

# WTO END-YEAR TRADE MONITORING REPORT

This WTO Trade Monitoring Report covers trade and trade-related developments during the period from 16 October 2019 to 15 October 2020. This annual report by the Director-General is provided for in the Trade Policies Review Mechanism (TPRM) mandate which aims to assist the TPRB in undertaking an annual overview of developments in the international trading environment that are having an impact on the multilateral trading system.



The WTO Secretariat strives to ensure that the trade monitoring reports are factual and objective. Since 2009, the reports have sought to provide a factual perspective to developments in the area of international trade.

This Trade Monitoring Report reflects fully the impact the global health crisis has had on trade and trade policy.

## COVID-19 and world trade

The above link provides information on COVID-19 and world trade, including COVID-19 measures taken by WTO members and observers in the area of goods, services and intellectual property. It also includes support measures in response to the COVID-19 pandemic communicated by WTO members and observers to the Secretariat. This information has been compiled by the WTO Secretariat and is an informal situation report and an attempt to provide transparency with respect to measures taken in the context of the pandemic. These lists of measures are not exhaustive and are updated regularly by the WTO Secretariat.

## EXECUTIVE SUMMARY

This WTO Trade Monitoring Report covers new trade and trade-related measures implemented by WTO Members between 16 October 2019 and 15 October 2020. It was prepared against the dramatic backdrop of the COVID-19 pandemic and the human, social and economic problems left in its wake. Since the outbreak of the pandemic, WTO Members have implemented several new trade and trade related policies specifically to cope with the crisis. This Report seeks to shed light on these policy developments in addition to the regular trade measures monitored for the review period.

Overall, the findings of this Report present a very different picture compared to the last report. While the previous Report, issued in July 2020, captured only the very early effects of the COVID-19 pandemic, this Trade Monitoring Report reflects more fully the impact the global health crisis has had on trade and trade policy. Although world trade had already been slowing before the pandemic, merchandise exports in nominal USD terms were down 21% in Q2 compared to the previous year while commercial services exports were down 30%. WTO Members and Observers introduced the lowest number of



Trade  
Monitoring  
**DATABASE**

<https://tmdb.wto.org/>

The Trade Monitoring database (TMDb) provides information on trade measures implemented by WTO members and observers since October 2008. The data are taken from the regular Trade Monitoring Reports prepared by the WTO Secretariat. All information is submitted to the relevant delegation for verification; if a measure is not confirmed, this is highlighted. The database is updated once a new report has been discussed by WTO Members.

regular trade-restrictive and trade facilitating measures since 2012. The trade coverage of the regular import-facilitating measures stood at USD 731.3 billion (up from USD 544.7 billion in the previous period) while that of import restrictions came at USD 440.9 billion (down from USD 746.9 billion). This was likely as a result of the sharp decline in overall global trade flows, the diversion of governments' attention towards fighting the pandemic – through trade policy as well as other areas, a relative stasis in major bilateral trade tensions that had elevated the trade coverage of import restrictions in earlier reporting periods, and a general commitment to keep trade flowing.

At the same time, the trade coverage of COVID-19 related trade-facilitating measures on goods implemented since the beginning of the pandemic was estimated at USD 227 billion, some USD 47 billion more than that of the COVID-19 trade-restrictive measures. Of the 335 COVID-19 measures recorded for WTO Members and Observers since the outbreak of the pandemic, 58% were of a trade-facilitating nature and 42% were trade restrictive. Around 39% of COVID-19 restrictive measures on goods had been repealed by mid-October. In the services sectors heavily impacted by the pandemic, most of the 124 COVID-19 related measures adopted by WTO Members appeared to be trade facilitating. Over 1,000 support measures in direct response to the pandemic, and collectively worth several trillion US dollars, were put in place up until mid-October. These emergency support measures are central to governments' strategies to

address the pandemic-induced economic downturn, appear to be temporary in nature and are important to preparing the ground for a sustainable recovery in which trade can play an important role.

