

## EXECUTIVE SUMMARY

1. This WTO Trade Monitoring Report on trade-related developments comes as the world continues to battle the COVID-19 pandemic. Although the period covered in this Report (mid-October 2020 to mid-October 2021) has provided for some encouraging news for a post-pandemic economic recovery, it also firmly establishes that the outlook for the global economy remains uncertain. Fundamental challenges such as equitable access to COVID-19 vaccines, diagnostics and therapeutics remain at the core of the downside risks that the world faces from the COVID-19 pandemic.

2. Trade has been central to combatting the pandemic. The multilateral trading system has shown resilience and played an instrumental role in encouraging restraint in the implementation of trade-restrictive measures. It will continue to underpin the foundation upon which a global economic recovery will be based. As a global recovery has started, albeit at different regional paces, WTO Members have demonstrated restraint in the imposition of new trade restrictive measures related to the pandemic during the review period and are supporting the recovery by continuing to roll back restrictions adopted earlier in the crisis. As at mid-October 2021, 205 COVID-19-related trade-facilitating measures with an estimated trade coverage of USD 112 billion are still in force compared to 56 trade-restrictive measures with an estimated trade coverage of USD 92 billion. Many economic support programs implemented to alleviate the economic and social disruption caused by COVID-19 have been phased out or adjusted to take into account new circumstances and to prepare for the post-pandemic recovery. The monitoring of non-COVID-19 trade measures reveals that fewer restrictions were put in place during this period. However, the stockpile of previous trade restrictions remains large.

3. With the WTO's 12th Ministerial Conference (MC12) scheduled to begin on 30 November 2021 WTO Members must demonstrate leadership in pushing for a strong WTO response to the pandemic which would provide a foundation for more rapid vaccine production and equitable distribution. The multilateral trading system will continue to assist its Members as the world exits the pandemic and ensure that the lessons learned may help them prepare better for future crises. The Ministerial Conference is an opportunity for Members to provide practical and forward-looking solutions to a host of issues from trade and health, agriculture, fisheries subsidies, and dispute settlement. WTO Members – collectively and individually – will have a key role to play in preparing the ground for Ministers to make progress on all issues under discussion, including on the path forward on WTO reform.

## Specific Findings

4. **World trade and GDP growth continued to exceed expectations in the first half of the year**, prompting the WTO to upgrade its forecasts for 2021 and 2022. The volume of world merchandise trade is now expected to increase by 10.8% in 2021, revised up from 8.0% previously. Trade growth should then slow to 4.7% in 2022, revised up from 4.0%. These estimates assume global GDP growth at market exchange rates of 5.3% in 2021 and 4.1% in 2022. The economic recovery has been boosted by sustained monetary and fiscal policy support in advanced economies as well as in developing economies with sufficient fiscal space. Another factor promoting recovery has been the gradually improving production and dissemination of COVID-19 vaccines.

5. As of mid-October 2021, 6.6 billion doses have been administered worldwide. However, only 2.5% of people in low-income countries have received even a single dose. Failure to vaccinate more widely has contributed to a multi-speed recovery, with slower growth in countries and regions with less access to vaccines. Trade looks set to recover most strongly in Asia while less developed regions including Africa and the Middle East lag behind. Risks to the trade outlook are predominantly on the downside, including port congestion, rising shipping costs, shortages of semiconductors, and a resurgence of COVID-19. The trade projections above do not include trade in commercial services, which is likely to remain depressed until international travel returns to nearer pre-pandemic levels.

6. Since the outbreak of the pandemic, **399 COVID-19 trade and trade-related measures in goods have been implemented by WTO Members and Observers**, compared to the 335 measures reported in the last annual overview. Of these, 262 (66%) were of a trade-facilitating nature and 137 (34%) could be considered trade restrictive. Export restrictions account for 85% of all restrictive measures recorded, of which 59% had been repealed by mid-October 2021. Thus, 56

trade restrictions are still in place, of which 45 are export restrictions. Around 22% of the trade-facilitating measures have been terminated, meaning that 205 trade-facilitating measures are still in place. The trade coverage of the COVID-19 trade-facilitating measures still in place was estimated at USD 112.1 billion while that of trade-restrictive stood at USD 92.3 billion.

