

REPORT ON G20 TRADE MEASURES

(MID-MAY TO MID-OCTOBER 2023)

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EXECUTIVE SUMMARY

1. This 30th Trade Monitoring Report on G20 trade measures 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. This Report shows that between mid-May and mid-October 2023, G20 economies introduced more trade-restrictive than trade-facilitating measures on goods, unrelated to the pandemic. Most of these measures were import measures. In the area of services, 10 new measures were introduced by G20 economies, marking a significant slowdown compared to previous Reports. 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. These and other findings are detailed below.

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 13th 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, G20 economies must show leadership and 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 climate change related events have caused disruption of **global supply chains**. Economies have increasingly looked for ways to develop resilience and to diversify their trading networks.

9. The pace of implementation of new **export restrictions** by WTO Members has increased since 2020, first in the context of the pandemic and subsequently as a result of the war in Ukraine and the food security crisis. 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. Of these, 28 export restrictions on food, feed, and fertilizers and 11 pandemic-related export restrictions were maintained by G20 economies.

10. During the review period, G20 economies introduced **more trade-restrictive (49) than trade-facilitating (44) measures on goods, unrelated to the pandemic**. Most of these were import measures. The monthly average of 9.8 new trade restrictions introduced by G20 economies during the review period outpaced that of trade-facilitating measures (8.8) for the first time since 2015. The trade coverage of the trade-facilitating measures was estimated at 318.8 USD billion (down from USD 691.9 billion in the last Report) and that of trade-restrictive measures at USD 246.0 billion (up from USD 88.0 billion).

11. The **stockpile of G20 import restrictions** implemented since 2009 shows little meaningful roll back. For 2023, the trade covered by G20 import restrictions in force was estimated at USD 2,287 billion, representing 11.8% of total G20 imports.

12. The average number of **trade remedy** initiations by G20 economies was 13.8 per month during the review period, down from its highest peak so far in 2020 (28.6 initiations per month). The monthly average of trade remedy terminations recorded for this period was 2.0, the lowest average since 2012. Trade remedy actions, especially anti-dumping measures, remain an important trade policy tool for most G20 economies, accounting for 46% of all non-COVID-19-related trade measures on goods recorded in this Report.

13. **In the services sectors**, G20 economies introduced 10 new measures between mid-May and mid-October 2023, marking a significant slowdown compared to previous reporting periods. Most of the new measures were trade-facilitating.

14. The review period saw a significant increase in the introduction of new **general economic support measures** by G20 economies. 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 G20 economies decelerated further over the past five months, with only one such measure recorded on goods and none on services. The number of new COVID-19-related support measures fell sharply.

16. About 40% of the 458 pandemic-related and trade-related measures in goods introduced by WTO Members and Observers since the outbreak of the pandemic, were introduced by G20 economies. Most G20 measures (58%) were trade-facilitating. G20 economies continued to phase out the pandemic-related measures, especially the restrictive ones. As of mid-October 2023, 82.9% of G20 COVID-19 trade restrictions had been repealed, leaving 11 export restrictions in place. The trade coverage of the pandemic-related trade restrictions still in place was estimated at USD 15.1 billion (down from USD 16.2 billion in the previous report).

17. G20 economies remained the most frequent users of the **SPS and TBT Committees' transparency mechanisms**. Food safety was the most frequent objective identified in the regular SPS notifications submitted by G20 economies during the review period. Members continued discussions at the SPS Committee meetings to advance the work programme that emerged from the MC12 SPS Declaration on Responding to Modern SPS Challenges. Out of 46 specific trade concerns (STCs) raised or discussed in the July 2023 SPS Committee meeting, 45 (98%) involved a G20 economy. G20 economies submitted 40% of all 133 SPS notifications and communications on measures taken in response to the pandemic.

18. G20 economies have submitted 40% of all TBT notifications since 1995. Most of the new regular TBT notifications submitted by G20 economies during the review period indicated the protection of human health or safety as their main objective. At the June 2023 TBT Committee meeting, 8 out of 11 new STCs raised concerned measures maintained by G20 economies. All six persistent STCs discussed during the review period concerned G20 measures. G20 economies have submitted 142 out of 229 TBT notifications (62%) in response to the pandemic.

19. The number of **trade concerns raised** in WTO Committees and bodies has been increasing yearly, in some cases sharply. The majority of these concerned G20 measures or policies. 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), 70% of the questions raised during the review period concerned agricultural policies implemented by G20 economies. Domestic support, export restrictions on foodstuffs and food security dominated the discussions. 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. G20 economies continued to fine-tune their **intellectual property** (IP) domestic frameworks. During the review period, the introduction of pandemic-related IP measures slowed down. G20 economies have actively engaged in the discussions on the possible extension of the MC12 TRIPS Decision on COVID-19 Vaccines to diagnostics and therapeutics.

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 30th WTO Trade Monitoring Report reviews trade and trade-related measures implemented by G20 economies during the period from 16 May to 15 October 2023.¹ The G20 Trade Monitoring Reports have been prepared since 2009, in response to the request by G20 Leaders to the WTO, together with the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD), to monitor and report on trade and investment measures implemented by G20 economies. The previous Report, which covered the period from mid-October 2022 to mid-May 2023 was issued on 4 July 2023. In 2023, the African Union (AU) joined the G20 which has become more inclusive and diverse as a result. The WTO Secretariat is looking forward to working with the AU in the context of the Trade Monitoring Reports in 2024.

1.2. This Report is issued under the sole responsibility of the Director-General of the WTO. The Report aims to provide transparency on the latest trends and developments in the implementation of a broad range of policy measures that impact the flow of trade. It also offers an update on the main indicators of the world economy and on the state of global trade.

1.3. This end-of-year Report on G20 economies again arrives with the global economy facing multiple challenges. Although COVID-19 related issues no longer capture headlines, the negative impacts following the pandemic are still being felt, access to vaccines is still lagging in some parts of the world and new variants will inevitably appear.² The humanitarian crisis and general instability caused by the war in Ukraine remain and threats related to energy security, food security and to the world economy at large persist. The recent outbreak of hostilities in parts of the Middle East are adding to the uncertain outlook for the global economy.

1.4. Under its trade monitoring mandate, the WTO Secretariat continues to monitor and provide transparency around trade-related measures implemented by WTO Members. As a cross-cutting, non-legal and factual transparency exercise, the WTO Trade Monitoring has been widely welcomed as providing an important platform for the WTO membership to gain a better understanding of how others respond to various crises.

1.5. Information on measures included in this Report and its Annexes has been collated from inputs submitted by G20 economies and from other official and public sources. Initial responses to the Director-General's request for information were received from most G20 delegations. These data, as well as information collected from other public and official sources, were returned to delegations for verification. When it has not been possible to confirm information, this is noted in the Annexes.

1.6. In early 2023, the WTO Secretariat introduced an online platform for submitting and verifying trade measures. The principal objectives of this platform are to increase 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 online platform has performed well with an increasing number of delegations opting to submit and verify trade measures online. The online platform continues to be a work 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 in the G20 economies 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 Unless otherwise indicated in the relevant Section. In addition to the trade policy measures implemented during the period under review and captured in this Report, other actions that impact trade and investment flows may have been taken by G20 economies.

² The updated lists of measures implemented in the context of the pandemic are available on the COVID-19 page of the WTO website. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

1.8. A separate Addendum to this Report contains Annexes with new regular measures recorded for G20 economies 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 G20 delegations, is available through the Trade Monitoring Database (TMDB).³

1.9. Preparations for WTO's 13th 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.

³ WTO, *Trade Monitoring Database*. Viewed at: <http://tmdb.wto.org>.

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 2024.¹ 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.

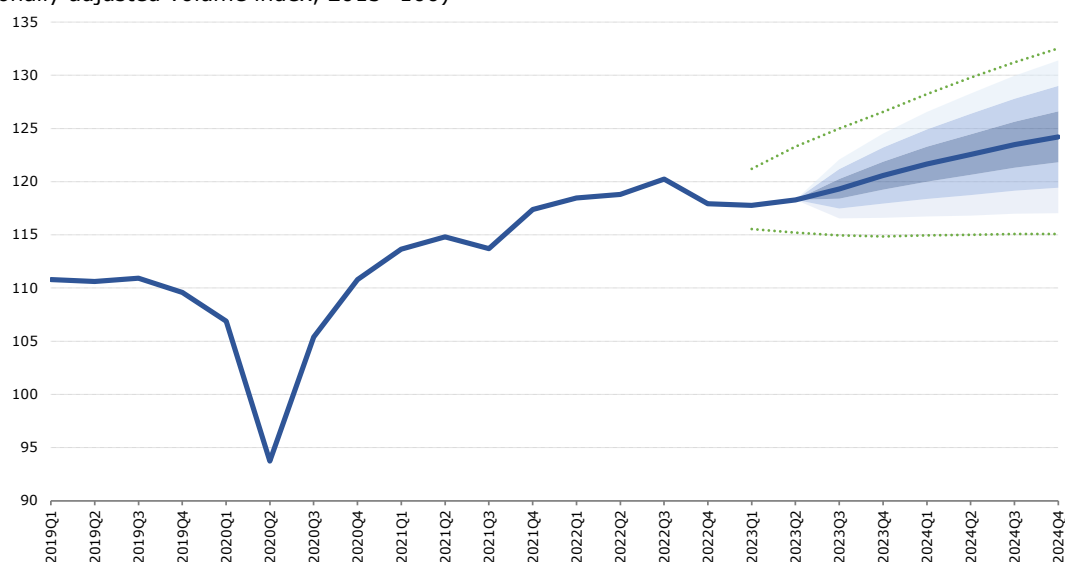
2.2. World merchandise trade volume growth is now expected to slow to 0.8% in 2023, below the WTO's previous forecast of 1.7% from last April. The pace of trade expansion should then pick up to 3.3% in 2024, nearly unchanged from 3.2% forecasted previously. Trade growth should be accompanied by real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

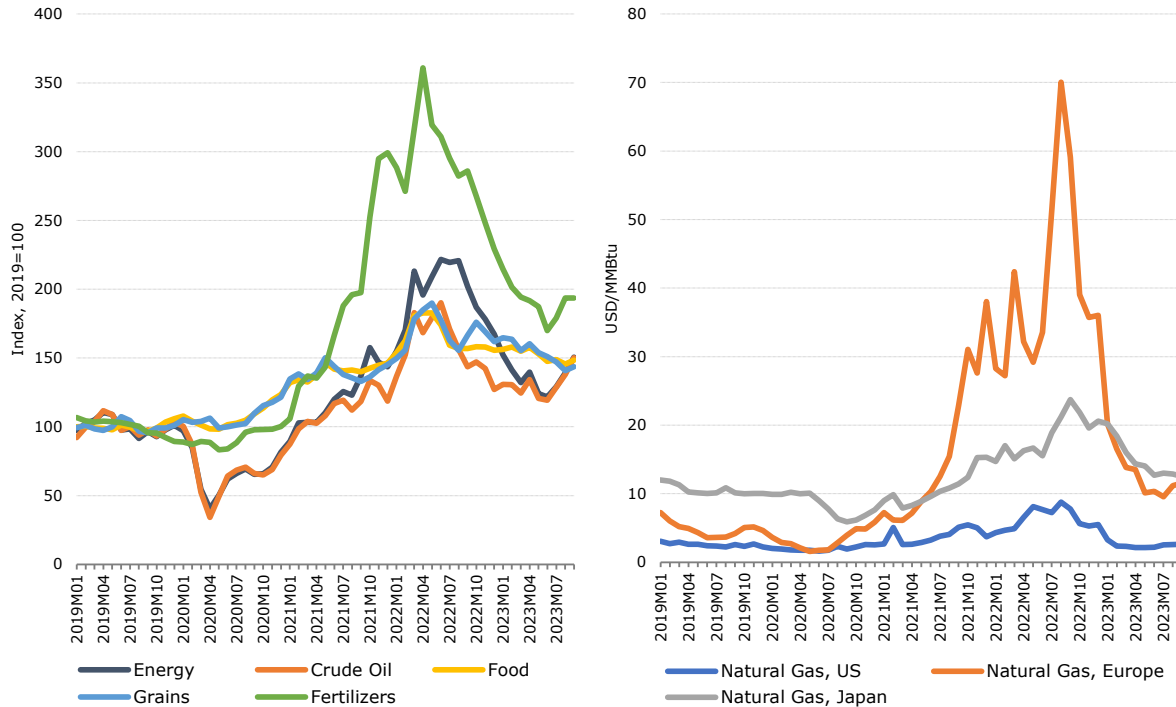
2.5. Commodity prices have fallen from their peaks in 2022 but remain high by historical standards. The average price of crude oil in September 2023 was up 50% compared to 2019, while European

¹ 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)

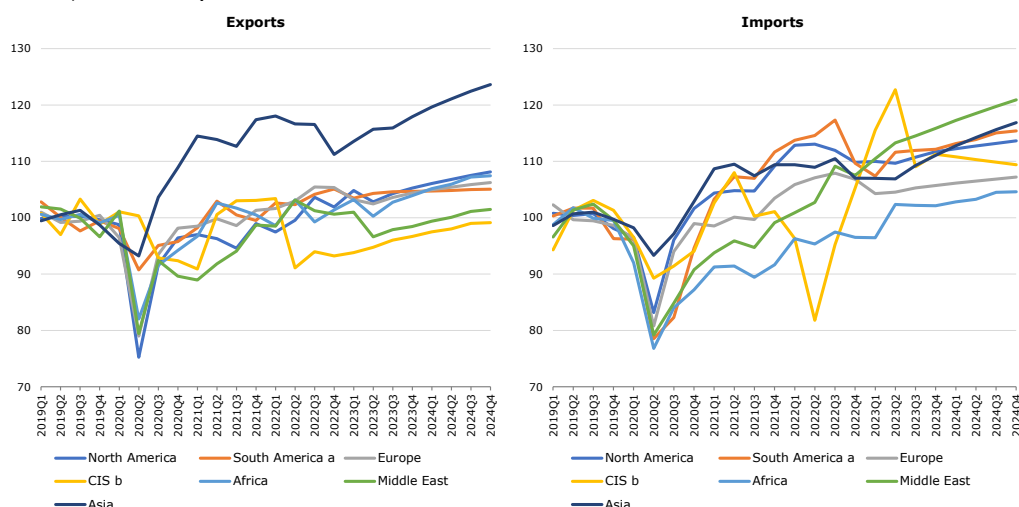


Source: OECD; and National Bureau of Statistics China.

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 CIS² 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^a

(Annual % change)

	2019	2020	2021	2022	2023P	2024P
World merchandise trade volume^b	0.4	-5.0	9.6	3.0	0.8	3.3
Exports						
North America	0.4	-8.9	6.5	4.2	3.6	2.7
South America ^c	-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 ^d	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
Imports						
North America	-0.6	-5.9	12.5	6.0	-1.2	2.2

² Commonwealth of Independent States, including certain associate and former member States.

World merchandise trade volume^b	2019	2020	2021	2022	2023P	2024P
	0.4	-5.0	9.6	3.0	0.8	3.3
South America ^c	-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 ^d	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
World GDP at market exchange rates	2.6	-3.1	6.1	3.1	2.6	2.5
North America	2.1	-3.2	5.7	2.3	2.2	1.4
South America ^c	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 ^d	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
Memo: least developed countries (LDCs)						
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.

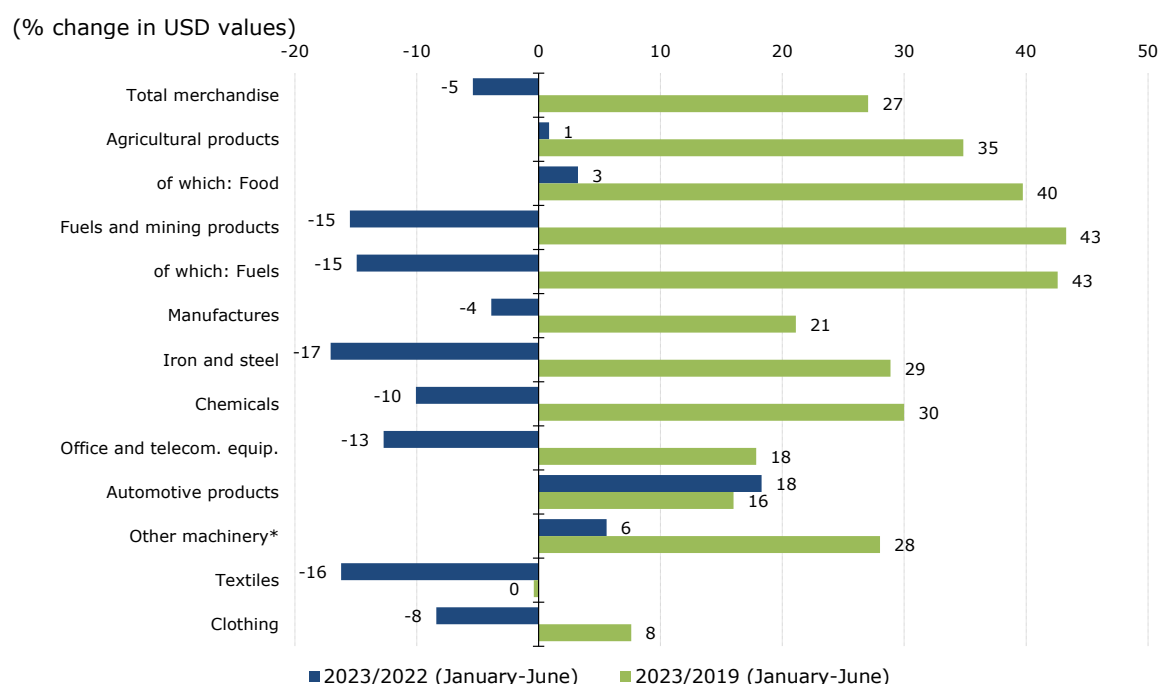
Note: These projections incorporate mixed-data sampling (MIDAS) techniques for selected countries to take advantage of higher-frequency data such as container throughput and financial risk indexes.

