligations for very large online platforms and search engines to prevent the misuse of systems, and transparency measures for all online platforms. The European Union also adopted an adequacy decision for the European Union-United States Data Privacy Framework, which was published on 10 July 2023. It requires the United States to ensure an adequate level of protection to transfer personal data from the European Union. Companies participating in the Framework will not need to implement additional data protection safeguards.

4.9. Other Members also introduced policies affecting Internet- and other network-enabled services. India enacted on 11 August 2023 a new law regulating the processing of digital personal data. The law touches upon, *inter alia*, the transfer of digital personal data abroad. Transfers are permitted, except to countries identified by Indian authorities. The law empowers the government to create a negative list of countries where personal data cannot be transferred. Such a list has not yet been published. The measure also allows sectoral regulations requiring data localization, such as in the payments sector. On 12 June 2023, Nigeria introduced the Nigerian Data Protection Act with provisions relating to the cross-border transfer of personal data and adequacy levels of protection in foreign jurisdictions. Starting 27 March 2023, the Kingdom of Saudi Arabia made further allowance for international data transfers, which no longer require approval if they are implementing obligations under international agreements to which the country is a party, if the transfer is made pursuant to a contract to which the data subject is a party.

4.10. Many governments adopted new measures in the communications sector, covering postal and courier services, telecommunications, and audiovisual services. Seychelles amended the Postal Sector Act on 14 August 2023, introducing changes to the licensing of postal and courier activities or their renewal. The Postal Regulator should consider, *inter alia*, the promotion of healthy competition, the likelihood of unfair practices and highlighting how the interest of the consumer would be best served, as well as the public interest, public order, and national security. Kenya announced that in March 2023, foreign ICT companies were no longer required to relinquish 30% of their ownership to Kenyans, a requirement that had been established in 2020 in the National Information, Communications, and Technology (ICT) Policy, with a 3-year compliance requirement. Malaysia announced that it would allow a second 5G network operator from January 2024.



### **Financial services**

4.11. Several Members implemented new policies affecting trade in financial services. In the Kingdom of Saudi Arabia, Qualified Foreign Investors have been allowed since 27 March 2023 to engage with foreign capital market institutions, foreign portfolio managers, foreign custodians, or foreign advisors, for the purpose of investing in listed securities. Starting on 18 October 2023 the Republic of Korea will allow, on a non-discriminatory basis, Registered Foreign Institutions (RFIs) to buy and sell deliverable spots and forwards (foreign exchange (FX) swaps and outright forwards) in the onshore interbank FX market and with their non-resident customers. The transactions must be conducted through government-approved local brokers (including foreign brokers' branches in the Republic of Korea). Previously, the Korean won could only be directly traded with the US dollar through local banks, for just six-and-a-half hours a day.

4.12. The European Union adopted on 28 November 2022 the Digital Operational Resilience Act (DORA), which affects not only trade in financial services, but also the supply of third-party trade in ICT-related services to the financial sector. DORA sets rules for monitoring risks related to outsourced tasks and requires the outsourcing arrangements to comply with certain requirements (e.g. access to, recovery and return of data; services levels). Under DORA, the supervisory authorities for the financial sector can directly supervise ICT third-party service providers that are themselves not engaged in regulated activities but deemed by the authorities to be "critical" to financial entities.

### **Other services sectors**

4.13. Other services sectors were also impacted by Members' policy changes, such as business, health-related, tourism and travel-related, recreational and transport services. For example, on 11 August 2023, Indonesia enacted the Law on Health, which replaces 11 health-related laws, including the Law on Medical Practice, the Law on Hospitals or the Law on Healthcare Professionals. The new law requires, *inter alia*, that health service facilities must express their requests for the hiring of health professionals based on their needs or for the purpose of transfer of technology and knowledge. Also, the new Law requires prior approval from the Ministry of Health for offshore transfers of "health data and information" and specimens, which is a more stringent requirement than that of the Personal Data Protection Law. Likewise, providers of a "health information system" must manage, process and/or store such system and "health information data" within Indonesia, unless the necessary technology is not yet available, if prior approval is obtained from the Ministry.

4.14. Nigeria adopted a new measure which liberalizes electricity generation, transmission, and distribution activities. It also permits, *inter alia*, companies and individuals to generate, transmit and distribute electricity. However, interstate and transnational electricity distribution is not permitted. With respect to legal services, India released new rules, effective on 10 March 2023, enabling foreign lawyers and law firms to provide services in the country, under reciprocal conditions. The areas of practice for foreign lawyers/law firms are yet to be laid down by the Bar Council of India. The scope of practice will be limited to advisory services in foreign law, international law, international commercial arbitration, and transactional work/corporate work (such as joint ventures, mergers and acquisitions, IP matters, drafting of contracts and other related matters). Foreign service suppliers will only be permitted to advise foreign persons/entities on the laws of the country in which they have qualified but will be allowed to represent foreign entities in international arbitrations conducted in India, regardless of the involvement of foreign law in such arbitration.

### **Services supplied through the movement of natural persons**

4.15. Many Members adopted measures affecting the supply of services through the movement of natural persons. Over 80% of these measures were trade-facilitating. For example, Costa Rica increased the maximum duration of stay for business visitors to 180 days for each visit, up from the previous 90 days. The Kingdom of Saudi Arabia extended on 8 November 2022 the maximum duration of stay for all categories of single-entry visit visas from one month to three months. Kazakhstan adopted new rules for work permits, modifying the way the foreign-to-local worker ratio is calculated by requiring that outsourced foreign individuals providing services be accounted for. Furthermore, employers are no longer required to carry out a labour market test for intra-corporate transferees.

## Trade concerns raised in the Council for Trade in Services

4.16. At the CTS meetings held on 14 October 2022, 8 December 2022, 9 March 2023, 12 June 2023 and 3 October 2023<sup>1</sup>, concerns were reiterated about (i) cybersecurity measures of China (raised by Japan and the United States) and cybersecurity measures of Viet Nam (raised by Japan and the United States); (ii) 5G-related measures of Australia (raised by China); (iii) measures of the United States regarding Chinese services and service suppliers (raised by China); and (iv) measures of India regarding Chinese services and service suppliers (raised by China).

## Air services agreements

4.17. Table 4.1 presents information on air services agreements (ASAs) concluded or amended during the period under review. These include both new ASAs and revisions of existing ones. As far as can be assessed from available sources, these ASAs provide for improved access conditions than was previously the case.

**Table 4.1 Air transport agreements concluded or amended between October 2022 and October 2023**

Parties		Date of signature	Source
Barbados	Qatar	29/09/2022	<i>Barbados Today</i> , "Barbados signs air services agreement with Government of Qatar" <a href="https://barbadostoday.bb/2022/09/29/barbados-signs-air-services-agreement-with-qovernment-of-qatar/">https://barbadostoday.bb/2022/09/29/barbados-signs-air-services-agreement-with-qovernment-of-qatar/</a>
Belize	Qatar	01/10/2022	<i>Breaking Belize News</i> , "Qatar and Belize sign air services agreement" <a href="https://www.breakingbelizenews.com/2022/10/01/qatar-and-belize-sign-air-services-agreement/">https://www.breakingbelizenews.com/2022/10/01/qatar-and-belize-sign-air-services-agreement/</a>
Ethiopia	Chad	01/10/2022	2merkato.com, "Ethiopia Signs Aviation Agreements with Chad and Turkey" <a href="https://www.2merkato.com/news/alerts/6783-ethiopia-signs-aviation-agreements-with-chad-and-turkey">https://www.2merkato.com/news/alerts/6783-ethiopia-signs-aviation-agreements-with-chad-and-turkey</a>
Singapore	Palau	03/10/2022	<i>The Straits Times</i> , "Singapore signs open skies agreement with Palau" <a href="https://www.straitstimes.com/singapore/singapore-signs-open-skies-agreement-with-palau">https://www.straitstimes.com/singapore/singapore-signs-open-skies-agreement-with-palau</a>
Seychelles	Kazakhstan	03/10/2022	<i>Seychelles News Agency</i> , "Seychelles signs air service agreement with Kazakhstan" <a href="http://www.seychellesnewsagency.com/articles/17504/Seychelles+signs+air+service+agreement+with+Kazakhstan">http://www.seychellesnewsagency.com/articles/17504/Seychelles+signs+air+service+agreement+with+Kazakhstan</a>
Tonga	United Arab Emirates	10/10/2022	<i>Matangi Tonga Online</i> , "Tonga signs Air Services Agreement with United Arab Emirates" <a href="https://matangitonga.to/2022/10/10/tonga-signs-air-services-agreement-united-arab-emirates">https://matangitonga.to/2022/10/10/tonga-signs-air-services-agreement-united-arab-emirates</a>
Guyana	China	13/10/2022	<i>Caribbean National Weekly</i> , "Guyana signs air agreement with China" <a href="https://www.caribbeannationalweekly.com/news/caribbean-news/guyana-signs-air-agreement-with-china/">https://www.caribbeannationalweekly.com/news/caribbean-news/guyana-signs-air-agreement-with-china/</a>
ASEAN	European Union	17/10/2022	<i>The Business Times</i> , "Comprehensive air transport pact inked between Asean and European Union, Government and Economy" <a href="https://www.businesstimes.com.sg/government-economy/comprehensive-air-transport-pact-inked-between-asean-and-european-union">https://www.businesstimes.com.sg/government-economy/comprehensive-air-transport-pact-inked-between-asean-and-european-union</a>
Serbia	Türkiye	19/10/2022	<i>EX-YU Aviation News</i> , "Serbia - Turkey reach deal on new routes, frequencies and capacity" <a href="https://www.exyuaviation.com/2022/10/serbia-turkey-reach-deal-on-new-routes.html">https://www.exyuaviation.com/2022/10/serbia-turkey-reach-deal-on-new-routes.html</a>
Saudi Arabia, Kingdom of	Finland	02/11/2022	<i>Arabian Business</i> , "Saudi Arabia, Finland sign pact to provide air services between the two countries"

<sup>1</sup> WTO documents [S/C/M/150](#), 14 November 2022; [S/C/M/151](#), 31 January 2023; [S/C/M/152](#), 18 April 2023 [S/C/M/153](#), 28 July 2023; and [S/C/M/154](#) (forthcoming).

