Implementation and monitoring

General Council

• Preparation for the 12th Ministerial Conference (MC12) and the WTO response to the COVID-19 pandemic were major focuses of work in the General Council.

• The General Council agreed that MC13 will be held in Abu Dhabi (United Arab Emirates) in the week of 26 February 2024 and that MC14 will be hosted by Cameroon.

• The General Council began to review progress in implementing MC12 outcomes, in particular the mandate given by ministers on WTO reform, the waiver decision on vaccines under the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) and the decision on the Work Programme on Electronic Commerce.

Background

The General Council is entrusted with carrying out the functions of the WTO and taking actions necessary to this effect between ministerial conferences in addition to carrying out the specific tasks assigned to it by the Agreement Establishing the WTO. As part of its oversight function, the General Council conducts a year-end review of WTO activities on the basis of annual reports from its subsidiary bodies.
Discussions in 2022

The General Council was extremely active in 2022. With more than 20 plenary meetings in formal and informal sessions, chaired by Ambassador Didier Chambovey from Switzerland, the General Council continued to be an important forum for WTO members to discuss topical and substantive matters in a wide range of areas, most notably with respect to preparations for MC12 in June 2022 and to the WTO response to the COVID-19 pandemic.

Members’ proposals were presented on topics such as trade-related challenges for least-developed countries (LDCs) and LDC graduation (see page 138), action to support the multilateral trading system for a successful MC12 (see page 10) and the legal status of the joint initiatives (see page 65). Members also discussed a proposed sanitary and phytosanitary (SPS) declaration for MC12, strengthening the WTO to ensure development and inclusivity, and a joint statement on open and predictable trade in agricultural and food products.

Other topics for discussion included transparency and strengthening notification requirements, trade-restrictive practices of certain members, and LDCs’ views on WTO reform. Members also continued to use the General Council as a forum for raising specific trade concerns, including on the consequences of the war in Ukraine.

Throughout the year, the General Council Chair conducted intensive consultations with members. In November, he convened an informal meeting on WTO reform (see below) and appointed Ambassador Usha Dwarka-Canabady (Mauritius) as facilitator on the E-commerce Work Programme and moratorium (see page 80). The Chair also conducted consultations on the appointment of officers to WTO councils and committees.

In February 2022, the General Council agreed to establish a Working Party on the Accession of Turkmenistan. In March, it adopted a decision on the “underfill” mechanism in the Bali ministerial decision on tariff rate quotas (see page 87). In December, the General Council agreed that MC13 will be held in Abu Dhabi (United Arab Emirates) in the week of 26 February 2024 and that MC14 will be hosted by Cameroon at a date to be determined. It also agreed to postpone any decision on whether to extend a conditional waiver granted by ministers at MC12 for COVID-19 vaccine patents to COVID-19 diagnostics and therapeutics (see below).
12th Ministerial Conference

At the start of the year, the General Council agreed that the postponed MC12 would take place from 12 to 15 June 2022 in Geneva (see page 10). The Chair conducted intensive consultations on the organization and format of the conference. He also resumed consultations to finalize an outcome document, begun in 2021 under his predecessor, Ambassador Dacio Castillo (Honduras). Delegations worked on a two-part document: the first containing ministerial guidance on various areas of WTO work; the second referencing separate decisions and declarations for which work continued in their respective tracks.

The resulting outcome document was adopted at MC12. It covers substantive areas, such as strengthening the multilateral trading system, special and differential treatment (S&D) for developing economies, WTO reform, dispute settlement, LDC graduation, and accessions. It also includes a range of LDC-related issues, services trade, cooperation with other international organizations, women’s economic empowerment (see page 72), the role of small businesses and global environmental challenges.

In the second half of the year, the General Council began to follow up on MC12 outcomes, in particular on WTO reform, the waiver decision on vaccines under the TRIPS Agreement and the decision on the Work Programme on E-commerce. Updates were also provided on efforts by relevant WTO bodies to address the emergency response to food insecurity and the pandemic response (see page 12).

The General Council also continued to regularly review progress in implementing decisions taken by ministers at previous ministerial conferences. This included progress in implementing the 2015 Nairobi decision on agricultural export subsidies (see page 90), decisions on the LDC services waiver and LDC preferential rules of origin (see page 104), implementation of the Trade Facilitation Agreement (see page 111) and Aid for Trade (see page 141).

WTO reform

Discussions on WTO reform took place in several WTO councils and committees on issues such as dispute settlement, development and trade negotiations.
In the lead-up to MC12, the General Council Chair facilitated members’ work towards the first multilateral acknowledgment of, and commitment to, WTO reform.

“We commit to work towards necessary reform of the WTO. While reaffirming the foundational principles of the WTO, we envision reforms to improve all its functions,” ministers said in the MC12 outcome document. Acknowledging the challenges and concerns surrounding the dispute settlement system, including the Appellate Body, ministers committed “to conduct discussions with the view to having a fully and well-functioning dispute settlement system accessible to all members by 2024.”

The Chair sought members’ views on how to move work forward after MC12. Members’ responses reflected their commitment to ensuring a successful WTO reform process but it was clear that reform meant different things to different members.

“2024
Ministers committed to having a well-functioning dispute settlement system by 2024

DG Okonjo-Iweala addresses the General Council in October 2022.

The General Council Chair is coordinating the reform work in a member-driven, open, transparent and inclusive way that addresses the interests of all members.

Drawing from members’ feedback, the Chair organized an informal meeting on WTO reform in November. This provided an opportunity for members to have a frank and open exchange about the reform process and the direction for this work.

The Chair subsequently suggested that each subsidiary body look at what it has achieved and explore ways to improve its daily functioning and better deliver on its mandate. On dispute settlement – confirmed as a priority by almost all delegations – the Chair said he would continue to monitor the situation to find the best way forward.

On development, including LDC issues, the Chair said that constraints faced by developing economies and, in particular LDCs, could be taken up in the various discussions in the reform process.

Together with the Director-General and the chairs of WTO councils, committees and negotiating groups, the General Council Chair is coordinating the reform work in a member-driven, open, transparent and inclusive way that addresses the interests of all members. His objective is to ensure the work is advanced in a gradual and meaningful manner, with the aim of achieving concrete milestones by MC13.
WTO response to the pandemic

The process of providing a credible and meaningful response to the COVID-19 pandemic and preparing members for future pandemics continued in 2022 under the auspices of the General Council. Ahead of MC12, members transformed the texts of various members’ proposals into a draft ministerial declaration, which was presented to ministers at the June conference.

This resulted in the “Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics” (see page 12), adopted on 17 June. In the declaration, ministers said: “We underscore the importance of understanding how WTO rules have supported members during the COVID-19 pandemic, and their role in future pandemics. We affirm the need to review and build on all the lessons learned and the challenges experienced during the COVID-19 pandemic, to build effective solutions in case of future pandemics.”

In 2022, the General Council also heard regular reports from the Chair of the TRIPS Council, Ambassador Gberie (Sierra Leone), and discussed the proposal for a waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of COVID-19, which was then adopted at MC12.

The ministerial decision foresaw that no later than six months from its adoption, members would decide on its extension to cover diagnostics and therapeutics. At its meeting in December, the General Council extended the deadline for such a decision and agreed to look again at the specific duration of such an extension at its next meeting.

Other reports

The General Council considered regular reports on the Work Programme on Small Economies (see page 140), a report on the development assistance aspects of cotton (see page 53) and the annual review of the special compulsory licensing system (see page 115).

Waivers under Article IX of the WTO Agreement

In 2022, the General Council granted five waivers from obligations under the WTO Agreement, as set out in Table 1. In addition, the 12th Ministerial Conference adopted a Ministerial Decision on the TRIPS Agreement, which provides for a targeted TRIPS waiver (see page 61).

It also reviewed the following multi-year waivers:

- LDC members – Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with respect to pharmaceutical products, granted on 30 November 2015 until 1 January 2033 (WT/L/971)
- Kimberley Process Certification Scheme for Rough Diamonds, granted on 26 July 2018 through 31 December 2024 (WT/L/1039)
- Canada – CARIBCAN, granted on 28 July 2015 until 31 December 2023 (WT/L/958, WT/L/1146)
- European Union – Application of autonomous preferential treatment to the Western Balkans – granted on 28 July 2021 until 31 December 2026 (WT/LL/1114, WT/LL/1147)
• Preferential treatment in favour of services and service suppliers of LDCs, granted on 17 December 2011 until 31 December 2030 (WT/L/847, WT/L/982)

• Preferential tariff treatment for LDCs, granted on 16 October 2019 until 30 June 2029 (WT/L/1069)

• Cuba – Article XV:6 – Extension of waiver, granted on 23 November 2021 until 31 December 2026 (WT/L/1128, WT/L/1157)

• United States – African Growth and Opportunity Act, granted on 30 November 2015 until 30 September 2025 (WT/L/970, WT/L/1153)

• United States – Caribbean Basin Economic Recovery Act, granted on 16 October 2019 until 30 September 2025 (WT/L/1070, WT/L/1154)

• United States – Former trust territory of the Pacific Islands, granted on 7 December 2016 until 31 December 2026 (WT/L/1000, WT/L/1155)

• United States – Trade preferences granted to Nepal, granted on 7 December 2016 until 31 December 2025 (WT/L/1001, WT/L/1156)

Other issues

As part of its oversight function, the General Council conducted a year-end review of WTO activities on the basis of annual reports from its subsidiary bodies. The General Council also regularly considered reports from the Budget Committee and its related recommendations.

**Table 1: Waivers under Article IX (decision-making) of the WTO Agreement**

In 2022, the General Council granted the following waivers from obligations under the WTO agreements.

<table>
<thead>
<tr>
<th>Member</th>
<th>Type</th>
<th>Decision</th>
<th>Date of adoption</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions</td>
<td>WT/L/1160</td>
<td>20 December 2022</td>
<td>31 December 2023</td>
</tr>
<tr>
<td>Argentina; Brazil; China; Dominican Republic; European Union; and Malaysia.</td>
<td>Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions</td>
<td>WT/L/1161</td>
<td>20 December 2022</td>
<td>31 December 2023</td>
</tr>
<tr>
<td>Argentina; Australia; Brazil; China; Colombia; Costa Rica; Dominican Republic; Ecuador; European Union; Guatemala; India; Kazakhstan; Republic of Korea; Malaysia; Mexico; Philippines; Russian Federation; Singapore; Switzerland; Thailand; and United States.</td>
<td>Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions</td>
<td>WT/L/1162</td>
<td>20 December 2022</td>
<td>31 December 2023</td>
</tr>
<tr>
<td>Argentina; Australia; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; Ecuador; El Salvador; European Union; Guatemala; Hong Kong, China; India; Kazakhstan; Republic of Korea; Macao, China; Montenegro; New Zealand; Norway; Pakistan; Paraguay; Philippines; Russian Federation; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; United States; and Uruguay.</td>
<td>Introduction of Harmonized System 2017 Changes into WTO Schedules of Tariff Concessions</td>
<td>WT/L/1163</td>
<td>20 December 2022</td>
<td>31 December 2023</td>
</tr>
<tr>
<td>Australia; Canada; China; Colombia; Costa Rica; Dominican Republic; Ecuador; El Salvador; European Union; Guatemala; Hong Kong, China; India; Korea, Republic of; Macao, China; Norway; Paraguay; Philippines; Russian Federation; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; and United States.</td>
<td>Introduction of Harmonized System 2022 Changes into WTO Schedules of Tariff Concessions</td>
<td>WT/L/1164 and Add.1</td>
<td>20 December 2022</td>
<td>31 December 2023</td>
</tr>
</tbody>
</table>

The 12th Ministerial Conference adopted the following waiver decision:

Ministerial Decision on the TRIPS Agreement (WT/MIN(22)/30), which provides for a targeted TRIPS waiver (see page 61).

1 This table lists the initial beneficiaries of HS waivers. However, other beneficiaries may be added to the list.
Work Programme on E-commerce

• Ministers decided at the 12th Ministerial Conference in June to reinvigorate work under the Work Programme on Electronic Commerce and intensify discussions on the moratorium on customs duties.

• After June, the General Council Chair conducted consultations on the way forward and subsequently appointed a facilitator, Ambassador Usha Dwarka-Canabady of Mauritius, to help advance the discussions under the Work Programme and on the moratorium.

In 2022, discussions on the Work Programme on Electronic Commerce and the moratorium on customs duties on electronic transmissions continued in the General Council and relevant bodies.

In the first half of the year, work in the General Council continued to be based on two draft ministerial decisions submitted by WTO members. One called for the continuation of the Work Programme and the extension of the moratorium until the 13th Ministerial Conference (MC13), set for February 2024. The other stressed concern with the “deep digital and technological divide afflicting” developing economies and least-developed countries (LDCs), noting the need to address this. It called for the reinvigoration and continuation of the Work Programme until MC13.

The chair of the General Council, Didier Chambovey (Switzerland), held consultations with members to identify progress towards possible convergence ahead of MC12 in June 2022. However, delegations could not reach consensus on a single draft decision for ministers’ consideration. Therefore, the chair suggested that the two draft decisions be sent to ministers for their consideration.

Following extensive consultations, ministers decided to reinvigorate the work under the Work Programme and intensify discussions on the moratorium – including on its scope, definition and impact – and extend the moratorium until MC13 or March 2024, at the latest.

The chair conducted consultations on the way forward and subsequently appointed a facilitator, Ambassador Usha Dwarka-Canabady of Mauritius, to help advance the discussions under the Work Programme and on the moratorium.

The facilitator held a first dedicated discussion followed by small group consultations with members to discuss the way forward and identify cross-cutting issues of interest to members. Members converged on the need to continue work in dedicated discussions with a focus on the development dimension.