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

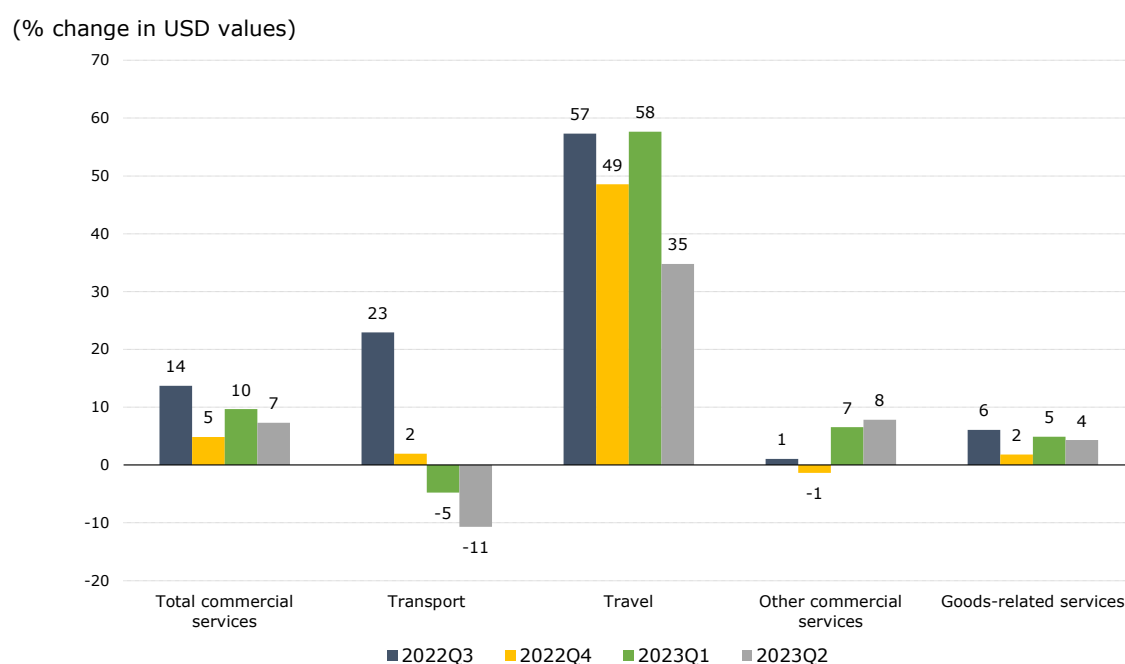


* Includes electrical machinery, non-electrical machinery, and power-generating equipment.

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



Note: Trade refers to average of exports and imports.

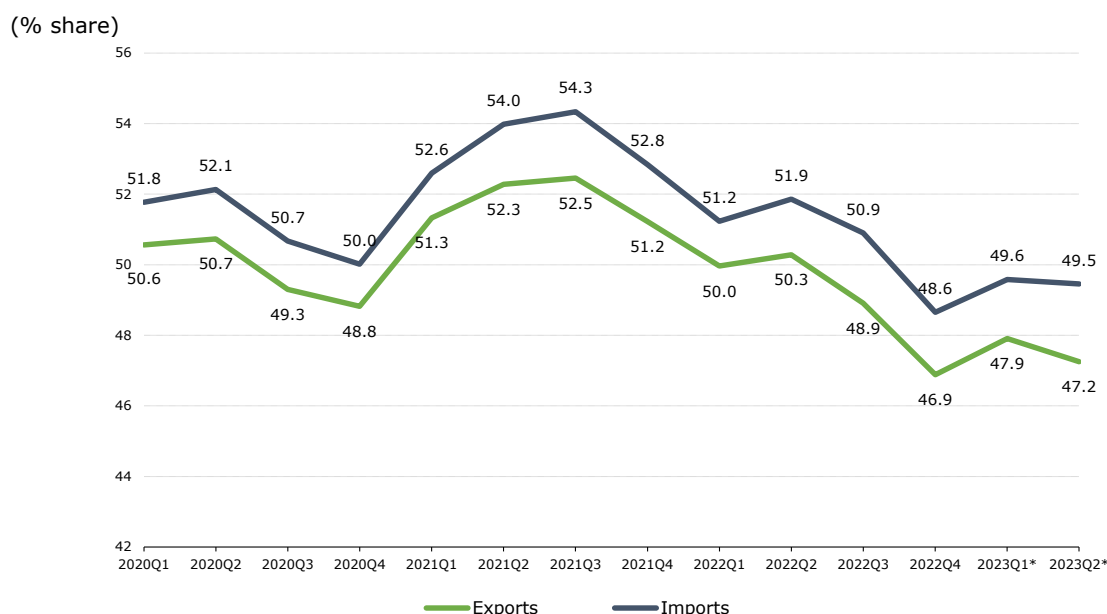
Source: WTO; and UNCTAD.

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



* 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.³

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.

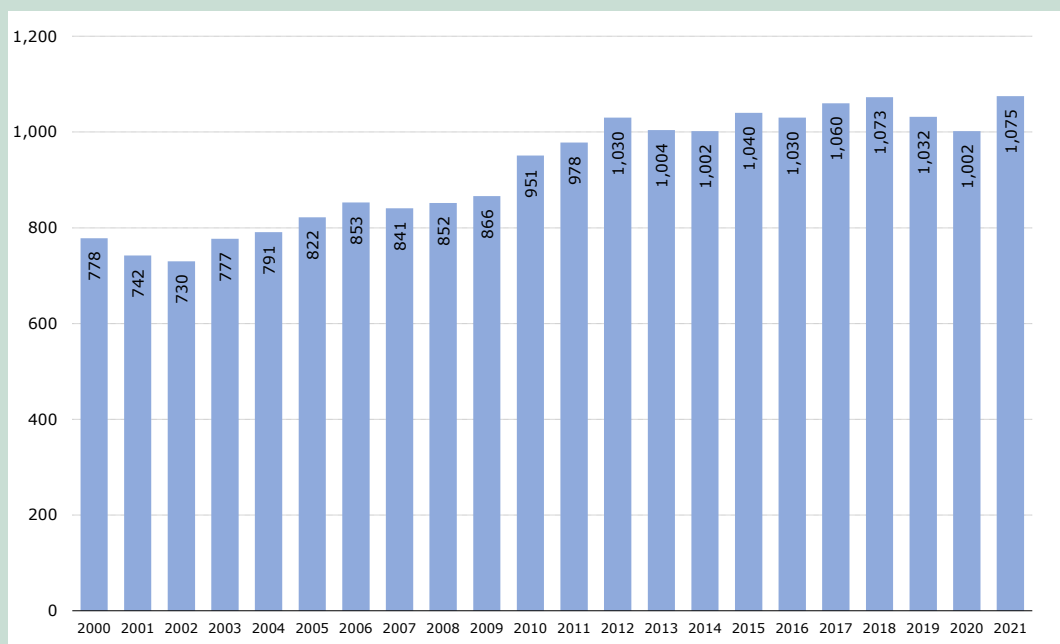
³ WTO (2023), *World Trade Report 2023: Re-globalization for a Secure, Inclusive and Sustainable Future*. Viewed at: https://www.wto.org/english/res_e/booksp_e/wtr23_e/wtr23_e.pdf.

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.

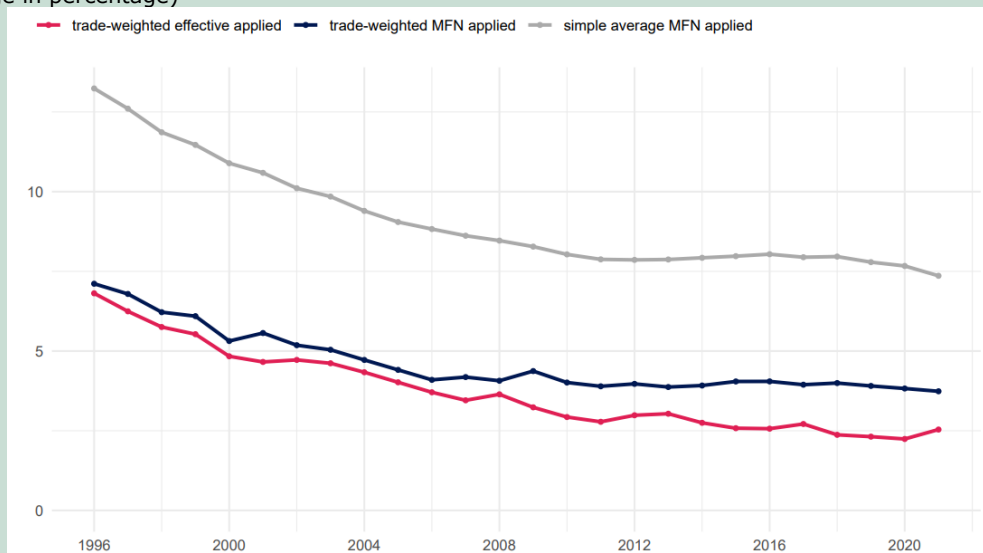
Box 2.2 Tariffs applied by WTO Members have almost halved since 1996

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.

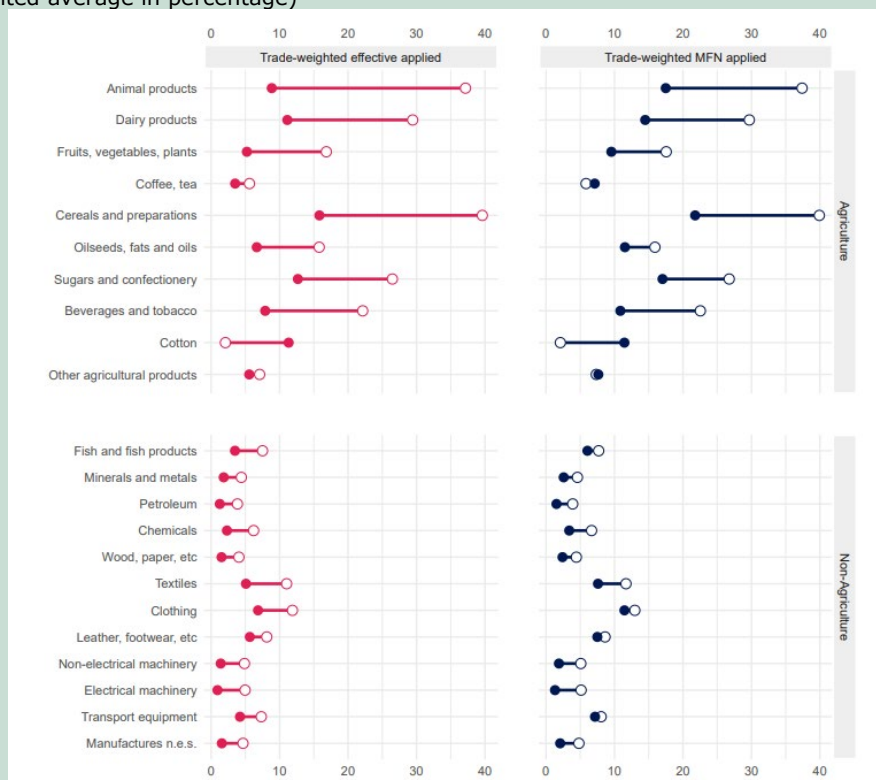
A similar trend emerges for tariffs applied on a trade-weighted basis, with the average MFN tariff dropping by 47%, from 7.1% to 3.7%.

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-May 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 one. The third part, in Section 3.1.3, provides an overview of trade-related developments in the context of the war in Ukraine, including the food security crisis.

3.2. A separate Addendum to this Report contains Annexes 1, 2 and 3 on recorded trade and trade-related measures taken by G20 economies from 16 May to 15 October 2023. 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 for G20 economies during the review period.

3.1.1 Regular trade measures

3.3. A total of 172 trade measures were recorded for the G20 economies during the review period (Chart 3.1).¹ This figure includes measures facilitating trade, trade remedy measures and other trade and trade-related measures, i.e. those that can be considered as trade-restrictive. It excludes measures taken in the context of the COVID-19 pandemic.

Chart 3.1 Number of G20 measures introduced between mid-May and mid-October 2023



Source: WTO Secretariat.

3.4. Chart 3.2 illustrates the trade coverage estimates of the measures recorded for the G20 economies during the review period.² These figures also include measures on food, feed, and fertilizers.

¹ See Annexes 1-3 in the separate Addendum. The Annexes do not include SPS and TBT measures, which are covered in Sections 3.3 and 3.4.

² The trade coverage does not include trade for measures that were both implemented and terminated within the review period. Trade coverage estimates for the review period were based on 2022 merchandise trade. For the Russian Federation and Saudi Arabia 2021 trade figures were used.

Chart 3.2 Trade coverage of G20 measures introduced between mid-May and mid-October 2023, in USD billion



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

Source: WTO Secretariat.

Measures facilitating trade

3.5. During the review period, 44 new trade-facilitating measures were recorded for G20 economies (Table 3.1). This represents 25.6% of the total number of measures recorded. The number of trade-facilitating measures introduced by G20 economies in 2022 was double that of previous years. However, this trend has slowed somewhat during the review period. The monthly average of nine trade-facilitating measures recorded for the period is the third-highest recorded since 2012.

Table 3.1 Measures facilitating trade (Annex 1), 2015-23

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-Oct 22 to mid-May 23 (7 months)	Mid-May 23 to mid-Oct 23 (5 months)
Import	65	60	59	70	54	49	72	139	62	33
- Tariff	55	52	48	62	51	43	63	105	36	17
- Customs procedures	7	6	9	4	1	2	4	9	2	5
- Tax	2	2	2	3	1	3	1	1	0	0
- QRs	1	0	0	1	1	1	3	22	21	11
- Other	0	0	0	0	0	0	1	2	3	0
Export	19	12	18	8	5	4	7	34	18	11
- Duties	10	5	1	5	4	3	3	12	2	3
- Quantitative restrictions (QRs)	2	1	1	0	0	0	3	19	13	3
- Other	7	6	16	3	1	1	1	3	3	5
Other	2	2	0	0	1	1	1	0	0	0
Total	86	74	77	78	60	54	80	173	80	44
<i>Average per month</i>	<i>7.2</i>	<i>6.2</i>	<i>6.4</i>	<i>6.5</i>	<i>5.0</i>	<i>4.5</i>	<i>6.7</i>	<i>14.4</i>	<i>11.4</i>	<i>8.8</i>

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

Source: WTO Secretariat.

3.6. During the review period, 33 import-facilitating measures (75% of all trade-facilitating measures) were introduced by G20 economies. The reduction or elimination of import tariffs and the easing of quantitative restrictions continue to make up the bulk of trade-facilitating measures (Table 3.1). Five of these import-facilitating measures covered food, feed and fertilizers.

3.7. On the export side, 11 measures were introduced (25% of all trade-facilitating measures) by G20 economies, mainly reductions of export duties and the elimination of quantitative restrictions.

3.8. The trade coverage of the import-facilitating measures introduced during the review period was estimated at USD 317.4 billion, i.e. 1.63% of the value of G20 merchandise imports (1.26% of world merchandise imports) (Table 3.2 and Chart 3.3). The import-facilitating trade coverage of

USD 317.4 billion includes three measures estimated at USD 79.6 billion under the ITA expansion scheme.³

Table 3.2 Share of trade covered by import-facilitating measures, mid-May 2018 to mid-May 2023

(%)

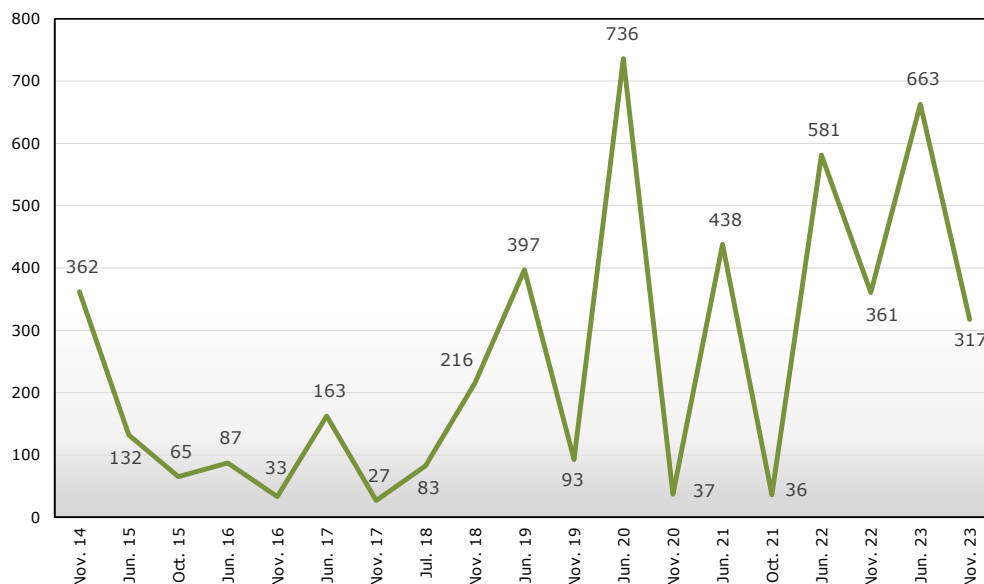
	Mid-Oct 18 to mid-May 19	Mid-May to mid-Oct 19	Mid-Oct 19 to mid-May 20	Mid-May to mid-Oct 20	Mid-Oct 20 to mid-May 21	Mid-May to mid-Oct 21	Mid-Oct 21 to mid-May 22	Mid-May to mid-Oct 22	Mid-Oct 22 to mid-May 23	Mid-May to mid-Oct 23
Share in G20 imports	2.92	0.61	4.88	0.25	3.02	0.27	4.31	2.12	3.89	1.63
Share in world imports	2.28	0.48	3.78	0.19	2.32	0.20	3.30	1.64	3.00	1.26

Source: WTO Secretariat and UN Comtrade database.