Parties		Date of signature	Source
Bahrain, Kingdom of	Bosnia and Herzegovina	09/11/2022	<a href="https://www.arabianbusiness.com/industries/transport/saudi-arabia-finland-sign-pact-to-provide-air-services-between-the-two-countries">https://www.arabianbusiness.com/industries/transport/saudi-arabia-finland-sign-pact-to-provide-air-services-between-the-two-countries</a> <i>Sarajevo Times</i> , "Kingdom of Bahrain and BiH sign the Agreement on Services in Air Transport" <a href="https://sarajevotimes.com/kingdom-of-bahrain-and-bih-sign-the-agreement-on-services-in-air-transport/">https://sarajevotimes.com/kingdom-of-bahrain-and-bih-sign-the-agreement-on-services-in-air-transport/</a>
Barbados	Rwanda	11/11/2022	<i>St Kitts Nevis Observer</i> , "Barbados and Rwanda Cement Closer Ties" <a href="https://www.thestkittsnevisobserver.com/barbados-and-rwanda-cement-closer-ties/">https://www.thestkittsnevisobserver.com/barbados-and-rwanda-cement-closer-ties/</a>
Canada	India	15/11/2022	<i>Aviation Week</i> , "Canada, India Expand Air Services Agreement" <a href="https://aviationweek.com/air-transport/airports-networks/canada-india-expand-air-services-agreement-0">https://aviationweek.com/air-transport/airports-networks/canada-india-expand-air-services-agreement-0</a>
United States	Ecuador	17/11/2022	U.S. Department of State, "United States and Ecuador Sign Open Skies Agreement" <a href="https://www.state.gov/united-states-and-ecuador-sign-open-skies-agreement/">https://www.state.gov/united-states-and-ecuador-sign-open-skies-agreement/</a>
Barbados	Saudi Arabia, Kingdom of	29/11/2022	<i>Loop News</i> , "Barbados, Saudi Arabia sign air services agreement" <a href="https://barbados.loopnews.com/content/barbados-saudi-arabia-sign-air-services-agreement">https://barbados.loopnews.com/content/barbados-saudi-arabia-sign-air-services-agreement</a>
Nigeria	Seychelles	09/12/2022	<i>Daily Trust</i> , "Nigeria, Seychelles sign BASA on direct flights" <a href="https://dailytrust.com/nigeria-seychelles-sign-basa-on-direct-flights/">https://dailytrust.com/nigeria-seychelles-sign-basa-on-direct-flights/</a>
Bangladesh	Rwanda	12/01/2023	MENAFN, "BD, Rwanda Ink Bilateral Air Services Agreement" <a href="https://menafn.com/1105431666/BD-Rwanda-Ink-Bilateral-Air-Services-Agreement">https://menafn.com/1105431666/BD-Rwanda-Ink-Bilateral-Air-Services-Agreement</a>
Qatar	Saint Lucia	16/01/2023	MENAFN, "Qatar and Saint Lucia Sign Air Services Agreement" <a href="https://menafn.com/1105435490/Qatar-And-Saint-Lucia-Sign-Air-Services-Agreement">https://menafn.com/1105435490/Qatar-And-Saint-Lucia-Sign-Air-Services-Agreement</a>
Canada	Dominican Republic	03/02/2023	Simple Flying, "Canada Signs Open Skies Agreement With Dominican Republic" <a href="https://simpleflying.com/canada-open-skies-agreement-dominican-republic/">https://simpleflying.com/canada-open-skies-agreement-dominican-republic/</a>
Peru	Finland	03/02/2023	Ministry of External Relations, "Peru and Finland sign air services agreement" <a href="https://www.gob.pe/institucion/rree/noticias/696096-el-peru-y-finlandia-firman-acuerdo-de-servicios-aereos">https://www.gob.pe/institucion/rree/noticias/696096-el-peru-y-finlandia-firman-acuerdo-de-servicios-aereos</a>
Montenegro	Azerbaijan	06/02/2023	<i>See News</i> , "Montenegro signs air service agreement with Azerbaijan – report" <a href="https://seenews.com/news/montenegro-signs-air-service-agreement-with-azerbaijan-report-813638">https://seenews.com/news/montenegro-signs-air-service-agreement-with-azerbaijan-report-813638</a>
European Union	Japan	20/02/2023	Council of the European Union, "External aviation policy: EU signs agreement boosting air services with Japan" <a href="https://www.consilium.europa.eu/en/press/press-releases/2023/02/20/external-aviation-policy-eu-signs-agreement-boosting-air-services-with-japan/">https://www.consilium.europa.eu/en/press/press-releases/2023/02/20/external-aviation-policy-eu-signs-agreement-boosting-air-services-with-japan/</a>
Guyana	India	22/02/2023	<i>Loop News</i> , "Air Services Agreement between Guyana and India approved for signing" <a href="https://caribbean.loopnews.com/content/air-services-agreement-between-guyana-and-india-approved-signing">https://caribbean.loopnews.com/content/air-services-agreement-between-guyana-and-india-approved-signing</a>
Sri Lanka	Netherlands	22/02/2023	<i>Ada Derana Business</i> , "Sri Lanka signs Air Services Agreement with the Netherlands" <a href="http://bizenglish.adaderana.lk/sri-lanka-signs-air-services-agreement-with-the-netherlands/">http://bizenglish.adaderana.lk/sri-lanka-signs-air-services-agreement-with-the-netherlands/</a>
Ghana	Sao Tomé and Príncipe	08/03/2023	<i>Graphic Online</i> , "Ghana, Sao Tome and Principe sign air traffic agreement" <a href="https://www.graphic.com.gh/news/general-news/ghana-news-ghana-sao-tome-and-principe-sign-air-traffic-agreement.html">https://www.graphic.com.gh/news/general-news/ghana-news-ghana-sao-tome-and-principe-sign-air-traffic-agreement.html</a>

Parties		Date of signature	Source
Philippines	Türkiye	05/04/2023	<i>Malaya Business Insight</i> , "PH, Türkiye improve air services agreement" <a href="https://malaya.com.ph/news_business/ph-turkiye-improve-air-services-agreement/">https://malaya.com.ph/news_business/ph-turkiye-improve-air-services-agreement/</a>
Canada	United Arab Emirates	05/04/2023	<i>Mirage News</i> , "Canada-UAE Air Transport Agreement Expanded for More Flights" <a href="https://www.miragenews.com/canada-uae-air-transport-agreement-expanded-for-981899/">https://www.miragenews.com/canada-uae-air-transport-agreement-expanded-for-981899/</a>
Dominican Republic	Brazil	14/04/2023	<i>Dominican Today</i> , "Dominican Republic and Brazil update air transport agreement protocol" <a href="https://dominantoday.com/dr/world/2023/04/14/dominican-republic-and-brazil-update-air-transport-agreement-protocol/">https://dominantoday.com/dr/world/2023/04/14/dominican-republic-and-brazil-update-air-transport-agreement-protocol/</a>
Oman	Tajikistan	15/04/2023	<i>Muscat Daily</i> , "His Majesty issues two Royal Decrees" <a href="https://www.muscatdaily.com/2023/05/24/his-majesty-issues-two-royal-decrees-3/">https://www.muscatdaily.com/2023/05/24/his-majesty-issues-two-royal-decrees-3/</a>
Peru	Korea	18/04/2023	<i>Yonhap News Agency</i> , "South Korea, Peru sign aviation pact" <a href="https://en.yna.co.kr/view/AEN20230418007500325#:~:text=SEOUL%2C%20April%2018%20(Yonhap).trade%2C%20Seoul%27s%20foreign%20ministry%20said.">https://en.yna.co.kr/view/AEN20230418007500325#:~:text=SEOUL%2C%20April%2018%20(Yonhap).trade%2C%20Seoul%27s%20foreign%20ministry%20said.</a>
India	Guyana	20/04/2023	<i>The Economic Times</i> , "India, Guyana sign Air Services Agreement to allow easier travel between the nations" <a href="https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/india-guyana-sign-air-services-agreement-to-allow-easier-travel-between-the-nations/articleshow/99711161.cms">https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/india-guyana-sign-air-services-agreement-to-allow-easier-travel-between-the-nations/articleshow/99711161.cms</a>
United Arab Emirates	Tajikistan	10/05/2023	<i>The Print</i> , "UAE, Tajikistan sign air transport services agreement" <a href="https://theprint.in/world/uae-tajikistan-sign-air-transport-services-agreement/1565017/">https://theprint.in/world/uae-tajikistan-sign-air-transport-services-agreement/1565017/</a>
Serbia	Maldives	10/05/2023	<i>SeeNews</i> , "Serbia, Maldives agree to launch direct air link" <a href="https://seenews.com/news/serbia-maldives-agree-to-launch-direct-air-link-822575">https://seenews.com/news/serbia-maldives-agree-to-launch-direct-air-link-822575</a>
United States	Moldova, Republic of	18/05/2023	U.S Department of State, "United States and Moldova Sign Open Skies Agreement" <a href="https://www.state.gov/united-states-and-moldova-sign-open-skies-agreement/">https://www.state.gov/united-states-and-moldova-sign-open-skies-agreement/</a>
Cambodia	Switzerland	23/05/2023	<i>Khmer Times</i> , "Cambodia, Switzerland sign MoU on air transport service" <a href="https://www.khmertimeskh.com/501296322/cambodia-switzerland-sign-mou-on-air-transport-service/">https://www.khmertimeskh.com/501296322/cambodia-switzerland-sign-mou-on-air-transport-service/</a>
Indonesia	Luxembourg	25/05/2023	<i>Tempo.co</i> , "Indonesia, Luxembourg Ink Air Transportation Cooperation" <a href="https://en.tempo.co/read/1730112/indonesia-luxembourg-ink-air-transportation-cooperation">https://en.tempo.co/read/1730112/indonesia-luxembourg-ink-air-transportation-cooperation</a>
Qatar	Suriname	14/06/2023	<i>Zawya</i> , "Qatar, Suriname sign Air Services Agreement" <a href="https://www.zawya.com/en/business/aviation/qatar-suriname-sign-air-services-agreement-vs9vjusm">https://www.zawya.com/en/business/aviation/qatar-suriname-sign-air-services-agreement-vs9vjusm</a>
United Arab Emirates	Peru	16/06/2023	<i>Travel Weekly</i> , "UAE and Peru sign air services agreement" <a href="https://www.travelweekly.com.au/article/uae-and-peru-sign-air-services-agreement/">https://www.travelweekly.com.au/article/uae-and-peru-sign-air-services-agreement/</a>
Ethiopia	South Sudan	20/06/2023	<i>Ethiopian Monitor</i> , "Ethiopia, South Sudan Sign Air Service Agreement" <a href="https://ethiopianmonitor.com/2023/06/20/ethiopia-south-sudan-sign-air-service-agreement/">https://ethiopianmonitor.com/2023/06/20/ethiopia-south-sudan-sign-air-service-agreement/</a>
Dominican Republic	Czech Republic	20/06/2023	<i>Dominican Today</i> , "Dominican Republic and Czech Republic modernize air transport agreement to strengthen commercial aviation" <a href="https://dominantoday.com/dr/world/2023/06/20/dominican-republic-and-czech-republic-modernize-air-transport-agreement-to-strengthen-commercial-aviation/">https://dominantoday.com/dr/world/2023/06/20/dominican-republic-and-czech-republic-modernize-air-transport-agreement-to-strengthen-commercial-aviation/</a>