### Measures covered by the November 2020 WTO-wide end-year Trade Monitoring Report

16 October 2019 to 15 October 2020	Number		
	Total	Regular	COVID-19
Measures facilitating trade (Annex 1 and Annex 5) - Goods	283	88	195
Trade remedy initiations (Annex 2)	392	390	2
Trade remedy terminations (Annex 2)	130	130	
Trade-restrictive measures (Annex 3 and Annex 5) - Goods	229	89	140
Services measures (Annex 4 and Annex 6)	267	143	124
SPS measures (Section 3.3) - notifications	1956	1897	59
TBT measures (Section 3.4) - notifications	2027	1936	91
General economic support measures (Section 3.7)	1129	86	1043
IP regular measures (Chapter 5)	76	16	60
Agriculture notifications (Section 3.6 and Chapter 6)	370	363	7

## SPECIFIC FINDINGS

▶ **World trade was already slowing before the pandemic and declined sharply in the first half of 2020** at a time when the human, social and economic toll from the COVID-19 pandemic rose. In volume terms, merchandise trade fell 14.3% quarter-on-quarter in Q2, the largest such decline on record. In nominal USD terms, merchandise exports were down 21% in Q2 compared to the previous year while commercial services exports were down 30%. The WTO's October forecast estimated that the volume of world merchandise trade would decline by 9.2% in 2020, then increase by 7.2% in 2021. Risks to the forecast are firmly on the downside as many countries are dealing with the effects of new lockdowns.

▶ **The drop in numbers of new regular trade-restrictive and trade-facilitating measures was significant and resulted in a decrease in the trade coverage of import-restrictive measures.** WTO Members and Observers introduced 89 new trade-restrictive and 88 trade facilitating measures, i.e. the lowest figures since 2012. The trade coverage for the new import-facilitating measures was estimated at USD 731.3 billion (up from USD 544.7 billion in the previous period). The main sectors covered included electrical machinery and parts thereof, machinery and mechanical appliances, plastics and articles thereof and optical, photographic, measuring and medical or surgical instruments. The trade coverage of the new import-restrictive measures was estimated at USD 440.9 billion (down from USD 746.9 billion in the previous period). The main sectors affected included electrical machinery and parts thereof, machinery and mechanical appliances and precious stones and metals.

▶ The significant drop in the number of new measures implemented by WTO Members and Observers may be explained by the on-going global health emergency which has almost inevitably resulted in governments focusing less on designing and implementing regular trade policies and more on dealing with the immediate economic issues in the context of the pandemic. The precipitous fall in global trade since Q2 of 2020 also means that there has been less commerce to

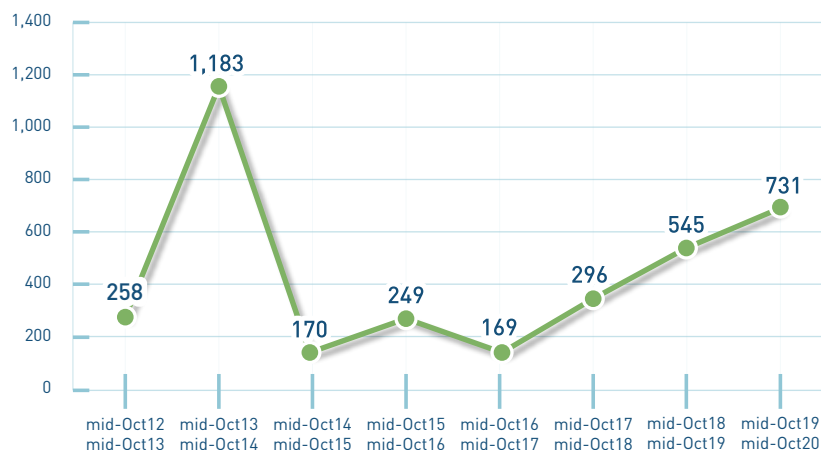
either facilitate or restrict. Despite the early wave of trade restrictions on various essential medical goods, Members have generally expressed and followed a commitment to ensure that trade could flow freely during the pandemic. Finally, the current review period has not seen any major new restrictive measures between the United States and China.