3.9. The import-facilitating measures implemented during the review period targeted a wide range of products. Based on trade coverage estimates, the HS chapters within which most of the import-facilitating measures were taken include mineral fuels and oils (HS 27) (56.0%), electrical machinery and parts thereof (HS 85) (22.3%), machinery and mechanical appliances (HS 84) (6.9%), and optical, measuring, precision, and medical instruments (HS 90) (6.6%).

Chart 3.3 Trade coverage of new import-facilitating measures identified in each period (not cumulative) in USD billion, November 2014 to November 2023

(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.

3.10. The trade coverage of the export-facilitating measures implemented during the review period was estimated at USD 1.37 billion, i.e. 0.007% of the value of G20 merchandise exports (0.006%

³ Including ITA expansion measures by China (USD 66.3 billion) the European Union (USD 8.5 billion) and the Republic of Korea (USD 4.8 billion). Other G20 economies participating in the ITA expansion scheme, have already eliminated tariff rates on IT products concerned.

of world merchandise exports). Based on trade coverage estimates, dairy products (HS 04) (89.5%) is the HS chapter within which most of the export-facilitating measures were taken.

3.11. Overall, the trade coverage of the import- and export-facilitating measures implemented by G20 economies during the review period was estimated at USD 318.8 billion (Chart 3.2).

Trade remedy actions

3.12. During the period under review, 79 trade remedy actions (69 initiations and 10 terminations) were recorded for G20 economies (Annex 2 of the Addendum), accounting for 45.9% of all trade-related measures recorded in this Report. Anti-dumping continued to be the most frequent trade remedy action, accounting for 87.0% of all initiations and 80.0% of all terminations during the review period.

3.13. During this review period, the monthly average of trade remedy initiations increased to 13.8 compared to 9.0 in the previous review period but remained well below the peak observed in 2020 (28.6 initiations per month) (Table 3.3 and Chart 3.4). The monthly average of 2.0 trade remedy terminations recorded for the review period was the lowest since 2012.

Table 3.3 Trade remedy actions (Annex 2), 2015-23

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-Oct 22 to mid-May 23 (7 months)	Mid-May 23 to mid-Oct 23 (5 months)
Initiations	210	262	258	223	221	343	172	99	63	69
- AD	175	226	213	168	174	279	153	80	58	60
- CVD	31	30	39	47	35	55	18	18	5	7
- SG	4	6	6	8	12	9	1	1	0	2
<i>Average per month</i>	<i>17.5</i>	<i>21.8</i>	<i>21.5</i>	<i>18.6</i>	<i>18.4</i>	<i>28.6</i>	<i>14.3</i>	<i>8.3</i>	<i>9.0</i>	<i>13.8</i>
Terminations	151	142	113	185	155	180	250	206	79	10
- AD	122	120	93	165	144	165	218	181	74	8
- CVD	19	15	10	20	6	12	21	23	5	2
- SG ^a	10	7	10	0	5	3	11	2	0	0
<i>Average per month</i>	<i>12.6</i>	<i>11.9</i>	<i>9.4</i>	<i>15.4</i>	<i>12.9</i>	<i>15.0</i>	<i>20.8</i>	<i>17.2</i>	<i>11.3</i>	<i>2.0</i>

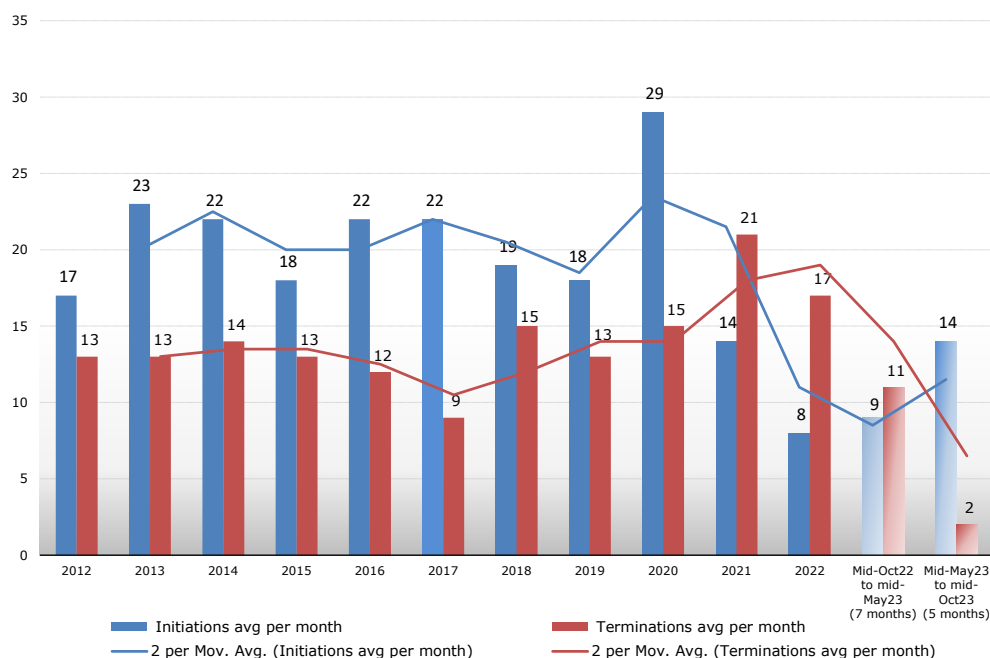
a The figure for a specific year is the sum of the following: (i) all ongoing investigations terminated during that specific year, normally as of late October, without any measure; and (ii) all imposed measures expired during the course of that specific year, normally as of late October.

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.

3.14. 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, economies 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 economies 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.

Chart 3.4 G20 trade remedy initiations and terminations, average number per month, 2012-23



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

Source: WTO Secretariat.

3.15. Trade remedy actions taken during the review period included mainly initiations of investigations on furniture, mattresses, mattresses support (HS 94) (66.5%) and mineral fuels and oils (HS 27) (11.6%).

3.16. The trade coverage of all trade remedy investigations initiated during the review period was estimated at USD 14.0 billion, i.e., 0.07% of the value of G20 merchandise imports (0.06% of world imports) (Table 3.4). For terminations, the trade coverage was valued at USD 0.6 billion (0.003% of the value of G20 merchandise imports and 0.002% of world imports).

Table 3.4 Share of trade covered by trade remedy initiations, mid-May 2018 to mid-May 2023

(%)

	Mid-May to mid-Oct 18	Mid-Oct 18 to mid-May 19	Mid-May to mid-Oct 19	Mid-Oct 19 to mid-May 20	Mid-May to mid-Oct 20	Mid-Oct 20 to mid-May 21	Mid-May to mid-Oct 21	Mid-Oct 21 to mid-May 22	Mid-May to mid-Oct 22	Mid-Oct 22 to mid-May 23	Mid-May to mid-Oct 23
Share in G20 imports	0.18	0.14	0.11	0.16	0.23	0.11	0.08	0.02	0.003	0.04	0.07
Share in world imports	0.14	0.11	0.09	0.13	0.18	0.08	0.06	0.02	0.002	0.03	0.06

Source: WTO Secretariat and UN Comtrade database.

Other trade and trade-related measures (trade-restrictive measures)

3.17. A total of 49 new trade-restrictive measures were recorded for G20 economies, representing 28.5% of the total number of measures recorded. On the import side, 31 measures were recorded

(63.3% of all restrictions). Most of the import restrictions recorded were increases of import tariffs and quantitative restrictions, followed by stricter import procedures (Table 3.5).

3.18. On the export side, 18 export restrictions (36.7% of all restrictions) were captured during the review period, most of which were quantitative restrictions. Nine of these export restrictions covered food, feed and fertilizers.

3.19. The number of export restrictions recorded by the Trade Monitoring Exercise has increased significantly since 2020. Initially, these restrictions were associated with the COVID-19 pandemic (Section 3.1.3). Subsequently, a peak was reached in the second half of 2022 as G20 economies introduced restrictions in the context of the war in Ukraine and the food security crisis.

3.20. This review period saw an acceleration in the introduction of new trade restrictions, with a monthly average of 9.8 trade-restrictive measures.

Table 3.5 Other trade and trade-related measures (Annex 3), 2015-23

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-Oct 22 to mid-May 23 (7 months)	Mid-May 23 to mid-Oct 23 (5 months)
Import	61	41	36	60	45	39	30	47	27	31
- Tariffs	36	24	20	46	27	19	11	28	14	15
- Customs procedures	19	13	12	2	4	6	14	9	8	6
- Taxes	3	2	1	3	3	2	0	0	0	0
- QRs	3	2	2	8	9	7	3	7	2	9
- Other	0	0	1	1	2	5	2	3	3	1
Export	23	6	11	9	8	18	41	59	18	18
- Duties	5	1	3	5	1	3	5	13	5	3
- QRs	4	1	4	2	2	5	11	35	9	12
- Other	14	4	4	2	5	10	25	11	4	3
Other	7	8	12	0	1	0	5	0	0	0
- Local content	7	5	10	0	0	0	4	0	0	0
- Other	0	3	2	0	1	0	1	0	0	0
Total	91	55	59	69	54	57	76	106	45	49
<i>Average per month</i>	7.6	4.6	4.9	5.8	4.5	4.8	6.3	8.8	6.4	9.8

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

Source: WTO Secretariat.

3.21. The trade coverage of the import-restrictive measures implemented during the review period was estimated at USD 124.3 billion, i.e. 0.6% of the value of G20 merchandise imports (0.5% of world imports), an increase of 2.7 times compared to the last reporting period (USD 45.3 billion). (Table 3.6 and Chart 3.5).

Table 3.6 Share of trade covered by import-restrictive measures (Annex 3), mid-May 2018 to mid-October 2023

(%)

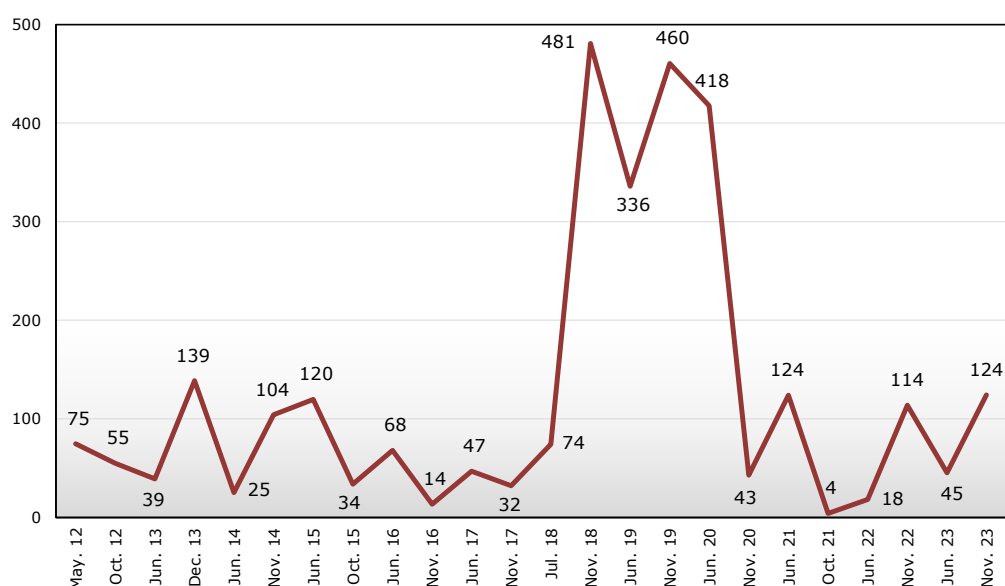
	Mid-May to mid-Oct 18	Mid-Oct 18 to mid-May 19	Mid-May to mid-Oct 19	Mid-Oct 19 to mid-May 20	Mid-May to mid-Oct 20	Mid-Oct 20 to mid-May 21	Mid-May to mid-Oct 21	Mid-Oct 21 to mid-May 22	Mid-May to mid-Oct 22	Mid-Oct 22 to mid-May 23	Mid-May to mid-Oct 23
Share in G20 imports	3.53	2.47	3.05	2.77	0.29	0.85	0.03	0.14	0.67	0.27	0.64
Share in world	2.73	1.93	2.36	2.14	0.23	0.66	0.02	0.10	0.52	0.21	0.49

	Mid-May to mid-Oct 18	Mid-Oct 18 to mid-May 19	Mid-May to mid-Oct 19	Mid-Oct 19 to mid-May 20	Mid-May to mid-Oct 20	Mid-Oct 20 to mid-May 21	Mid-May to mid-Oct 21	Mid-Oct 21 to mid-May 22	Mid-May to mid-Oct 22	Mid-Oct 22 to mid-May 23	Mid-May to mid-Oct 23
imports											

Source: WTO Secretariat and UN Comtrade database.

3.22. The import-restrictive measures recorded in Annex 3 cover a range of products. Based on trade coverage estimates, the main sectors affected (HS chapters) were machinery and mechanical appliances (HS 84) (20.2%), pharmaceutical products (HS 30) (13.6%), motor vehicles including parts and accessories thereof (HS 87) (10.8%), and electrical machinery and parts thereof (HS 85) (8.9%).

Chart 3.5 Trade coverage of new import-restrictive measures identified in each period (not cumulative) in USD billion, May 2012 to November 2023



Source: WTO Secretariat.

3.23. The trade coverage of the export-restrictive measures implemented during the review period was estimated at USD 121.7 billion, i.e. 0.7% of the value of G20 merchandise exports (0.5% of world exports), which is 2.8 times more than the last reporting period (USD 42.7 billion). The HS chapters within which most of the export-restrictive measures were taken include mineral fuels and oils (HS 27) (56.3%), cereals (HS 10) (14.8%), organic chemicals (HS 29) (11.9%), and ores, slag and ash (HS 26) (8.2%).

3.24. Overall, the trade coverage of the import- and export-restrictive measures implemented by G20 economies during the review period was estimated at USD 246.0 billion (Chart 3.2).

Stockpile of import-restrictive measures

3.25. 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, 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.⁴

3.26. Table 3.7 and Chart 3.6 show that the stockpile of G20 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 G20 total imports and in the value of the G20 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. The trade covered by G20 import restrictions still in force in 2023 was estimated at USD 2,287 billion, representing 11.8% of total G20 imports, or 9.1% of total world imports. For this Report, no information was received from G20 economies about the termination of import restrictions.

Table 3.7 Cumulative trade coverage of G20 import-restrictive trade-related measures, 2014-22

(USD billion, unless otherwise indicated)

	2015	2016	2017	2018	2019	2020	2021	2022 ^a
Total imports (world)	16,360	15,812	17,587	19,402	18,883	17,638	22,081	25,220
Total imports (G20)	12,561	12,228	13,615	15,064	14,522	13,499	17,056	19,418
Total G20 import restrictions in force	501	507	724	1,328	1,518	1,394	1,895	2,192
Share in G20 imports (%)	3.99	4.15	5.32	8.81	10.45	10.32	11.11	11.30
Share in world imports (%)	3.06	3.21	4.12	6.84	8.04	7.90	8.58	8.73
Total G20 import restrictions terminated	0.19	0.02	3.88	5.44	13.12	n.a.	n.a.	n.a.
Share in G20 imports (%)	0.001	0.0001	0.03	0.04	0.09	n.a.	n.a.	n.a.
Share in world imports (%)	0.001	0.0001	0.02	0.03	0.07	n.a.	n.a.	n.a.

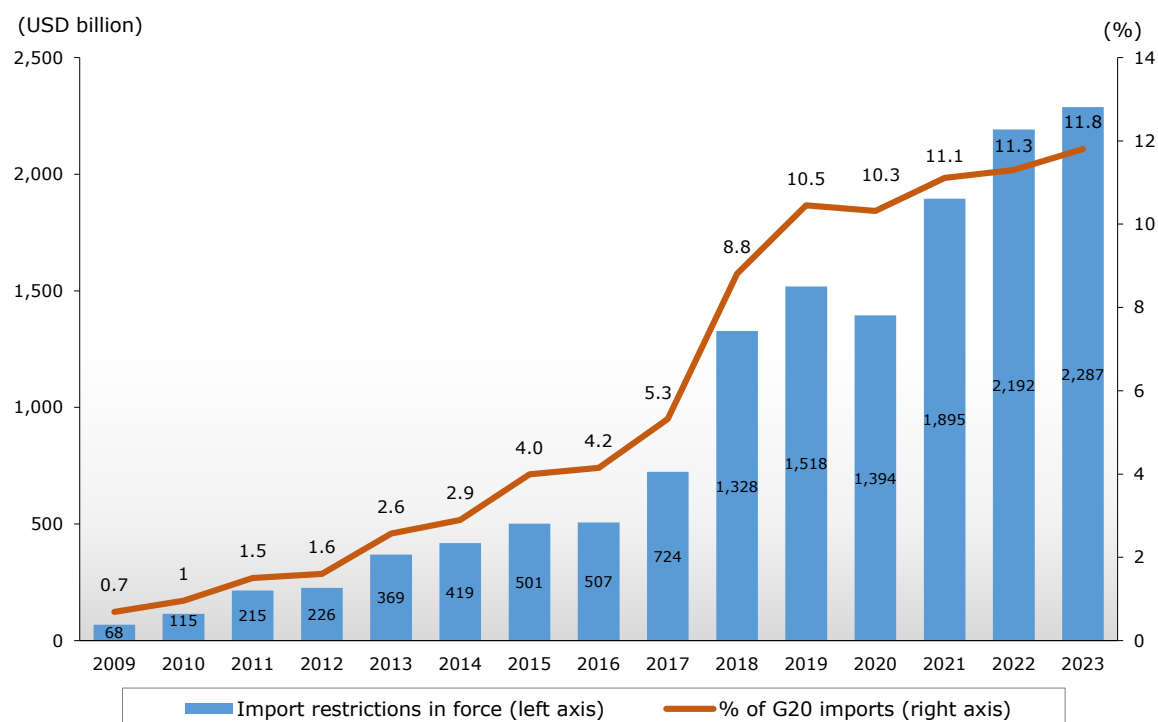
n.a. Not applicable. For this Report no information was received from G20 economies about the termination of import restrictions.

a 2022 figures are provisional. For the Russian Federation and the Kingdom of Saudi Arabia 2021 import data is used as 2022 trade figures are not yet available.