Parties		Date of signature	Source
Cuba	Dominican Republic	06/07/2023	<i>Aviation Week Network</i> , "Cuba, Dominican Republic Reach New Air Services Agreement" <a href="https://aviationweek.com/air-transport/airports-networks/cuba-dominican-republic-reach-new-air-services-agreement">https://aviationweek.com/air-transport/airports-networks/cuba-dominican-republic-reach-new-air-services-agreement</a>
United Arab Emirates	Austria	11/07/2023	<i>Gulf Business</i> , "UAE, Austria sign air transport services agreement" <a href="https://gulfbusiness.com/uae-austria-sign-air-transport-services-agreement/">https://gulfbusiness.com/uae-austria-sign-air-transport-services-agreement/</a>
Belarus	Oman	25/07/2023	<i>Belta</i> , "Belarus, Oman sign air transport agreement" <a href="https://eng.belta.by/society/view/belarus-oman-sign-air-transport-agreement-160514-2023/">https://eng.belta.by/society/view/belarus-oman-sign-air-transport-agreement-160514-2023/</a>
Solomon Islands	New Zealand	25/07/2023	<i>International Airport Review</i> , "Solomon Islands and New Zealand conclude negotiations on a new Air Service Agreement" <a href="https://www.internationalairportreview.com/news/188195/solomon-islands-and-new-zealand-conclude-negotiations-on-a-new-air-service-agreement/">https://www.internationalairportreview.com/news/188195/solomon-islands-and-new-zealand-conclude-negotiations-on-a-new-air-service-agreement/</a>
Uzbekistan	Hungary	20/08/2023	<i>Trend</i> , "Uzbekistan, Hungary sign air service agreement" <a href="https://en.trend.az/world/3786547.html">https://en.trend.az/world/3786547.html</a>
Pakistan	Saudi Arabia, Kingdom of	21/08/2023	<i>Arab News</i> , "Pakistan, Saudi Arabia sign 'Air Services Agreement' to increase number of flights" <a href="https://www.arabnews.com/node/2358916/pakistan">https://www.arabnews.com/node/2358916/pakistan</a>
Papua New Guinea	Palau	23/08/2023	<i>Post Courier</i> , "PNG and Palau sign air service agreement" <a href="https://www.postcourier.com.pg/png-and-palau-sign-air-service-agreement/">https://www.postcourier.com.pg/png-and-palau-sign-air-service-agreement/</a>
Saudi Arabia, Kingdom of	Poland	28/08/2023	<i>The Star</i> , "Saudi Arabia, Poland sign air services agreement" <a href="https://www.thestar.com.my/news/world/2023/08/29/saudi-arabia-poland-sign-air-services-agreement">https://www.thestar.com.my/news/world/2023/08/29/saudi-arabia-poland-sign-air-services-agreement</a>
United Arab Emirates	Palau	31/08/2023	<i>Arabian Business</i> , "UAE, Republic of Palau sign bilateral air services agreement" <a href="https://www.arabianbusiness.com/industries/transport/uae-republic-of-palau-sign-bilateral-air-services-agreement">https://www.arabianbusiness.com/industries/transport/uae-republic-of-palau-sign-bilateral-air-services-agreement</a>
Kenya	Somalia	09/09/2023	<i>Citizen Digital</i> , "Kenya, Somalia sign bilateral air services agreement - CS Murkomen" <a href="https://www.citizen.digital/news/kenya-somalia-sign-bilateral-air-services-agreement-cs-murkomen-n325214">https://www.citizen.digital/news/kenya-somalia-sign-bilateral-air-services-agreement-cs-murkomen-n325214</a>
Qatar	Bahamas	25/09/2023	Arab Air Carriers' Organization, "Qatar and Bahamas sign air service agreement" <a href="https://www.aaco.org/media-center/news/aeropolitical/qatar-and-bahamas-sign-air-service-agreement">https://www.aaco.org/media-center/news/aeropolitical/qatar-and-bahamas-sign-air-service-agreement</a>
India	New Zealand	29/09/2023	Ministry of Civil Aviation, "India and New Zealand sign MoU to boost cooperation in Civil Aviation" <a href="https://pib.gov.in/PressReleasePage.aspx?PRID=1953261">https://pib.gov.in/PressReleasePage.aspx?PRID=1953261</a>
Qatar	Grenada	03/10/2023	<i>The Middle East North Africa Financial Network, Inc. (MENAFN)</i> , "Qatar, Grenada Sign Air Services Agreement" <a href="https://menafn.com/1107179343/Qatar-Grenada-Sign-Air-Services-Agreement">https://menafn.com/1107179343/Qatar-Grenada-Sign-Air-Services-Agreement</a>

Note: The term "Air Transport Agreements" is used here to refer to Air Services Agreements, Memoranda of Understanding, Exchange of Notes, and other such relevant instruments.

Source: WTO Secretariat.

### COVID-19-related measures affecting trade in services

4.18. During the review period, no new COVID-19-related measures affecting trade in services were reported. Since the outbreak of the pandemic, the Secretariat has collected information on 156 COVID-19-related measures affecting trade in services introduced by Members and Observers.

Twenty-two of those measures were reported as terminated over the past three years, and three additional ones were indicated as being partially terminated, of which one during the reporting period.<sup>2</sup> The full list of measures compiled since the beginning of the COVID-19 pandemic is available on the WTO website.<sup>3</sup>

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<sup>2</sup> Philippines partially terminated two measures affecting banking and other financial services.

<sup>3</sup> Viewed at: [https://www.wto.org/english/tratop\\_e/covid19\\_e/trade\\_related\\_services\\_measure\\_e.htm](https://www.wto.org/english/tratop_e/covid19_e/trade_related_services_measure_e.htm).

## 5 POLICY DEVELOPMENTS IN TRADE AND INTELLECTUAL PROPERTY

5.1. WTO Members continued to fine-tune their intellectual property (IP) regimes between mid-October 2022 and mid-October 2023. While many pandemic-related measures were phased out, some Members have formalized online procedures created during lockdowns. IP measures taken as a result of the war in Ukraine continued to be implemented. Türkiye implemented measures for IP holders in the regions affected by the earthquake that took place in June 2022.

5.2. During the review period, WTO Members discussed the possible extension of the MC12 TRIPS Decision on COVID-19 Vaccines to diagnostics and therapeutics and shared national experiences and best practices on IP and innovation.

### Acceptance of the Protocol Amending the TRIPS Agreement

5.3. During the review period, Namibia deposited its instrument of acceptance of the Protocol Amending the TRIPS Agreement, in April 2023.<sup>1</sup>

### National IP-related strategies

5.4. Albania established the interagency working group to monitor and implement its National IP Strategy 2022–2025; and the Inter-institutional Working Group met to review the implementation, in June 2023.<sup>2</sup>

### Developments in domestic legislation and administration of IPRs

5.5. Domestically, WTO Members and Observers are working to streamline IP in their economies. The relationship between IP and trade continued to develop and diversify, as Members continued to modernize and fine-tune their IP legislation and administration (Table 5.1).

**Table 5.1 Domestic legislation and administrative developments**

Member	Measure
Australia	The Australian Border Force amended the claim for release of seized goods/copies to require evidence to support the release, as of April 2023. <sup>a</sup>
Chile	The National Intellectual Property Institute (INAPI) updated its list of IP experts and the appraisal fees, mandated the use of the online form for submissions for trademark oppositions, and set the fees in the framework of the Madrid Protocol, between November 2022 and June 2023.  The Law on Economic Crimes entered into force in August 2023. <sup>b</sup>
China	The National Copyright Administration issued 7 pre-warning lists of key works for copyright protection, covering a total of 38 works, including 6 theatrical films involving overseas rights holders, as of October 2022. <sup>c</sup>
Colombia	The law of the National Development Plan 2022-2026 amended the provisions regarding the utilization of the benefits obtained from IP rights derived from research and projects undertaken by public entities; and entered into force in June 2023. <sup>d</sup>
Hong Kong, China	The Copyright (Amendment) Bill 2022 was passed by the Legislative Council in December 2022 to strengthen protection in the digital environment. It came into force in May 2023. <sup>e</sup>
Italy	The new Industrial Property Code entered into force on 23 August 2023. <sup>f</sup>
Montenegro	Amendments to the Law on Trademarks and to the Law on Patents entered into force in January 2023. <sup>g</sup>

<sup>1</sup> The complete list of Members that have accepted the Protocol Amending the TRIPS Agreement is available on: [https://www.wto.org/english/tratop\\_e/trips\\_e/amendment\\_e.htm](https://www.wto.org/english/tratop_e/trips_e/amendment_e.htm).

<sup>2</sup> Communication by Albania for the Trade Monitoring Report.



