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## EXECUTIVE SUMMARY

This WTO Trade Monitoring Report reviews trade-related developments during the period from 16 October 2016 to 15 October 2017.<sup>1</sup> The Report continues to demonstrate the importance of transparency and predictability for all actors in the global economy. The rules-based multilateral trading system, under-pinned by the WTO, remains a key pillar in the global economy to create the conditions for improved economic growth and prosperity.

During the review period, 108 new trade-restrictive measures were put in place, including new or increased tariffs, customs regulations, quantitative restrictions and local content measures. This equates to an average of nine measures per month compared to fifteen in the previous period.

WTO Members also implemented 128 measures aimed at facilitating trade in the review period, including eliminated or reduced tariffs and simplified customs procedures. At almost eleven trade-facilitating measures per month, this remains significantly lower than the monthly average recorded in the previous annual overview report. It is noteworthy, however, that the estimated trade coverage of import-facilitating measures (US\$169 billion) is more than twice that of import-restrictive measures (\$79 billion).

The trade coverage of liberalization associated with measures implemented in the context of the WTO's Information Technology Agreement (ITA) Expansion amounted to around US\$385 billion, according to Secretariat estimates.

Initiations of trade remedy investigations represented the bulk (around 46%) of all trade measures recorded. Initiations of anti-dumping investigations accounted for 83% of all trade remedy initiations. WTO Members initiated on average 25 and terminated 10 trade remedy investigations per month during the review period. This marked a slight deceleration both in initiations of investigations and in terminations of trade remedy measures compared to the previous annual overview and to the whole of 2016. The main sectors affected by trade remedy initiations during the review period were electrical machinery and parts thereof, iron and steel, articles of iron and steel and wood and articles of wood. The trade coverage of trade remedy initiations and terminations recorded in this Report is estimated at US\$76 billion and US\$12 billion, respectively.

A range of other subjects are also covered by this Report. In the context of the Sanitary and Phytosanitary (SPS) Committee, WTO Members continued to show their commitment in notifying their SPS measures. Developing Members accounted for two thirds of these notifications. Similarly, WTO Members continued to notify their Technical Barriers to Trade (TBT) measures, the majority of which being submitted by developing Members. The protection of human health or safety continues to represent the bulk of TBT measures. The SPS and TBT notification obligations are meant to promote enhanced predictability and transparency regarding measures taken to address legitimate policy objectives. In both the SPS and the TBT Committees, WTO Members continued to discuss Specific Trade Concerns (STCs), suggesting that they increasingly see the SPS and TBT Committees as fora in which trade concerns may be resolved non-litigiously.

In the area of agriculture, in light of some Members' incomplete notifications, WTO Members continued to rely on Article 18.6 of the Agreement on Agriculture (AoA) to ask questions on implementation of commitments. In 2017, the average number of questions raised under Article 18.6 reached an all-time high of 43 questions per meeting, in the March and June 2017 Committee meetings. A large number of these questions focused on Members' domestic support policies and on policies with the potential to restrict trade of agricultural products.

Work on the implementation of the Trade Facilitation Agreement (TFA) continues to advance. Many Members concluded their domestic ratification processes, raising the total number of acceptances to three-quarters of the entire WTO membership. Members also continued to submit their implementation schedules, and other notifications under the TFA. The Trade Facilitation Committee started its work and is now fully operational.

On trade in services, several new measures, some horizontal in nature and some affecting a variety of service sectors, were introduced by WTO Members during the review period. As in the past, the majority of these measures provided for additional liberalization or was aimed at

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<sup>1</sup> Unless otherwise indicated in the relevant Section.

strengthening or clarifying regulatory frameworks. At the same time, however, a number of services measures implemented during the review period appear to be trade restrictive.

The report draws also attention to developments in the area of Trade-Related Aspects of Intellectual Property Rights (TRIPS). The entry into force of the Protocol Amending the TRIPS Agreement, on 23 January 2017 is an important milestone and marks the first amendment to a multilateral trade agreement since the creation of the WTO in 1995.

International trade flows rebounded strongly during the review period after a sharp slowdown in 2016. World merchandise trade volume growth in the first half of 2017 was 4.2%, well above the 1.3% increase recorded for the whole of 2016. World real GDP growth at market exchange rates is projected to pick up to 2.8% in 2017 from 2.3% in 2016. Despite improvements in several forward-looking economic indicators, downside risks could still undermine any trade recovery, including trade policy measures, geopolitical tensions and natural disasters. The WTO's latest trade forecast (21 September 2017) has world merchandise trade volume increasing by 3.6% in 2017, with growth placed within an expected range from 3.2% to 3.9% reflecting past forecast performance. The pace of expansion should moderate to 3.2% in 2018, set within a wider range from 1.4% to 4.4% reflecting the greater uncertainty of longer-term forecasts.

Transparency and predictability in trade policy remains vital for all actors in the global economy. Collectively, WTO Members must show leadership in reiterating their commitment to open and mutually beneficial trade as a key driver of economic growth and a major engine for prosperity. In preparing for the 11th WTO Ministerial Conference Members must continue to work together to achieve a successful meeting in Buenos Aires in December.

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