Source: WTO Secretariat calculations, based on UN Comtrade database and data provided by the authorities.

⁴ Only import measures where HS codes were available are included in the calculation.

Chart 3.6 Cumulative trade coverage of G20 import-restrictive measures on goods in force since 2009



Note: The 2023 estimate is based on import restrictive measures up to 15 October 2023. 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 from the UN Comtrade database.

Source: WTO Secretariat.

3.1.2 COVID-19 trade and trade-related measures

3.27. Since the beginning of the pandemic, 458 trade and trade-related measures in the area of goods⁵ were introduced by WTO Members and Observers. Out of these, 182 (39.7%) were G20 measures, most of which were trade-facilitating (106 or 58.2%), while the remaining (76 or 41.8%) could be considered as trade restrictive (Table 3.8 and Chart 3.7).

3.28. During the review period, one COVID-19 trade-facilitating measure on goods was communicated by a G20 economy.⁶

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

	Facilitating	Rolled back	Restrictive	Rolled back	Total
Import	73	36	1	0	74
Export	19	9	72	61	91
Other	14	5	3	2	17
Total	106	50	76	63	182

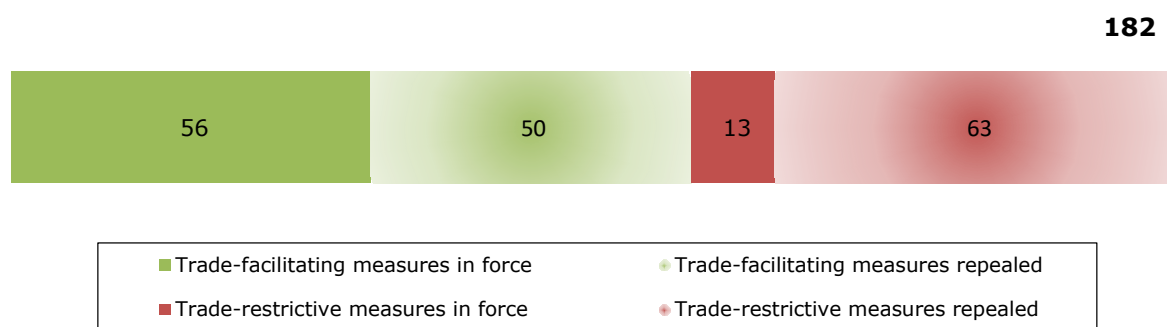
Note: Revised data reflect changes to fine-tune and update available information.

Source: WTO Secretariat.

⁵ Measures implemented in the context of the pandemic can be viewed at: https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

⁶ Indonesia.

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



Note: Values are rounded.

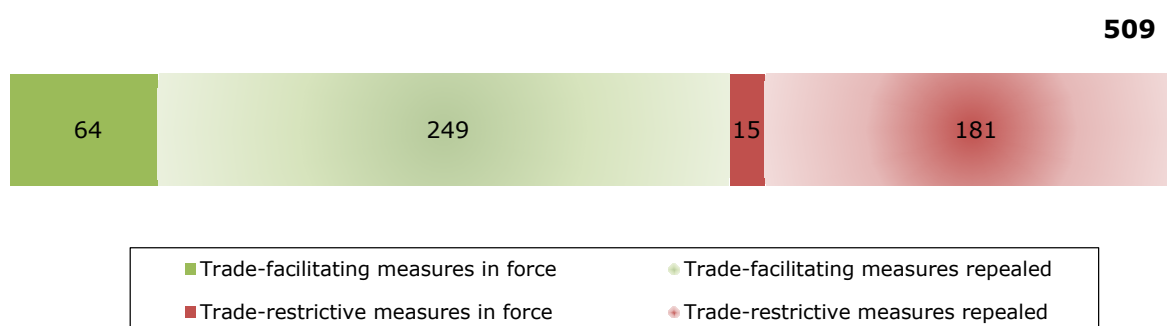
Source: WTO Secretariat.

3.29. Most of the COVID-19 trade-facilitating measures (68.9%) introduced by G20 economies since the beginning of the pandemic were import measures while most of the trade-restrictive measures (94.7%) targeted exports.

3.30. Several of the import-facilitating measures taken by G20 economies in response to the pandemic were reductions or eliminations of import tariffs and import taxes on a variety of goods, including personal protective equipment (PPE), sanitizers, disinfectants, medical equipment, and medicine/drugs. Extensions as well as expansions in the coverage of these measures have taken place regularly.

3.31. 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, 11 COVID-19-related export restrictions were still in place according to information either identified by the Secretariat or received from delegations.

Chart 3.8 Trade coverage of G20 COVID-19 trade and trade-related measures, by mid-October 2023, in USD billion



Note: Values are rounded.

Source: WTO Secretariat.

3.32. The trade coverage⁷ of the COVID-19 trade-facilitating measures implemented since the outbreak of the pandemic was estimated at USD 313.4 billion (Chart 3.8). The trade coverage of the

⁷ Including imports and exports and based on annual 2022 trade figures, except for the Russian Federation and the Kingdom of Saudi Arabia (2021 data used for the calculations). The concordance to HS22 nomenclature was applied to the best extent possible.

trade-facilitating measures that have been terminated as of mid-October 2023 stood at USD 249.3 billion, according to WTO Secretariat estimates.

3.33. The trade coverage of trade-restrictive measures implemented since the outbreak of the pandemic was estimated at USD 195.7 billion. The trade coverage of restrictions that have been terminated as of mid-October 2023 amounted to USD 180.6 billion, indicating that G20 economies continued to phase out COVID-19-related trade restrictions.

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

3.34. 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.

3.35. 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.

Export restrictions on food, feed, and fertilizers

3.36. 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 Observers⁸ on agricultural commodities, of which 113 applied to food and feed (92.6%) and 9 targeted fertilizer exports (7.4%). Since 16 October 2022, 16 new export restrictions were implemented by several G20 economies. As of mid-October 2023, 47 of all identified export restrictions had been phased out, bringing the number of restrictions in force to 75⁹, of which, 28 export restrictions were maintained by G20 economies.

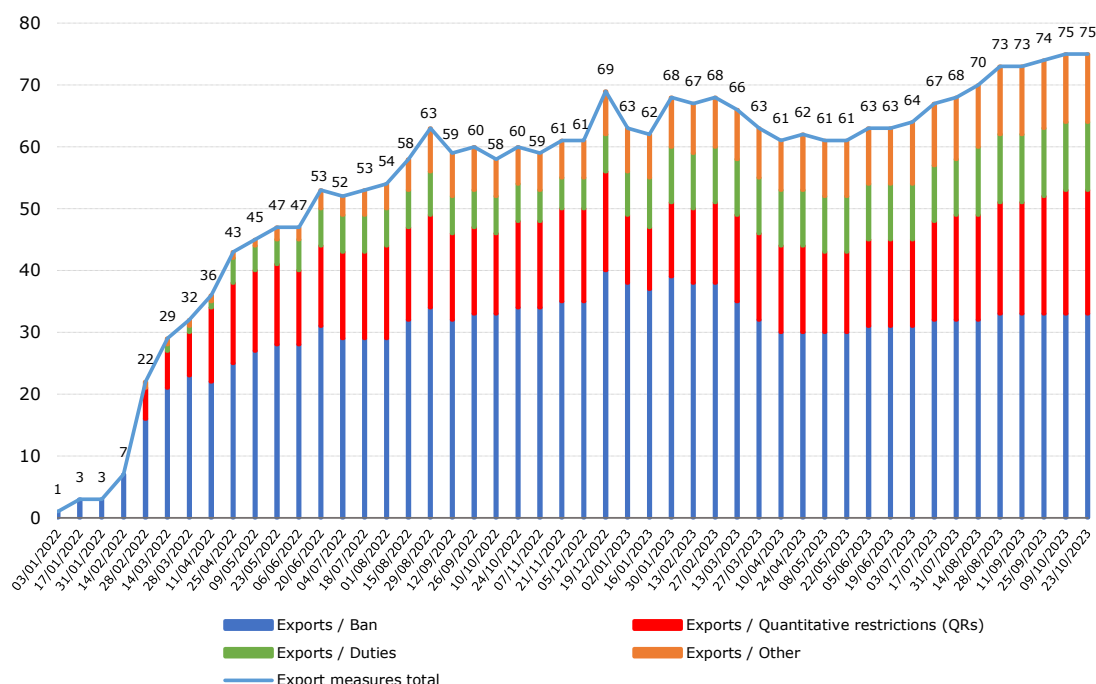
3.37. Since 24 February 2022, the trade coverage of the export-restrictive measures introduced by all WTO Members and Observers is estimated at USD 133.9 billion, out of which USD 12.3 billion referred to fertilizers. The trade coverage of the repealed export restrictions is estimated at USD 104.2 billion, 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.

3.38. 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).

⁸ Afghanistan, Algeria (Observer), Argentina, Armenia, Azerbaijan (Observer), Bangladesh, Belarus (Observer), Plurinational State of Bolivia, Botswana, Burkina Faso, China, Egypt, Georgia, Ghana, Hungary, India, Indonesia, the 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).

⁹ 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, the 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).

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

3.39. 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.¹⁰ Since mid-October 2022 43 new measures were implemented, 18 of which by G20 economies. Out of all identified import-facilitating measures, 33 were phased out or expired by mid-October 2023, of which 19 were G20 measures. Currently, 67 import-facilitating measures remain in place, of which 24 are maintained by G20 economies.¹¹

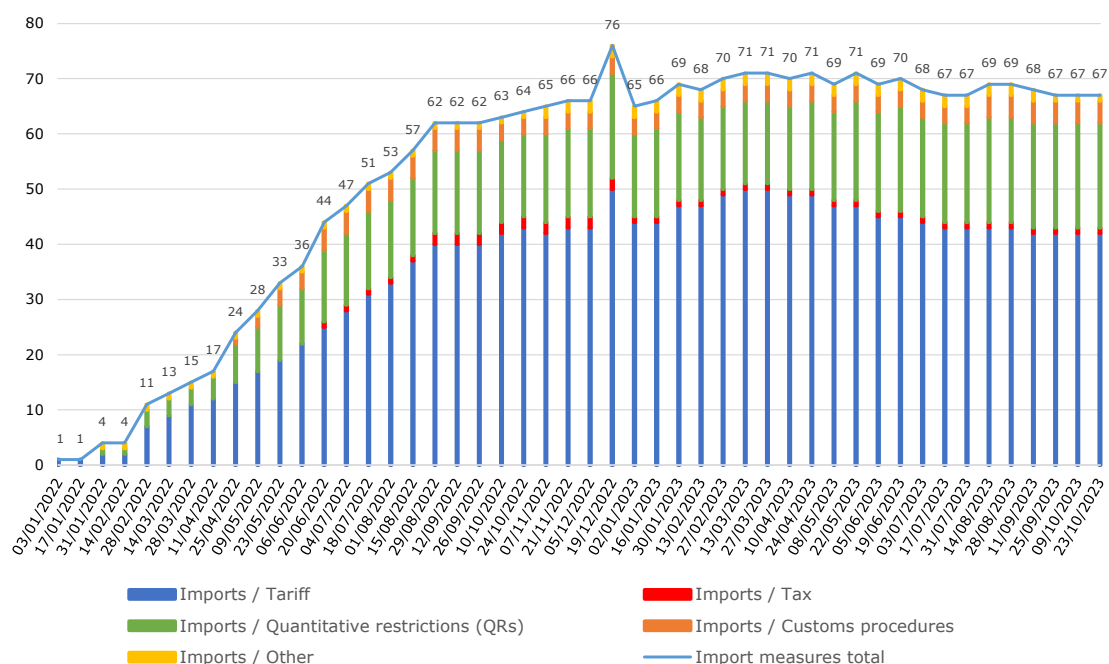
3.40. Since 24 February 2022, the trade coverage of the import-facilitating measures introduced is estimated at USD 128.4 billion, out of which USD 2.7 billion was related to fertilizers. The trade coverage of terminated import-facilitating measures is estimated at USD 45.6 billion, out of which USD 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.

3.41. 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 include exemptions from value added taxes and the lifting of import permit requirements (Chart 3.10).

¹⁰ Azerbaijan (Observer), Armenia, Argentina, Bangladesh, Belarus (Observer), Botswana, Brazil, 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, Kenya, Republic of Korea, Kyrgyz Republic, Lesotho, Liberia, Malaysia, Mexico, Mongolia, Morocco, Namibia, New Zealand, Pakistan, Peru, Philippines, Russian Federation, Senegal, South Africa, Switzerland, Chinese Taipei, Türkiye, Ukraine, and Viet Nam.

¹¹ Argentina, Brazil, China, European Union, India, Republic of Korea, Mexico, Russian Federation, South Africa and Türkiye.

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

3.42. 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 the 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.

3.43. 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.

3.44. 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 remedies¹²

3.45. This Section provides an assessment of trends in the use of trade remedies by G20 economies during the following periods: July – December 2021, January-June 2022, July – December 2022, and January – June 2023.¹³

3.46. Initiations of anti-dumping investigations by G20 economies increased during the period from January-June 2023 compared to the previous six-month period. Similarly, significant increase in the number of countervailing duty investigations initiated by G20 economies was also observed.

3.47. 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. The sharp decline in initiations of safeguards investigations observed since 2021, seemed to continue during the period January-June 2023, with one investigation initiated.

Anti-dumping measures¹⁴

3.48. The most recent data (January – June 2023) show an increase of 92% in the number of anti-dumping investigations initiated by G20 economies compared to the previous six-month period (July-December 2022). On a 12-month basis, the number of initiations also increased, from 104 in July 2021 – June 2022 to 111 in July 2022 – June 2023 (Table 3.9).

3.49. While anti-dumping investigations do not necessarily lead to the application of measures, an increase or decrease in the number of investigations initiated is an early indicator of a likely increase or decrease in the number of measures applied. Over the 24 months reviewed, 215 anti-dumping investigations were initiated, and 229 measures were applied by G20 economies (Table 3.9). However, as it can take up to 18 months for an anti-dumping investigation to be concluded, these measures may not necessarily be the result of initiations in the same period.

Table 3.9 G20 initiations of anti-dumping investigations and measures applied, July 2021-June 2023

(Number)

G20 economy	July-Dec 2021		Jan-June 2022		July-Dec 2022		Jan-June 2023	
	Initiations	Measures	Initiations	Measures	Initiations	Measures	Initiations	Measures
Argentina	9	4	5	3	4	7	6	2
Australia	0	6	3	0	0	1	0	0
Brazil	4	3	0	0	0	5	4	3
Canada	1	11	2	3	0	1	1	0
China	0	0	1	2	1	0	0	1
European Union ^a	6	10	1	4	2	4	1	4
India	5	23	8	3	21	4	16	4
Indonesia	0	0	0	2	0	0	4	0
Japan	0	0	0	0	0	2	0	0
Korea, Republic of	3	3	5	1	0	2	3	7
Mexico	4	4	1	1	3	0	2	5
Russian Federation ^b	0	2	0	2	0	2	4	0
Saudi Arabia ^c	9	0	0	0	0	2	1	5
South Africa ^d	7	0	1	4	2	6	0	6

¹² This Section is without prejudice to Members' right to take trade remedy actions under the WTO.

¹³ These periods coincide with the periods covered by Members' semi-annual reports of anti-dumping and countervailing actions.

¹⁴ Anti-dumping and countervailing investigations are counted on the basis of 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 or customs territories is counted as (n) investigations.

G20 economy	July-Dec 2021		Jan-June 2022		July-Dec 2022		Jan-June 2023	
	Initiations	Measures	Initiations	Measures	Initiations	Measures	Initiations	Measures
Türkiye	1	1	0	2	0	5	0	1
United Kingdom	0	0	1	0	0	1	0	0
United States	13	32	14	10	5	5	31	8
Total	62	99	42	37	38	47	73	46

- a The European Union is counted as one.
- b 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.
- c 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.
- d Notified by South Africa, but investigations are initiated at the level of the Southern African Customs Union (SACU), i.e. also in respect of Botswana, Eswatini, Lesotho and Namibia.

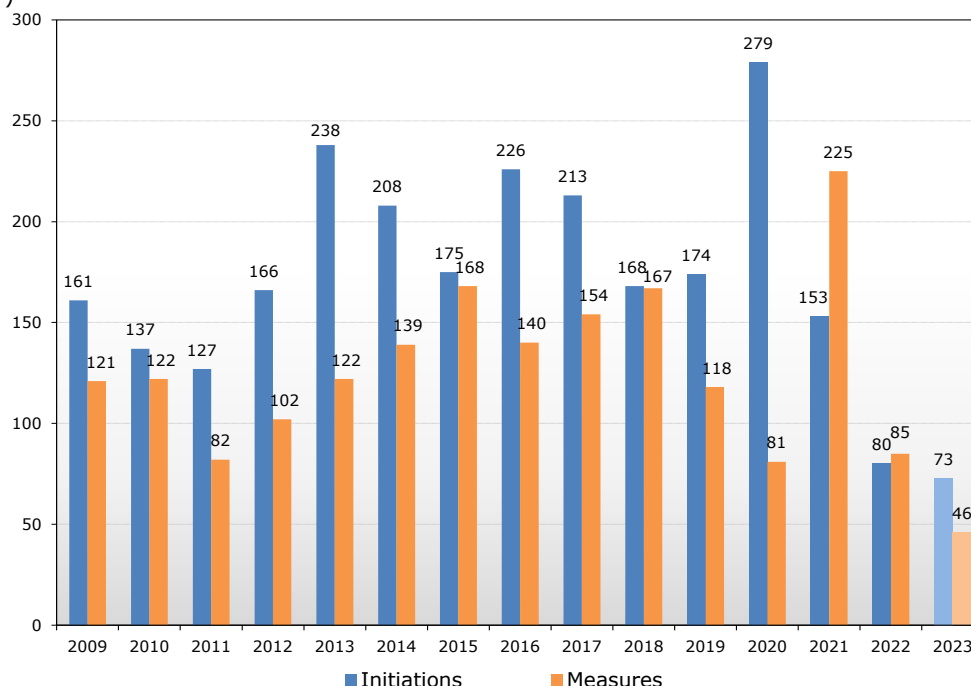
Source: WTO Secretariat.

