

## THE WTO TRADE MONITORING EXERCISE – METHODOLOGY

Since 2009 the WTO Trade Monitoring Exercise has provided WTO Members and Observers with regular updates on the latest trends in the implementation of a broad range of policy measures that affect the flow of trade. Although the monitoring of trade measures in a continuous process throughout the year, the description of the actual trends as well as a broader update on the state of global trade, is presented in the WTO Trade Monitoring Reports which are circulated once a year since 2024, as a result of the 7<sup>th</sup> Appraisal of the TPRB.

### **Mandate of the WTO Trade Monitoring Exercise**

The WTO Trade Monitoring mandate is set out in paragraph G – Overview of Developments in the International Trading Environment under the Trade Policy Review Mechanism in Annex 3 of the Marrakesh Agreement Establishing the WTO.

*It states: "An annual overview of developments in the international trading environment which are having an impact on the multilateral trading system shall also be undertaken by the TPRB. The overview is to be assisted by an annual report by the Director-General setting out major activities of the WTO and highlighting significant policy issues affecting the trading system."*

### **Process for Collecting Trade and Trade-Related Measures**

The WTO Trade Monitoring Reports, including a report specifically prepared for the G20 economies<sup>1</sup>, are based on qualitative data collected on trade and trade-related measures implemented by WTO Members and Observers.

In March and September each year, the WTO Director-General sends a communication to all WTO Members and Observers requesting them to report any measures taken during a specific review period, typically covering 12 months from mid-October to mid-October. This includes information on measures affecting trade in goods<sup>2</sup>, services, and intellectual property, as well as general economic support measures implemented during the review period.

The communication includes a comprehensive, non-exclusive and illustrative list of measures, along with templates to guide delegations in providing information.<sup>3</sup> The Director-General's email also specifies a deadline for submissions and informs delegations that they will be asked to verify all trade and trade-related information pertaining to their respective economy.

The Reports are based on a mixed approach to data collection that takes into account both information provided by Members and Observers as well as information collected by the Secretariat. Information obtained by the Secretariat comes from official sources, including notifications to the WTO and other reliable public sources. The latter includes governmental websites, portals of other intergovernmental organizations (IGOs), and specialized monitoring platforms such as the [Global Trade Alert](#).

### **Verification process of Trade and Trade-Related Measures**

The verification process is a central piece of the WTO trade monitoring exercise, allowing Members and Observers to confirm (or not), their respective measures. It ensures that all information collected by the Secretariat or received from delegations and subsequently processed by the Secretariat is systematically returned to the Member or Observer concerned for verification.

<sup>1</sup> At the London G20 Summit on 2 April 2009, Leaders called on the WTO, together with other international bodies, within their respective mandates, to monitor and publicly report on adherence to the commitment made in Washington on 15 November 2008: "to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures to stimulate exports." At the G20 Summit in Cannes on 3–4 November 2011, Leaders asked the WTO, OECD, and UNCTAD to continue monitoring the situation and to report publicly on a semi-annual basis. The monitoring reports on G20 trade and investment measures are prepared jointly by the WTO in cooperation with the OECD and UNCTAD.

<sup>2</sup> SPS and TBT measures not included in these categories.

<sup>3</sup> The list of suggested templates was introduced in the Director-General's request following the outcomes of the 2016 TPRM Appraisal, with the aim of ensuring greater consistency in both the format and length of information provided by Members and Observers.

Confirmed and non-confirmed measures from reliable sources are included in the Reports and the TMDB, contributing to the total count of measures on goods, as well as to the estimated trade coverages. In the TMDB, non-confirmed measures with reliable sources are marked as "not confirmed by the Member/Observer".

### **Categorization of Trade Measures in the Trade Monitoring Reports and in the TMDB**

Only trade measures on goods are categorized as Measures Facilitating Trade<sup>4</sup>, Trade Remedies, or Other Trade and Trade-Related Measures<sup>5</sup>. Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) measures covered in the Reports are not included in these categories and therefore are neither classified nor counted as trade-facilitating or other measures.

In particular, trade measures on goods that do not fall under Measures Facilitating Trade or Trade Remedies are classified under Other Trade and Trade-Related Measures. This category reflects the fact that only some of these measures may directly restrict trade (following, for example, the definition of Deardorff (2014) in the Glossary of International Economics), while others may have more ambiguous effects depending on how they are designed or applied in practice. It therefore serves as a repository for measures that are neither clearly trade-facilitating nor trade remedies.

Measures affecting trade in services and trade-related measures concerning intellectual property rights are included in the TMDB but are not categorized as trade-facilitating or other.

### **Meetings of the Trade Policy Review Body on Trade Monitoring**

The WTO Trade Monitoring Reports are reviewed and discussed by WTO Members in the formal TPRB meeting on Trade Monitoring, which usually takes place in December. The G20 Reports are submitted to the G20 Presidency in advance of meetings of trade ministers and/or political leaders.

### **Illustrative list of measures covered by the WTO Trade Monitoring Exercise<sup>6</sup>**

Measures on trade in goods are distinguished by imports or exports. These include: Import / Exports tariffs; Other fees, charges, and taxes affecting imported/exported products only; Import/Export licensing requirements (automatic or non-automatic); Import/Export price reference values; Quantitative import/export restrictions (quota, ban); TFA related measures (e.g. single window); Government procurement-related tariffs, rules and requirements (e.g., import duties on goods purchased by government entities; eligibility rules for suppliers; or documentation requirements such as tax compliance certificates;); Local content measures.

Trade Remedy actions (anti-dumping, countervailing and safeguard) include both initiations and terminations of trade remedy investigations.

Measures on trade in services<sup>7</sup> cover new developments or changes to existing policies affecting trade in services.

Intellectual property measures<sup>8</sup> include new developments or changes to existing policies in trade-related aspects of intellectual property rights.

General economic support measures<sup>9</sup> include:

Stimulus packages, state aid, dedicated financial aid/support for production and/or exports; Dedicated financial aid/support to specific sectors or any sector-specific incentives, including interest payment subsidies, financial and in-kind grants or import incentives; Other loans, loan guarantees,

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<sup>4</sup> This category is not related to the WTO Trade Facilitation Agreement but simply referring to any measure making trade easier.

<sup>5</sup> For example, a decrease in tariff rates or the removal of a ban is recorded under trade-facilitating measures while an increase in tariffs or the introduction of a licensing requirement is recorded under other trade and trade-related measures. The categorization is always determined in relation to the measure's prior status.

<sup>6</sup> These measures, except general economic support measures, are available in the TMDB.

<sup>7</sup> Covered by the Trade Monitoring Exercise and its Reports since 2016.

<sup>8</sup> Covered by the Trade Monitoring Exercise and its Reports since 2016.

<sup>9</sup> Covered by the Trade Monitoring Exercise and its Reports since the Global Financial Crisis. Their publication was discontinued in 2017 as it would have resulted in unbalanced and non-credible reporting due to low Member participation in submitting and verifying these measures.

transfers, preferential credit lines; and Investment insurance, export credit/insurance; and Tax reductions/rebates.