At the General Council meeting in December 2022, the facilitator reported on her consultations and shared some thoughts on the work ahead based on members’ views. The issues raised included the need to bridge the digital divide, the importance of an adequate legal and regulatory framework, the relevance of cooperating with other stakeholders and the importance of sharing experiences and best practices.

Some members also presented submissions to advance the discussions. These included a submission on ideas to reinvigorate the Work Programme, a submission on consumer protection in e-commerce and a submission on sharing perspectives on customs duties on electronic transmissions.

At MC12, ministers decided to reinvigorate work under the Work Programme on Electronic Commerce and intensify discussions on the moratorium on customs duties.
Trade ministers took two decisions on e-commerce at MC12:

1. To extend the ban on imposing customs duties on electronic transmissions. The “moratorium” will remain in place until MC13, to be held in February 2024.

2. To reinvigorate work under the Work Programme on E-commerce, which tasks four WTO bodies with examining trade issues related to e-commerce. The work programme has identified four topics for the first half of 2023:

   - The legal and regulatory framework on e-commerce
   - The digital divide
   - The moratorium on customs duties on electronic transmissions
   - Consumer protection

Joint initiative on e-commerce

88

WTO members participating in the Joint Initiative on e-commerce.

Accounting for 90%+ of global trade.

Participants committed to establishing high-standard rules to govern digital trade. The aim is to conclude negotiations by end-2023.

The initiative is open to all WTO members.

Sources: WTO Global Trade Outlook and Statistics; UNCTADStat.
Trade in Goods Council

- A record 23 new trade concerns were raised by WTO members in the Council for Trade in Goods, up from the previous high of 20 in 2021.

- The Council initiated discussions on follow-up to the 12th Ministerial Conference (MC12) relating to e-commerce, WTO reform and the WTO response to the pandemic.

- The Council agreed to a decision on the derestriction of Uruguay Round negotiating materials, agreed to five waivers regarding changes to the Harmonized System and considered four requests concerning members’ negotiating rights under GATT 1994.

The Council for Trade in Goods (CTG) saw an increasing number of trade concerns raised by WTO members, reaching a peak of 45 at its November meeting. The number of trade concerns raised has more than doubled since 2019 (see Figure 1).

A record 23 new trade concerns were raised in 2022, three more than the 20 raised in 2021, the previous high (see Table 2).

Many of the concerns discussed dealt with environmental measures; others related to high level political tensions among members. Members continued discussing long standing issues, such as the European Union’s renegotiation of tariff rate quota commitments (see page 87) as a consequence of the United Kingdom’s departure from the European Union and the equivalent negotiations by the United Kingdom in its schedule of concessions.

MC12 implementation

In October, the Chair, Mr Etienne Oudot de Dainville (France), reported on his consultations on three areas of work post-MC12: (i) the Work Programme on Electronic Commerce; (ii) the Ministerial Declaration on the Response to the COVID-19 Pandemic and Preparedness for Future Pandemics; and (iii) WTO reform (see page 76).

Following a request by members, the CTG Chair requested the chairs of the Council’s 14 subsidiary bodies to prepare two reports, under their own responsibility and with the assistance of the Secretariat, on activities undertaken in their committees in response to the pandemic and on the current functioning of their committees, including actions taken to improve them. A total of 25 reports were circulated by the end of the year for members’ review.

Background

The Council for Trade in Goods is responsible for overseeing the implementation of all WTO agreements concerning trade in goods. It reports to the WTO General Council. The Goods Council has 12 subsidiary committees dealing with specific subjects, such as agriculture, market access, subsidies, technical barriers to trade, sanitary and phytosanitary measures, import licensing, customs valuation and trade facilitation. The ITA Committee and the Working Party on State Trading Enterprises also report to the Goods Council.
<table>
<thead>
<tr>
<th>No.</th>
<th>Meeting</th>
<th>Subject</th>
<th>Member(s) raising the concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>April</td>
<td>Australia, Canada, European Union, Japan, New Zealand, Switzerland, United Kingdom and the United States – Unilateral trade-restrictive measures against Russia</td>
<td>Russian Federation</td>
</tr>
<tr>
<td>2</td>
<td>Ecuador</td>
<td>Import restrictions on grapes and onions</td>
<td>Peru</td>
</tr>
<tr>
<td>3</td>
<td>European Union – Belgium’s draft law introducing additional security measures for the provision of mobile 5G services</td>
<td>China</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>European Union – Countervailing duties on stainless steel cold-rolled flat products</td>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Nepal</td>
<td>Import ban on energy drinks</td>
<td>Thailand</td>
</tr>
<tr>
<td>6</td>
<td>Nigeria</td>
<td>Restrictive policies on agricultural products</td>
<td>Brazil</td>
</tr>
<tr>
<td>7</td>
<td>Panama</td>
<td>Undue delays and export restrictions on agricultural and hydrobiological products</td>
<td>Peru</td>
</tr>
<tr>
<td>8</td>
<td>Philippines – Special safeguard on instant coffee</td>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Plurinational State of Bolivia – Export restrictions on agricultural and hydrobiological products</td>
<td>Peru</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>United Kingdom – Environmental Act: forestry commodities</td>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>United States – Discriminatory quantitative restriction on steel and/or aluminium imports</td>
<td>China</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>July</td>
<td>Australia – Investigation and review of anti-dumping duties on A4 copy paper</td>
<td>Indonesia</td>
</tr>
<tr>
<td>13</td>
<td>Egypt</td>
<td>Halal certification requirements for imported food and beverage products</td>
<td>Canada and the United States</td>
</tr>
<tr>
<td>14</td>
<td>Pakistan</td>
<td>Import restrictions on foodstuffs and consumer goods</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>November</td>
<td>China – Draft recommended national standard (GB/T) for office devices (information security technology security specification for office devices)</td>
<td>Japan</td>
</tr>
<tr>
<td>16</td>
<td>China</td>
<td>Draft revision of Chinese Government Procurement Law</td>
<td>Japan</td>
</tr>
<tr>
<td>17</td>
<td>Egypt</td>
<td>Mandatory use of a letter of credit as payment condition for imports</td>
<td>European Union</td>
</tr>
<tr>
<td>18</td>
<td>European Union – Draft Commission regulation amending annexes 2 and 5 to regulation EC No. 396/2005 of the European Parliament and of the Council as regards to MRLs for clothianidin and thiamethoxam in or on certain products</td>
<td>United States</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Philippines – Investigation of safeguard duty on high-density polyethylene products</td>
<td>Indonesia</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>United States – A series of disruptive policy measures on the global semiconductor industry chain and supply chain</td>
<td>China</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>United States – The Russian Federation’s market economy status in anti-dumping proceedings</td>
<td>Russian Federation</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>United States – Trade-distorting and discriminatory subsidies measures of the Inflation Reduction Act of 2022</td>
<td>China</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Viet Nam</td>
<td>Anti-circumvention duty on sugar</td>
<td>Indonesia</td>
</tr>
</tbody>
</table>
Extension of waivers and other decisions

The Council approved four collective extension requests for waivers in connection with Harmonized System (HS) changes for 2002, 2007, 2012 and 2017 (see page 86) along with a new collective waiver request to take account of HS 2022 changes. It recommended that the draft decisions be forwarded to the General Council for adoption.

The Council also approved requests by Armenia and the Kyrgyz Republic to extend by a further 12 months members’ negotiating rights under Article XXVIII of the GATT 1994 as well as similar requests by the European Union and the United Kingdom to extend members’ negotiating rights in their respective renegotiating procedures by a further six months.

Graduated LDCs

The Council considered a proposal by the LDC Group to allow “graduated” LDCs to continue having the right to provide export subsidies if they meet the terms of Article 27 of the Subsidies and Countervailing Measures Agreement (i.e. having a GNP per capita of less than US$ 1,000 per month in constant 1990 US dollars).

A country is considered to have graduated when its economy grows beyond certain limits set by the United Nations. LDCs get special treatment in the WTO, in particular with regard to enhanced market access opportunities and policy flexibilities (see page 138).

The LDC Group considered this exception necessary to correct a technical error in the drafting of the provision. Additional information was requested by other members, including on the calculation of GNP for all members based on the agreed methodology and in constant 1990 US dollars.

Market access

- WTO members exchanged information and experiences on their trade policy measures regarding COVID-related goods.
- A WTO Secretariat report showed 98 COVID-related measures that prohibit or restrict exports had been introduced — the figure stood at 77 in 2021. On trade-easing measures, 182 had been introduced, up from 165 previously.
- The Committee on Market Access discussed 37 trade concerns, ten more than in 2021, and almost twice as many as 2020.
- Twenty-five members submitted notifications on quantitative restrictions, including export restrictions on products essential to combating COVID-19.

Trade concerns

The number of concerns raised in the Committee continued to increase in 2022, reaching a record 37, up from 27 in 2021, and almost twice as many as in 2020. They covered a broad range of trade policy

Background

The Committee on Market Access supervises the implementation of tariff and non-tariff measures not covered by any other WTO body. In addition, it seeks to ensure that WTO members’ schedules of concessions are up to date, including changes required to reflect amendments to the Harmonized System (HS). The HS allows economies to classify traded goods on a common basis. Without this technical work at the Committee, it would be difficult to compare members’ tariff obligations with the tariffs they apply in practice.
measures, including environmental measures, measures adopted in response to the war in Ukraine, applied tariffs allegedly in excess of WTO commitments, discriminatory taxation, import quotas and non-tariff measures on a wide range of products. Many concerns had been raised previously but 19 were new.

All trade concerns discussed are included in the WTO’s New Trade Concerns database, a public platform containing information on trade concerns raised in the market access, technical barriers to trade and sanitary and phytosanitary committees.

**COVID-19**

WTO members engaged in five experience-sharing sessions on trade policy measures they adopted in response to COVID-19. They also heard views from a variety of external stakeholders. Topics included the definition of essential goods to combat the pandemic, their classification within the Harmonized System of the World Customs Organization (WCO), how members monitored and measured trade in COVID-19 essential goods, sharing of members’ practices on measures aimed at easing trade in COVID-19 goods, and how to improve transparency in export restrictions.

In a follow-up to the discussions, the Committee wrote to the Harmonized System Committee (HSC) of the WCO, which approves the customs classification of goods in international trade, to raise awareness of key challenges faced by WTO members with the classification of COVID-19 essential goods. The letter from the Committee suggests improvements to the HS classification of certain critical medical goods, such as face masks and mobile clinics, which are currently being negotiated in the review of the 2027 version of the Harmonized System.

**Transparency**

The Secretariat continued to monitor transparency in members’ trade-related measures during the pandemic, analysing export restrictions and trade-easing measures. Its report issued in late 2022 showed that, as of 12 October, 98 measures that prohibit or restrict exports had been introduced and about 25 per cent continued to be in force. It found 182 trade-easing measures had been introduced, with more than 70 per cent of them eliminating, suspending or waiving tariffs or other taxes, such as value added taxes.

**Quantitative restrictions**

The Committee received quantitative restrictions notifications from 25 members in 2022, with some containing information on export restrictions introduced as a result of the pandemic. QR notifications generally include information on prohibitions and other restrictions that do not take the form of a tariff, tax, fee or charge and that are allowed only in specific circumstances.

In 2022, the QR Database contained information on 1,828 measures notified by 84 members, including export prohibitions and restrictions relating to COVID-19, with detailed information on the affected products, the intended duration of the measures and their WTO justification.
Integrated Database

The WTO’s Integrated Database, the main source of tariff and import data, began automatically receiving data from interested members. In 2022, three members (Canada, Mauritius and Uruguay) submitted data in line with the 2019 IDB Decision. This procedure significantly simplifies data notification both for members and the Secretariat.

Harmonized System

The Committee works to ensure that members’ schedules of concessions reflect the latest amendments to the WCO’s Harmonized System (HS), which classifies traded goods on a common basis. This technical work at the WTO seeks to ensure that WTO schedules are up to date, facilitating the comparison of applied tariff regimes with WTO obligations.

The latest version – HS2022 – includes 233 sets of changes recognizing new product categories and addressing environmental and social issues, including health and safety, and the fight against illicit trade and terrorism. The Committee adopted a new HS2022 waiver, which allows members to continue having their WTO schedules of concessions in a previous version of the HS despite them already using HS2022 for their applied tariffs.

The HS96, HS2002 and HS2007 “transposition exercises” – amendments are typically referred to by the year in which they enter into force – have been nearly concluded for all members. The Committee made good progress on the HS2012 transposition, with the schedules of 105 members updated. In addition, 77 schedules were transposed to HS2017 and certified.

The WCO and the WTO held a joint workshop in October at which participants discussed the impact of the periodical updates to the HS on schedules of concessions, the legal instruments recording tariffs and other commitments by WTO members with respect to trade in goods.

Agriculture

- The Committee on Agriculture launched a work programme to address the food security concerns of least-developed countries (LDCs) and net food-importing developing countries (NFIDCs), following up on a declaration at the 12th Ministerial Conference (MC12).

- WTO members reached a breakthrough agreement on “underfill” of tariff rate quotas (TRQs) for agricultural imports, settling unfinished business from the 2013 Ministerial Conference.

- The Committee received 386 notifications about agricultural measures in 2022, the second highest ever, and a sign of members’ continued commitment to increasing transparency.

- An event in March 2022 marked the 100th session of the Committee. DG Okonjo-Iweala praised its achievements, saying it had played a crucial role in improving how agricultural markets function.