Member	Measure
Myanmar	The Law on Trademarks came into force in April 2023, and the IP Central Committee was reorganized in February 2023.  The IP Central Committee was reorganized, as of June 2023. <sup>h</sup>
Nigeria	The new Copyright Act was signed into Law in March 2022. <sup>i</sup>
Norway	The new Customs Act and Regulations on the Movement of Goods were updated enforcement provisions that encompass (i) interventions by customs authorities on transit shipments if the contents are protected by IP rights in Norway; and (ii) small consignments containing online purchases can be intercepted and detained by customs with a simplified procedure for seizure and destruction. <sup>j</sup>
Saudi Arabia, Kingdom of	The National Intellectual Property Strategy was launched in December 2022; the compulsory licensing service for copyright works was launched in November 2022; and implemented enforcement campaigns in March 2023. <sup>k</sup>
Chinese Taipei	The enforcement rules contained in the Patent Act were amended in October 2022.  The Regulations Governing the Determination of Patent Term Extension were amended and entered into force in July 2023. <sup>l</sup>
Ukraine	The functions of the National Intellectual Property Authority were updated in November 2022; the Law on Geographical Indications for Spirits came partially into force in December 2022; and the Law on Copyright and Related Rights came into force in January 2023.  The provisions in civil, commercial, and intellectual property laws were aligned with the obligations resulting from the Association Agreement with the European Union; and entered into force in April 2023.  The Procedure for the Payment of Fees for Actions Related to the Protection of Rights to Intellectual Property Objects was updated and entered into force in September 2023. <sup>m</sup>
Viet Nam	Provisions related to industrial designs, inventions related to security and national defense, compensation to patent holders due to delays in marketing approval and management of geographical indications came into force in August 2023. <sup>n</sup>

a Communication by Australia for the Trade Monitoring Report.

b Communication by Chile for the Trade Monitoring Report.

c Communication by China for the Trade Monitoring Report.

d Communication by Colombia for the Trade Monitoring Report.

e Communication by Hong Kong, China for the Trade Monitoring Report.

f Communication by Italy for the Trade Monitoring Report.

g Communication by Montenegro for the Trade Monitoring Report.

h Communication by Myanmar for the Trade Monitoring Report.

i See WIPO (2023), "Nigeria Passes New Copyright Act 2022", 12 May. Viewed at: [https://www.wipo.int/about-wipo/en/offices/nigeria/news/2023/news\\_0011.html](https://www.wipo.int/about-wipo/en/offices/nigeria/news/2023/news_0011.html).

j Communication by Norway for the Trade Monitoring Report.

k Communication by the Kingdom of Saudi Arabia for the Trade Monitoring Report.

l Communication by Chinese Taipei for the Trade Monitoring Report; and notifications to the TRIPS Council [IP/N/1/TPKM/36](#), [IP/N/1/TPKM/P/18](#), [IP/N/1/TPKM/37](#), [IP/N/1/TPKM/P/19](#).

m Communication by Ukraine for the Trade Monitoring Report.

n Communication by Viet Nam for the Trade Monitoring Report.

Source: WTO Secretariat.

### COVID-19-related measures

5.6. The pace of implementation of specific measures related to COVID-19 health technologies slowed down. Some Members extended the duration of the availability of online procedures for registration and management of IP rights, and others phased out such measures. Some, including Chile, incorporated the use of online tools into their IP regimes.

### War-related measures

5.7. Several Members continue to apply a wide range of trade-related measures that cover both tangible and intangible assets, like IP rights. These measures, applied to legal or natural persons, might indirectly affect the maintenance and licensing of intellectual property rights (IPRs).<sup>3</sup>

### Emergency-related measures

5.8. Türkiye extended the administrative deadlines for IP rights holders and applicants from the provinces affected by the earthquake, in February 2023.<sup>4</sup>

### TRIPS Council

5.9. The TRIPS Council met formally in October 2022 and in March and June 2023 and held several meetings in informal mode. Discussions focused on the possible extension of the MC12 TRIPS Decision on COVID-19 Vaccines<sup>5</sup> to diagnostics and therapeutics.

5.10. In March 2023, the Workshop on the Implementation of Article 66.2 of the TRIPS Agreement took place back-to-back with the formal meeting of the TRIPS Council. During that meeting, Members concluded the review of the annual reports on incentives for technology transfer to LDC Members and technical cooperation activities and took note of the Secretariat Report on Notifications and Other Information Flows.<sup>6</sup>

5.11. During the June 2023 meeting, WTO Members agreed to restart the Council's review mechanism under Article 71.1, which foresees reviewing the implementation of the Agreement every two years.

5.12. Dynamic discussions on "IP and Innovation" continued to take place, as Members shared information and best practices regarding the role of IP in raising finance for start-ups<sup>7</sup>; cross-border cooperation among IP offices<sup>8</sup>; and research collaboration across borders.<sup>9</sup>

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<sup>3</sup> See, for example: <https://www.legislation.gov.au/Details/F2021C00330>.

<sup>4</sup> Communication by Türkiye for the Trade Monitoring Report.

<sup>5</sup> WTO document [WT/MIN\(22\)/30](#), 22 June 2022.

<sup>6</sup> WTO document [IP/C/W/687](#), 1 March 2022.

<sup>7</sup> WTO document [IP/C/W/692](#), 29 September 2022.

<sup>8</sup> WTO document [IP/C/W/697](#), 3 March 2023.

<sup>9</sup> WTO document [IP/C/W/699](#), 1 June 2023.

## 6 TRANSPARENCY OF TRADE POLICIES

### Notifications and surveillance in WTO Councils and Committees<sup>1</sup>

6.1. This Section provides a factual overview of the compliance and timeliness of Members' notifications to the WTO. Notifications are the primary instrument for ensuring transparency in the multilateral trading system. They are submitted by each Member and reviewed by the relevant bodies of the WTO. The importance attached by WTO Members to this issue explains the very elaborate system of notifications and cross-notifications put in place under the terms of most agreements. Transparency in trade and in trade policy making is fundamental for allowing trade policy makers and businesses make informed decisions, and markets to operate more efficiently.

6.2. The overview of the compliance and timeliness of Members' notifications to the WTO illustrates that, with a few exceptions, compliance with notification requirements of the various WTO Agreements continues to be very uneven. Despite efforts by some delegations to bring their notifications further up to date, the general sense is that progress on this front remains too slow. The lack of compliance with notification obligations across WTO bodies is problematic because it undermines individual agreements and, more generally, the operation of the multilateral trading system. There are several reasons for low compliance with notification requirements, and an important one relates to capacity constraints of many WTO Members, despite the efforts by the WTO Secretariat and individual Committees. The poor notification compliance must be addressed collectively by the WTO membership.

### Anti-dumping

6.3. Pursuant to Article 16.4 of the Agreement on the Implementation of Article VI of GATT 1994 (the Anti-Dumping Agreement), all Members are required to submit to the Committee on Anti-Dumping Practices, on a semi-annual basis, reports of any anti-dumping actions taken within the preceding six months, using an agreed standard form. Members that have not taken anti-dumping actions during a given six-month period are required to submit a simple "nil" notification. Members that have not established an authority competent to conduct anti-dumping investigations have the option to make a one-time notification indicating that fact, which remains valid unless and until they establish an investigating authority, in lieu of submitting "nil" notifications every six months.

6.4. Fifty-eight Members<sup>2</sup> submitted semi-annual reports, either of anti-dumping actions taken, or of no actions having been taken, during the six-month period January-June 2023. To date, 53 Members have submitted one-time "nil" notifications. The remaining 26 Members failed to submit semi-annual reports in respect of anti-dumping actions during the period January-June 2023. Few of these non-notifiers are likely to have taken anti-dumping actions as they have never notified the establishment of an investigating authority.

### Subsidies and countervailing measures

6.5. The trends in the status of compliance with the obligation to notify subsidies to the Committee on Subsidies and Countervailing Measures under Article 25.1 during the period 1995-2021 are shown in Table 6.1. Subsidy notifications are required every two years, and the deadline for Members to submit their 2023 new and full subsidy notifications was 30 June 2023.

6.6. A significant decline is observed in the percentage of Members notifying subsidies, decreasing from 50% in 1995 to 31% by 2023. Simultaneously, the percentage of Members making a "nil" notification has also decreased, from 26% in 1995 to 5% in 2023. When combining the data for those that notified subsidies and those that made a "nil" notification, the overall rate of notifications has seen a notable decline. In 1995, 76% of Members provided some form of notification, and this fell to 36% by 2023. On the other hand, the percentage of Members that did not submit any form of notification has increased remarkably, from 24% in 1995 to 64% in 2023.

<sup>1</sup> Notifications in the SPS and TBT Committees are dealt with in Sections 3.3 and 3.4 of this Report.

<sup>2</sup> The European Union is counted as one (27 member States).

**Table 6.1 Status of subsidy notifications (due on 30 June of the year shown)**

New and full subsidy notification	% share of total													
	1995	1998	2001	2003	2005	2007	2009	2011	2013	2015	2017	2019	2021	2023
Members that notified subsidies	50%	39%	44%	45%	47%	48%	48%	47%	49%	48%	46%	46%	40%	31%
Members that made a "nil" notification	26%	17%	15%	14%	13%	12%	18%	22%	19%	19%	16%	10%	9%	5%
Subtotal notifying Members	76%	56%	59%	59%	60%	60%	65%	69%	69%	67%	62%	55%	48%	36%
Members that did not make any notification	24%	44%	41%	41%	40%	40%	35%	31%	31%	33%	38%	45%	52%	64%

Note: As of 13 October 2023.

Source: WTO Secretariat.

6.7. Pursuant to Article 25.11 of the Agreement on Subsidies and Countervailing Measures, all Members are required to submit to the Committee on Subsidies and Countervailing Measures, on a semi-annual basis, reports of any countervailing actions taken within the preceding six months, using an agreed standard form. Members that have not taken countervailing actions during a given six-month period are required to submit a simple "nil" notification. Members that have not established an authority competent to conduct countervailing duty investigations have the option to make a one-time notification indicating that fact, which remains valid unless and until they establish an investigating authority, in lieu of submitting "nil" notifications every six months.