3.50. In terms of products affected by initiations of anti-dumping investigations, in the first and second periods examined, most initiations targeted on products in the chemicals, metals, and plastics sectors. In the third period (July-December 2022), this changed to the chemicals, metals, and machinery sectors, and in the most recent period (January-June 2023) to the metals, plastics, and miscellaneous manufactures sectors.

3.51. Chart 3.11 provides an overview of anti-dumping activities of G20 economies since the first monitoring report was circulated in September 2009.

Chart 3.11 G20 anti-dumping investigations and measures applied, 2009-23

(Number)



Note: Data for 2023 cover January to June.

Source: WTO Secretariat.

Countervailing measures

3.52. The most recent data (January-June 2023) show a significant increase in the number of countervailing duty investigations initiated by G20 members compared to the previous six-month period (July - December 2022). On a 12-month basis, however, the number of initiations decreased from 23 to 12 (Table 3.10).

3.53. Over the 24 months of the review period, 41 countervailing measures were applied by G20 economies. It should be noted that as it can take up to 18 months for a countervailing investigation to be concluded, these measures may not necessarily result from initiations in the same period.

Table 3.10 G20 initiations of countervailing investigations and measures applied, July 2021-June 2023

(Number)

G20 economy	July-Dec 2021		Jan-June 2022		July-Dec 2022		Jan-June 2023	
	Initiations	Measures	Initiations	Measures	Initiations	Measures	Initiations	Measures
Australia	0	2	0	0	0	0	0	0
Brazil	0	0	0	0	0	2	1	0
Canada	0	3	2	1	0	1	1	0
China	0	0	0	0	0	0	0	0
European Union ^a	1	1	1	3	0	0	0	0
India	0	1	3	3	0	0	0	3
United Kingdom	0	0	2	0	0	0	0	0
United States	5	10	9	5	2	3	8	3
Total	6	17	17	12	2	6	10	6

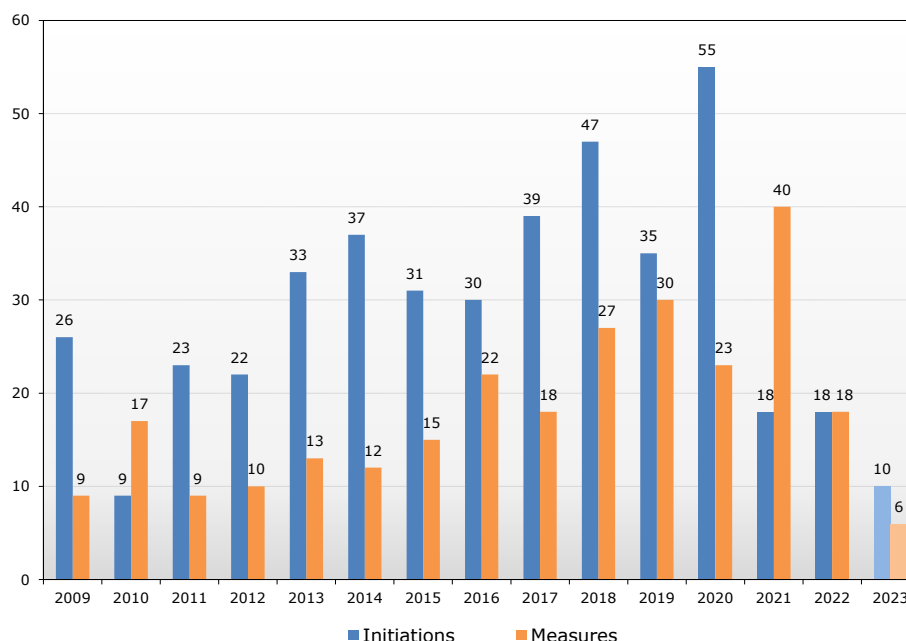
a The European Union is counted as one.

Source: WTO Secretariat.

3.54. Since the first Trade Monitoring Report in 2009, the number of countervailing investigations has fluctuated, reaching its peak in 2020. In 2021 and 2022, however, there was a significant decrease in countervailing initiations compared to previous years (Chart 3.12). Based on the data for the first six months of 2023, the recent relatively low levels appear to be continuing.

Chart 3.12 G20 countervailing investigations and measures applied, 2009-23

(Number)



Note: Data for 2023 cover January to June.

Source: WTO Secretariat.

3.55. Various sectors were targeted by G20 economies' countervailing investigations, with metal products accounting for 14 of the 35 initiations over the 24 months examined. During the same period, chemical products and machinery accounted for the second- and third-largest numbers of investigations, with nine and five initiations, respectively.

Anti-dumping and countervailing initiations by trading partner

3.56. Between 2008 and the first half of 2023, approximately 70% of total G20 anti-dumping and countervailing initiations involved products from other G20 economies. Anti-dumping and countervailing initiations on products from other G20 members accounted for between 54% and 100% of each individual G20 member's total initiations. China remained the most frequent subject of initiations reported during this period, accounting for 30% of all initiations. The second most frequent subject of initiations during this period, the Republic of Korea, accounted for 6% of total initiations.

Safeguard measures

3.57. 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.¹⁵ 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. Table 3.11 shows the G20 economies that initiated investigations and applied measures in the covered period.

¹⁵ 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 G20 initiations of safeguard investigations and measures applied, July 2021-June 2023

(Number)

G20 economy	July-Dec 2021		Jan-June 2022		July-Dec 2022		Jan-June 2023	
	Initiations	Measures	Initiations	Measures	Initiations	Measures	Initiations	Measures
India	0	0	0	0	1	0	1	2
Indonesia	0	3	0	0	0	0	0	0
South Africa ^a	0	1	0	0	0	0	0	0
Türkiye	1	1	0	0	0	1	0	0
Total	1	5	0	0	1	1	1	2

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

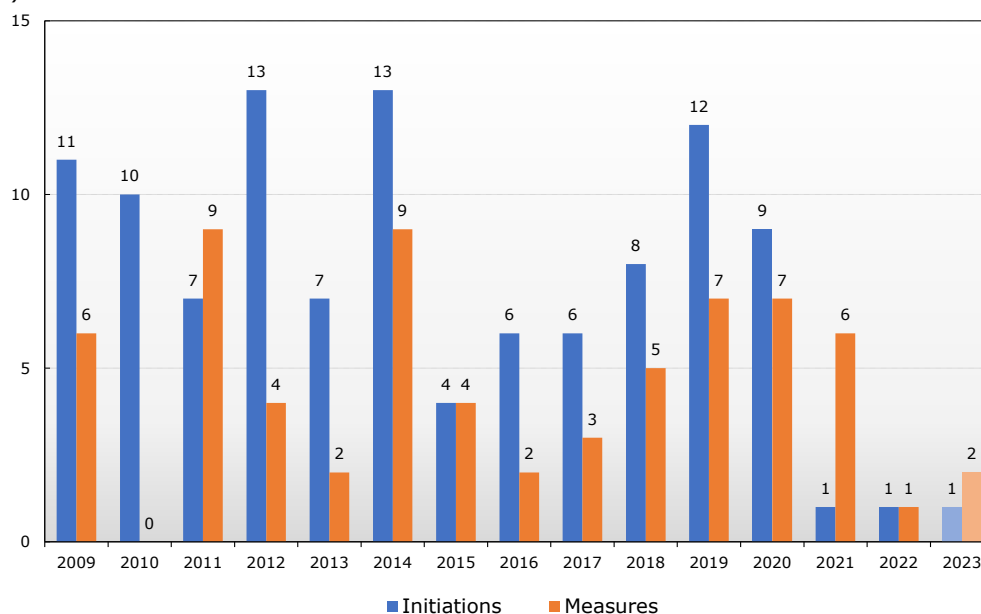
Note Some notifications are ambiguous about the timing when measures took effect. For those, an additional notification clarifying, *ex post*, the effective date of the measure is sometimes filed. For this reason, the number of applications of measures in a given period indicated in past reports may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

Source: WTO Secretariat.

3.58. Chart 3.13 shows the number of initiations of safeguard investigations and application of measures by G20 economies on a calendar-year basis plus for the first half of 2023. In the latest six-month period (January-June 2023), one investigation was initiated, and two measures were applied. The figures for 2022 (one initiation and one measure) were among the lowest since 1995. Recent low levels seem to be continuing in 2023.

Chart 3.13 G20 initiations of safeguard investigations and measures applied, 2009-22

(Number)



Note: Data for 2023 cover January to June.

Source: WTO Secretariat.

3.3 Sanitary and phytosanitary (SPS) measures¹⁶

3.59. This report covers SPS transparency-related matters, including specific trade concerns (STCs) discussed in SPS Committee meetings, for the period from 1 April 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.

SPS activities, developments and notifications

3.60. Under the SPS Agreement, WTO Members are obliged to provide an advance notification of intention to introduce new or modified SPS measures¹⁷, or to notify immediately when emergency measures are imposed. The main objective of complying with the SPS notification obligations is to inform other Members about new or modified regulations that may significantly affect trade. Therefore, an increase in the number of notifications does not automatically signal greater protectionism, but can be a result of enhanced transparency and/or a greater number of legitimate health-protection measures.

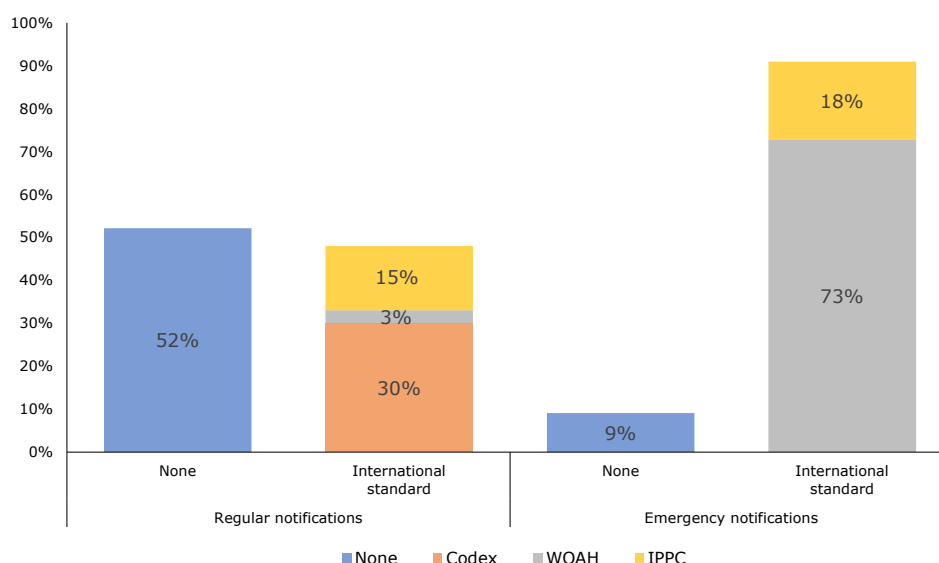
3.61. G20 economies rank amongst the main "notifiers" of SPS measures, accounting for 64% of total regular notifications (including revisions and addenda), and 36% of emergency notifications, submitted to the WTO from 1 January 1995 until 30 September 2023. For the current review period, from 1 April to 30 September 2023, Brazil, Japan, Canada, the United States, the European Union and the Kingdom of Saudi Arabia were amongst the top 10 submitters of notifications to the WTO, accounting for about 80% of all the notifications submitted by G20 economies in that period.

3.62. Many G20 economies follow the recommendation to notify SPS measures even when these are based on a relevant international standard, thus substantially increasing the transparency regarding these measures (Chart 3.1). Of the 330 regular notifications (including revisions and excluding addenda) submitted by G20 economies during the current review period, 48% indicated that an international standard, guideline, or recommendation was relevant to the notified measure, out of which about 61% referred to Codex, 32% to the International Plant Protection Convention (IPPC) and 7% to the World Organisation for Animal Health (WOAH founded as OIE). Of these, 72% indicated that the measure was in conformity with, or substantially the same as, the existing international standard, guideline, or recommendation. Of the remaining 28% of notifications, which indicated that the measure was not in conformity with the existing international standard, Codex was the relevant international standard-setting body identified in all but two of the notifications. Regarding emergency notifications for the current reporting period, all but three of the emergency measures notified by G20 economies indicated conformity with a relevant international standard, guideline, or recommendation, this being a WOH standard in most cases.

¹⁶ Information presented in this Section was retrieved from the [ePing SPS&TBT Platform](#). More detailed searches on STCs have been undertaken in the [Trade Concerns Database](#). For more information, see also annual reports WTO documents [G/SPS/GEN/804/Rev.15](#), 1 March 2023; and [G/SPS/GEN/204/Rev.23](#), 1 March 2023.

¹⁷ Transparency obligations are contained in Article 7 and Annex B to the SPS Agreement. Annex B requires that Members notify measures whose content is not substantially the same as that of an international standard, guideline or recommendation, and when the measure may have a significant effect on trade. However, the Recommended Procedures for Implementing the Transparency Provisions of the SPS Agreement, last updated in January 2023 (WTO document [G/SPS/7/Rev.5](#), 16 January 2023), recommend that Members also notify measures that are based on the relevant international standards, and that they apply a broad interpretation of effects on trade. 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 3.14 Regular and emergency SPS notifications and international standards (including revisions and excluding addenda)



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

Source: WTO Secretariat.

3.63. The most frequently identified objective in the SPS measures notified by G20 economies during the review period was food safety, accounting for 75% of all notifications.¹⁸ Food safety is a particularly important objective in the G20 economies' notifications, as most notified measures are related to maximum residue limits (MRLs) or pesticides, and in many notifications these keywords, as well as the *food safety* keyword, were identified.

Specific trade concerns (STCs)

3.64. Measures maintained by G20 economies are often discussed in the SPS Committee. Out of 46 STCs raised or discussed in the July 2023 SPS Committee meeting¹⁹, 45 involved a G20 economy. Of these, 1 was raised for the first time and 44 previously raised STCs were discussed again (Table 3.12). The one STC raised for the first time at the July 2023 SPS Committee meeting was STC ID 568, Canada's restrictions on Brazilian pork from internationally recognized foot-and mouth disease (FMD) free zones without vaccination.

3.65. The STCs raised in the SPS Committee on measures maintained by G20 economies account for 78% of all STCs raised since 1995. Moreover, the top 10 WTO Members most frequently responding to an STC are all G20 economies.

3.66. Out of the 45 STCs raised in the review period involving a G20 economy, 38 related to measures maintained by G20 economies. Seven addressed persistent problems that have been discussed 15 times or more (Table 3.13).

¹⁸ 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) protect humans from animal/plant pest or disease, and (v) protect territory from other damages from pests. Members are required to identify the purpose of the measure in their notifications. It is not uncommon for more than one objective to be identified for a measure.

¹⁹ See summary report of the meeting ([G/SPS/R/110](#), 13 September 2023). All STCs discussed are available in the [Trade Concerns Database](#).

Table 3.12 STCs with participation of G20 economies raised in the July 2023 SPS Committee meeting

Meetings	Total STCs raised with participation of G20 economies		G20 economies raising		G20 economies supporting		G20 economies responding	
	New	Previously raised	New	Previously raised	New	Previously raised	New	Previously raised
July 2023	1	44	1	41	0	11	1	37

Source: WTO Secretariat.

Table 3.13 Previously raised SPS STCs discussed in the July 2023 meeting, raised 15 times or more²⁰

STC ID	Title of the STC	Member(s) responding	Member(s) raising the concern	First date raised (times subsequently raised)	Primary objective
193	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
382	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
406	China's import restrictions due to highly pathogenic avian influenza	China	European Union, United States	16/03/2016 (20 times)	Animal health/Animal diseases
392	China's import restrictions due to African swine fever	China	European Union	15/07/2015 (18 times)	Animal health/Animal diseases
431	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
439	United States import restrictions on apples and pears	United States	European Union	01/03/2018 (16 times)	Plant health
441	Indonesia's approval procedures for animal and plant products	Indonesia	European Union, Russian Federation	12/07/2018 (15 times)	Other concerns

Source: WTO Secretariat.

3.67. Out of the 38 STCs related to measures maintained by G20 economies discussed in the review period, 12 related to measures implemented on food safety, 10 on animal health/animal diseases, 4 on plant health, and 12 were related to other types of concerns. Discussions among Members in the SPS Committee continue to be multifaceted and dynamic.

COVID-19-related SPS measures (1 February 2020–30 September 2023)

3.68. From 1 February 2020 until 30 September 2023, 31 WTO Members submitted a total of 133 notifications and communications related to measures taken in the context of the COVID-19 pandemic. In addition, 40 WTO Members, including G20 economies, submitted one communication (GEN document) requesting for the suspension of the processes and entry into force of reductions of MRLs for plant protection products in light of the COVID-19 pandemic. Of the 133 notifications and communications, 53 (excluding corrigenda) were submitted by 15 G20 economies. Eleven measures were notified as regular notifications; additionally, 12 addenda to regular measures were notified, mainly extending the implementation or the comment period of previously notified

²⁰ Further information on the STCs previously raised during the review period is available in the [ePing SPS&TBT Platform](https://tradeconcerns.wto.org/en/stcs?searchParameterDomainIds=2). Viewed at: <https://tradeconcerns.wto.org/en/stcs?searchParameterDomainIds=2>.

measures. Nine measures²¹ were notified as emergency measures and three measures were submitted through a GEN document.²² The last document submitted by a G20 economy was received on 16 November 2022.