## Trade coverage of new import-facilitating measures in each reporting period (not cumulative)

(USD billion)

Source: WTO Secretariat

**Note:** These figures are estimates and represent the trade coverage of the measures (i.e. annual imports of the products concerned from economies affected by the measures) and not the cumulative impact of the trade measures. Liberalization associated with the 2015 Expansion of the WTO's Information Technology Agreement is not included in the figures. COVID-19 trade and trade-related measures are not included.

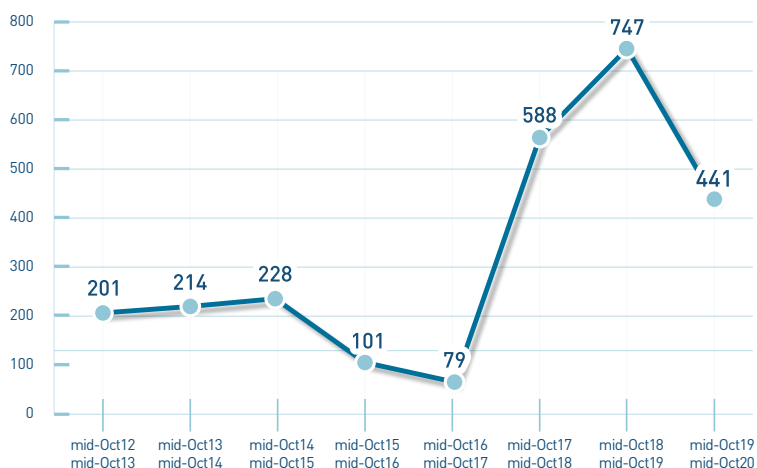


## Trade coverage of new import-restrictive measures in each reporting period (not cumulative)

(USD billion)

Source: WTO Secretariat

**Note:** These figures are estimates and represent the trade coverage of the measures (i.e. annual imports of the products concerned from economies affected by the measures) introduced during each reporting period, and not the cumulative impact of the trade measures. COVID-19 trade and trade-related measures are not included.



As at mid-October 2020 the stockpile of import restrictions on goods was estimated at USD 1.7 trillion, suggesting that it continues to grow in value terms and as a percentage of imports.

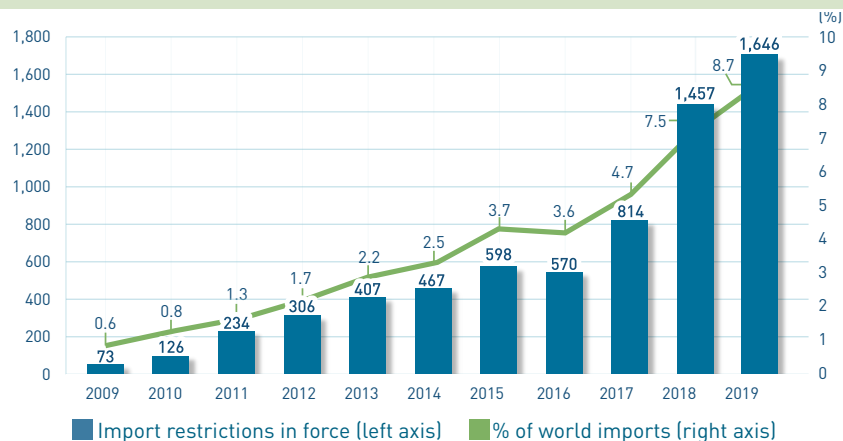
**1.7 trillion** out of **18.9 trillion** of total world imports were estimated to be affected by import restrictions put in place over the last decade

## Cumulative trade coverage of import-restrictive measures in force since 2009

(USD billion)

Source: WTO Secretariat

**Note:** The cumulative trade coverage estimated by the Secretariat is based on information available in the Trade Monitoring Database (TMDB) on import measures recorded since 2009 and considered to have a trade-restrictive effect. The estimates include import measures for which HS codes were available. The figures do not include trade remedy measures. COVID-19 trade and trade-related measures are not included. The import values were sourced from the UNSD Comtrade database.



## Most of the COVID-19 related measures taken on goods since the outbreak of the pandemic were trade-facilitating

The majority of the 335 COVID-19 trade and trade-related measures were adopted on a temporary basis. Although in the early stages of the pandemic most measures restricted trade, as at mid-October 2020, 195 (58%) of all measures taken in response to the pandemic were of a trade-facilitating nature. A total of 140 measures (42%) could be considered trade restrictive.