6.8. Fifty-five Members<sup>3</sup> submitted semi-annual reports, either of countervailing actions taken, or of no actions having been taken, during the six-month period January-June 2023. To date, 49 Members have submitted one-time "nil" notifications. The remaining 33 Members failed to submit semi-annual reports in respect of countervailing actions during the period January-June 2023. Few, if any, of these non-notifiers are likely to have taken countervailing actions as they have never notified the establishment of an investigating authority.

### Safeguards notifications

6.9. Unlike the Anti-Dumping Agreement or the SCM Agreement, the Agreement on Safeguards does not oblige Members to submit semi-annual reports. On the other hand, the Agreement on Safeguards obliges Members to notify individual safeguard actions, such as initiations of investigation or impositions of measure. The number of notifications regarding initiations and impositions are explained in Section 3.2 of this Report. In addition, pursuant to Article 12.6 of the Agreement on Safeguards, all Members are obliged to notify to the Committee on Safeguards their laws, regulations and administrative procedures relating to safeguard measures. As of 13 October 2023, 75 Members<sup>4</sup> had notified their legislations, while 46 Members had notified that they had no such legislation. Sixteen Members had not made such a notification.

### State trading enterprises

6.10. The Working Party on State Trading Enterprises reviews notifications of state trading enterprises on behalf of the CTG. Since 2004, these notifications have been due every two years. Table 6.2 presents notifications received for the years in which a new and full notification was due.

<sup>3</sup> The European Union is counted as one (27 member States).

<sup>4</sup> The European Union is counted as one (27 member States).

**Table 6.2 Status of new and full STE notifications (due on 30 June of the year shown)**

Year	1995	1998	2001	2004	2006	2008	2010	2012	2014	2016	2018	2020	2022
Number of Members that have notified	65	65	72	64	63	66	66	61	64	68	54	47	44

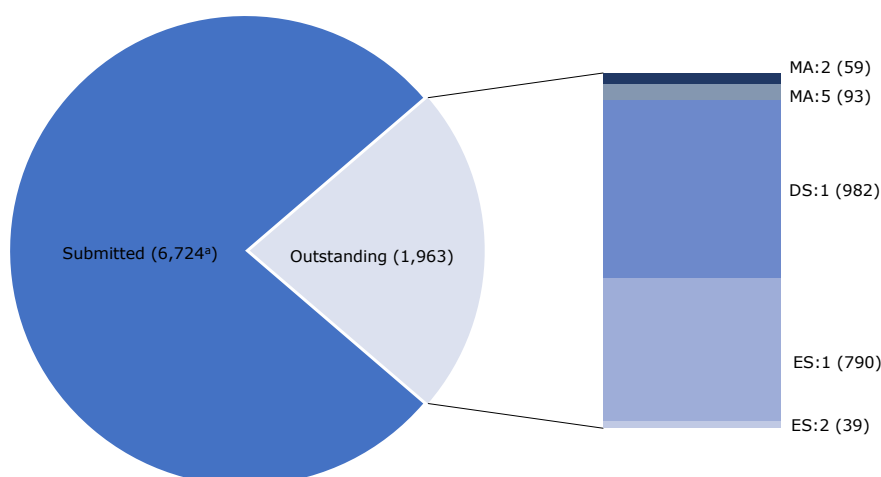
Note: As of 13 October 2023.

Source: WTO Secretariat.

### Agriculture

6.11. The CoA continued its review of the implementation of commitments under the AoA primarily on the basis of notifications submitted by Members. Twelve distinct notification requirements are applicable in the domain of agriculture, covering the following areas: market access, domestic support, export subsidies, export prohibitions or restrictions, and the follow-up to the NFIDC Decision. The applicability of a notification requirement is largely dependent on its specific commitments under the AoA. Out of the 12 notification requirements, the following 5 are "regular" or "annual" notification requirements: (i) imports under tariff and other quotas (MA:2); (ii) special SGs (MA:5); (iii) domestic support (DS:1); (iv) export subsidies (ES:1); and (v) total exports (ES:2).<sup>5</sup>

6.12. At each meeting, the Committee reviews Members' compliance with their notification requirements under the AoA based on a background document prepared by the Secretariat. The latest revision<sup>6</sup> considered by the CoA at its September 2023 meeting showed that for the period 1995-2021, there were a total of 1,963 outstanding regular notifications, which represented around 23% of expected notifications.<sup>7</sup> Out of the five annual notification requirements, Domestic Support (DS:1) and Export Subsidy (ES:1) notifications have the highest number of outstanding notifications with 982 and 790 of notifications pending, respectively (Chart 6.1).

**Chart 6.1 Outstanding notifications per type of notification requirement, 1995-21**

a This number represents the count of reported years and does not necessarily match the number of notifications submitted since some notifications covered more than one year.

Source: WTO document [G/AG/GEN/86/Rev.50](#), 15 September 2023.

<sup>5</sup> Annual notifications are required to be submitted no later than a certain number of days following the end of the year in question, in accordance with the deadlines set out in the Committee's Notification Requirements and Formats in WTO document [G/AG/2](#), 30 June 1995.

<sup>6</sup> WTO document [G/AG/GEN/86/Rev.50](#), 15 September 2023.

<sup>7</sup> "Ad hoc" notification obligations applicable only upon maintenance of a specific measure (e.g. Table ER:1 required upon the application of export restrictions) as well as the annual notifications where it was not possible to determine *a priori* whether the concerned notification requirement would be applicable (e.g. Table NF:1 applicable to donor Members only) are excluded.

6.13. From 15 October 2022 to 15 October 2023, Members submitted 452 notifications (including addenda and corrigenda). A total of 285 questions were posed concerning individual notifications at the 21-22 November 2022, and the 27-28 March, 27-28 June and 27-28 September 2023 CoA meetings that took place during this period. Most questions related to domestic support notifications (82%), with the notifications from China, India, and the United States being subject to an extensive review based on multiple questions from other Members. A total of 10 questions addressed overdue notifications from Egypt, the European Union, India, Kazakhstan, Malaysia, Thailand, Türkiye, and Uruguay.

### Balance-of-Payments Restrictions

6.14. Notification obligations in relation to restrictions to safeguard a country's balance of payments stem from Articles XII and XVIII of the GATT 1994 and the Understanding on Balance-of-Payments (BOP) Provisions (described in Table 6.3).

**Table 6.3 Notification procedures for BOPs restrictions**

Legal source	Notification requirement	Type
GATT Article XII:4(a)	Any Member applying new restrictions or raising the general level of restrictions by a substantial intensification of the measures applied under this Article shall immediately after instituting or intensifying such restrictions (or, in circumstances in which prior consultation is practicable, before doing so) consult with Members as to the nature of its BOP difficulties, alternative corrective measures which may be available, and the possible effect of the restrictions on the economies of other Members	<i>Ad hoc</i> , followed by annual consultations
GATT Article XVIII:12(a)		<i>Ad hoc</i> , followed by biennial consultations
Understanding on BOP Provisions, para. 9	A Member shall notify to the General Council the introduction of, or any changes in, the application of restrictive import measures taken for BOP purposes, as well as any modifications in time-schedules for the removal of such measures as announced under paragraph 1. Significant changes shall be notified to the General Council prior to, or not later than, 30 days after their announcement	<i>Ad hoc</i> , followed by a yearly consolidated notification

Source: WTO Secretariat.

6.15. The last BOP consultations were completed in July 2017 and no Member has notified the Secretariat of the imposition of measures for BOP purposes since then.

### Customs valuation

6.16. Notifications in the area of customs valuation stem not only from the Agreement on Customs Valuation itself, but also from several Decisions that have been adopted by the Committee on Customs Valuation. There are four main notification requirements.

6.17. Article 22 of the Agreement on Customs Valuation and a Decision of the Committee contained in WTO document [G/VAL/5](#), 13 October 1995, require the submission of the complete texts of national legislation (laws, regulations, etc.) that deal with customs valuation, as well as any changes to such laws and regulations. Members must also provide answers to a "Checklist of Issues" provided for in the Annex to WTO document [G/VAL/5](#). During the review period, several Members updated these notifications. The number of Members that have notified their customs valuation legislation stands at 111, whereas the number of Members that have provided their answers to the Checklist of Issues remains at 78.

6.18. In addition, Members are required to notify the Committee of the date of application of the Decision on the treatment of interest charges in the customs value of imported goods<sup>8</sup>, and Members that apply paragraph 2 of the Decision on the valuation of carrier media bearing software for data processing equipment must notify the Committee of their practice.<sup>9</sup> As of mid-October 2023, 60 Members have submitted notifications relating to the Decision on the treatment of interest

<sup>8</sup> GATT document VAL/6/Rev.1, 1 October 1984.

<sup>9</sup> GATT document VAL/8, 10 October 1984.

charges, including 2 Members during the period of review, and a total of 55 Members have submitted notifications with regard to the Decision on the valuation of carrier media.

### Import licensing

6.19. Notification requirements in the area of import licensing procedures result from the WTO Agreement on Import Licensing Procedures. They are complemented by the "Procedures for Notification and Review under the Agreement on Import Licensing Procedures" adopted by the Committee on Import Licensing in 1995 (G/LIC/3) and the "Understanding on Procedures for the Review of Notifications submitted under the Agreement on Import Licensing Procedures" adopted on 23 October 1996 (G/LIC/4). The notification requirements are described in Table 6.4.

**Table 6.4 Notification procedures for import licensing**

No.	Notification requirement	Established in	Type	Notification category
1	Submission of full texts of relevant laws and regulations and any changes thereto	Article 8.2(b) of the Agreement; <a href="#">G/LIC/3</a>	One-off and <i>ad hoc</i>	N/1 N/2
2	Sources in which information concerning import licensing procedures are published	Article 1.4(a) of the Agreement; <a href="#">G/LIC/3</a>	One-off and <i>ad hoc</i>	N/1 N/2
3	New import licensing procedures and changes to existing procedures	Articles 5.1-5.4 of the Agreement	<i>Ad hoc</i>	N/2
4	Reply to the Questionnaire on Import Licensing Procedures	Article 7.3 of the Agreement; <a href="#">G/LIC/3</a>	Annual, by 30 September each year	N/3

Source: WTO Secretariat.