Background

The Agreement on Agriculture aims to reform trade and make WTO members’ policies more market oriented. The rules and commitments apply to market access, domestic support and export competition as well as export restrictions and prohibitions. The Committee on Agriculture oversees the implementation of the Agreement. The Committee also monitors follow-up to a Marrakesh ministerial decision regarding LDCs and NFIDCs, which sets out objectives on the provision of food aid and other assistance.
Food security

In November, the Committee launched a work programme to address the food security concerns of LDCs and NFIDCs, following up on the Declaration on the Emergency Response to Food Insecurity issued at MC12. It established four thematic areas for work – access to international food markets, financing food imports, agricultural and production resilience of LDCs and NFIDCs, and horizontal or cross-cutting issues aimed at fostering collaboration.

At its first meeting in December, the working group finalized a questionnaire on the needs and food security challenges of LDCs and NFIDCs so that discussions could be evidence based. Addressing an Agri-Food Business Day event in December, DDG Anabel González urged WTO members to be ambitious in the working group discussions because “this is a topic that is critically important for many of these countries and for the world at large”.

100th session

At a special event in March 2022 to mark the 100th session of the Committee, DG Okonjo-Iweala praised the achievements of the Committee over the past 27 years and highlighted its important role in overseeing implementation of the WTO Agreement on Agriculture. “The Committee has played a crucial role in improving how markets function, strengthening transparency, and enhancing the predictability and stability of global trade in food and farm goods,” she said.

Breakthrough accord on TRQs

WTO members reached an important agreement in March 2022 to address continued “underfill” of TRQs for agricultural imports. TRQs allow imports inside a quota to be charged lower duties but if quotas are not used up, exporters lose potential sales.

The agreement resolves unfinished business from a ministerial decision at the 2013 Ministerial Conference in Bali, Indonesia, on notification of members’ unfilled quotas. In cases where fill rates of a TRQ are below 65 per cent for two consecutive years, or the fill rate is not notified, the importing WTO member may be required to demonstrate that market circumstances rather than quota administration are contributing to the underfill.

The Chair of the Committee, Ambassador Marcos Da Rosa Uranga (Uruguay), hailed the hard-won success. It “not only contributes to the fulfilment of a longstanding ministerial mandate … but also instils confidence in the capacity of members to collectively agree on decisions by consensus,” he said. As mandated by the Bali conference, members also approved a tracking register, run by the WTO Secretariat, to record and track underfill of TRQs.

Notifications

The number of annual notifications rose to 386 in 2022, from 321 the year before, the second highest annual total after 439 in 2019 – a sign of members’ continuing commitment to increased transparency (see Figure 2).

Members also made efforts to get up to date with notifications, including by clearing backlogs from multiple years. Mongolia and Côte d’Ivoire submitted outstanding domestic support notifications for 13 and six years respectively while various
Food security: a growing problem
Trade has a crucial role to play in supporting global food security

Disruptions to global trade, record prices and market volatility mean the world is facing a growing food crisis.


73.6 million more people faced severe food insecurity in 2021 than in 2020.

42% of the global population – almost 3.1 billion people – could not afford a healthy diet in 2020.

In response, trade ministers took two decisions at MC12:

1. A declaration confirming the vital role of trade in improving global food security and committing members to improving global food markets.
2. A decision exempting World Food Programme humanitarian food purchases from export prohibitions or restrictions.

A WTO work programme was established in November 2022 to help vulnerable economies increase resilience to food insecurity, covering four areas:

- Access to international food markets
- Financing food imports
- Agricultural and production resilience of vulnerable economies
- Cross-cutting issues aimed at fostering collaboration

other members presented export subsidy notifications covering multiple outstanding years, including Kenya (23 years), Djibouti (14 years), Tonga (nine years) and Pakistan (eight years).

Compliance with notification obligations, particularly for domestic support and export subsidies, was subject to specific scrutiny by members. Thirty-three per cent of domestic support notifications (925) and 30 per cent of export subsidy notifications (934) remained outstanding as of 31 December 2022. Seventeen questions were raised concerning pending notifications from Botswana, Canada, China, Egypt, the European Union, Kazakhstan, Malaysia, Morocco, South Africa, Türkiye and Uruguay.

The Committee also discussed 216 specific implementation matters concerning members’ agricultural policies under Article 18.6 of the Agreement on Agriculture, which allows members to raise questions on any matters relevant to the implementation of commitments.

A total of 473 questions were raised in the Committee in the two areas. Agricultural policy developments in developing economies have drawn the most questions over recent years. Domestic support remained the main area of interest to members.

COVID-19 and agriculture

The Committee continued to discuss “COVID-19 and Agriculture” and looked at how to implement an MC12 declaration on the response to the pandemic, with ministers underscoring the importance of global food security in resilience building. The Committee heard seven contributions by observer international organizations, including the FAO, the International Grains Council and the World Food Programme. The FAO highlighted that nearly one in three people, around 2.31 billion people, was moderately or severely food insecure in 2021 – meaning they did not have secure access to sufficient food for their daily needs – 350 million more than in 2019, before COVID-19.
Export competition

The Committee held the annual discussion on the 2015 Nairobi Ministerial Decision on Export Competition, which eliminated all agricultural export subsidies and other export measures with equivalent effect. Venezuela continued to be the only member yet to submit its modified schedule incorporating the Nairobi Decision.

Transparency tools

The WTO Secretariat informed the Committee of enhancements to the online agriculture information management system (AG-IMS), including an option to “co sponsor” questions and automatic reminders to members with outstanding responses to questions.

Technical assistance activities

The WTO Secretariat delivered an in-person agriculture notification workshop in September in Geneva. Other technical assistance activities included workshops in Mauritius and Ghana.

Outreach and information exchange

The Secretariat continued its Trade Dialogues on Food, holding sessions on topics such as illicit trade in food and food fraud, allowing a range of experts to debate the most topical issues in food and agricultural trade.

The WTO held its first Agri-Food Business Day in December in collaboration with the International Agri-Food Network. The event helped deepen members’ understanding of the food crisis and its impact on global agricultural value chains.

Sanitary and phytosanitary measures

- As a follow-up to the 12th Ministerial Conference (MC12), the Sanitary and Phytosanitary (SPS) Committee began a work programme, with five thematic groups, to address new opportunities and challenges in implementing the SPS Agreement.

- The Committee extended the mandate of the Working Group on Approval Procedures, which looks at challenges surrounding approval procedures that affect international trade, such as timing and undue delays, until March 2023.

- Members notified a record-breaking 2,172 planned, new or changed SPS regulations, compared to 1,825 the previous year and the earlier record of 2,122 in 2020, indicating an increasing commitment to transparency.

Background

The Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures establishes the rights and obligations of WTO members regarding measures taken to ensure food safety, protect human health from plant or animal-spread diseases, protect plant and animal health from pests and diseases, or prevent other damage from pests. Governments must ensure that their SPS measures are necessary for health protection and based on scientific principles.
Work programme to implement SPS Declaration

As part of the MC12 package of outcomes, ministers adopted an SPS declaration on responding to challenges that may significantly impact international trade in food, animals and plants. Recognizing the evolution of the global agricultural landscape since the adoption of the SPS Agreement in 1995, the declaration instructs the SPS Committee to carry out a work programme to enhance implementation of the SPS Agreement in light of new opportunities and emerging challenges.

The SPS Committee launched the work programme in June 2022 and set up five thematic groups, each with a specific focus and led by either one or two members (see Figure 3). A dedicated webpage helps members track meetings and written inputs for each group.

Open to all members and observers, the work programme consists of new efforts to identify opportunities and challenges in the implementation of the SPS Agreement and the mechanisms available to address them. These opportunities and challenges include population growth, climate change, innovation, new technologies, pest/disease pressures and persisting obstacles to trade.

The SPS Committee is due to report on its key findings and action undertaken under the work programme – with appropriate recommendations – to MC13, scheduled for February 2024.

Other thematic work

The SPS Committee Working Group on Approval Procedures, co-led by Canada and Paraguay, continued its work. After having developed a common understanding of “approval procedures”, the Working Group discussed key challenges, such as undue delays and lack of transparency, and the principles of approval procedures. The Group also prepared a collection of existing tools and best practices to enhance implementation of the SPS Agreement. The mandate of the Working Group was extended until March 2023 to finalize outcome documents, including possible recommendations.

Box 1: SPS measures relating to food safety, animal health and plant health

Few concerns end in disputes: 1995-2022*

*until 31 December 2022.
The SPS Committee held three thematic sessions in 2022. The first dealt with approaches used by members to address issues associated with pesticide maximum residue limits (MRLs). It was an opportunity to share experiences and best practices on topics such as harmonization with standards established by the Codex Alimentarius Commission and losses due to rejected consignments.

The second session was on remote audit and verification, which several members began using during the COVID-19 pandemic. The session provided insights into the ongoing work of the Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS) as well as the Organisation for Economic Co-operation and Development and the Global Food Safety Initiative. Discussions also focused on use of remote assessment methods, such as remote audit in regulatory practice relating to the food supply chain, how they may assist members with their obligations under the SPS Agreement, and the scope for future implementation.

The third session focused on international standards and best practices in pest risk identification, assessment and management. The session provided an opportunity for members to increase their awareness of standards developed under the International Plant Protection Convention. Members discussed best practices and challenges associated with issues such as identification of pests of phytosanitary concern, performance of pest risk analyses, risk mitigation measures and phytosanitary certification.

**Specific trade concerns**

The SPS Committee considered 26 new specific trade concerns and 43 previously raised concerns (compared to 27 new and 50 previously raised concerns in 2021). Ten of the new concerns were discussed more than once in 2022. Issues included undue delays in approval procedures, actions related to COVID-19 that affect trade, restrictions related to animal diseases, and pesticide-related policies and MRLs.

The SPS Committee received its first request for the “good offices of the Chair”, an ad hoc Committee procedure introduced in 2014 to assist with the resolution of trade concerns. The request was eventually rejected because the relevant import requirements had in the meantime been published.

The Secretariat contacted several members to seek information regarding the status of specific trade concerns and whether concerns had been resolved, partially resolved, or not resolved. About 57 per cent of all concerns raised in the SPS Committee since 1995 have been reported as resolved or partially resolved.
Notifications

The SPS Agreement requires notification of draft regulations that are not “substantially the same” as an international standard. Other WTO members should be given sufficient time to submit comments on the notified draft regulation. Notifications are an important demonstration of members’ commitment to transparency in their SPS measures.

In 2022, members notified a record 2,172 planned, new or changed SPS regulations, compared to 1,825 the year before and a previous high of 2,122 in 2020. Of these, 1,714 were regular notifications (up from 1,453 in 2021) and 458 were emergency notifications (up from 372 in 2021). Developing economies (including least-developed countries) submitted 65 per cent of SPS notifications (see Figure 4).

New ePing platform

A new ePing SPS&TBT Platform was launched in July 2022 to integrate SPS and technical barriers to trade (TBT) transparency tools in the ePing system, which alerts WTO members to SPS and TBT notifications.

The platform, developed in collaboration with the International Trade Centre and the United Nations Department of Economic and Social Affairs, provides a single-entry point for users to submit and track information on product requirements. It also facilitates the notification of regulations and information sharing within and across economies. WTO members participated in a workshop to provide training on the new platform. This was complemented by a “notifications clinic” targeted at SPS notification authorities and enquiry points.

Capacity-building

The WTO Secretariat undertook 16 SPS technical assistance activities. The new “SPS Transparency Champions Course”, targeted at African government officials from SPS national notification authorities and enquiry points, aimed to increase understanding of WTO transparency provisions and to help officials improve the transparency framework in their countries. The “Essentials of SPS Committee Participation” course, provided in French, aimed to enhance participation of WTO members from francophone Africa in the work of the SPS Committee.

Figure 4: SPS notifications and percentage of notifications submitted by developing economies (including LDCs), 2005-22

[Graph showing SPS notifications and percentage of notifications submitted by developing economies (including LDCs), 2005-22]
Technical barriers to trade

- The Committee on Technical Barriers to Trade (TBT) intensified work to develop guidelines for regulators on the choice and design of conformity assessment procedures (e.g., certification), with the aim of ensuring a business-friendly and transparent trading environment.

- The WTO Secretariat launched an integrated ePing SPS&TBT platform that facilitates tracking sanitary and phytosanitary (SPS) and TBT notifications.

- WTO members submitted 3,896 notifications on product requirements, one of the highest numbers on record, an important aid to transparency.

Progress on several fronts

In 2022, the TBT Committee’s work covered themes such as good regulatory practice, regulatory cooperation, conformity assessment procedures, standards, transparency, technical assistance, and trade and health as part of its 2022-24 workplan. Alongside its regular meetings, the Committee also held several thematic sessions on various issues, such as digital solutions for conformity assessment procedures, accreditation, regulatory cooperation between members on micro, small and medium-sized enterprises (MSMEs), transparency, Codex standards development and good regulatory practices.

The Committee intensified development of guidelines on the choice and design of conformity assessment procedures (e.g., certification). The guidelines are intended to help regulators determine which conformity assessment procedures to apply in situations where risks associated with products are different.

A new transparency working group was established to advance with the Committee’s work on facilitating the implementation of transparency provisions, including how to improve the clarity, quality, accessibility and timing of notifications.

Background

The TBT Agreement aims to ensure that regulations, standards, testing and certification procedures followed by WTO members do not create unnecessary obstacles to trade. The number of regulations adopted by WTO members has continued to grow in response to consumers’ demands for safe, high-quality products, the protection of health and the need to curb pollution and environmental degradation.
The Committee also worked on exchanging experiences in the standards and regulatory area regarding the COVID-19 pandemic and discussed practices for future pandemic preparedness. The Secretariat issued a background document “Overview of COVID-19-Related Discussions in the TBT Committee”.