7. During the period under review, **only a limited number of new COVID-19 trade and trade-related measures were recorded for WTO Members on goods**, mainly consisting of extensions of existing measures originally implemented in the early stages of the pandemic, or the termination of some. Similarly, **the flow of new COVID-19-related support measures by WTO Members and Observers** to mitigate the social and economic impacts induced by the pandemic **has decreased** over the past 12 months. **Services sectors were heavily impacted by the pandemic** and 138 (90%) of the 153 reported COVID-19-related measures affecting trade in services put in place by WTO Members and Observers in response to the pandemic are still in force. During the review period, 29 new COVID-19-related services measures were recorded by the Secretariat.

8. **With respect to non-COVID-19-related trade measures, 124 new trade-facilitating and 103 trade-restrictive measures on goods** were recorded for WTO Members and Observers. The trade coverage of the import-facilitating measures introduced during the review period was estimated at USD 481.6 billion and that import-restrictive measures stood at USD 105.9 billion. Although the trade coverage of new import restrictions is relatively low, the stockpile of import restrictions implemented since 2009 and which are still in force was estimated at USD 1.5 trillion, representing some 8.7% of world imports as at mid-October 2021.

9. **Initiations of trade remedy investigations by WTO Members declined during the review period** after reaching its highest peak so far in 2020. Trade remedy actions remain an important trade policy tool, accounting for 66% of all non-COVID-19-related trade measures on goods recorded in this Report.

10. With respect to **non-COVID-19-related services developments**, half of the 178 regular measures affecting trade in services implemented by WTO Members and Observers during the review period appear to be trade-facilitating. Restrictive policies implemented during the review period mainly referred to foreign investment screening, communication services, Internet- and other network-enabled services.

11. **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. Food safety was the most frequent objective identified in the 1,146 regular and the 284 emergency SPS notifications submitted by WTO Members during the review period. Most of the specific trade concerns (STCs) raised in the SPS Committee during the review period (39 new and 49 previously raised) also concerned food safety. WTO Members submitted 109 SPS notifications and communications on measures taken in response to the pandemic.

12. Most of the 2,378 new regular TBT notifications submitted by WTO Members during the review period, indicated the protection of human health or safety as their main objective. A total of 245 (63 new and 182 previously raised) STCs were discussed during the review period. Members submitted 173 TBT notifications to the WTO in response to the pandemic covering a wide range of products, including medicines, medical supplies and personal protection equipment (PPE).

13. **Members continued to use WTO bodies to address their trade concerns.** Several of the concerns raised appear to indicate persistent and unresolved issues. The review period confirmed that WTO Members continue to actively use WTO committees and bodies to engage trading partners on real or potential areas of trade friction.

14. **In the Committee on Agriculture (CoA)**, Members posed 515 questions regarding individual notifications, overdue notifications, and specific implementation matters (SIMs) under Article 18.6 with most of them **focusing on Members domestic support notifications or policies.**

15. WTO Members continued, during the review period, to fine-tune their intellectual property (IP) domestic frameworks and **to implement specific IP measures to facilitate the development and dissemination of COVID-19-related health technologies**. Since the outbreak of the pandemic, 76 IP-related measures, including administrative and substantive measures, were implemented by WTO Members. Many of them were extended and, hence, are counted as one. During the review period, WTO Members discussed on several occasions the proposed waiver for the prevention, containment and treatment of COVID-19, as well as the proposal for a draft General Council declaration on the TRIPS Agreement and Public Health in the circumstances of a pandemic.

16. The Report also covers **several other important trade-related developments and discussions** that took place during the review period. Work continued to advance multilateral negotiations on several issues in preparation for the WTO's 12th Ministerial Conference to be held in Geneva from 30 November to 3 December 2021. Discussions also took place on other issues, including domestic regulation in services, electronic commerce, investment facilitation for development, micro, small and medium-sized enterprises (MSMEs), trade finance, and women's economic empowerment.