6.20. The N/1 notification requires a WTO Member to notify all relevant laws and regulations with regard to import licensing procedures, as well as identify the source/publications containing such information. It contains both a one-off element (notification of existing laws and regulations and source/publications) and an *ad hoc* element (changes to laws and regulations thereafter). In theory, a WTO Member should have at least one N/1 submission, providing its laws and regulations on import licensing or indicating that its government does not maintain any import licensing regime.

6.21. The N/2 notification is an obligation for Members to notify new licensing laws/procedures or changes made to existing laws/procedures. It is *ad hoc* in nature, and only due when specific circumstances occur. A new notification form (for notification under Articles 5.1-5.4) was agreed at the Import Licensing Committee meeting held on 4 April 2019 for Members to use on a voluntary basis.<sup>10</sup> WTO Members may use and are effectively using this notification form for all notifications under Articles 1.4(a), 8.2(b) and 5.1-5.4 (N/1 and N/2).<sup>11</sup> The N/3 notification requires Members to reply to a Questionnaire describing all import licensing procedures in place by 30 September every year.

6.22. As of 25 October 2023, 13 Members had not yet submitted any notification under any provision of the Agreement since joining the WTO, while 21 Members never replied to the Annual Questionnaire under Article 7.3. During the review period, as of 25 October 2023, 148 new notifications under the Agreement on Import Licensing were received and circulated by the Secretariat.<sup>12</sup> The Committee reviewed 102 N/1 and N/2 notifications relating to the institution of new import licensing procedures or changes in these procedures from 13 Members and 46 N/3 notifications from 34 Members. On 4 October 2023 Myanmar, submitted a notification of the annual questionnaire under Article 7.3 of the Agreement for the first time.

### Integrated Database (IDB)

6.23. Market access transparency is anchored in reliable and updated information. The IDB is the repository of WTO Members' notifications on tariffs, imports and other market access information at

<sup>10</sup> WTO document [G/LIC/28](#), 1 May 2019.

<sup>11</sup> See footnote 1 to WTO document [G/LIC/28](#), 1 May 2019.

<sup>12</sup> The European Union and its member States are counted as one.



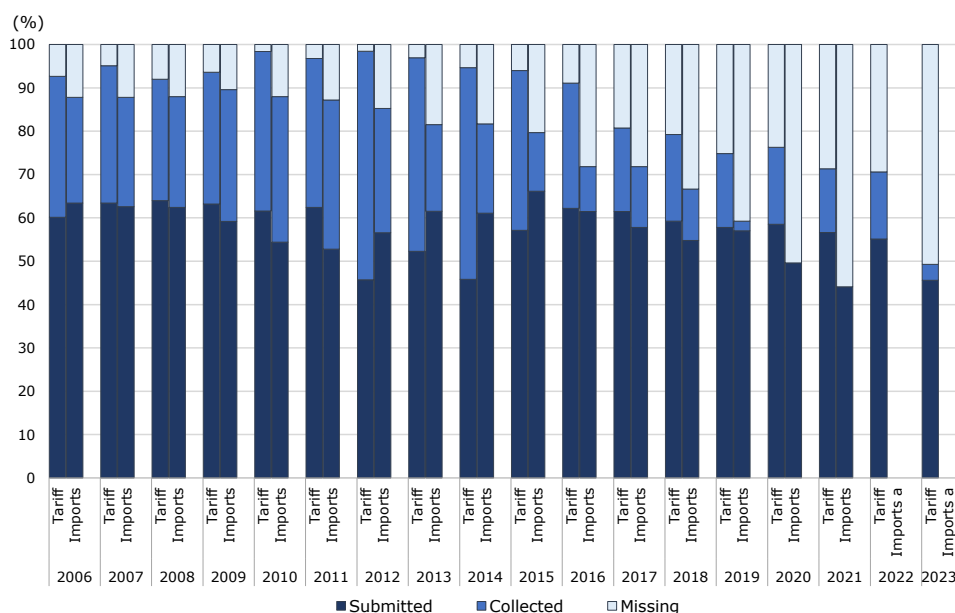
the tariff-line level. The IDB provides to the WTO membership officially approved information, including applied internal taxes and other duties and charges.

6.24. Chart 6.2 shows the completeness of tariff and import notifications to the IDB directly submitted by Members or collected by the Secretariat. As of 25 September 2023, the completeness of IDB notifications stood at 83% for tariffs and 75% for import statistics. The coverage of the 2023 tariff information that was due for 30 March 2023 was at 49%. The coverage of the 2021 import statistics was 44%. Of the 67 tariff notifications received for 2023, 39 (58%) included preferential tariffs.

6.25. The IDB notifications coverage varies among Members. As shown in Table 6.5, 44 Members (32%) have complete tariff information, and 47 Members (35%) have complete import statistics in the IDB. The table also shows high percentages of Members with at least six years of outstanding notifications - 34% for tariffs and 43% for imports.

6.26. The IDB data are disseminated in different WTO online portals and are used to calculate the statistics published in the World Tariff Profiles (WTP), a yearly compendium of comprehensive market access indicators.

**Chart 6.2 Completeness of IDB tariff and import notifications, 2006-23**



a Notifications of imports for 2022 and 2023 were not due at the time of reporting.

Note: The completeness of notifications is calculated on the basis of the number of Members' schedules (i.e. European Union member States are included in the European Union schedule, and Lichtenstein in Switzerland's). Information provided by the European Union on the period since 1 January 2021 covers its current 27 Member States. For the period until 31 December 2020, tariff information provided by the European Union also covers the United Kingdom.

Source: WTO Secretariat, as of 25 September 2023.

**Table 6.5 Completeness<sup>a</sup> of notifications among Members**

Number of years with outstanding data	Tariffs (up to 2023)		Imports (up to 2021)	
	No. of Members	%	No. of Members	%
None (complete data)	44	32	47	35
1-2 years	21	15	14	10
3-5 years	25	18	16	12
6 or more years	46	34	59	43
Total number of Members' schedules	136	100	136	100

a The completeness of notifications is calculated on the basis of the number of Members' schedules (i.e. EU member States are included in the European Union schedule, and Lichtenstein in Switzerland's). Information provided by the European Union on the period since 1 January 2021 covers its current 27 member States. For the period until 31 December 2020, tariff information provided by the European Union also covers the United Kingdom.

Source: WTO Secretariat, as of 25 September 2023.

### Preshipment inspection

6.27. Article 5 of the Agreement on Preshipment Inspection (PSI) provides that Members shall submit to the Secretariat copies of the laws and regulations under which they put the Agreement into force, as well as copies of any other laws and regulations relating to PSI. Changes in such laws and regulations shall also be notified immediately after their publication. Since the last report, three Members submitted notifications relating to PSI, bringing the total number of Members that have made such a notification to 118.

### Preferential trade arrangements

6.28. Under the Transparency Mechanism for Preferential Trade Arrangements (PTAs), which was established in December 2010<sup>13</sup>, newly notified PTAs are to be considered in dedicated sessions of the Committee on Trade and Development (CTD), on the basis of Secretariat-prepared factual presentations. Since the establishment of the Transparency Mechanism, 13 PTAs have been notified to the WTO. Four of these have been considered by the CTD in dedicated sessions, while for several others, the notifying Members have yet to provide the Secretariat with the information required for the preparation of the factual presentations. The CTD Chair provides an update at each meeting of the CTD's dedicated session regarding the PTAs that are to be considered and urges the notifying Members to provide the data and information as soon as possible.

6.29. The Transparency Mechanism for PTAs also stipulates that an electronic database on individual PTAs is to be maintained by the Secretariat. The Database on PTAs<sup>14</sup> currently contains information on 37 PTAs. Table 6.6 provides an overview of the PTAs included in the database, which is updated primarily on the basis of information provided by the Members implementing PTAs.

**Table 6.6 PTAs of WTO Members**

WTO Member	Number of PTAs	Name or description of PTA
Armenia	1	Generalized System of Preferences
Australia	2	Generalized System of Preferences
		South Pacific Regional Trade and Economic Cooperation Agreement <sup>a</sup>
Canada	2	Generalized System of Preferences
		Commonwealth Caribbean Countries Tariff
Chile	1	Duty-free treatment for LDCs
China	1	Duty-free treatment for LDCs
European Union	4	Generalized System of Preferences
		Trade preferences for countries of the Western Balkans
		Trade preferences for Pakistan <sup>b</sup>
		Trade preferences for the Republic of Moldova <sup>c</sup>
Iceland	1	Generalized System of Preferences
India	1	Duty-Free Tariff Preference Scheme for LDCs
Japan	1	Generalized System of Preferences
Kazakhstan	1	Generalized System of Preferences
Republic of Korea	1	Preferential Tariff for LDCs

<sup>13</sup> WTO document [WT/L/806](#), 16 December 2010.

<sup>14</sup> Viewed at: <http://ptadb.wto.org>.

WTO Member	Number of PTAs	Name or description of PTA
Kyrgyz Republic	2	Duty-free treatment for LDCs <sup>d</sup>
		Generalized System of Preferences
Montenegro	1	Duty-free treatment for LDCs
Morocco	1	Duty-free treatment for African LDCs
New Zealand	2	Generalized System of Preferences
		South Pacific Regional Trade and Economic Cooperation Agreement <sup>a</sup>
Norway	1	Generalized System of Preferences
Russian Federation	2	Generalized System of Preferences (01/01/2010-10/10/2016) <sup>d</sup>
		Generalized System of Preferences (as of 10/10/2016)
Switzerland	1	Generalized System of Preferences
Chinese Taipei	1	Duty-free treatment for LDCs
Tajikistan	1	Duty-free treatment for LDCs
Thailand	1	Duty-free treatment for LDCs <sup>e</sup>
Türkiye	1	Generalized System of Preferences
United Kingdom	2	Generalized System of Preferences (01/01/2021-18/06/2023) <sup>f</sup>
		Developing Countries Trading Scheme (as of 19/06/2023)
United States	6	African Growth and Opportunity Act
		Andean Trade Preference Act <sup>g</sup>
		Caribbean Basin Economic Recovery Act
		Former Trust Territory of the Pacific Islands
		Generalized System of Preferences
		Trade preferences for Nepal

a Australia and New Zealand both provide preferences under this PTA.

b The preferences granted under this PTA expired on 31 December 2013.

c The preferences granted under this PTA expired on 31 December 2015.

d The preferences granted under this PTA expired on 10 October 2016.

e The preferences granted under this PTA expired on 31 December 2020.

f The preferences granted under this PTA expired on 18 June 2023.

g The preferences granted under this PTA expired on 31 July 2013.