In 2022, the Secretariat launched an integrated ePing SPS&TBT platform (see page 93) that facilitates tracking SPS and TBT notifications as well as specific trade concerns. The new platform is complemented by a mobile application to facilitate access to notifications on product requirements by a broader range of stakeholders. By the end of 2022, ePing had over 19,000 registered users from 189 countries/territories, up from just over 15,000 users in 2021.

**Specific trade concerns (STCs)**

In 2022, the Committee discussed 241 STCs, both new and previously raised concerns regarding draft or adopted TBT measures. The number of new STCs (53) decreased by 17 per cent compared with 2021 (64), and the number of previously raised STCs (188) also slightly decreased compared with 2021 (193).

A significant number of STCs related to environmental measures (such as energy conservation standards, packaging requirements and fuel economy standards) and digital issues (such as regulations on 5G, artificial intelligence systems, network security, encryption requirements and other cybersecurity-related issues).

**Notifications**

In 2022, WTO members submitted 3,896 notifications on product requirements, one of the highest numbers on record (see Figure 5). The number of notifying members slightly increased to 84 as compared with 2021 (83). Uganda submitted the most notifications, while the United States, Brazil, Tanzania, Kenya and Rwanda were among the top ten.
Since the launch of the new ePing platform in April, more than 99 per cent of TBT notifications are being submitted through its online facility, enabling the Secretariat to publish notifications within two days of receipt and increasing the time available for comments by other members and stakeholders. ePing also allows WTO members and the public at large to track and discuss submitted notifications and receive email alerts on relevant notifications based on product and market preferences.

**Capacity-building**

In 2022, the WTO Secretariat organized 26 capacity-building activities designed to help participants expand their understanding of the TBT Agreement, discuss implementation challenges and learn more about the work of the TBT Committee. The vast majority of the training activities contained either a dedicated module on ePing or were exclusively about this tool.

The TBT Agreement Transparency Champions Programme was launched in October with a course in Geneva to scale up the application of, and benefits from, transparency in regulation, and foster champions for transparency. The first cohort includes 26 officials from African countries with responsibilities for TBT transparency procedures.

In opening remarks at the launch of the course, DDG Xiangchen Zhang said: “Transparency is a fundamental principle of the WTO and a cornerstone of the TBT Agreement.”

**TBT symposium “Easing regulatory bottlenecks”**

In 2022, the Secretariat organized a TBT Symposium, “Easing regulatory bottlenecks”, which showcased how the TBT Committee helps members to overcome bottlenecks in supply chains by promoting regulatory cooperation. The symposium examined the nature of the bottlenecks addressed by the Committee and flagged the importance of regulatory coherence in the areas of environment, health and emerging digital technologies.
Subsidies and countervailing measures

- Subsidies and Countervailing Measures (SCM) Committee chairs drew WTO members’ attention to the continuing chronic low compliance with the transparency obligation to notify subsidies.

- Initiations of countervailing duty investigations increased to 17 in the first half of 2022, up from 11 in 2021, but down from 27 in the same 2020 period.

- The Committee continued to discuss ways to improve the timeliness and completeness of notifications and other information flows on trade measures, which are important for transparency.

- The Secretariat launched the countervailing notification portal, which is intended to streamline the notification process.

**Background**

The Subsidies and Countervailing Measures (SCM) Agreement regulates WTO members’ use of subsidies and of countervailing measures on subsidized imports of a product found to be injuring domestic producers of that product. The SCM Committee reviews WTO members’ notifications of specific subsidies, notifications of countervailing duty legislation, semi-annual reports of countervailing actions and ad hoc notifications of preliminary and final countervailing measures taken. It serves as a forum for members to discuss the implementation of the SCM Agreement and any matters arising from this.

Only 75 of the WTO’s 164 members had submitted their 2021 notifications by the end-June deadline.

Committee chairs Noriko Teranishi (Japan) at the first meeting of the year and Kerlène Wills (Guyana) at the second drew members’ attention to the chronic low compliance with the fundamental transparency obligation to notify subsidies. They reiterated that this constitutes a serious problem for the proper functioning of the SCM Agreement.

Only 75 of the WTO’s 164 members had submitted their 2021 notifications by the end-June deadline. In addition, 76 members had not submitted their 2019 notifications. Numerous members underlined the importance of transparency, citing poor compliance with notification obligations.

The Committee continued to discuss ways to improve the timeliness and completeness of notifications and other information flows on trade measures. It returned to a revised proposal by the United States on procedures for questions and answers on subsidy programmes not included in members’ notifications. The Committee also continued to discuss a joint proposal from Canada, the European Union, Japan, the United Kingdom and the United States to amend the procedures for review of new and full subsidy notifications.

At both Committee meetings, the chairs recalled the 31 December 2015 deadline for the extended transition period given to 19 developing economies to eliminate export subsidies. They noted that the beneficiaries
Countervailing initiations

![Figure 6: Initiations of new countervailing duty investigations, by year, 1 January 2005 to end-June 2022](image)

Note: Figure 6 covers initiations up to the end of June 2022 as notified by members. Data for the second half of 2022 are not yet available.

should have made their final transparency notifications by 30 June 2016 but only 15 had done so. The Committee agreed to continue to discuss this issue in 2023. Least-developed country members and ten developing members listed in Annex VII(b) of the SCM Agreement continue to be exempted from the export subsidy prohibition.

The Committee also reviewed notifications of countervailing actions taken (see Figure 6). The number of initiations of countervailing duty investigations increased to 17 in the first half of 2022, compared with 11 in the same period of 2021. As of 30 June 2022, there were 289 notified measures (definitive duties and undertakings) in force, up from 265 at the same time in 2021. In 2022, the Secretariat launched the countervailing notification portal, which is intended to streamline the notification process. The new trade remedies data portal also began operating (see page 100).

The Committee continued its discussions on subsidies and overcapacity, raised by Australia, Canada, the European Union, Japan, the United Kingdom and the United States. It also considered requests for information from China to the United States regarding various US policies and measures.

The Committee returned to the issue raised by Australia, Canada, the European Union, Japan, the United Kingdom and the United States regarding China’s publication and inquiry point obligations under China’s Protocol of Accession.

In 2022, the Secretariat launched the countervailing notification portal, which is intended to streamline the notification process.
Anti-dumping practices

- WTO members initiated 48 new anti-dumping investigations from January to June 2022, a drop of nearly 58 per cent from the 115 initiations in the same period in 2021 (see Figure 7).

- The United States, followed by India, was the leading initiating member in the first half of 2022. Together, they accounted for around 54 per cent of new investigations against 68 per cent in the 2021 period.

- Investigations involving steel products continued to be one of the main topics for discussion in the Committee on Anti-Dumping Practices.

In the first six months of 2022, the United States reported initiating 14 new anti-dumping investigations, up from 11 in the same period of the previous year. India initiated eight investigations in the first six months of 2022, down from 25 the previous year. After the United States and India, the top initiating members were Argentina and the Republic of Korea (five each), Australia and Chinese Taipei (three each), and Canada (two).

In the period January-June 2022, China, the Republic of Korea, Mexico, Morocco, Peru and Chinese Taipei initiated more investigations than in the first half of 2021. Argentina, Australia, Canada, the European Union, Pakistan and South Africa initiated fewer investigations. The United Kingdom initiated the same number as in the first half of 2021.

Other past users of anti-dumping investigations, namely Brazil, the Eurasian Economic Union (EAEU) states (Armenia, Kazakhstan, the Kyrgyz Republic and the Russian Federation), the six Gulf Cooperation Council (GCC) member states (Kingdom of Bahrain, State of Kuwait, Oman, Qatar, Kingdom of Saudi Arabia and the United Arab Emirates), Japan, Malaysia, New Zealand, Philippines, Thailand, Türkiye, Ukraine and Viet Nam did not initiate any new investigations in the first half of 2022.

Background

WTO rules for the conduct of anti-dumping investigations and the application of anti-dumping measures are set forth in the Anti-Dumping Agreement. WTO members can apply anti-dumping measures on imports of a product where the exporting company exports the product at a price lower than the normal value - generally the price the company charges in its home market - and the dumped imports cause or threaten to cause injury to the domestic industry of the like product in the importing member. The Committee on Anti-Dumping Practices provides WTO members with the opportunity to discuss any matters relating to the Anti-Dumping Agreement.
As of 30 June 2022, a total of 1,985 notified measures (definitive duties and undertakings) were in force.

Investigations involving steel products, which accounted for 17 per cent of all new investigations in the first six months of 2022, continued to be the subject of extensive debate in the Committee.

At its two regular meetings, the Committee reviewed semi-annual reports for the second half of 2021 submitted by 48 members and semi-annual reports for the first half of 2022 submitted by 49 members. Committee chairs Ahmed Al-Sulaiti (Qatar) and Juan Carlos Estrella (Ecuador), at the April and October meetings respectively, noted that some members had failed to submit semi-annual reports for the second half of 2021 or the first half of 2022.

The WTO Secretariat’s new online portal for submission of anti-dumping semi-annual reports continues to be heavily used. The “explore data” function of this online tool allows members to review the data on all measures in force – those notified in their own semi-annual reports and those notified in the semi annual reports of other members.

The new trade remedies data portal became available, providing enhanced online access to upgraded databases on anti-dumping and countervailing actions.

The Informal Group on Anti-Circumvention held one meeting, in April 2022. The Working Group on Implementation met twice, in April and October.

**Figure 7: Initiations of new anti-dumping investigations by year, 1 January 2005 to end-June 2022**

Note: Figure 7 covers initiations up to the end of June 2022, as notified by members. Data for the second half of 2022 are not yet available.
### Safeguards

- WTO members launched four safeguard investigations, down from nine in 2021, and applied three measures in 2022, compared with nine the year before.
- Measures applied by the European Union and the United Kingdom continued to draw the most discussion.

During 2022, WTO members initiated four new safeguard investigations and applied three safeguard measures, compared with nine in both cases the previous year (see Figure 8). India, Madagascar, Morocco and Tunisia initiated the investigations. India, the Philippines and Türkiye applied measures during the year.

The new investigations and application of measures are at among the lowest levels since 1995. The only years lower were 1995 (two) and 1997 (three) for initiations and 1996 for applications, when there was only one. Despite the decline in new investigations and measures, the number of safeguard measures in force increased slightly, from 41 in 2021 to 42 in 2022.

#### Background

The Agreement on Safeguards sets forth the rules concerning safeguard investigations and the application of safeguard measures. WTO members may take safeguard actions (impose temporary additional duties, quantitative restrictions or other measures on an imported product) where an increase in imports of the product is causing, or threatening to cause, serious injury to the domestic industry of the importing member. Subject to certain exceptions for imports from developing members, safeguard measures are applied on imports of the product from all sources (rather than from a specific member or group of members).

![Figure 8: Initiations of new safeguard investigations and application of new final measures by year, 2010 to 2022 (for all WTO members)](wto.org/safeguards)

**Note:** Some notifications are ambiguous about timing. For those notifications, members sometimes subsequently file an additional notification clarifying, ex post, the effective date of the measure. For this reason, the number of applications of measures indicated in the figure above can differ from the figures given in the previous Annual Report.

In total, the Safeguards Committee reviewed notifications relating to 43 specific safeguard investigations by WTO members at its regular meetings in April and October.

At both meetings, several members expressed concern over certain notified safeguard actions and called on members to strictly abide by the provisions of the Safeguards Agreement. Most members raising concerns stressed that the safeguard instrument was...
intended to address emergency situations. Other general issues raised concerned the impact of safeguards on global trade and supply chains.

Two measures drew the most discussion in the two Committee meetings in 2022: the European Union’s safeguard measure on certain steel products, applied since February 2019, and the United Kingdom’s safeguard measure on certain steel products, applied since the United Kingdom left the European Union in February 2020.

Questions were raised over the European Union’s implementation of the recommendations issued by the Dispute Settlement Body in 2020. In 2022, several members submitted proposed suspensions of concessions under the Safeguards Agreement in respect of these measures of the European Union and/or the United Kingdom.

A notification seminar was held back-to-back with the April Committee meeting to share best practices among members.

Information Technology Agreement

- WTO members held an information dialogue with information technology (IT) representatives. A deeper understanding of cutting edge industrial technologies and global value chains is seen as fundamental to keeping the Information Technology Agreement (ITA) rule book up to date.

- Business representatives said the ITA and the expansion agreement are very successful, eliminating tariffs on hundreds of IT products.

At the WTO Public Forum (see page 162), members held an ITA information and dialogue session with information technology (IT) industry representatives. Four senior industry representatives delivered presentations on semiconductor global value chains and shared the experiences and perspectives of their companies on the benefits of ITA participation for WTO members.

Background

The Information Technology Agreement (ITA) requires participants to eliminate duties on IT products on a most-favoured nation basis, meaning that all WTO members benefit from it. The ITA covers a large number of ICT products, including computers, telecommunications equipment and semiconductors. The Committee of Participants on the Expansion of Trade in Information Technology Products oversees the Agreement and reviews its implementation. In 2015, over 50 members concluded the expansion of the Agreement, which covers an additional 201 products valued at over US$ 1.3 trillion a year.
Business representatives said the ITA and the expansion agreement reached in 2015 are very successful, eliminating tariffs on hundreds of IT products, making personal computers and mobile phones more affordable and accessible, and helping to address the digital divide between richer and poorer economies.

The ITA's contribution to the fight against the COVID-19 pandemic was also recognized. Dozens of products covered under the expansion agreement, such as pulse oximeters and multiparametric patient monitoring devices, played a key role in saving lives, speakers noted.

ITA participants said they found the business dialogue timely and relevant. A deeper understanding of cutting edge industrial technologies and the operation of global value chains is seen as fundamental to ensuring the ITA rule book remains relevant.