The gradual phase-out of export restrictions targeting products such as surgical masks, gloves, medicines, and



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**39%**  
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disinfectant continued during the review period together with the roll back of other trade and trade related measures taken in the early stages of the pandemic.

Around 39% of the COVID-19 restrictive measures implemented by WTO Members and Observers had been repealed by mid-October. By then, around 18% of COVID-19 trade facilitating measures had also been eliminated.

## Trade coverage of COVID-19 measures on goods, by mid-October 2020

(USD billion)



Source: WTO Secretariat

■ Measures restricting trade ■ Measures facilitating trade

WTO Members put in place a large number of COVID-19 related support measures. Since the beginning of the pandemic, 638 COVID-19 support measures have been communicated by WTO Members and Observers to the Secretariat and another 405 measures were identified from public sources and governmental websites, i.e. a total of 1,043 COVID-19 support measures put in place by 94 WTO Members and 3 Observers. This amounts to 149 COVID-19 related support measures per month between March and mid-October 2020. The number and variety of support measures implemented in response to the economic and social turmoil caused by COVID-19 is greater than that witnessed during the 2008-09 global financial crisis.

**1,043**  
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**149**  
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**These support measures target sectors of the economy heavily affected by the crisis, including health, aviation, tourism or catering, and also include monetary, fiscal and financial measures as well as broader stimulus packages.**

Governmental measures were complemented with various support programs by international intergovernmental organizations. Most of these measures appeared to be temporary in nature. These emergency support measures are central to governments' strategies to address the pandemic-induced economic downturn and to prepare the ground for a sustainable recovery.

## Services sectors were heavily affected by the pandemic

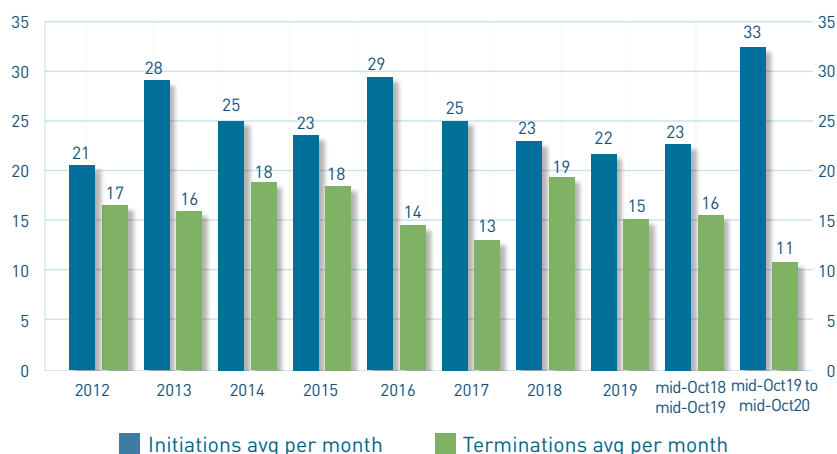
although the extent of the impact varies by sector and mode of supply. Members adopted 124 measures affecting trade in services in response to the pandemic. Most of these measures appear to be trade facilitating, including measures to ease the supply of, and access to, telecommunication services and measures to facilitate the supply of online health services.

In a few cases, governments responded by removing existing trade restrictions, such as by relaxing limitations on the supply of Voice over Internet Protocol (VoIP) services. However, some of the measures adopted also appear to be trade restrictive, including measures tightening foreign investment regimes. Under the monitoring of regular measures affecting trade in services, the Report provides information on 143 measures affecting trade in services that were introduced by WTO Members. While the majority are trade facilitating, a significant number of these new policies appear to be trade restrictive. Measures adopted relate to telecommunication services, services related to e-commerce, and services supplied online, including bans on certain communication apps, as well as different types of taxation measures. Various governments have also introduced new measures in relation to foreign investment in areas considered strategic or linked to national security.

## WTO trade remedies initiations and terminations (Average per month)

Source: WTO Secretariat.