Source: Database on PTAs.

### Quantitative restrictions (QRs)

6.30. The notification of QRs to the Market Access Committee is an obligation established by the 2012 Decision on Notification Procedures for Quantitative Restrictions (WTO document [G/L/59/Rev.1](#), 3 July 2012). The Decision requires Members, every two years, to notify the WTO Secretariat of the QRs they have in force, as well as any changes in the interim. As of 30 October 2023, a total of 60 Members (counting the EU-27 as one) had submitted QR notifications and 78 Members had never submitted a notification since the requirement was established in 2012.<sup>15</sup> The number of notifications for each biennial period is provided in Table 6.7.

6.31. As of 30 October 2023, 38 Members (counting the EU-27 as one) had submitted multiple notifications under the QR Decision informing of the introduction, modification or removal of temporary export prohibitions and restrictions as a result of the COVID-19 pandemic.<sup>16</sup> In terms of the continued application of these measures, while some Members have notified the extension of the temporary measures, and others have notified either the complete or partial elimination of the temporary export restrictions or have confirmed the expiration of the measures, most Members have not notified additional information since their first QR notification. According to the Secretariat Report "Summary of notified export restrictions and trade-facilitating measures relating to the COVID-19 Pandemic"<sup>17</sup>, approximately 19 Members provided information on 30 additional measures to the Trade Monitoring Report as a result of COVID-19 but did not notify these measures under the QR Decision as of the date of this Report.

**Table 6.7 Notification procedures for QRs**

No.	Notification requirement	Total number of notifications received as at 30 October 2023, by biennial period
1	QRs in force (regular notification) <sup>a</sup>	2012-14: 28 notifications from 24 Members

<sup>15</sup> WTO document [G/MA/QR/13](#), 3 October 2023.

<sup>16</sup> WTO document [G/MA/W/157/Rev.5](#), 17 October 2022.

<sup>17</sup> WTO document [G/MA/W/168/Rev.3](#), 17 October 2022.

No.	Notification requirement	Total number of notifications received as at 30 October 2023, by biennial period
		2014-16: 37 notifications from 33 Members 2016-18: 34 notifications from 33 Members 2018-20: 91 notifications from 51 Members 2020-22: 112 notifications from 48 Members 2022-24: 53 notifications from 30 Members
2	Changes to the QRs maintained ( <i>ad hoc</i> ), or introduction of new QRs	2012-14: 2 Members notified changes to existing QRs 2014-16: 2 Members notified changes to existing QRs 2016-18: No Member notified changes to existing QRs 2018-20: 18 Members notified changes to existing QRs, most of which related to measures introduced as a result of the COVID-19 pandemic 2020-22: 22 Members notified changes to existing QRs, most of which related to measures introduced as a result of the COVID-19 pandemic 2022-24: 7 Member notified changes to existing QRs
3	QRs maintained by other Members (reverse notification)	No Member submitted this type of notification
4	Non-tariff measures maintained by other Members (reverse notification)	No Member submitted this type of notification

a Some of these notifications contain information only on COVID-19 measures. See annex table in WTO document [G/MA/QR/13](#), 3 October 2023.

Source: WTO Secretariat.

### Rules of origin

6.32. As of mid-October 2023, a total of 116 WTO Members<sup>18</sup> submitted a notification on non-preferential rules of origin under Article 5 of the Agreement on Rules of Origin. Fifty-five Members informed the Committee that they implement non-preferential origin requirements, while 61 other Members notified that they do not. Annex 1 to WTO document [G/RO/W/225/Rev.1](#), 26 October 2023, contains a detailed report on notifications received or outstanding. However, as noted in previous Reports, the majority of these notifications were made in 1995-96 and some are known to contain outdated or incomplete information. As a result, some Members have proposed to update and standardize the information available by adopting a new notification template. Consultations are ongoing on this proposal.<sup>19</sup>

6.33. In relation to non-reciprocal preferences for LDCs, all WTO Members except three have notified their LDC-specific origin requirements. In addition, the Bali and Nairobi Ministerial Decisions<sup>20</sup> also require preference-granting Members to notify their preferential tariffs and import statistics from LDCs. Compliance with these obligations has significantly improved, even if some gaps remain, in particular concerning preferential imports under LDC preferential schemes.<sup>21</sup>

### Services

6.34. From mid-October 2022 to mid-October 2023, 31 new notifications were made under various GATS provisions.

6.35. Out of the new notifications submitted, 17 were made under GATS Article III:3. This Article requires Members to notify to the Council for Trade in Services, at least annually, of any regulatory

<sup>18</sup> The European Union and its member States are counted as one.

<sup>19</sup> See WTO document [JOB/RO/8](#), 18 April 2023.

<sup>20</sup> WTO documents [WT/L/917](#), 11 December 2013; and [WT/L/917/Add.1](#), 21 December 2015.

<sup>21</sup> WTO document [G/RO/W/163/Rev.12](#), 2 October 2023, provides a detailed overview of the notifications submitted and information gaps.

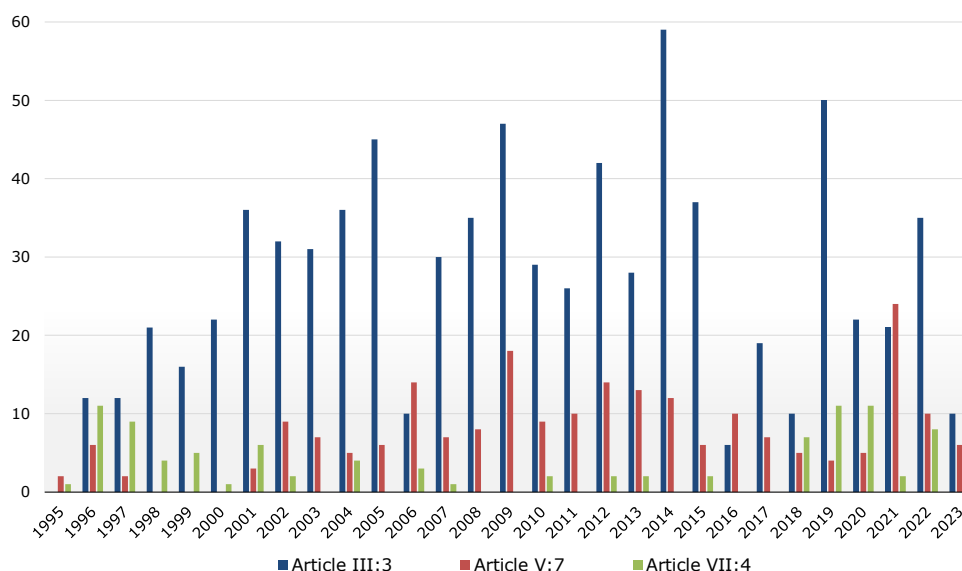
changes that significantly affect trade in services covered by its specific commitments. During the reporting period, there was a significant decrease in notifications compared to the previous four years.

6.36. Nine agreements concerning economic integration in services were notified under Article V:7 of the GATS. These agreements were referred to the Committee on Regional Trade Agreements for consideration. The trend in annual notifications exhibited a continuous upward trajectory until 2012; however, the past decade experienced a relative slowdown, with the notable exception of 2021, during which the highest number of Economic Integration Agreements ever recorded was observed.<sup>22</sup>

6.37. Five notifications were made under Article VII:4 of the GATS. This Article requires Members to notify to the Council for Trade in Services any new or existing mutual recognition agreements or arrangements. Since 2018, there has been a marked increase in the notifications received, in stark contrast to the trends observed in the previous two decades.

6.38. No notifications were received under other GATS provisions during this period.

**Chart 6.3 Notifications pursuant to Articles III:3, V:7 and VII:4, of the GATS 1995-2023**



Note: 2023 data cover up to 10 October 2023. Changes to previously submitted notifications are not counted. Figures on Article V:7 include agreements of the EC/EU with its future member States and EU-enlargement agreements.

Source: WTO Secretariat.

### Transparency of TRIPS

6.39. During the review period, 27 WTO Members submitted 327 notifications to the TRIPS Council, under Article 63.2 of the TRIPS Agreement.<sup>23</sup> Chart 6.4 shows the laws and regulations notified from 1995 to 10 October 2022.

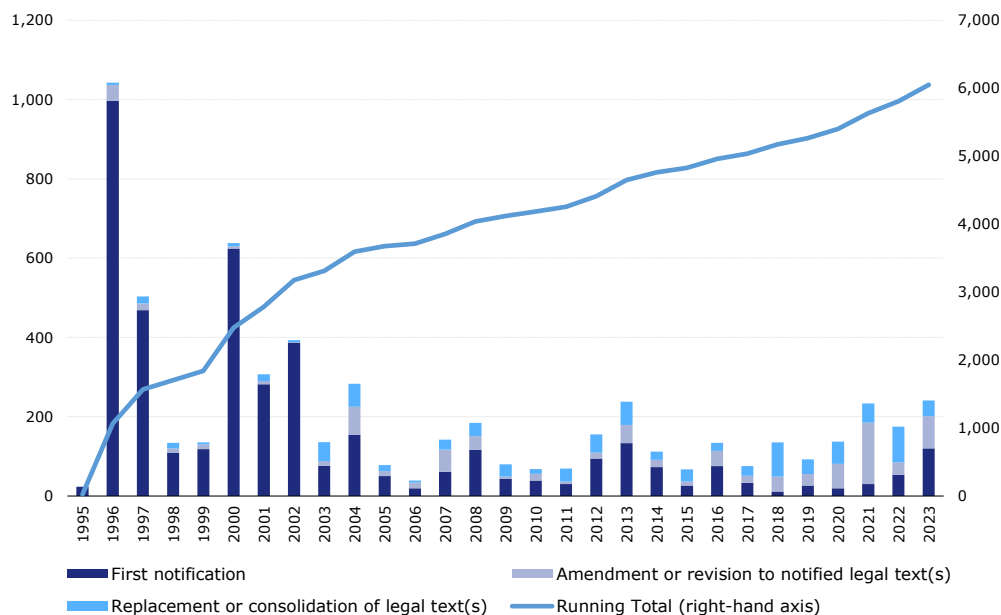
6.40. Notifications peaked in 1996, when developed-country Members notified existing laws or amendments that implemented the TRIPS Agreement. As of 2000, notifications mainly came from developing Members and recently acceded Members. The most recent rise in notifications reflects

<sup>22</sup> In 2021, 18 out of the 24 Economic Integration Agreements were notified by the United Kingdom and its trading partners following the end of the transition period under the Withdrawal Agreement between the European Union and the United Kingdom on 31 December 2020.