The Committee continued its deliberations on non-tariff measures. Regarding the electromagnetic compatibility (EMC) and electromagnetic interferences (EMI) pilot project, it noted that 43 participants had provided survey responses. The Committee encouraged remaining participants to provide information without further delay.

Regarding 22 “Attachment B” products of the 1996 Ministerial Declaration, for which there is no agreed tariff classification, the Secretariat has so far received comments from 21 delegations. The Committee encouraged delegations that had not yet provided comments to do so, with the aim of arriving at a common classification for these products within the existing HS nomenclature (see page 86).

Concern regarding Indonesian import duties on IT products was expressed at both the April and October meetings of the Committee.

On product coverage, the Committee took note of the reports from participants in the 2015 ITA Expansion Agreement. Lao PDR became the latest participant in the ITA expansion in 2021. Modifications to its goods schedules were circulated in 2022.

Three governments in the process of WTO accession – Azerbaijan, Belarus, and Bosnia and Herzegovina – requested to join the ITA. A number of members stated they did not support the participation of Belarus in the ITA.

Production of photovoltaic panels in Jiangxi province, China.
Customs valuation

- Brazil, Georgia and Ukraine notified the Committee on Customs Valuation of updated customs legislation. Viet Nam made a first-time notification of a checklist of issues related to its legislation.
- The Committee continued its review of customs legislation and valuation practices of 32 members.

In 2022, three members – Brazil, Georgia and Ukraine – provided notifications on updated customs legislation. The Committee is the focal point for the review of the customs valuation practices of WTO members and requires that all customs legislation, including updates, be notified to the Committee. The total number of members that have notified their legislation remained at 111 (representing over 80 per cent of the membership).

The Committee is currently reviewing the legislation of 32 members based on notifications provided. It also received a first-time notification from Viet Nam of a checklist of issues related to its legislation, bringing to 78 the number of members that have submitted this notification (representing over 60 per cent of the membership). The Committee also monitors the Agreement on Preshipment Inspection and reviews notifications on members’ preshipment inspection measures.

Rules of origin

- The Committee on Rules of Origin focused on transparency regarding non-preferential and preferential rules of origin, following up on ministerial calls to make it easier for least-developed countries (LDCs) to qualify for preferential treatment and make use of market access opportunities.
- On non-preferential rules of origin, members continued to discuss a proposal to streamline notifications.
- The WTO Secretariat issued a note on the impact that different types of certification have on LDCs’ ability to utilize preferences.

Non-preferential rules of origin

WTO members continued considering a proposal to streamline notifications of non-preferential rules of origin, including by introducing a new notification template. Rules of origin define where a product is made and are used for the implementation of trade policy measures, such as quotas, anti-dumping or...
“made in” labels. Following consultations on the proposal, first presented in 2019, the Chair of the Committee – Laura Gauer (Switzerland) – issued a revised draft for discussion by members.

Members also attended an information session organized by the Secretariat on the work conducted by the Committee on the harmonization of non-preferential rules of origin. The session offered an overview of the objectives and history of the negotiations.

**Preferential rules of origin**

At WTO ministerial conferences in Bali (2013) and Nairobi (2015), ministers laid down guidelines to make it easier for LDCs to qualify for preferential treatment and to better utilize market access opportunities.

In 2022, members agreed to continue working to ensure that the rules used by members in their non-reciprocal preferences for LDCs are simple and transparent. Such efforts could include, the Committee decided in April 2022, identifying and agreeing to best practices and further analysing the utilization of trade preferences. The April decision was welcomed by ministers at the 12th Ministerial Conference in June 2022.

In 2022, Thailand informed members that it had renewed its duty-free quota-free scheme (DFQF) for LDCs until 2026. The United Kingdom reported on the launch of its Developing Countries Trading Scheme, which replaced the UK’s Generalized Scheme of Preferences. The United States reported on a webinar – “How can exporting countries improve utilization of US Trade Preference Programs?” – it organized during the 8th WTO Aid for Trade Review (see page 141).

The WTO Secretariat issued a note on the impact that different types of certification have on the ability of LDCs to utilize preferences. Self-certification, where the origin of the goods and compliance with specific origin criteria is attested by the producer or exporter, has generally better rates of preference utilization than third-party utilization. In the latter, the origin and compliance are attested by a designated or mutually recognized authority.

According to the note, the overall under-utilization rate for members allowing self-certification was 22 per cent, compared with 49 per cent for members applying third-party certification. The note called for members’ cooperation in collecting more detailed information so that additional research could be conducted. Members agreed to work further on the topics covered in the note.

In April 2022, the Secretariat organized a second webinar – “What drives the utilization of trade preferences?” – as a follow-up to a similar event in 2021. Speakers explored the different factors which influence the ability and willingness of businesses to utilize trade preferences and shared their experience monitoring the utilization rates of their trade preferences.

Rules of origin play an important role in the production of high-tech goods.
Import licensing

- The Committee on Import Licensing reviewed 96 notifications from WTO members under the Agreement on Import Licensing Procedures, which aims to ensure that licensing systems are transparent and do not restrict trade.

- Members discussed ten specific trade concerns regarding import licensing procedures.

- The Committee adopted the eAgenda platform, facilitating the building of meeting agendas online and making documents and statements available in electronic format.

In 2022, the Committee received 56 notifications from 16 members on new import licensing procedures or changes in these procedures. It also reviewed 40 notifications from 36 members containing responses to the annual questionnaire on import licensing procedures. While the number of notifications of new import licensing procedures or changes declined as compared with 2021, the number of notifications containing the responses to the annual questionnaire increased.

As of the end of 2022, 13 WTO members had not submitted any notification on import licensing and 21 members had never submitted responses to the questionnaire. WTO trade monitoring reports have identified import licensing as one of the main trade-restricting measures introduced by governments.

WTO members raised several new and recurring specific trade concerns. Canada, the European Union and the United States questioned India’s import requirements on certain pulses. The European Union and the United States questioned Angola’s import licensing requirements, Egypt’s import licensing on certain agricultural and processed products and importation of ceramics, and Indonesia’s commodity balancing mechanism.

The European Union, Indonesia, Japan, Chinese Taipei, Thailand and the United States questioned India’s import licensing regime for pneumatic tyres. The European Union questioned Thailand’s import procedures on feed wheat. Japan and the European Union questioned Indonesia’s compulsory registration by importers of steel products, its import licensing regime for certain textiles products and its import restriction on air conditioners. The United States questioned China’s changes to import licensing for certain recoverable materials.

In 2022, the Committee implemented an eAgenda platform. E-Agenda aims at facilitating the work of delegations and the Secretariat in building a meeting’s agenda, including adding items, making relevant documents directly available to participants in electronic format and sharing statements.

From 27 to 29 September, the Secretariat conducted a second virtual WTO workshop on import licensing and notifications, attended by 65 government officials from 37 developing economies and least-developed countries.

Background

The Agreement on Import Licensing Procedures establishes disciplines on import licensing systems, with the objective of ensuring that the procedures applied for granting import licences do not in themselves restrict trade. It aims to simplify the administrative requirements necessary to obtain licences and to ensure fair and transparent administration of the procedures. The Agreement requires WTO members to notify publications and legislation on import licensing procedures and any changes as well as to submit an annual questionnaire on import licensing procedures.
Balance-of-payments restrictions

- The Chair of the Committee on Balance-of-Payments Restrictions held informal consultations on the Committee’s functioning.

- No measures taken for balance-of-payments purposes were notified to the Committee in 2022.

Background

The Committee on Balance-of-Payments Restrictions is responsible for the review of all import restrictions applied by WTO members for balance-of-payments purposes. Under WTO rules, measures can be taken to safeguard a member’s external financial position and (in the case of developing economies) to ensure a level of reserves adequate for the implementation of programmes of economic development. When adopting balance-of-payments measures, members must give preference to those with the least disruptive effect on trade.

At a Committee meeting in November to approve its annual report, its Chair – Ambassador Saqer Abdullah Almoqbel (Kingdom of Saudi Arabia) – reminded members that any measure directly or indirectly taken to restrict imports due to balance-of-payments reasons must be notified to the Committee and must be the subject of consultations.

The Chair called members’ attention to the 12th Ministerial Conference Outcome Declaration, which acknowledged the need to address the challenges that the WTO is facing and ensure its proper functioning. In this respect, he proposed holding consultations with members regarding the functioning of the Committee.

Two rounds of informal bilateral consultations were held in November. During the consultations, members noted that the COVID-19 pandemic had resulted in an increase in balance-of-payments problems, which could lead to the adoption of trade-restrictive measures. Members agreed that transparency was important for the stability of the multilateral trading system and that notifying measures adopted for balance-of-payments reasons was a transparency obligation.

No measures taken for balance-of-payments purposes were notified to the Committee in 2022.
Trade-related investment measures

The Committee on Trade-related Investment Measures (TRIMs) examined two new measures in discussions of concerns regarding alleged local content requirements.

The Committee on TRIMs in 2022 discussed investment measures which, according to the WTO members requesting these items, contained import restrictions or local content obligations – for example, the obligation to use domestically manufactured or supplied goods and services.

The Committee continued its discussion of the alleged implementation by Indonesia of local content requirements in a wide range of sectors – 4G mobile devices and base stations, telecommunication services, retail and franchising, and the pharmaceutical and medical device sectors – together with alleged investment restrictions in its energy and mining sectors.

The Committee discussed alleged implementation of local content requirements in a range of sectors, including telecommunications services.

In addition, the Committee further discussed items concerning alleged import restrictions by India on air conditioners and alleged import restrictions by Indonesia on carpets and other textiles and air conditioners.

Two new items were raised by members in the Committee. They concerned alleged local content obligations contained in the Chinese Recommended National Standard (GB/T) for office devices and in the revision of the Chinese Government Procurement Law.

In addition, the Committee took note of notifications submitted by Tonga, Thailand and Djibouti under Article 6.2 of the TRIMs Agreement, which requires WTO members to notify the Committee of all publications in which TRIMs may be found, including those applied by regional and local governments within their territory.

Background

The TRIMs Agreement recognizes that certain measures aimed at promoting foreign or domestic investments can restrict and distort trade. It states that WTO members may not apply any trade-related investment measure that discriminates against foreign products or that leads to quantitative restrictions, both of which violate basic WTO principles. An illustrative list of prohibited TRIMs, which often take the form of local content requirements, is part of the Agreement. The TRIMs Committee monitors the implementation of the Agreement and allows members to consult on any relevant matters.
State trading enterprises

• The Working Party on State Trading Enterprises (STEs) reviewed 35 new and full notifications in 2022, up from 20 in 2021, from 31 WTO members.

• Compliance with notification obligations remained poor.

The Working Party on STEs reviewed 35 new and full notifications, up from 20 in 2021, from 31 WTO members regarding the activities of their STEs during the most recent notification period or earlier notification periods. Members also asked questions about specific aspects of notifications made at previous meetings.

For the most recent notification period, covering 2020 and 2021, only 34 new and full notifications were received from the total of 137 WTO members – counting the European Union as one – subject to this obligation. WTO members were encouraged by the Chair of the Working Party, Agustín Navarro de Vicente-Gella (Spain), to continue to work with their respective capitals and the WTO Secretariat to improve their notification record.

Background

State trading enterprises are defined as governmental or non-governmental enterprises, including marketing boards, which have been granted exclusive or special rights or privileges that give them an influence on imports and/or exports of goods. Such enterprises are required to act in a manner consistent with the WTO principle of non-discriminatory treatment. The Working Party on State Trading Enterprises reviews WTO members’ notifications of state trading enterprises.
Trade in civil aircraft

- Brazil applied to join the Agreement on Trade in Civil Aircraft.
- Brazil’s accession request is the first to be reviewed by the Committee.

Background
The Agreement on Trade in Civil Aircraft is a plurilateral agreement that aims to achieve maximum freedom of world trade in civil aircraft, parts and related equipment – such as engines, radar, flight recorders and ground flight simulators – by, among other things, eliminating tariffs on goods listed in its product annex. The Committee on Trade in Civil Aircraft provides signatories with an opportunity to consult on any matters relating to the operation of the Agreement.

In June 2022, Brazil submitted an application for accession to the Agreement on Trade in Civil Aircraft. The application was discussed at both a dedicated informal meeting in October and the regular meeting of the Committee in November. The Chair, Jean-Marie Meraldi of Switzerland, indicated that the signatories would need more time to consider the matter.

This is the first accession request to be reviewed by the Committee. All recently acceding WTO members took part in negotiations in the context of their accession to the WTO. North Macedonia took the number of signatories to 33 when it joined the Agreement in 2019.

The Committee continued the transposition exercise of the product annex of the Agreement, initiated in 2021. The purpose is to update the annex to reflect the latest amendments to the Harmonized System (HS), the system used to classify traded goods on a common basis. At the regular meeting, the Secretariat made a presentation on a related technical note, which would serve as a starting point for the exercise.

The Committee also continued to discuss how to strengthen transparency in light of the fact that the exact status of the obligations of each signatory is not easy to confirm due to the legally complicated nature of the Agreement.
Trade facilitation

- The Committee on Trade Facilitation marked the fifth anniversary of the Trade Facilitation Agreement (TFA). The landmark accord helped ensure that food, medical products and other essential supplies continued to reach people during the COVID-19 pandemic, the DG said.

- The Solomon Islands and Guinea-Bissau notified their domestic ratifications of the TFA, bringing the number of members to have ratified to 156 (95 per cent).

- The Committee held a dedicated session on assistance to developing and least-developed countries on implementing the TFA.

- The Committee adopted a new framework for the management and operation of the Trade Facilitation Agreement Facility (TFAF), which aims to help developing economies implement the TFA.

Speaking on the fifth anniversary on 22 February 2022 of the coming into force of the Trade Facilitation Agreement (TFA), DG Okonjo-Iweala said the landmark accord had helped support global supply chain resilience during the COVID-19 pandemic.