3.69. Initially, these measures mainly related to restrictions on animal imports and/or transit from affected areas (some of these have already been lifted) and increased certification requirements. Since the beginning of April 2020, most notifications and communications related to measures taken to facilitate trade by allowing temporary flexibility for control authorities to use electronically certificates for checks. Of the notifications and communications submitted by G20 economies, more than half referred to measures considered trade facilitating.

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

3.70. At the July 2023 SPS Committee meeting, Ukraine updated Members on SPS capacity and infrastructure-building activities and noted that it had continued to ensure SPS compliance despite loss of critical infrastructure, environmental disasters, and sustained conflict.

3.71. Several Members, including G20 economies expressed their appreciation for Ukraine's efforts to fulfil its WTO SPS obligations, maintain food safety standards, and deliver food to international markets. They condemned the Russian Federation's military action in Ukraine, as a violation of international law. Several Members stated that the invasion was exacerbating the food security crisis, had inflated prices, and increased global hunger since Ukraine was unable to export grain. Members called on the Russian Federation to renew the Black Sea Grain Initiative and cease military operations in Ukraine.

3.72. The Russian Federation indicated that it continued to participate in global efforts to prevent food insecurity and hunger in developing countries and LDCs. In the Russian Federation's view, allegations that it contributed to the global food crisis were ridiculous given other systemic factors. It noted that the Black Sea Grain Initiative had been extended under the condition of achieving tangible normalization of agricultural exports, but there had been no progress. Finally, the Russian Federation argued that the Committee should refrain from discussing issues not within the scope of the WTO.²³

MC12 SPS Declaration on Responding to Modern SPS Challenges

3.73. During the reporting period, meetings were held in May, July and September 2023 to advance the Work Programme which emerged under the MC12 SPS Declaration on Responding to Modern SPS Challenges (Box 3.1).²⁴ 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).

²¹ Two subsequent addenda were notified to withdraw restrictions imposed in some emergency measures.

²² The remaining communications refer to COVID-19 documents relevant to the Committee meetings.

²³ Summary of the July 2023 SPS Committee meeting, available in WTO document [G/SPS/R/110](#), 13 September 2023.

²⁴ 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 12th 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 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 13th 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 Secretariat.

3.4 Technical Barriers to Trade (TBT)

3.74. G20 economies remain the most frequent users of the TBT Committee's transparency mechanisms. Most of the new regular TBT notifications submitted by G20 economies during the review period indicated the protection of human health or safety as their main objective. The top five notifying G20 economies were the United States, India, China, the European Union, and the Republic of Korea. All six persistent STCs discussed during the review period concerned G20 measures. G20 economies submitted 142 out of 229 TBT notifications (62%) in response to the COVID-19 pandemic.

Notifications submitted to the TBT Committee

3.75. The G20 economies have submitted 40% of all TBT notifications since 1995.²⁵ Under the TBT Agreement, 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.

²⁵ Since 1995, over 36,512 new notifications of TBT measures have been submitted by Members, 14,735 (40%) of which were by G20 economies. Overall, 50,788 new and follow-up notifications of TBT measures have been submitted, 22,132 (44%) of which were notified by G20 economies.

3.76. From 1 May to 1 October 2023 (review period), G20 economies submitted 358 (34%) new regular notifications of TBT measures²⁶ out of 1,051 by all WTO Members. The top five notifying G20 economies were the United States (67), India (65), China (39), the European Union (39) and the Republic of Korea (32). Most of these notifications indicated as their main objective the protection of human health or safety. Various other notifications related to protection of the environment, quality requirements, prevention of deceptive practices and consumer protection and consumer information, labelling.

3.77. G20 economies submitted 256 (around 56%) follow-up notifications (i.e. addenda, corrigenda, or supplements). The continuing and frequent use 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)²⁷

3.78. The TBT Committee is used as a forum for discussing trade issues related to specific TBT measures proposed or maintained by other WTO Members. Issues can range from requests for additional information and clarification to questions on the consistency of measures with TBT Agreement disciplines.

3.79. A total of 68 (11 new and 57 previously raised) STCs were discussed at the 21-23 June 2023 meeting that took place during the review period. Most of these new STCs (8 out of 11) concerned measures maintained by G20 economies. The new STCs covered a wide range of issues, including alcohol labelling, digital issues and cybersecurity, chemicals, electric vehicles, food, and beverages.

3.80. Overall, the number of new and previously raised STCs has been increasing every year. This trend suggests an increasing use of the TBT Committee as a forum to raise and resolve trade concerns non-litigiously. In 2023, for example, WTO Members have already reviewed 142 STCs, including 23 new concerns, one of the highest numbers on record since 1995. During the review period, 6 persistent STCs were discussed (these STCs have each been previously raised on more than 16 occasions in the TBT Committee meetings). All these persistent STCs concerned measures by G20 economies. The next TBT Committee meeting is scheduled for November 2023.

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

3.81. Since the outbreak of the COVID-19 pandemic, 34 Members have submitted 229 COVID-19-related TBT notifications²⁸, of which 142 (62%) were submitted by G20 economies. These notifications mostly dealt with extraordinary and temporary streamlining of certification and related procedures, and the introduction of new regulatory requirements for medical goods. 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 made references to the COVID-19 pandemic in 55 STCs.

Developments in the context of the war in Ukraine

3.82. At the TBT Committee meetings of 8-10 March 2023 and 21-23 June 2023, Ukraine and several other Members expressed their strong opposition to the war in Ukraine, with several Members noting 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.²⁹

3.83. 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 (i) the postponement of entry into force of certain regulatory measures in light of martial law in

²⁶ Viewed at: [ePing SPS&TBT platform](#).

²⁷ With respect to STCs, this Section takes account of the STCs raised in the TBT Committee meeting of 21-23 June 2023.

²⁸ TBT notifications are classified as COVID-19-related if they contain the terms "coronavirus", "COVID", "SARS-COV-2" or "nCoV".

²⁹ WTO documents [G/TBT/M/89](#), 11 May 2023; [G/TBT/M/90](#), 21 September 2023.

Ukraine³⁰; (ii) relaxation of certain regulatory requirements³¹; and (iii) termination of certain regulatory flexibilities that had been introduced during martial law in Ukraine.³²

3.5 Policy developments in agriculture

3.84. During the period under review, the Committee on Agriculture (CoA) held two regular meetings, on 27-28 June and 27-28 September 2023.³³ Domestic support dominated the discussions, especially on measures and notifications from Brazil, China, India, the European Union, and the United States. Discussions also focused on export restrictions on foodstuffs and food security, a key theme for a potential outcome at MC13.

3.85. The CoA provides a forum for WTO 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)). During the period under review, 70% (259) of all questions raised in the Committee concerned agricultural policies implemented by G20 economies.³⁴

3.86. As the following statistics demonstrate, a vast majority of issues raised in the CoA concerned domestic support and potential export-limiting measures. On notifications, a total of 37 notifications were submitted by G20 economies between 15 May and 15 October 2023. A total of 111 questions concerned G20 economies' individual notifications (74% of all questions related to notifications). Some 88% of these questions related to domestic support notifications whereas the remaining 12% related to notifications in the area of market access, export subsidies, export restrictions and prohibitions, and the follow-up to the NFIDC Decision. On matters raised under Article 18.6, 14 G20 economies received 122 questions on 62 SIMs in the CoA meetings that took place during the review period.³⁵ Out of the 62 SIMs, more than half (36) were discussed for the first time. Of these, 77% related to domestic support policies, 14% concerned market access issues, and the remaining 9% concerned policies prohibiting or restricting exports of foodstuffs and export competition issues.

3.87. Regarding the area of domestic support, policies from Brazil, China, India, the European Union, and the United States (87% of all questions raised to G20 economies on domestic support notifications and 77% of SIMs concerning G20 domestic support policies) were discussed. Of the 35 SIMs regarding G20 domestic support policies, 28 were raised for the first time. Members sought clarification on G20 support policies targeting specific sectors or products, including cereals (China's Blue Box support; China's purchase policy of grains and oils; China's wheat support; India's annex to a domestic support notification pursuant to the Bali decision on stockholding for food security (PSH Decision); India's rice sale under the Open Market Sale Scheme; and Mexico's domestic support programmes), livestock (China's support to the beef cattle sector), and wine (France's support to wine producers). There were 20 new SIMs raised on domestic support policies with a wider sectoral scope.

3.88. Measures potentially limiting market access were also addressed. There were 9 questions concerning notifications and 10 SIMs raised during the review period. On notifications, most questions (7) concerned imports under tariff rate quotas (TRQs). Out of the 10 SIMs concerning market access policies, half were discussed for the first time. These new SIMs related to policies potentially affecting market access of specific products or groups of products including cereals (Türkiye's increased import tariffs), livestock (Canada's country-specific allocation for beef and veal

³⁰ 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; [G/TBT/N/UKR/239/Add.1](#), 16 August 2023.

³¹ WTO documents [G/TBT/N/UKR/254](#), 5 May 2023; [G/TBT/N/UKR/264](#), 21 July 2023; [G/TBT/N/UKR/266](#), 15 August 2023.

³² WTO document [G/TBT/N/UKR/258](#), 31 May 2023.

³³ WTO documents [G/AG/R/106](#), 22 August 2023; and [G/AG/R/107](#) (forthcoming).

³⁴ WTO documents [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](#)).

³⁵ Argentina, Australia, Brazil, Canada, China, European Union, India, Japan, Mexico, Russian Federation, South Africa, Türkiye, United Kingdom, and the United States.

TRQ), and dairy (Australia's SPS measures on dairy imports and Brazil's tariff increase on dairy products,). The remaining SIM concerned the United Kingdom's tariff quota import arrangements.

3.89. A number of questions concerning G20 measures that potentially limited or restricted exports of foodstuffs were raised. The two new SIMs raised during the review period concerned the Russian Federation's export ban on rice and Türkiye's export licensing requirement.

3.90. WTO Members continued to express concerns about the European Union deforestation and forest degradation strategy which has been discussed in the CoA since July 2020. Two Joint Letters³⁶ of July 2022 and September 2023 by a group of developing WTO Members addressed to the EU parliament, Council and Commission respectively on this matter were also shared with the Committee.

Transparency

3.91. 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 Committee³⁷ 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 Committee. This avenue to announce their 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 meeting and by Brunei Darussalam, Paraguay and Tanzania at the June meeting of the CoA to fulfil their outstanding export subsidy obligations collectively for more than 170 outstanding years.

3.92. 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 Decision³⁸ on TRQ administration, the Committee reached agreement³⁹ 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

3.93. Food security remained high on the agenda of the Committee 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 Emergency Response to Food Insecurity⁴⁰, the CoA approved a work programme⁴¹ to consider the food security concerns of LDCs and NFDCs comprising the following four themes: access to international food markets; financing of food imports; agricultural and production resilience of LDCs and NFDCs; 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.⁴² 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

³⁶ WTO documents [G/AG/GEN/213](#), 29 November 2022; and [G/AG/GEN/223/Rev.2](#), 2 October 2023.

³⁷ WTO document [WT/MIN\(15\)/45](#), [WT/L/980](#), 21 December 2015.

³⁸ WTO document [WT/MIN\(13\)/39](#), [WT/L/914](#), 11 December 2013.

³⁹ WTO document [G/AG/36](#), 29 June 2023.

⁴⁰ WTO document [WT/MIN\(22\)/28](#), [WT/L/1139](#), 22 June 2022.

⁴¹ WTO document [G/AG/35](#), 22 November 2022.

⁴² WTO document [G/AG/GEN/240](#), 19 July 2023.

third week of October 2023. A dedicated [webpage](#) includes more details on discussions under the work programme.⁴³

Developments in the context of the war in Ukraine

3.94. 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 2021.⁴⁴ 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.

3.95. 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).^a

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^b, 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 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).

⁴³ Viewed at: https://www.wto.org/english/tratop_e/agric_e/wrkprog-fsldcs_e.htm.

⁴⁴ WTO document [G/AG/GEN/204](#), 6 September 2022, para. 5.

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

3.96. 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.

3.97. 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.⁴⁵ 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.

3.98. 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

⁴⁵ WTO, *COVID-19: Support Measures*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/trade_related_support_measures_e.htm.

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.

3.99. 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.

3.100. 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). 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 2023⁴⁶ 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 IMF⁴⁷, 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 2023.⁴⁸ In addition, sectoral support has also risen in response to the different recent crises.⁴⁹ 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)

3.101. In response to the Director-General's 4 September 2023 requests for information for this Trade Monitoring Report, 34 WTO Members⁵⁰ volunteered information on 158 regular general economic support measures unrelated to the COVID-19 pandemic, of which 149 were provided by G20 economies. The Secretariat's own research suggests that during the review period multiple other support measures with potentially important implications for trade were implemented by WTO Members.

3.102. 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 doubled 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.

3.103. 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

⁴⁶ 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>.

⁴⁷ IMF (2023) *Fossil Fuel Subsidies Data*, 24 August 2023. Viewed at: <https://www.imf.org/en/Publications/WP/Issues/2023/08/22/IMF-Fossil-Fuel-Subsidies-Data-2023-Update-537281>.

⁴⁸ GTA, G20 Trade Policy Factbook 2023, 5 September 2023. Viewed at: <https://www.globaltradealert.org/reports/119>.

⁴⁹ 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>.

⁵⁰ Colombia; European Union (counting the EU-27 and its member States separately); Hong Kong, China; Mauritius; Mozambique; South Africa and Türkiye.

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

3.104. In response to Director-General's requests for information, 10 Members⁵¹ 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.

3.105. 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.⁵² Of these, by mid-October 2023, 1,156 (64%) had been communicated directly to the WTO Secretariat. More than half of these measures (673 or 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.

3.106. 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.

3.107. 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

3.108. 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 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

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

⁵¹ Cambodia; Chile; Hong Kong, China; Macao, China; Mongolia; Montenegro; Myanmar; Kingdom of Saudi Arabia; Thailand and the United Kingdom.

⁵² Azerbaijan, Belarus, Equatorial Guinea, Ethiopia, Iraq, Lebanon, and Serbia.

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

3.110. 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.⁵³ Australia circulated an addendum to its communication⁵⁴ concerning trade measures they have taken against imports from the Russian Federation.

3.111. Pursuant to paragraph 6 of the Ministerial Decision on the TRIPS Agreement⁵⁵, the General Council has undertaken the annual review of this decision at its regular session in July 2023. The matter of paragraph 8 of the Ministerial Decision on the TRIPS Agreement and of the duration of the extended deadline was also discussed at the November 2023 meeting of the General Council.⁵⁶

3.112. During the July 2023 meeting, the first stocktaking exercise of the work by WTO bodies took place in line with paragraphs 23 and 24 of the Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics⁵⁷, with Members sharing their views on the matter.⁵⁸

3.113. 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 Insecurity⁵⁹ – where the General Council Chairperson also provided updates on work that is ongoing in relevant bodies such as the CoA.⁶⁰ 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 co-sponsors – 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"⁶¹ 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.⁶² A session on "Agriculture including Food Security" was held at the Senior Officials Meeting on 23-24 October 2023.⁶³

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

Aid for Trade

3.115. Launched at the 2005 Ministerial Conference, the Aid-for-Trade Initiative helps developing countries, and in particular LDCs, to build the supply-side capacity and trade-related infrastructure they need to benefit from WTO Agreements and expand their trade.

3.116. Since 2006, a total of USD 631.2 billion has been disbursed for financing Aid-for-Trade programmes and projects, with disbursements to LDCs amounting to USD 174 billion (Chart 3.15). In 2021, 49% of disbursements went to economic infrastructure and 48% to building productive

⁵³ WTO documents [WT/GC/M/203](#), 25 May 2023, [WT/GC/M/204](#), 23 June 2023; and [WT/GC/M/205](#), 2 October 2023.

⁵⁴ WTO document [WT/L/1134/Add.2](#), 6 October 2023.

⁵⁵ 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.

⁵⁶ WTO document [WTO/AIR/GC/52](#), 20 October 2023.

⁵⁷ WTO document [WT/MIN\(22\)/31](#), [WT/L/1142](#), 22 June 2022.

⁵⁸ WTO document [WT/GC/M/205](#), 2 October 2023 and [JOB/GC/352](#), 25 July 2023.

⁵⁹ WTO document [WT/MIN\(22\)/28](#), [WT/L/1139](#), 22 June 2022.

⁶⁰ WTO documents [WT/GC/M/203](#), 25 May 2023; [WT/GC/M/204](#), 23 June 2023 and [WT/GC/M/205](#), 2 October 2023.

⁶¹ WTO document [WT/GC/W/893](#), 13 July 2023.

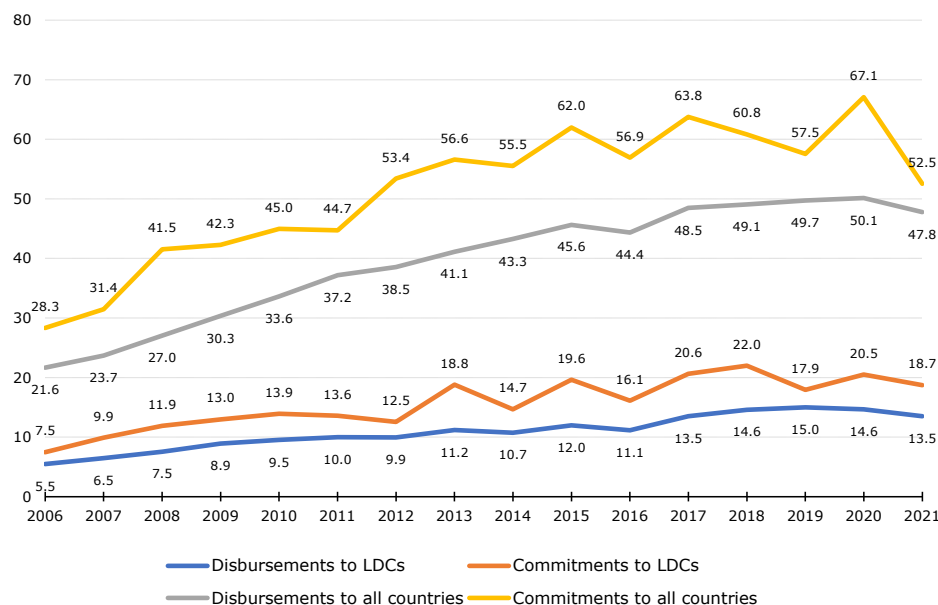
⁶² WTO document [WT/GC/M/205](#), 2 October 2023.