Note: Values are rounded.



**The significant increase of trade remedy initiations** confirm that these measures remain an important trade policy tool for WTO Members. During the review period, 392 initiations of trade remedy investigations and 130 terminations of trade remedy actions were recorded. Initiations of anti-dumping investigations accounted for almost 80% of all trade remedy initiations, which also includes safeguards and countervailing actions. The trade coverage of trade remedy initiations recorded in this Report was estimated at USD 68.8 billion (up from the USD 46.23 billion in the previous period) and that of terminations at USD 9.9 billion (down from the USD 24.8 billion). The main products targeted by initiations of trade remedy investigations included iron and steel, furniture and lighting/lamps, aluminium and articles thereof, and plastics. As at 15 October 2020, two WTO Members had notified anti-dumping actions referring to the COVID-19 pandemic.

**WTO Members continued to use the SPS and TBT Committees' transparency mechanisms** to notify their sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) measures and to discuss and often resolve specific trade concerns (STCs) non-litigiously. Between 1 October 2019 and 30 September 2020, 1,911 SPS and 1,936 TBT notifications were submitted to the WTO, most of them by developing Members. As in previous Reports, the majority of regular SPS notifications related to food safety, whereas the bulk of emergency SPS measures related to animal health. Most TBT measures indicated the protection of human health or safety as their main objective. Since February 2020, a total of 59 COVID-19 related notifications and communications were submitted to the SPS Committee. The nature of most of these measures has shifted, from initial restrictions on animal imports and/or transit from affected areas, and increased certification requirements to, as of beginning of April, facilitating measures allowing temporary flexibility for control authorities to use electronic certificates for checks. As at 1 October 2020, 23 WTO Members had submitted 91 TBT notifications/communications on standards and regulations in response to the pandemic, most of these were submitted under the emergency/urgent notification provisions of the TBT Agreement. Around half of these notifications were of a temporary nature and covered a wide range of products, including personal protection equipment (PPE), medical equipment, medical supplies, medicines and food. Notified measures broadly fell into three main categories, i.e. streamlining certification procedures; ensuring the safety of medical goods; and making food available by relaxing technical regulations.

**WTO Members continued to use WTO bodies to address their trade concerns.** Although fewer meetings took place during the review period as a result of the pandemic, several of the concerns raised appeared to indicate persistent and unresolved issues. Some trade concerns were raised in more than one WTO body, suggesting that these concerns involve cross-cutting and technically complex issues and that WTO Members are continuing to use multiple platforms to address various aspects of such concerns. Preliminary Secretariat research supports that only very few trade concerns end up in disputes.

**In the Committee on Agriculture, most questions focused on Members' domestic support policies.** WTO Members posed 607 questions regarding individual notifications, overdue notifications and specific implementation matters (SIMs) under Article 18.6. Most of these questions were related to domestic support. A total of 35 SIMs targeted policies implemented in response to the COVID-19 pandemic. Seven notifications regarding export restrictions and prohibitions in connection with the pandemic were notified to the CoA during the review period.

**Many Intellectual Property (IP) measures introduced during the review period aimed at promoting innovation or facilitating access to COVID-19-related health technologies.** WTO Members continued to fine-tune their domestic intellectual property frameworks, including relaxing procedural requirements and extending deadlines for administrative IP matters in response to the pandemic. Overall, some 60 COVID-19 related IP measures were introduced during the review period.

**Compliance with regular notification requirements of the various WTO Agreements remains very uneven.** Although there have been significant efforts by some delegations to bring their notifications further up to date, progress is slow. The lack of compliance with notification obligations across WTO bodies is problematic, as it undermines individual agreements and, more generally, the operation of the multilateral trading system. Transparency in trade policy was pursued, as in previous years, through the Trade Policy Reviews and the RTA Transparency Mechanism.

**Other developments in selected trade-policy areas** in 2020 include work to advance negotiations, particularly on fisheries subsidies building on the decision taken by Members at MC11. Groups of Members also continued to pursue discussions on other issues, including electronic commerce, women's economic empowerment, domestic regulation in services and, micro, small and medium-sized enterprises (MSMEs).