“Border reforms to fulfil TFA commitments, such as the streamlining of trade procedures, expedited approvals for perishable goods, and establishment of information portals, have helped ensure that food, vaccines, medical products and other essential supplies continued to reach people, despite difficult conditions,” the DG said. “However, full implementation of the TFA, supported by aid for capacity building from partners, will be necessary to help economies bounce back and better withstand future shocks,” she said.

WTO members marked the anniversary with a workshop in June. Participants highlighted the multifaceted economic benefits of the Agreement, including its impact on digitalization, resilience, inclusiveness and coordination but also emphasized the need for sustained, robust technical assistance and capacity-building support.

**Background**

The Trade Facilitation Agreement (TFA) entered into force in February 2017. It aims to expedite the movement, release and clearance of goods, including goods in transit, and establishes measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. The Agreement also contains provisions for technical assistance and capacity building. The Committee on Trade Facilitation oversees the TFA and reviews its implementation.

Border reforms to fulfil TFA commitments, such as the streamlining of trade procedures, expedited approvals for perishable goods, and establishment of information portals, have helped ensure that food, vaccines, medical products and other essential supplies continued to reach people, despite difficult conditions.

DG Okonjo-Iweala
Implementation of the TFA

The Solomon Islands and Guinea-Bissau notified their domestic ratifications of the TFA, bringing the number of members to have ratified to 156 (95 per cent).

Developing economies and least-developed countries (LDCs) continued to submit required notifications. The TFA is the first WTO agreement in which developing and LDC members can determine their own implementation schedules and seek to enhance their capacity to implement the Agreement through the provision of assistance and support. The Committee granted requests from seven LDCs to extend the notification deadline for implementation of certain TFA provisions beyond the 22 August 2022 cut-off date.

In April 2022, the Committee held the first of four planned annual sessions to discuss transit issues of landlocked countries, as called for in the four-year review of the TFA carried out in 2021. Speakers noted the importance of infrastructure developments, digitalization, the streamlining and transparency of procedures, and collaboration between landlocked and transit economies.

Assistance and capacity building

The Committee held its annual dedicated session in December on how to better assist developing economies and least-developed countries in implementing the TFA, looking specifically at certain provisions due for implementation in 2023 and 2024.

The DG called for greater effort and cooperation to ensure no member is left behind. Five years into the Agreement, “the global implementation rate for commitments stands at 74 per cent. This is positive,” she said. “However, the rate for developing members and least-developed countries (LDCs) is about 66 per cent and LDCs lag behind significantly at 37 per cent.”

According to a WTO Secretariat report to the Committee, 54 members have commitments to implement certain TFA provisions by 2023 and 2024. They involve measures such as simplified paperwork, ensuring cooperation among authorities responsible for border controls, and establishing a single window (single contact point) for submission of requirements.

Trade Facilitation Agreement Facility

In April 2022, the Committee adopted a new framework for the management and operation of the Trade Facilitation Agreement Facility (TFAF), updating guidelines developed in 2015, prior to the entry into force of the TFA. TFAF aims to help developing economies implement the TFA.

In 2022, the focus of TFAF’s work was on LDCs’ TFA implementation notifications, expressions of interest for grants and project-preparation grants, an independent evaluation of the Facility and preparing the 2023 workplan.

Three grant requests from members were matched with development partners, covering more than 30 provisions of the TFA in total.

The operational guidelines require the Facility to commission an independent review within five years of entry into force of the TFA. The evaluation was conducted by KPMG Norway and was completed by the end of 2022.
Trade in services

- WTO members started implementing ministers’ mandate to improve the operation of the services waiver for least-developed countries (LDCs), including by improving LDC services export data.

- The Council for Trade in Services received 35 notifications, covering new or revised measures that significantly affect trade in services, up from 21 in 2021.

WTO members discussed how to follow up on outcomes from the 12th Ministerial Conference (MC12). Under consideration were the LDC services waiver, which seeks to boost the participation of LDCs in services trade, the e-commerce work programme, the WTO response to pandemics and WTO reform.

LDC services waiver

At MC12, ministers instructed the Council to review and promote the operation of the waiver, introduced in 2011, which allows more favourable treatment for services and suppliers from LDCs. They tasked members with exploring improvements in LDC services export data, reviewing information on suppliers and consumers of LDC services in the markets of preference-grantors and assessing best practices in facilitating the use of those preferences.

The Chair of the Council, Ambassador Kemvichet Long of Cambodia, undertook consultations on how to implement the mandate. All members underscored the importance of the waiver and their willingness to engage further on the issue. The LDC Group indicated that it would present a written proposal. The Council directed the WTO Secretariat to prepare a methodological note on how LDC services trade statistics could be improved.

E-commerce

Members discussed how to follow up on the MC12 decision to “reinvigorate” the work programme. In 2022, several members presented their domestic experience and initiatives in the digital sphere. The Council agreed that the Secretariat would produce a compilation of the information delegations have shared to date.

Other MC12 mandates

The Chair held consultations on WTO reform and pandemic responses. On reform, members suggested possible improvements to the Council’s monitoring and deliberative function while on pandemic responses some delegations proposed engaging in an information exchange exercise and others suggested holding a workshop.

Background

The General Agreement on Trade in Services (GATS) defines trade in services in terms of four types of transactions: mode 1 – cross-border supply (a supplier in one WTO member provides services to a consumer in another member’s territory); mode 2 – consumption abroad (a consumer from one member consumes services in another member’s territory); mode 3 – commercial presence (a foreign company provides services through establishment in another member’s territory); and mode 4 – presence of natural persons (individuals move to supply services in another member’s territory). The Council for Trade in Services oversees the operation of the GATS.
Other issues

The Council started its fifth review of exemptions to the most-favoured nation (MFN) principle. Under this principle, members must not discriminate between the services and service suppliers of WTO members. Members agreed the review will follow the same question-and-answer process used for the last one in 2016. The review will examine whether the conditions creating the need for a member's exemption to the MFN treatment principle still prevail.

Japan and the United States reiterated concerns about cybersecurity measures of both China and Viet Nam. The United States raised concerns about the localization of customer services in Saudi Arabia. China expressed concerns about Australian 5G measures, US measures related to mobile applications and telecom operators and Indian measures on investment approval and mobile applications.

The Russian Federation raised its concerns about unilateral measures taken by various members, who replied that their measures had been introduced in response to the war in Ukraine.

The Council received 35 notifications of new or revised measures that significantly affect trade in services where the notifying members have commitments. Eighteen other notifications dealt with economic integration agreements covering services trade and another eight concerned recognition measures in services sectors.

Specific commitments

The Committee on Specific Commitments considered a proposal from Türkiye on implementation issues related to specific commitments and Article II (MFN) on cross-border supply of road transport services under the General Agreement on Trade in Services. The discussion on the Turkish proposal so far being preliminary, the Committee will continue to consider the issues raised.

Trade in financial services

The Committee on Trade in Financial Services considered a proposal submitted in October by Canada and co-sponsored by Chile, New Zealand, the Philippines, the Republic of Korea and Ukraine to organize a seminar on “Financial Services: Trade, Inclusion and Accessibility”. The purpose is to promote discussion on the interplay between financial services trade, financial inclusion and inclusive growth. The proposal will continue to be discussed in 2023.
Trade-related aspects of intellectual property rights (TRIPS)

• Ecuador, Eswatini and the Maldives deposited their instruments of acceptance for the TRIPS protocol, taking to 136 the number of members that have accepted the amendment easing WTO members’ access to affordable medicines.

• The WTO Secretariat resumed its annual in-person course on trade and public health for senior government officials, with a special focus on the COVID-19 pandemic.

• Thirty members notified the TRIPS Council of new or updated IP legislation, twice as many as in 2021. Notifications are an important source of information and transparency.

Public health

Ecuador, Eswatini and the Maldives deposited their instruments of acceptance for the protocol amending the TRIPS Agreement, taking to 136 the number of members that have accepted it. The amendment, the first to a multilateral WTO agreement, made a special compulsory licensing system an integral part of the accord and gives developing economies and least-developed countries (LDCs) an additional secure, legal avenue to procure affordable medicines from external sources.

The remaining 28 members that have yet to deposit instruments of acceptance continue to benefit from a 2003 waiver decision that first established the mechanism. They currently have until 31 December 2023 to accept the amendment.

A compulsory or government use licence is issued by a government authority or a court to allow use of a patented invention without the consent of the patent holder. TRIPS rules ordinarily require that such licences predominantly supply the domestic market. The special compulsory licensing system permits a derogation from this rule to facilitate the export of needed pharmaceutical products to members lacking sufficient domestic production capacity.

TRIPS and public health continued to be addressed in various technical cooperation activities organized by the WTO Secretariat as part of cooperation with the World Health Organization and the World Intellectual Property Organization (WIPO). The three organizations held two online workshops in 2022 aimed at strengthening the capacity of policymakers and experts to address the COVID-19 pandemic.

A workshop in February highlighted information resources for the pandemic response while a second in October looked at innovation and access to diagnostics for COVID-19 and beyond. In December, the three organizations resumed their series of annual technical symposia on current policy issues with an event titled “COVID-19 Pandemic: Response, Preparedness, Resilience”.

Background

The intellectual property system has become central to the debate about economic development and broader public policy questions, such as innovation policy and public health. The TRIPS Agreement is the most comprehensive international treaty governing the protection, administration and enforcement of intellectual property rights. The Council for TRIPS, a body also open to certain observers, administers the TRIPS Agreement, provides a forum for debate on policy issues and reviews the intellectual property legislation of individual WTO members.
At the end of 2022, the WTO Secretariat resumed its annual one-week in-person course for senior government officials on trade and public health, this time with a special focus on the COVID-19 pandemic. As in prior years, the course was conducted in collaboration with the WHO and WIPO secretariats.

COVID-19

The TRIPS Council continued to discuss IP-related measures members have taken during the pandemic. The discussions were based on a compilation maintained by the Secretariat on the WTO website – “COVID-19: Measures Regarding Trade-Related Intellectual Property Rights” – and the Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics adopted at the 12th Ministerial Conference (MC12) in June 2022.

The declaration instructed WTO bodies to continue or initiate work in their respective area of competence to analyse lessons learned and challenges experienced during the COVID-19 pandemic, based on WTO members’ proposals.

The Council also considered proposals that ultimately concluded in a ministerial decision at MC12 giving members greater scope to diversify production of COVID-19 vaccines and override patents through a targeted waiver and clarifications to the TRIPS Agreement (see page 61). The decision stipulated that members would decide within six months whether to extend it to COVID-19 diagnostics and therapeutics.

Although members remain committed to the common goal of providing timely and secure access to high-quality, safe, efficacious and affordable medical technologies for all, they have not yet reached consensus on extending the decision (see page 62).

Promoting transparency

In March 2022, the WTO Secretariat issued the second Annual Report on Notifications and Other Information Flows, which explains transparency mechanisms related to the TRIPS Agreement and notification trends, among other things.

During 2022, 30 WTO members notified the TRIPS Council of new or updated IP legislation, twice as many as in 2021. To date, 139 WTO members have notified their TRIPS implementing legislation. Several members provided further background on their respective notified legislation.

Additionally, 112 members have provided responses to a checklist notifying the essential elements of their systems for enforcement of IP rights and 148 have notified contact points for cooperating with each other on eliminating trade in IP-infringing goods. Members’ notifications constitute an important source of information and transparency.

The Council was briefed on TRIPS-related measures covered in the Director-General’s G20 and WTO-wide trade monitoring reports and on IP policy matters raised during trade policy reviews. Topics included the evolution of members’ domestic copyright, trademark, geographical indications and patent regimes, IP enforcement online and international cooperation on IP.

The e-TRIPS gateway and the online submission system for WTO members are streamlining the submission and management of notifications and other transparency materials and providing user-friendly access to all TRIPS-related materials.

Incentives for technology transfer

In March 2022, the Council concluded its annual review of reports provided by developed country members on incentives granted to promote and encourage the transfer of technology to LDCs.
of technology to LDCs. Contributing to discussions were government officials who attended a virtual workshop dedicated to the implementation of the provisions, held immediately prior to the March Council meeting. The Council started its next annual review in October.

**TRIPS non-violation and situation complaints**

The TRIPS Council continued its discussion of the application of so-called non-violation and situation complaints. This relates to the question of whether members can bring disputes where an expected benefit from the TRIPS Agreement has been nullified, even if there is no specific violation. Ministers agreed at MC12 to the TRIPS Council’s November 2021 recommendation that the current moratorium on such complaints be further extended until MC13, which is to be held in February 2024.

**Plants, animals, biodiversity and traditional knowledge**

The Council continued its discussion on the patentability of plant and animal inventions, the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD), and the protection of traditional knowledge and folklore.

WTO members reiterated their positions on whether the TRIPS Agreement should be amended to prohibit the patentability of life forms and whether – and, if so, how – it should do more to promote the CBD objectives of authorized access and equitable sharing of the benefits from the use of genetic resources and associated traditional knowledge from other members’ jurisdictions.

**Technical cooperation and capacity-building**

The WTO Secretariat launched a new webpage on “Trade in knowledge: intellectual property, digital trade and knowledge flows”, bringing together resources aimed at helping policymakers and others understand the changing patterns of knowledge flows across borders and consider the legal, economic and policy implications.

WHO, WIPO and the WTO jointly launched in April 2022 a COVID-19 technical assistance platform, providing a “one-stop shop” for their members and WTO accession candidates to address capacity-building needs to respond to the COVID-19 pandemic. Officials can submit a request online for tailored technical assistance on making full use of all options to access vaccines, medicines and technologies.