⁶³ WTO documents [JOB/GC/358](#) - [JOB/TNC/114](#), 11 October 2023 and [JOB/GC/357](#) - [JOB/TNC/113](#), 11 October 2023.

capacity, with trade policy and regulation accounting for the remaining 3%. Africa and Asia remained the largest beneficiaries (Chart 3.16). Disbursements reached a total of USD 47.8 billion in 2021.

Chart 3.15 Aid-for-Trade commitments and disbursements by income group

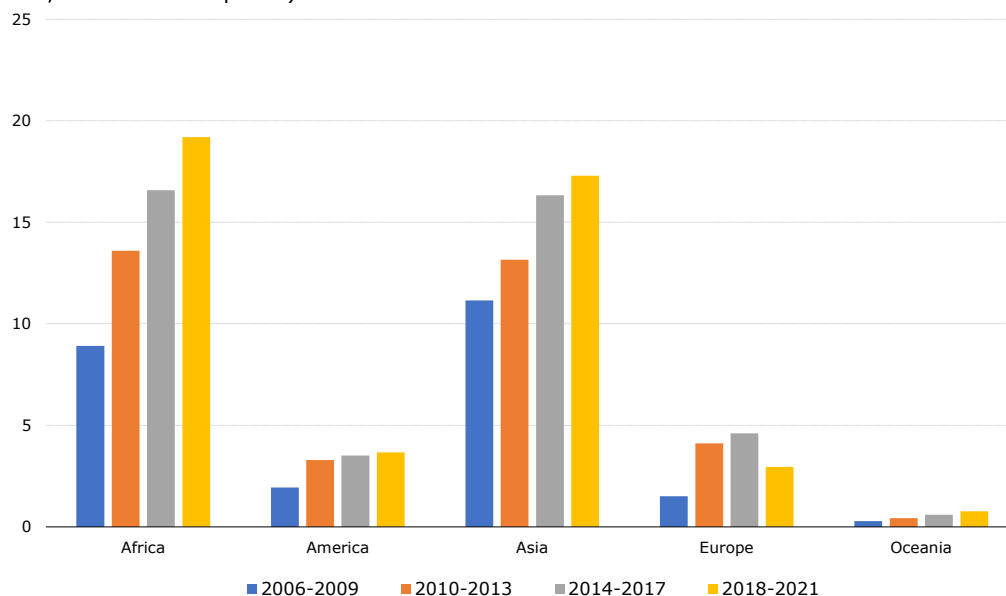
(USD billion, 2021 constant prices)



Source: OECD-CRS (Creditor Reporting System).

Chart 3.16 Aid-for-Trade disbursements by continent

(USD billion, 2021 constant prices)



Source: OECD-CRS (Creditor Reporting System).

3.117. The 2023-2024 Aid-for-Trade work programme, titled "Partnerships for Food Security, Digital Connectivity and Mainstreaming Trade", was adopted by WTO Members on 10 February 2023. A series of thematic workshops will be conducted throughout the biennium. The centrepiece of the work programme is the Ninth Global Review, set to take place on 26-28 June 2024. Underpinning the Global Review is a monitoring and evaluation (M&E) exercise, scheduled in the fall of 2023.

Committee on Import Licensing

3.118. At the 31 October 2023 meeting of the Committee on Import Licensing⁶⁴, 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

3.119. At the meeting of the Committee on Market Access on 16-17 October 2023⁶⁵, 35 trade concerns were raised, of which 29 on G20 measures. A growing number of concerns related to increased political tensions and/or unilateral environmental measures. Trade concerns covered measures by Australia (2), Canada (1), China (5), European Union (4), India (7), Indonesia (2), Kingdom of Saudi Arabia (1), Mexico (1), Türkiye (1) and United States (4). One concern was also raised on a measure adopted by the following Members as a group: the United States, Japan and the Netherlands.

3.120. During the review period, the Committee on Market Access 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 ground 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, 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 Committee on Market Access.

Council for Trade in Goods

3.121. At the 6-7 July 2023 Council for Trade in Goods (CTG) meeting⁶⁶, 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

3.122. Measures taken by G20 economies that are WTO Members can be the subject of dispute settlement proceedings when another WTO Member believes that such measures violate an agreement or a commitment made in the WTO.⁶⁷ As shown in Chart 3.17 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)⁶⁸, Members initiated seven new disputes, four of which concerned measures adopted by G20 economies. The subject matter of the new disputes initiated during the review period spanned a wide 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.

⁶⁴ WTO document [G/LIC/M/57](#) (forthcoming).

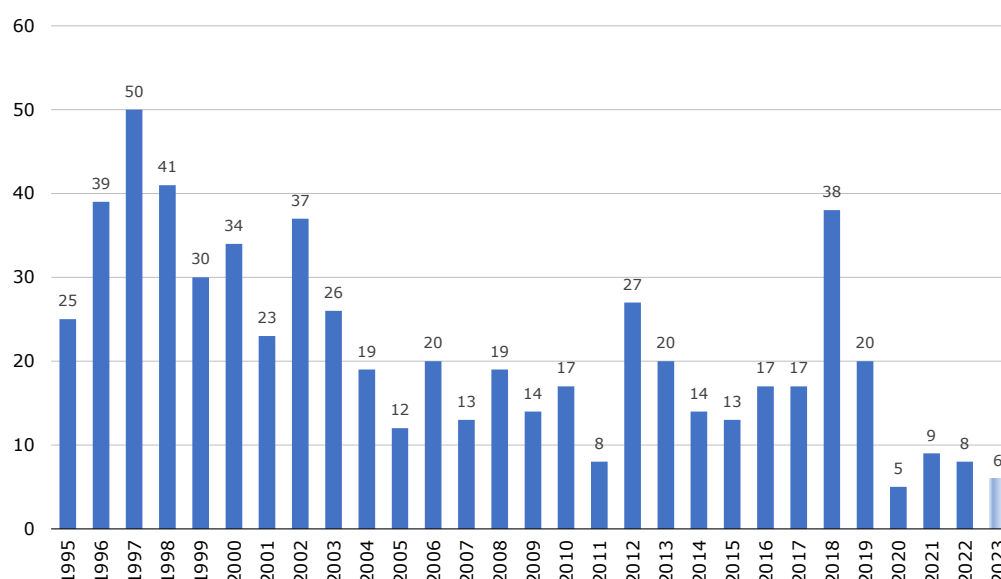
⁶⁵ WTO document [G/MA/M/79](#) (forthcoming).

⁶⁶ WTO document [G/C/M/146](#), 17 September 2023.

⁶⁷ 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.

⁶⁸ Due to the nature of WTO dispute settlement, a six-month review period does not allow for adequately capturing the developments in this area and a longer 12-month review period is more appropriate for that purpose.

Chart 3.17 Disputes initiated, 1995 to September 2023



Note: Data for 2023 cover January to September.

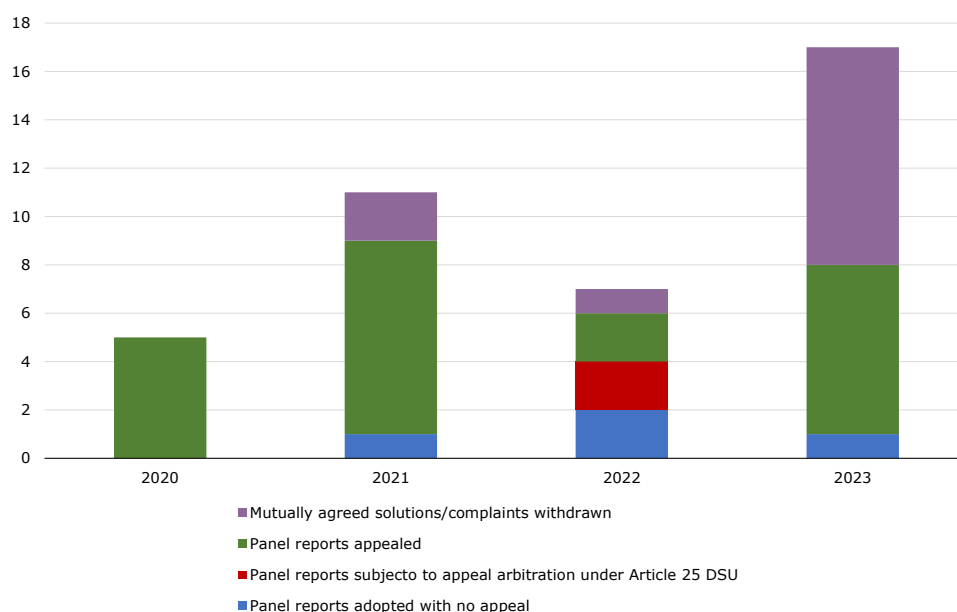
Source: WTO Secretariat.

3.123. 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. All but one of these disputes concerned measures adopted by G20 economies.

3.124. During the review period, panels circulated reports in 15 disputes, of which 14 concerned measures adopted by G20 economies. 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.

3.125. 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 agreed to an alternative appeal mechanism based on arbitration proceedings under Article 25 of the DSU. All of these disputes involve a G20 economy as a complaining or responding party, or both. 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 3.18).

Chart 3.18 Outcomes of panel proceedings, 2020 to September 2023



Note: Data for 2023 cover January to September.

Source: WTO Secretariat.

Electronic commerce

3.126. 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.

3.127. 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.

3.128. 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.

3.129. 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.

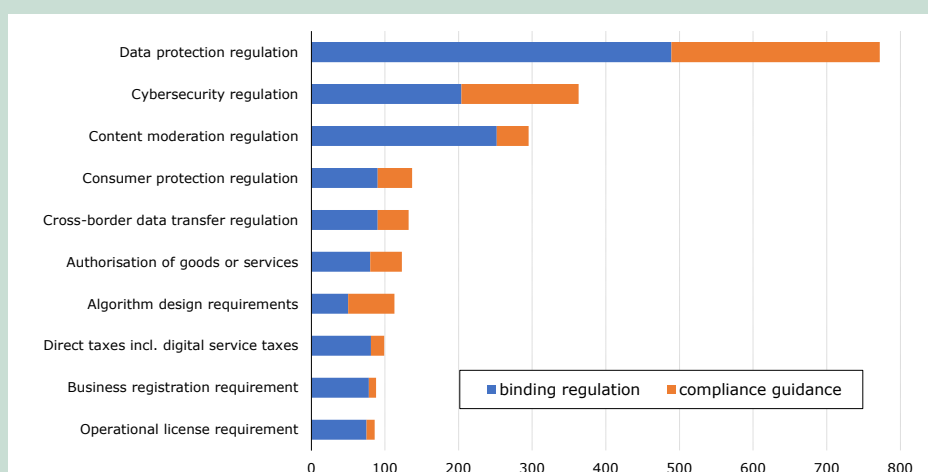
The Digital Policy Alert (DPA), by systematically tracking governmental websites for regulatory activity affecting the digital economy, has created a [publicly available inventory](#) that includes documents over 4,500 legislative or regulatory developments since 1 January 2020. The DPA monitors binding 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

3.130. The work of the Negotiating Group on Rules (NGR) has maintained an intensive pace since May 2023 in negotiations on the outstanding issues that were not resolved at MC12, in particular subsidies contributing to overcapacity and overfishing and related special and differential treatment provisions. To this end, four further Fish Weeks (week-long clusters of meetings) were scheduled for September-December 2023, adding to the previous four Fish Weeks that were held between March and July. On the basis of this work programme, Members are aiming to reach agreement on new disciplines by December, for adoption at MC13.

3.131. 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 texts⁶⁹ 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. Members are currently focused on completing the text-based work on outstanding issues by December.

3.132. Members have engaged in complementary workstreams as well. First, in addition to plenary sessions focused on the text, the NGR 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.⁷⁰ These Members represent about 48% of the two thirds of WTO Members required for the Agreement to enter into force.

3.133. 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, and Sweden.

Government procurement

3.134. 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 government procurement markets. Currently, the GPA 2012 has 21 Parties, covering 48 WTO Members⁷¹, and there are 36 observers to the Committee on Government Procurement (CGP).

3.135. 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 soon become the 22nd Party to the GPA 2012 and the 49th 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.

Micro, small and medium-sized enterprises (MSMEs)

3.136. 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.

3.137. 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 package⁷²; 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

⁶⁹ 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 (WTO document [WT/MIN\(22\)/33](#), 17 June 2022).

⁷⁰ 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.

⁷¹ The European Union and its 27 member States are covered by the Agreement as one Party.

⁷² WTO documents [INF/MSME/4/Rev.1](#), 18 March 2021; and [INF/MSME/4/Rev.2](#), 6 October 2021.

UNCITRAL's model law on electronic transferable records (MLETR); low-value shipments; sustainability; informality; and MSME provisions in regional trade agreements.

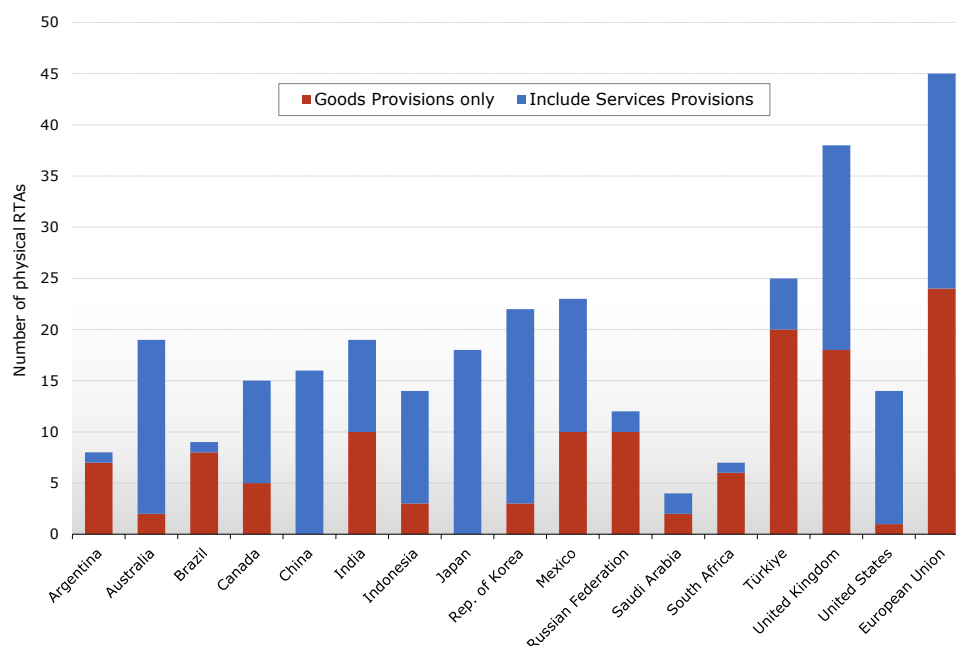
3.138. The Group released a revamped version of the Trade4MSMEs website together with The Trade Game on MSME Day 2023. Trade4MSMEs is an online resource which aggregates trade information for MSMEs and policymakers with new country pages, improved searchability and updated visuals. The Trade Game, a 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.

3.139. 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 organizations⁷³; 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)

3.140. The G20 economies continue to account for a major share of current RTA activities. Out of the 10 RTAs notified between 16 October 2022 and 15 October 2023, 9 included at least one G20 economy. As of 15 October 2023, 361 RTAs had been notified to the WTO and were in force.⁷⁴ Of these RTAs, around two thirds (69%) involve at least one G20 economy. While most RTAs involving G20 economies include provisions in goods and services, for some, notably Argentina, Brazil, the Russian Federation, South Africa and Türkiye, the majority of RTAs involve trade in goods only (Chart 3.19).

Chart 3.19 G20 RTAs



Source: WTO Secretariat.

3.141. In addition to the liberalization of trade in goods and services, most G20 RTAs increasingly include other provisions. They tackle issues that are not barriers at the border but nevertheless have an impact on trade. Such provisions include subsidies, SPS, and technical barriers to trade, and also regulations on labour and environment, competition, government procurement and dispute

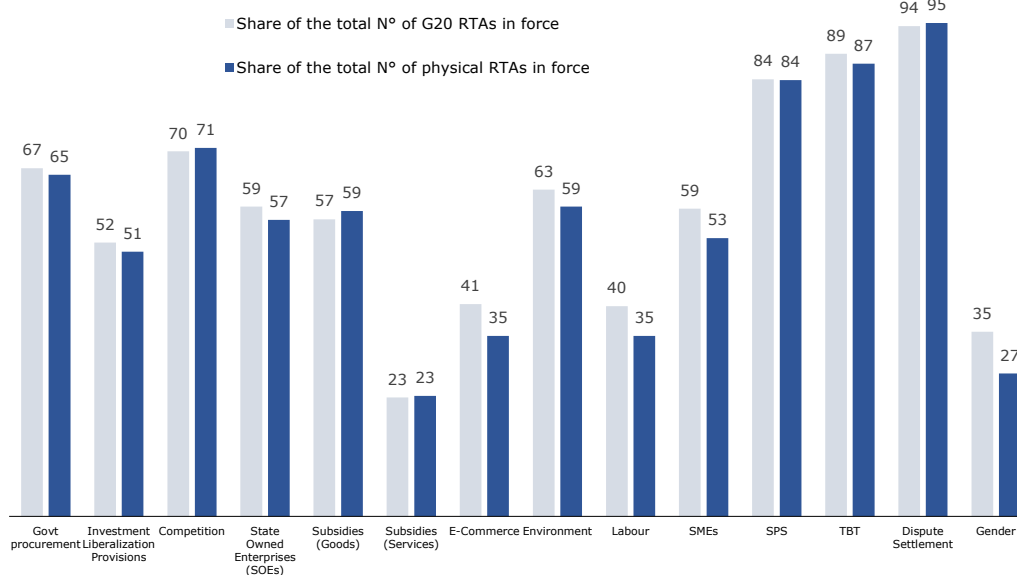
⁷³ WTO document [INF/MSME/W/44](#), 31 July 2023.