<sup>23</sup> Australia; Austria; Bulgaria; Canada; Chile; Czech Republic; Denmark; Estonia; France; The Gambia; Germany; Greece; Hong Kong, China; Ireland; Italy; Japan; Republic of Korea; Latvia; Lithuania; Republic of Moldova; Montenegro; Portugal; the Kingdom of Saudi Arabia; Slovenia; Türkiye; Ukraine and the United Kingdom.

updates in domestic IP regimes in response to evolving economic, technological, and social dimensions of IP, as well as the launch of e-TRIPS in 2019.<sup>24</sup>

**Chart 6.4 Notified laws and regulations under Article 63.2 of the TRIPS Agreement from 1995 to 10 October 2023**

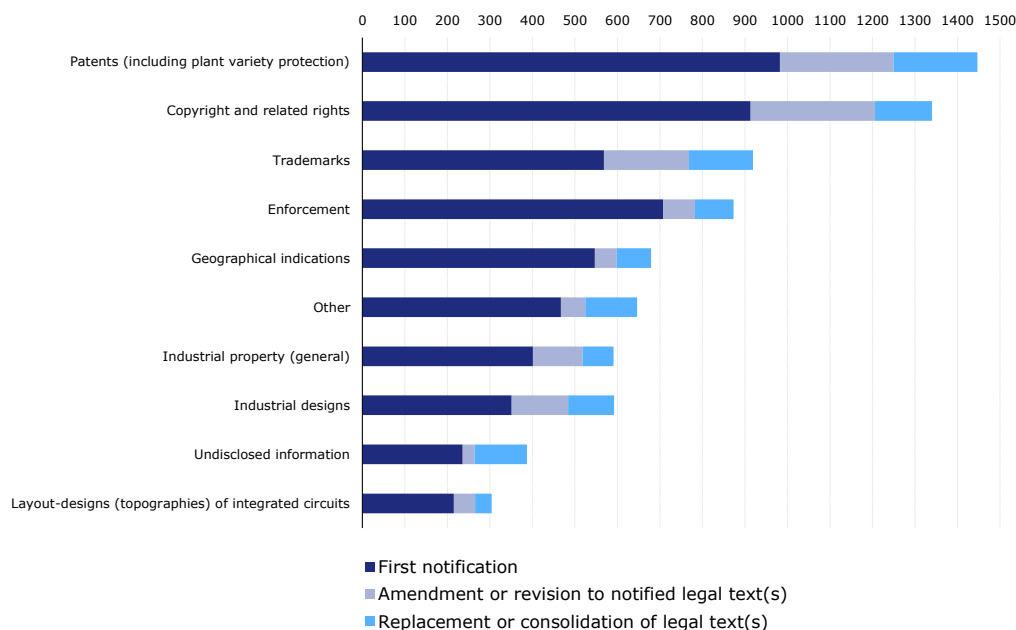


Source: WTO Secretariat. e-TRIPS.

6.41. The cumulative total of laws and regulations notified until 10 October 2023 was 6,050 legal texts. There continue to be significant gaps in the coverage of more recent laws and legislative amendments, as several Members have not updated their initial notifications for well over a decade. Most of the submissions under Article 63.2 cover patent-related legal instruments, including plant variety protection. Chart 6.5 shows the notifications by subject matter from 1995 to 10 October 2023.

<sup>24</sup> The e-TRIPS System consists of the Submission System that enables Members to easily submit TRIPS notifications, review materials, and reports; and the companion Gateway, which is an online information portal that allows users to search the full range of TRIPS information managed by the Secretariat. The Secretariat provides regular training sessions and updates to Members. Viewed at: [e-trips.wto.org](http://e-trips.wto.org).

**Chart 6.5 Notified laws and regulations under TRIPS Article 63.2 by subject matter, from 1995 to 10 October 2023**



Source: WTO Secretariat. e-TRIPS.

6.42. Transparency obligations also refer to final judicial decisions and administrative rulings of a general application on the subject matter of the TRIPS Agreement, as well as to agreements between governments or governmental agencies, as provided for by Article 63.1. So far, very few Members have shared such information with the TRIPS Council.<sup>25</sup>

6.43. Following the recommendation made by the TRIPS Council in March 2010<sup>26</sup>, WTO Members agreed to share information on, and notify bilateral agreements, related to the protection of geographical indications to which they are a party. The records indicate that few Members have shared or notified such agreements to the TRIPS Council, despite the conclusion of several such agreements.

### TRIPS checklists

6.44. The TRIPS Council agreed that to enable transparency on enforcement of IP Rights (i.e. Part III of the TRIPS Agreement) Members should provide responses to an illustrative list of questions on their domestic systems, termed the Checklist on Enforcement.<sup>27</sup> Similarly, questionnaires were agreed to implement the Agreement's built-in reviews under Article 24.2 on geographical indications<sup>28</sup>, and Article 27.3(b) on biotech patenting and plant variety protection.<sup>29</sup> The information therein can have direct bearing on trade policy considerations and aspects of the global economy: for instance, the Checklist on Enforcement reports in detail on border measures. Chart 6.6 shows the Checklists on Enforcement, geographical indications, and biotech patenting and plant variety protection submitted from 1996 until 10 October 2023.

<sup>25</sup> See, for example, WTO documents [IP/N/1/PHL/2](#), 27 July 2001; [IP/N/1/GBR/1](#), 9 April 1996; and [IP/N/1/HKG/3](#), 21 January 2003.

<sup>26</sup> WTO document [IP/C/M/62](#), 1 June 2010, paras. 73 and 74.

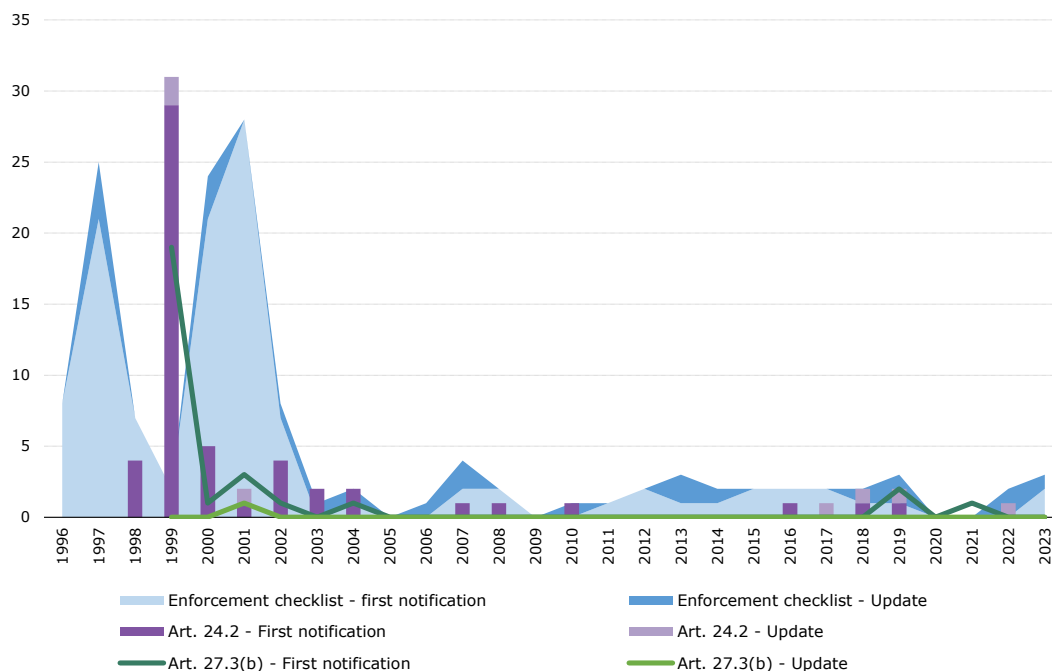
<sup>27</sup> WTO document [IP/C/5](#), 30 November 1995; and responses circulated in the [IP/N/6/\\*](#) series of documents.

<sup>28</sup> WTO document [IP/C/13](#), 14 May 1998 and its Addendum; and responses circulated in the [IP/C/W/117/\\*](#) series of documents.

<sup>29</sup> See checklist in WTO documents [IP/C/W/122](#), 22 December 1998; [IP/C/W/273](#), 5 June 2001 and its Rev.1; and responses circulated in the [IP/C/W/125/\\*](#) series of documents.



**Chart 6.6 Checklist on enforcement, geographical indications, and biotech patenting and plant variety protection from 1996 to 10 October 2023**



Source: WTO Secretariat. e-TRIPS.

6.45. During the review period, El Salvador, Austria, Botswana, and The Gambia submitted their respective responses to the Checklists on Enforcement.<sup>30</sup> There were no other submissions.

### ***Technical cooperation and technology transfer***

6.46. The TRIPS Council also agreed that developed Members should provide information on technical cooperation and on transfer of technology incentives for the benefit of LDCs. The resulting reports are circulated and reviewed by the TRIPS Council. They provide detailed information on measures taken to implement the provisions of the TRIPS Agreement at the national level.

<sup>30</sup> WTO documents [IP/N/6/SLV/2](#), 21 December 2022; [IP/N/6/AUT/2](#), 23 January 2023; [IP/N/6/BWA/1](#), 9 February 2023; and [IP/N/6/GMB/1](#), 22 February 2023.