**IP and innovation**

The Council continued its information exchange on IP and innovation, focusing on microfinance, IP licensing opportunities and the role of IP to raise finance for start-ups. Members shared their experiences and domestic policies in these areas.
Trade and environment

- Ministers at the 12th Ministerial Conference (MC12) cited the importance of the multilateral trading system in meeting environmental challenges and in achieving the Sustainable Development Goals (SDGs).
- Ministers recognized the role of the Committee on Trade and Environment (CTE) as a forum for dialogue on the relationship between trade and environmental measures.
- The CTE continued to discuss environmental topics at the centre of global concerns, such as climate change and ways to promote a circular economy and sustainability.
- The WTO played an active role at the UN’s COP27 Climate Change Conference in Sharm el-Sheikh, Egypt.

12th Ministerial Conference

MC12 in June 2022 produced important outcomes for the WTO’s trade and environment work. Ministers affirmed that climate change is a global environmental challenge and cited the importance of the multilateral trading system in achieving the UN’s 2030 Agenda and the SDGs. The outcome document highlighted the role of the CTE “as a standing forum dedicated to dialogue among members on the relationship between trade measures and environmental measures”.

CTE Chair, Ambassador Simon Manley of the United Kingdom, sought members’ ideas on how best to advance the work of the Committee in following up on MC12. Delegations underscored the importance of transparency and cooperation to prevent trade frictions and the need to harness trade policies to protect the planet.

Suggestions on ways forward included holding thematic discussions, coordinating with other committees on cross-cutting issues and examining support for developing economies and least-developed countries. Several members added that the WTO must not only recognize environmental challenges but also commit to address them.

Key themes

The Committee continued to discuss topics such as fossil fuel subsidies reform, the circular economy – which emphasizes reusing and recycling materials, plastics pollution, sustainability, biodiversity, transfer of technology, climate change and carbon border adjustment mechanisms.

Background

Sustainable development and protection and preservation of the environment are fundamental goals of the WTO. The Committee on Trade and Environment is responsible for examining the relationship between trade and the environment.
Discussions and briefings took place at every Committee meeting on three member-led trade and environment initiatives – the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade, the Trade and Environmental Sustainability Structured Discussions, and the Fossil Fuel Subsidies Reform. Co-convenors of these initiatives updated the Committee on their ministerial statements of December 2021 and their 2022 workplans.

Several members briefed the Committee on their efforts to combat plastics pollution. Maldives informed delegations of the steps taken to phase out single-use plastics. Saudi Arabia briefed on the key role of the circular economy. Japan presented its “Plastic Resource Recycling Promotion Law”, which promotes recycling throughout the life cycle, from design and manufacturing to disposal. The European Union spoke of its intention to move to a circular system in which plastics are recycled.

The EU continued briefing members on the European Green Deal, which aims at net zero greenhouse-gas emissions by 2050. The briefings included its legislative proposals on a carbon border adjustment mechanism and on curbing EU-driven deforestation. The latter seeks to minimize the risk that products associated with deforestation or forest degradation enter the EU market. The EU also presented its legislative proposal on eco-design for sustainable products and revisions to its waste shipment regulation.

The WTO Secretariat reported to members on responses to the Aid for Trade monitoring and evaluation (see page 141) exercise, which highlighted members’ efforts to integrate climate and environment objectives in domestic frameworks, with an emerging focus on circular economy initiatives.

**Climate change and trade**

The WTO played an active role at the UN’s COP27 Climate Change Conference, which took place in Sharm el-Sheikh, Egypt, from 6 to 18 November (see page 14). Speaking at the launch there of the WTO’s World Trade Report, which focused this year on climate change and international trade (see page 172), DG Okonjo-Iweala said an effective strategy for tackling global warming cannot succeed without governments considering the important role of trade in meeting climate goals.

In the Committee, Switzerland highlighted its work in concluding cooperation agreements defining the conditions for the transfer of internationally transferred mitigation outcomes. India briefed on its renewable energy and energy efficiency measures aimed at reducing emissions intensity by 45 per cent by 2030. China provide an update on its progress regarding achieving peak CO₂ emissions and carbon neutrality and its concepts for international cooperation.

Members also considered the US presentation of its discussion paper “Climate Change and Circular Economy”. The United Kingdom provided regular updates on COP26 outcomes, and the progress made since, underscoring the need to place climate and environmental issues at the heart of the WTO’s agenda. Egypt also briefed on preparations for COP27.

The UK again briefed members on the Forest Agriculture and Commodities Trade Dialogue, which developed a roadmap to support transition to a coherent international system for sustainable agricultural-commodity production and trade.

New Zealand provided an update on negotiations towards an Agreement on Climate Change, Trade and Sustainability (ACCTS), launched together with Costa Rica, Fiji, Iceland, Norway and Switzerland. The ACCTS would include removal of tariffs on environmental goods, disciplines to eliminate harmful fossil fuel subsidies and voluntary eco-labelling programmes.

Australia and Singapore presented the Singapore-Australia Green Economy Agreement – the first of its kind – which builds on existing cooperation to act on climate change, strengthen trade and investment in clean energy and assist in advancing net zero ambitions.
In December, the Secretariat published an information note mapping the proliferation of standards for decarbonizing the steel industry and outlining how the work of the WTO could support harmonization efforts and help prevent trade frictions. The note underscores the importance of addressing developing economies’ needs with respect to decarbonization standards.

Environmental database and new publications

The Secretariat briefed members on the latest information in the Environmental Database, which covers information on roughly 7,000 environment-related notifications, 14,500 measures notified under WTO agreements and 9,300 environment-related entries in trade policy reviews. In a sign of greater transparency, a record 931 environment-related notifications were registered in 2021, containing 2,250 measures, a 62 per cent increase from 2020 (see Figure 9).

Outreach and training activities

A joint webinar with the World Bank entitled “How to unleash trade and scale-wide adoption of environmental goods and services” was held in June 2022.

Trade and environment week

In October, the WTO organised the third Trade and Environment Week, with 16 side events hosted by members and regional groupings. Topics included traceability of supply chains, plastic pollution, climate adaptation and resilience, fisheries, and environmental goods and services. The week featured over 80 speakers and attracted over 1,000 participants in person and online.

Figure 9: Environment-related notifications, 2005 to 2021
Trade and transfer of technology

- Experts from ministries and international organizations shared perspectives and findings on technology transfer to help invigorate the Working Group on Trade and Transfer of Technology and to increase flows of technology to developing economies.

- DDG Zhang highlighted the multifaceted nature of technology transfer and how it is a critical vehicle for greener and more sustainable economies.

In November, experts from Argentina, Peru and Senegal, along with experts from the FAO, STDF, UNCTAD, World Economic Forum, WHO, WIPO and the WTO, shared perspectives and findings on technology transfer to help the Working Group on Trade and Transfer of Technology improve its understanding of the nexus between technology transfer and trade. The aim is to increase technology flows to developing economies.

DDG Zhang highlighted the multifaceted nature of technology transfer and how the nexus with trade could increase the flow of technology to developing economies. Technology transfer is a critical vehicle for greener, sustainable and more inclusive economies, he said.

The November meeting looked into a framework for technology transfer, technology transfer applied to sanitary and phytosanitary measures, and technology transfer to promote access and innovation at a time of pandemic. Speakers noted that technology transfer is a collaborative process encompassing knowledge, skills and know-how and involving several actors, including governments, academia and industries.

Some provisions in WTO agreements mention technology transfer but it is not clear how such transfers take place. However, there was agreement at the November meeting that technology transfer takes place when there is a business interest and the capacity of partners to create, transfer and absorb knowledge. Participation in global value chains boosts technology diffusion by increasing access to different markets and importers.

Background

The Working Group on Trade and Transfer of Technology was established at the Doha Ministerial Conference in 2001 “to examine the relationship between trade and transfer of technology and to make recommendations on steps that might be taken, within the mandate of the WTO, to increase flows of technology to developing countries”.
Regional trade agreements

- The WTO received 17 notifications of regional trade agreements (RTAs) currently in force, compared with 32 in 2021. The new notifications concern 12 RTAs. Europe is involved in the highest number of RTAs.

- Over 235 RTAs (including accessions to existing RTAs) have been reviewed by WTO members since December 2006 under the transparency mechanism for RTAs, involving 133 members.

Notifications

WTO members submitted 17 notifications of RTAs, which are reciprocal preferential trade agreements between two or more partners. The 17 notifications, compared with 32 in 2021, concern 12 RTAs. Six of these are newly notified RTAs, five are notifications of trade in services of already notified RTAs in trade in goods and one is the notification of an accession to an already notified RTA that covers trade in goods only.

Six of the RTAs are between developing and developed partners and six are between developing partners only. Europe was involved in the highest number of RTAs (seven), followed by the Asia Pacific region (five), Africa (two), the Middle East (two) and the Americas (one). Five of the agreements covered members from two different regions.

Total RTA notifications stood at 807 on 31 December 2022, of which 583 concern RTAs in force (see Figure 10). The goods and services aspects of RTAs and accessions to existing RTAs are notified and counted separately. If all three elements are counted together, the notifications involved 557 individual RTAs, of which 355 were in force.

The number of RTAs not notified rose by two to 58 compared to October 2021. The WTO Secretariat issues a list of RTAs in force but not notified before each meeting of the Committee on Regional Trade Agreements (CRTA).

Monitoring RTAs

All RTAs are subject to the WTO’s transparency mechanism for RTAs, which entered into force in December 2006. The mechanism provides specific guidelines on when a new RTA should be notified to the WTO Secretariat and the related information and data to be provided. It also requires the Secretariat to prepare a factual presentation on each RTA and for each RTA to be reviewed by WTO members.

By the end of 2022, over 235 RTAs currently in force (including accessions to RTAs), involving 133 WTO members, had been reviewed.
RTAs notified under the General Agreement on Tariffs and Trade (GATT) and the General Agreement on Trade in Services (GATS) are considered by the CRTA while RTAs notified under the Enabling Clause (see page 136) are considered by the Committee on Trade and Development (CTD), based on the WTO Secretariat’s factual presentation (see Table 3).

Under the transparency mechanism, WTO members are encouraged to inform the Secretariat of any agreements being negotiated or that have been signed but have not entered into force (so-called early announcements). They are required to inform the Secretariat of any changes to a notified agreement and to provide a report once an agreement is fully implemented.

In 2022, the CRTA considered 26 notifications of RTAs, counting goods, services and accessions separately, compared with 12 in 2021 and 17 in 2020. The CTD considered three RTAs. In 2022, three early announcements were received from members.

Under the transparency mechanism, the CRTA also discusses end-of-implementation

**Figure 10: RTAs notified to the GATT/WTO (1948 to 2022) by year of entry into force**

*Note:* For notifications, goods, services and accessions to an RTA are counted separately. The cumulative lines show the number of RTAs/notifications in force over time. The notifications of RTAs in force are shown by year of entry into force and the notifications of inactive RTAs are shown by the year they became inactive.
reports for RTAs, which are short, written reports on how liberalization commitments have been put into effect. They are important for understanding whether RTAs accomplish what they set out to do. No such report was received during the year. Chair Taeho Lee (Republic of Korea) noted that reports had been due for 180 RTAs as of 31 January 2022, up from 156 the year before.

The General Council established the transparency mechanism on a provisional basis in 2006. Members are required to review the legal relationship between the mechanism and relevant WTO provisions on RTAs. The Negotiating Group on Rules started the review in 2011. At the 10th Ministerial Conference in Nairobi in December 2015, ministers called on WTO members to work towards making the mechanism permanent.

Table 3: RTAs (including accessions to existing RTAs) considered in 2022

<table>
<thead>
<tr>
<th>Considered in the CRTA</th>
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<tbody>
<tr>
<td>United Kingdom – Türkiye (goods)</td>
</tr>
<tr>
<td>United Kingdom – Singapore (goods and services)</td>
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<tr>
<td>China – Mauritius (goods and services)</td>
</tr>
<tr>
<td>Ukraine – Israel (goods)</td>
</tr>
<tr>
<td>Namibia – Zimbabwe (goods)</td>
</tr>
<tr>
<td>United Kingdom – Chile (goods and services)</td>
</tr>
<tr>
<td>United Kingdom – Canada (goods and services)</td>
</tr>
<tr>
<td>United Kingdom – Jordan (goods)</td>
</tr>
<tr>
<td>European Union – Central America (goods and services)</td>
</tr>
<tr>
<td>United Kingdom – Mexico (goods)</td>
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<tr>
<td>United Kingdom – Switzerland (goods)</td>
</tr>
<tr>
<td>United Kingdom – Tunisia (goods)</td>
</tr>
<tr>
<td>United Kingdom – Republic of Korea (goods and services)</td>
</tr>
<tr>
<td>Republic of Korea – Central America (goods and services)</td>
</tr>
<tr>
<td>Republic of Korea – Türkiye (services)</td>
</tr>
<tr>
<td>United Kingdom – Kenya (goods)</td>
</tr>
<tr>
<td>United Kingdom – Israel (goods)</td>
</tr>
<tr>
<td>United Kingdom – Egypt (goods)</td>
</tr>
<tr>
<td>Gulf Cooperation Council (GCC) – Singapore (services)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Considered in the CTD</th>
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</thead>
<tbody>
<tr>
<td>Gulf Cooperation Council (GCC) – Singapore (goods)</td>
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<tr>
<td>Morocco – United Arab Emirates (goods)</td>
</tr>
<tr>
<td>Accession of Seychelles to the Common Market for Eastern and Southern Africa (COMESA) (goods)</td>
</tr>
</tbody>
</table>

Note: The table refers to the consideration of 21 agreements, eight of which related to both trade in goods and services, 12 to trade in goods and one to trade in services only.