⁷⁴ Please consult the WTO RTA database (<http://rtais.wto.org>) for updated information on all RTA notifications submitted by WTO Members.

settlement. Chart 3.20 shows that the number of G20 RTAs that have such provisions range from 23% for subsidies in services to 94% with provisions on dispute settlement. The frequency of a number of such provisions is greater in RTAs involving G20 economies, than for RTAs overall. This includes provisions such as government procurement, investment liberalization, state-owned enterprises (SOEs), electronic commerce, environment, labour, small and medium-sized enterprises, TBT and gender provisions. For other provisions, the share is either identical (subsidies in services and SPS provisions) or slightly lower (competition, subsidies in goods and dispute settlement).

Chart 3.20 Key provisions in G20 RTAs and all RTAs

(%)



Source: RTA Section, WTO Secretariat, October 2023. For more details on these topics: <http://rtais.wto.org>.

3.142. 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.⁷⁵ 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.⁷⁶ 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.

3.143. 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

⁷⁵ 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).

⁷⁶ Singapore Ministry of Trade and Industry. Viewed at: <https://www.mti.gov.sg/Trade/Digital-Economy-Agreements>.

treatment than that provided on a multilateral basis; agreements on intellectual property rights or the environment; or agreements on investment. Information on many of these agreements is not easily available.

3.144. 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.⁷⁷ 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 2023.⁷⁸ 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

3.145. Since mid-May 2023 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)

3.146. At the 20 October 2023 meeting of the Working Party on State Trade Enterprises (STEs)⁷⁹, trade concerns were raised on STEs-related policies, measures, and outstanding notifications by China (2), India (1), Mexico (1) and the Russian Federation (1). The low level of compliance with notification obligations was again raised by some Members.

3.147. At the 12 October 2023 meeting of the TRIMs⁸⁰ Committee, issues and trade concerns were raised on measures implemented by China (2), India (1) and Indonesia (3).

Committee on Trade and Development

3.148. At the 11 July 2023 meeting of the *Committee on Trade and Development* (CTD)⁸¹, discussion continued on the communication from India and South Africa titled "Global Electronic Commerce for Inclusive Development"⁸² and its revised version. 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. During that meeting, 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.⁸³ A communication from the United States titled "Responding to the COVID-19 Pandemic and Supporting Resiliency"⁸⁴ was considered, as well as communications from the African Group under the theme of policy space for industrial development.⁸⁵ These communications, *inter alia*, 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.

⁷⁷ Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, Philippines, Singapore, Thailand, the United States and Viet Nam.

⁷⁸ India has opted out of the discussions on the Trade Pillar.

⁷⁹ WTO document [G/STR/M/43](#) (forthcoming).

⁸⁰ WTO document [G/TRIMS/M/54](#) (forthcoming).

⁸¹ WTO document [WT/COMTD/M/121](#), 3 August 2023.

⁸² WTO document [WT/COMTD/W/264](#), 9 November 2021.

⁸³ WTO document [WT/MIN\(22\)/31](#), [WT/L/1142](#), 22 June 2022.

⁸⁴ WTO document [WT/COMTD/W/268](#), 21 September 2022.

⁸⁵ WTO documents [WT/COMTD/W/270](#), 1 March 2023 and [WT/COMTD/W/274](#), 16 March 2023.

3.149. Discussions continued at the 19 October 2023 meeting of the CTD's Dedicated Session on Small Economies⁸⁶ with a focus on the challenges and opportunities for small economies in the post-COVID-19 recovery phase. Presentations were made by a number of international organizations and some Members of the SVE Group.

Trade and environment

3.150. During the review period, the Committee on Trade and Environment (CTE) held one regular meeting, and its fourth Trade and Environment Week⁸⁷, and it continued to focus on important global issues, including the circular economy and plastics pollution, trade and climate change, and biodiversity. The July 2023 CTE meeting continued to discuss possible CTE contributions to MC13 and how to revitalize the work of the CTE with inputs from China, the United Kingdom, Colombia, India, and South Africa, the European Union and Paraguay. Furthermore, delegations were briefed on the preparations for the COP28, which, following the proposal by its host the United Arab Emirates would, for the first time includes a dedicated "Trade Day" to explore the role of trade as an essential part of the solution to climate change.⁸⁸

3.151. Some WTO Members continued their work through other platforms. For example, in July 2023, the third meeting of the Fossil Fuel Subsidy Reform (FFSR)⁸⁹ 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. In the Trade and Environmental Sustainability Structured Discussions (TESSD)⁹⁰ and its four informal working groups, participating Members 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. In September 2023 the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP)⁹¹ introduced and discussed the first draft of a possible MC13 Statement and related outcomes.

3.152. 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 (under the "Action on Climate and Trade" (ACT) Initiative aiming to provide technical assistance and capacity-building for developing economies, including LDCs), the TRADE Hub (for a series of webinars on trade and biodiversity), and the steel industry and standardization organizations and initiatives (for the WTO forum on decarbonization standards⁹²).

3.153. The following box on the exposure of small African businesses to climate change has been 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.^a 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.^b Figures are even higher for those in the primary sector.

⁸⁶ WTO document [WT/COMTD/SE/M/45](#) (forthcoming).

⁸⁷ 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/tedweek2022_e.htm.

⁸⁸ Minutes of the July 2023 CTE meeting in WTO document [WT/CTE/M/78](#), 29 August 2023.

⁸⁹ Viewed at: https://www.wto.org/english/tratop_e/envir_e/fossil_fuel_e.htm.

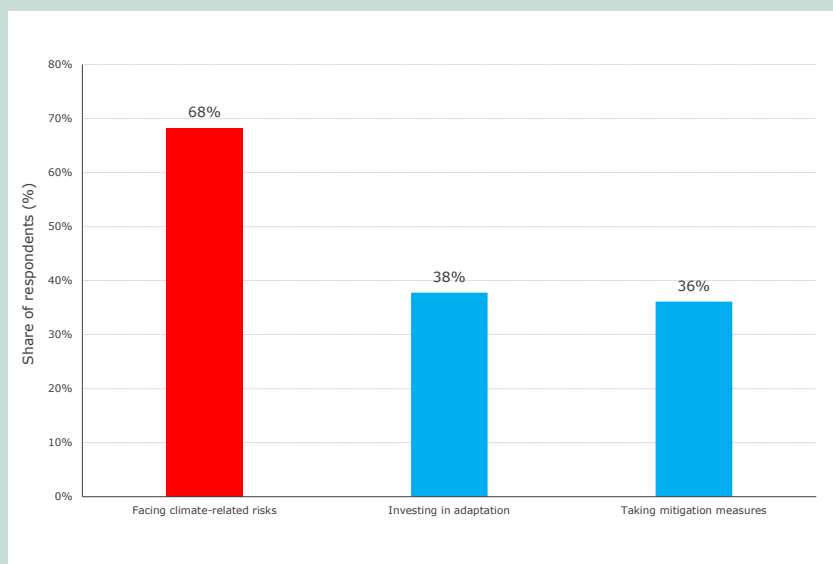
⁹⁰ Viewed at: https://www.wto.org/english/tratop_e/tessd_e/tessd_e.htm.

⁹¹ Viewed at: https://www.wto.org/english/tratop_e/ppesp_e/ppesp_e.htm.

⁹² Viewed at: https://www.wto.org/english/news_e/news23_e/clim_14sep23_e.htm.

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

Most businesses see climate change as a threat but few act^d



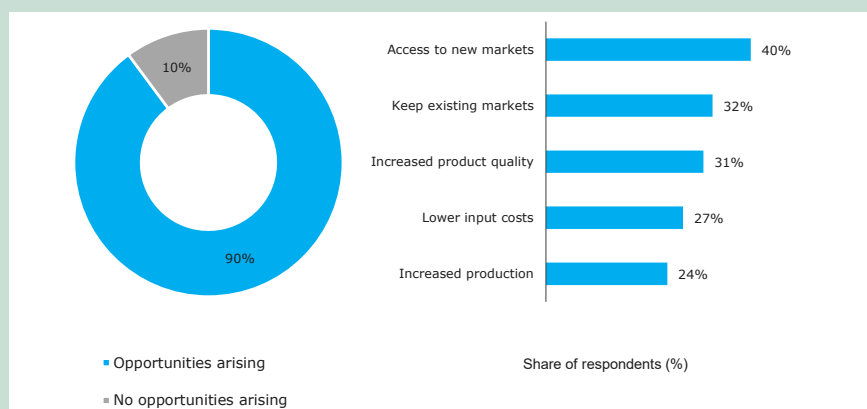
Lack of action is partially due to constrained financial resources. The survey shows that firms in a favourable economic situation were 13 percentage points more likely to put in place adaptation measures.^e Those in good financial health or expanding their workforce were also more inclined to invest 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.^f 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.^g

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.^h Among the most common opportunities reported were access to new markets, retaining of existing markets and improvement in product quality.

Green investment opens opportunitiesⁱ



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.

3.154. The following box on the relationship between subsidies in the aluminium and steel sectors and greenhouse gas emissions has been 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

3.155. 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.

3.156. 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.

3.157. 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 access 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.

3.158. 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.

3.159. 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.

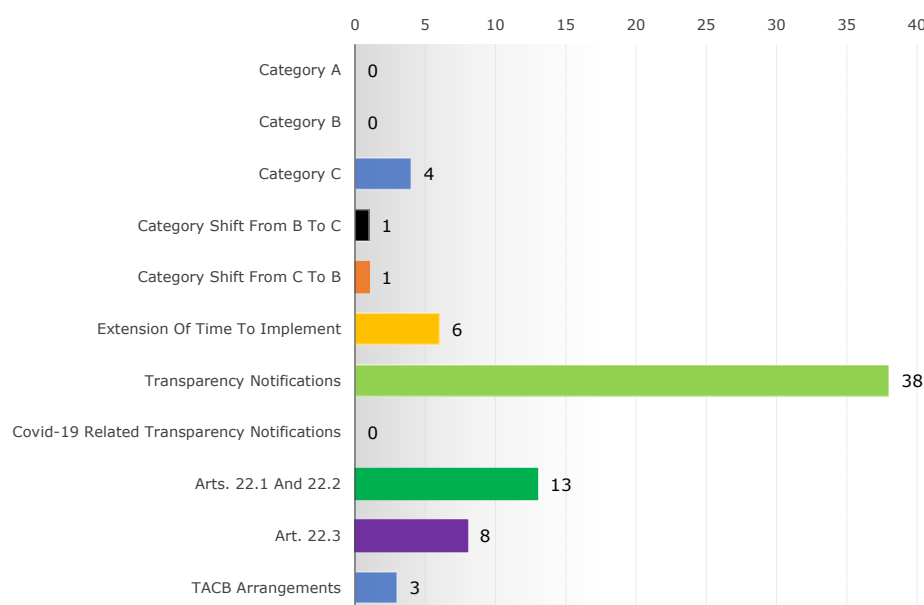
3.160. In the policy-making process, a number of governments organize internal consultations, including with officials responsible for women's affairs, to allow a cross-cutting integration of gender issues in trade policies. Also, remarkably, Malaysia has reported that it has embarked in gender budgeting 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

3.161. 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.

3.162. The current global rate of implementation commitments stands at 77%. During the review period, the Committee received notifications from the G20 as shown in Chart 3.21.

Chart 3.21 Number of G20 economies that presented TFA notifications, 3 October 2022 to 20 October 2023



Source: <https://www.tfadatabase.org>.

3.163. 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.

3.164. 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 CTF meeting 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

3.165. 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. 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.

3.166. The supply of international trade finance was negatively affected by the post-pandemic macro stress, the increase in geopolitical tensions, country risks, and 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 imports, notably food and energy, has been stretching the capacity of local financial sectors to provide higher levels of trade finance.

3.167. 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.

3.168. 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 European Bank for Reconstruction and Development 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 DEVELOPMENTS IN TRADE IN SERVICES

Regular measures affecting trade in services

4.1. Between mid-May and mid-October 2023, 10 new measures affecting trade in services were introduced by G20 economies. Most of the measures were going in the direction of liberalization of trade in services or towards improving the regulatory framework. More than half of the measures were horizontal. The rest of the measures covered sectors such as financial, health-related and sporting services. Annex 4 provides additional information on the new measures identified during the review period, from Australia, Canada, the European Union, India, Indonesia, Italy, the Republic of Korea, Mexico, and the United Kingdom.

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

4.2. Two G20 economies adopted new measures related to data transfers. On the one hand, India enacted on 11 August 2023 new legislation on the processing of personal data. The law permits the transfer of digital personal data abroad, 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, but such a list must be published. The measure allows sectoral regulations requiring data localization, such as in the payments' sector. On the other hand, the European Union approved an adequacy decision for the European Union-United States Data Privacy Framework, which is expected to facilitate the transfer of personal data to the United States. Companies will need to comply with certain privacy obligations such as "the requirement to delete personal data when no longer necessary for the purpose for which it was collected, and to ensure continuity of protection when personal data is shared with third parties."

Sector specific measures

4.3. With respect to financial services, one new trade-facilitating measure has been introduced. In the Republic of Korea, effective on 18 October 2023, Registered Foreign Institutions will be allowed to buy and sell deliverable spots and forwards (foreign exchange swaps and outright forwards) in the onshore interbank foreign exchange market and with their non-resident customers, and this on a non-discriminatory basis. Interbank foreign exchange transactions will need to be conducted through government-approved local brokers (including foreign brokers' branches in the Republic of Korea). Up to now, the Korean won could only be directly traded with the dollar through local banks, for just 6.5 hours a day.

4.4. 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 and the Law on Healthcare Professionals. The new law requires, *inter alia*, that health service facilities 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, as long as prior approval is obtained from the Ministry.

Measures affecting the supply through the movement of natural persons

4.5. Various G20 economies introduced trade-facilitating measures affecting the supply of services through the movement of natural persons. For example, Italy introduced 40,000 new quota spots for, *inter alia*, hospitality workers, effective from August 2023. In Canada, a new open work permit stream was launched in July 2023 for individuals holding H-1B specialty occupation status in the United States. There are 10,000 spots under this work permit stream, which allows foreign nationals to work in almost any occupation for up to three years in Canada.

Trade Concerns raised in the Council for Trade in Services

4.6. At the meetings of the Council for Trade in Services (CTS) held on 12 June 2023 and 3 October 2023¹, concerns were reiterated about: (i) cybersecurity measures of China (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

4.7. 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. All are bilateral ASAs, with the exception of the ASEAN-EU agreement.

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

Parties		Date of signature	Source
United States	Moldova, Republic of	18.05.2023	https://www.state.gov/unit-ed-states-and-moldova-sign-open-skies-agreement
Indonesia	Luxembourg	25.05.2023	https://en.tempo.co/read/1730112/indonesia-luxembourg-ink-air-transportation-cooperation
Pakistan	Saudi Arabia, Kingdom of	21.08.2023	https://www.arabnews.com/node/2358916/pakistan
Saudi Arabia, Kingdom of	Poland	28.08.2023	https://www.thestar.com.my/news/world/2023/08/29/saudi-arabia-poland-sign-air-services-agreement
India	New Zealand	29.09.2023	https://pib.gov.in/PressReleasePage.aspx?PRID=1953261

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

4.8. Since mid-May 2023, no new COVID-19-related services measures were reported for G20 economies, but many measures that were introduced in 2020 were still in force at the time of preparing this report. The full list of measures compiled since the beginning of the COVID-19 pandemic is available on the WTO website (https://www.wto.org/english/tratop_e/covid19_e/trade_related_services_measure_e.htm).

¹ WTO documents [S/C/M/153](#), 28 July 2023 and [S/C/M/155](#) (forthcoming).

5 POLICY DEVELOPMENTS IN TRADE AND INTELLECTUAL PROPERTY

5.1. During the review period, G20 economies continued to fine-tune their intellectual property (IP) domestic frameworks, as shown by the communications to the Trade Monitoring Exercise and the notifications to the TRIPS Council. The implementation of specific measures related to COVID-19 health technologies slowed down. However, some G20 economies continue to implement measures related to the war in Ukraine, which might indirectly affect the maintenance and licensing of intellectual property rights (IPRs).¹

Developments in domestic legislation and administration of IPRs

5.2. Domestically, G20 economies are finetuning their IP regimes. As the relationship between IP and trade continued to develop and diversify, G20 economies continued to modernize and finetune 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 ^a
China	The National Copyright Administration issued 7 pre-warning lists of key works for copyright protection, covering a total of 38 works, including six theatrical films involving overseas rights holders, as of October 2022 ^b
Italy	The new Industrial Property Code entered into force on 23 August 2023 ^c
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 ^d

a Communication by Australia for the Trade Monitoring Report.

b Communication by China for the Trade Monitoring Report.

c Communication by Italy for the Trade Monitoring Report.

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

Source: WTO Secretariat.

TRIPS Council

5.3. During the review period, G20 economies engaged actively in the discussions held during formal and informal meetings of the TRIPS Council, particularly regarding the possible extension of the MC12 TRIPS Decision on COVID-19 Vaccines² to diagnostics and therapeutics. They also shared information and best practices regarding the role of IP in raising finance for start-ups³; cross-border cooperation among IP offices⁴; and, research collaboration across borders.⁵

¹ See, for example: <https://www.legislation.gov.au/Details/F2021C00330>.

² WTO document [WT/MIN\(22\)/30](#), 22 June 2022.

³ WTO document [IP/C/W/692](#), 29 September 2022.

⁴ WTO document [IP/C/W/697](#), 3 March 2023.

⁵ WTO document [IP/C/W/699](#), 1 June 2023.