Further information on these agreements may be found in the WTO Database on RTAs: http://rtais.wto.org.
Trade Policy Reviews

- In 2022, the Trade Policy Review Body reviewed the trade policies of 16 WTO members, with COVID-19 and the war in Ukraine common themes.

- In 2023, the reviews of 30 members (including three group reviews) are scheduled. Certain reviews due to take place in 2021-22 were rescheduled for 2023 due to delays caused by the COVID-19 pandemic.

The Trade Policy Review Body (TPRB) reviewed the trade policies of 16 members in 2022: Barbados, Brazil, Djibouti, Georgia, Ghana, Guyana, Liechtenstein, Mexico, Moldova, New Zealand, Pakistan, Panama, Seychelles, Switzerland, the United Arab Emirates and the United States.

Following initiatives taken in response to the COVID-19 pandemic, all the reviews were conducted in hybrid format. The group reviews of the Economic Community of Central African States (CEMAC) and the Organisation of Eastern Caribbean States (OECS) were postponed until 2023 on account of the pandemic. The TPRB has conducted 550 reviews since 1989, with a balanced regional representation (see Figure 11).

The impact of the COVID-19 pandemic on economic growth and trade continued to be a common theme in the reviews. As members started to emerge from the effects of the pandemic, special attention was focused on support measures and initiatives that have enabled or expedited the recovery. It emerged that, overall, members have refrained from taking additional measures to limit imports during the pandemic.

The war in Ukraine increasingly impacted many economies, in particular those members under review in the latter part of the year and those in geographical proximity. The war has impacted many economies in terms of their border measures, trade sanctions, food security and energy policies.

Interest in new issues in the WTO was shown during the reviews, in particular regarding participation in the various joint initiatives (see page 65), the multi-party interim appeal arrangement (MPIA) in dispute settlement (see page 133), environmental and other WTO plurilateral initiatives or agreements.

Thematic issues, such as climate change, supply chains, environmental standards and policies, and digital and technological developments, were explored in the meetings. Trade and gender issues (see page 150) continued to be raised regularly.

Background

The Trade Policy Review Mechanism is the WTO’s transparency pillar, aiming to improve members’ adherence to WTO rules and thus to the functioning of the multilateral trading system. Through its regular trade policy reviews, the mechanism enables members to collectively examine the trade policies and practices of individual members in all trade-related areas. Reviews are not intended to serve as a basis for the enforcement of obligations or for dispute settlement procedures.
The concluding remarks of the Chair for TPRs in 2022 are shown in Table 4.

Programme for 2023

In 2023, 30 WTO members are scheduled for review, including certain members deferred from earlier years. They are: Albania; Cameroon, Central African Republic, Chad, Congo, and Gabon (grouped as members of CEMAC); Chile; Dominican Republic; El Salvador; European Union; Fiji; Honduras; Hong Kong, China; Japan; Jordan; Liberia; Malaysia; Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines (grouped as members of OECS); Botswana, Eswatini, Lesotho, Namibia and South Africa (grouped as members of the Southern African Customs Union); Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei); and Türkiye.

Table 4: Concluding remarks of Chair for TPRs of 2022

<table>
<thead>
<tr>
<th>Members</th>
<th>Concluding remarks</th>
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<tbody>
<tr>
<td>Barbados</td>
<td><a href="https://www.wto.org/english/tratop_e/tpr_e/tp531_crc_e.htm">https://www.wto.org/english/tratop_e/tpr_e/tp531_crc_e.htm</a></td>
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<td>Djibouti</td>
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<td>Georgia</td>
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<td>Ghana</td>
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<td>Panama</td>
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<td>Seychelles</td>
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<tr>
<td>Switzerland and Liechtenstein</td>
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<td>United Arab Emirates</td>
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</table>

In 2023, 30 WTO members are scheduled for review, including certain members deferred from earlier years.
Trade monitoring reports

- The latest Trade Monitoring Report covering the period between mid-October 2021 and mid-October 2022 came at a time when the global economy continued to face multiple challenges, including the war in Ukraine, climate change, soaring food and energy prices and the ramifications of the COVID-19 pandemic.

- The pace of implementation of export restrictions by WTO members has increased since 2020, first in the context of the pandemic and subsequently due to the war in Ukraine and the food crisis.

- WTO members introduced more trade-facilitating (376) than trade-restrictive (214) measures on goods not related to COVID-19 in the year to mid-October 2022.

- Although fewer non-COVID-19 trade restrictions were introduced during the period, the stockpile of already existing restrictions remained large.

Background

The WTO began regular monitoring of global trade developments in early 2009, covering all trade-related measures implemented by WTO members and observers. Initially launched in the context of the global financial crisis, the trade monitoring exercise has become a regular function in the WTO. It further strengthens the transparency aims of the Trade Policy Review Mechanism by shedding light on the latest trends in the implementation of policy measures that facilitate as well as restrict the flow of trade. The regular trade monitoring reports are discussed by members at meetings of the Trade Policy Review Body.

WTO members introduced trade restrictions at an increased pace between mid-October 2021 and mid-October 2022, in particular regarding exports, at a time of economic uncertainty exacerbated by the COVID-19 pandemic, the war in Ukraine and the food security crisis, according to the latest WTO Trade Monitoring Report released in November.

Some of the export restrictions were temporary and were in place for a short period of time. Overall, as of mid-October 2022, 52 export restrictions on food, feed and fertilizers and 27 COVID-19-related export restrictions on essential products to combat the spread of the virus were still in place.

At the Trade Policy Review Body meeting of 6 December, DG Okonjo-Iweala presented her latest Trade Monitoring Report. She called on WTO members “to refrain from adopting new trade-restrictive measures, particularly export restrictions, that can further contribute to a worsening of the global economic outlook” and urged them to “cooperate to keep markets open and predictable in order to allow goods to move around the world to where they are needed”.

In the year to mid-October 2022, WTO members introduced more trade-facilitating (376) than trade-restrictive (214) measures on goods unrelated to the pandemic. The average number of trade-facilitating measures per month was the highest recorded since 2012. Most of the facilitation happened regarding imports while most of the restrictions concerned exports.

For the first time since the beginning of the trade monitoring exercise in 2009, the number of export restrictions has outpaced import restrictions. The trade coverage of trade-facilitating measures was estimated at US$ 1.16 trillion, sharply higher than the US$ 481.6 billion of the previous year; trade-restrictive measures totalled US$ 278 billion (see Figure 12), more than double 2021’s US$ 105.9 billion.

The stockpile of import restrictions in force continued to grow (see Figure 13). By mid-October 2022, some 9.3 per cent of global imports were affected by import restrictions.
restrictions implemented since 2009 and still in force, in line with 9.3 per cent in 2021.

Initiations of trade remedy investigations by WTO members declined sharply during the review period (10.9 initiations per month, the lowest since 2012) after reaching a peak in 2020 (36.1 initiations per month).

Trade remedy actions remain an important trade policy tool for many WTO members, accounting for 37.4 per cent of all non COVID 19 related trade measures on goods recorded in the report, down from 66 per cent in 2021. Anti-dumping (see page 99) continues to be the most frequent trade remedy action in terms of initiations and terminations.

In services, 174 new measures were introduced by WTO members, a third of which targeted telecommunications, computer, internet and other network enabled services, while a quarter affected financial services. Although most new measures were trade facilitating, a significant number was trade-restrictive.

**Figure 13:** Cumulative trade coverage of import-restrictive measures on goods since 2009

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

**Figure 12:** Trade coverage of import and export measures introduced between mid-October 2021 and mid-October 2022 in US$ billion

Note: Trade-facilitating measures cover import- and export-facilitating measures. Trade-restrictive measures cover import and export-restricting measures.
The implementation of new COVID-19-related trade measures by WTO members has slowed, with 45 measures recorded on goods and four on services in the monitoring period. Additional information communicated by WTO members mainly consisted of termination of existing measures or amendments of others. Many COVID-19-related measures affecting trade in services were still in force. The number of new COVID-19-related support measures by WTO members and observers to mitigate the social and economic impacts of the pandemic fell sharply.

Since the outbreak of the pandemic, 443 COVID-19-related trade and trade-related measures in the area of goods have been introduced by WTO members and observers. Most of these measures were trade facilitating (246, or 56 per cent) while the rest were trade-restrictive (197, or 44 per cent).

Members continued to phase out pandemic-related measures, particularly the restrictive ones during the review period. According to information received by the Secretariat, as of mid-October 2022, 79.2 per cent of COVID-19-related trade restrictions had been repealed, leaving 27 export restrictions and 14 import restrictions in place. Although the number of pandemic-related trade restrictions still in place has decreased, their trade coverage remains important at US$ 134.6 billion (see Figure 14).

### Figure 14: Trade coverage of COVID-19 trade and trade-related measures on goods, by mid-October 2022, in US$ billion

<table>
<thead>
<tr>
<th>Measures</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade-facilitating measures in force</td>
<td>172</td>
</tr>
<tr>
<td>Trade-restrictive measures in force</td>
<td>217</td>
</tr>
<tr>
<td>Trade-facilitating measures phased out</td>
<td>135</td>
</tr>
<tr>
<td>Trade-restrictive measures phased out</td>
<td>119</td>
</tr>
</tbody>
</table>

### Status of the reports

The WTO Secretariat prepared four reports on global trade policy developments in 2022, including two on trade measures by G20 economies. The reports have no legal effect on the rights and obligations of WTO members and do not seek to pronounce on whether a trade measure is protectionist or question the explicit right of members to take certain trade measures.

As of mid-October 2022, 79.2 per cent of COVID-19-related trade restrictions had been repealed, leaving 27 export restrictions and 14 import restrictions in place.
Trade, debt and finance

- WTO members continued to discuss access to trade finance, based on proposals by Côte d’Ivoire and the African, Caribbean and Pacific (ACP) Group.

- The WTO and the International Finance Corporation (IFC) launched a report on trade finance in West Africa, detailing how trade expansion is vastly constrained by limited and costly access to finance.

The Working Group on Trade, Debt and Finance continued considering a proposal from Côte d’Ivoire and the African, Caribbean and Pacific (ACP) Group for a work programme aimed at facilitating trade finance, particularly for micro, small and medium-sized enterprises (MSMEs), with a focus on developing economies affected by the COVID-19 pandemic.

WTO members acknowledged the difficulties in accessing trade finance in developing economies during periods of stress, such as pandemic and conflict, but noted that trade finance gaps – financing requested but rejected by lenders or donors – are to an extent structural. Progress was made in 2022 in identifying potential areas of consensus.

DG Ngozi Okonjo-Iweala and IFC Managing Director Makhtar Diop launched a joint publication on “Trade Finance in West Africa” in Washington DC in October. Based on a survey of banks in the four largest economies of the Economic Community of West African States (ECOWAS) – Côte d’Ivoire, Ghana, Nigeria and Senegal – the report said that these countries’ trade expansion was vastly constrained by limited and costly access to trade finance.

Trade finance in the four countries supported only 25 per cent of trade, lower than the African average of 40 per cent and the global average of 60-80 per cent. Rejection rates for requested trade finance were high (25 per cent), with small businesses (SMEs) and women-owned SME applicants disproportionately affected.

The study calculated that if identified improvements, such as reducing trade finance costs or introducing new SME-friendly instruments, could increase the trade finance coverage to the African average, the four countries could see an increase of 8 per cent in trade each year or US$ 13 billion.

At the launch of the report, the DG called for coordinated efforts to close trade finance gaps, noting the importance of using technology and training to facilitate knowledge transfer and assist capacity building for small businesses.

In 2022, multilateral development banks supported more than 12,000 trade transactions, many of them for essential medicines, food and other essential goods, worth more than US$ 35 billion. Multilateral development banks provide support to trade finance in economies facing the most challenges, including low-income economies affected by conflict, food crises or a deterioration of their credit rating.

In partnership with the Government of Côte d’Ivoire, the Export-Import Bank for Africa and the African Development Bank, the IFC and the WTO completed in May 2022 a pilot workshop bringing together local banks, SMEs and professional organizations to support new export clusters in Côte d’Ivoire. The aim of the workshop was to share knowledge on current forms of trade finance and allow a dialogue between local producers and bankers.
Agreement on Government Procurement

- Progress was made with respect to the accessions of Brazil and North Macedonia to the Government Procurement Agreement.

- The Dominican Republic and the European Bank for Reconstruction and Development (EBRD) became observers to the Committee on Government Procurement (CGP).

- Parties continued informal consultations on a new Chair of the CGP but without reaching a consensus.

Selection of the Chair

The parties to the Agreement on Government Procurement (GPA 2012) undertook further informal consultations but without reaching a consensus on the Committee’s next Chair. The Committee had tentatively planned several meetings during the year but did not proceed with any of them.

Accessions to the Agreement

Brazil continued to actively engage with the GPA parties on its accession. It organized two informal meetings with the parties and submitted a second revised market access offer.

North Macedonia circulated a revised market access offer. On 30 December, the parties reached an agreement in principle on North Macedonia’s accession although a formal CGP decision is still pending.

New observers

The Dominican Republic joined the CGP as an observer, making it the first Caribbean member to do so. In addition, the EBRD became an intergovernmental organization observer to the CGP.

Background

GPA 2012 aims to open up, to the extent agreed by its parties, parties’ government procurement markets to suppliers from other parties, and to make government procurement more transparent and predictable. It provides legal guarantees of non-discrimination for the goods, services and suppliers of GPA parties with regard to government procurement covered by the Agreement. The GPA 2012 is a plurilateral agreement open to all interested WTO members and binding only on the parties to it. Currently, 48 WTO members are covered by GPA 2012 and there are 37 observers to the Committee on Government Procurement, which administers GPA 2012.