



Trade Policy Review Body

OVERVIEW OF DEVELOPMENTS IN THE INTERNATIONAL TRADING ENVIRONMENT

ANNUAL REPORT BY THE DIRECTOR-GENERAL¹

(Mid-October 2020 to mid-October 2021)

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¹ This Report covers the period mid-October 2020 to mid-October 2021. It is presented pursuant to Paragraph G of the Trade Policy Review Mechanism mandate and aims to assist the Trade Policy Review Body to undertake its annual overview of developments in the international trading environment that are having an impact on the multilateral trading system. The Report is issued under the sole responsibility of the Director-General. It has no legal effect on the rights and obligations of Members, nor does it have any legal implications with respect to the conformity of any measure noted in the Report with any WTO Agreements or any provisions thereof. This report is subject to restricted circulation and press embargo until the 9 December 3:00 p.m.

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.

1 INTRODUCTION

1.1. This Report is submitted to the Trade Policy Review Body (TPRB) pursuant to Paragraph G of the Trade Policy Review Mechanism mandate in Annex 3 to the WTO Agreement. This provides for an annual Report by the Director-General to assist the TPRB in undertaking its annual overview of developments in the international trading environment that are having an impact on the multilateral trading system. It builds on the Director-General's Report to the TPRB on trade-related developments circulated to Members on 13 July 2021.¹

1.2. This Report covers the period from 16 October 2020 to 15 October 2021, unless otherwise indicated.² The Report is issued under the sole responsibility of the Director-General and is intended to be purely factual. It has no legal effect on the rights and obligations of Members, nor does it have any legal implication with respect to the conformity of any measure noted in the Report with any WTO Agreement. Specifically, the Report does not question the explicit right of Members to resort to trade-remedy measures and is without prejudice to Members' negotiating positions (see Box 1.2).

1.3. At the WTO's 8th Ministerial Conference in December 2011, Ministers recognized the regular work undertaken by the TPRB through the monitoring exercise of trade and trade-related measures, took note of the work initially done in the context of the global financial and economic crisis, and directed it to be continued and strengthened. They invited the Director-General to continue presenting the Trade Monitoring Reports on a regular basis and asked the TPRB to consider these Reports in addition to the meeting dedicated to undertaking the annual overview of developments in the international trading environment. Ministers committed to duly comply with the existing transparency obligations and reporting requirements needed for the preparation of these Reports, and to continue to support and cooperate with the WTO Secretariat in a constructive fashion.³

1.4. Since the outbreak of the pandemic, a consistent feature of the trade and trade-related measures taken in response to the COVID-19 crisis has been the frequent changes, adjustments, and gradual roll-back of such measures to reflect the evolving situation. The updated lists of measures implemented in the context of the current pandemic are available on the COVID-19 page of the WTO website⁴ and cover the areas of goods, services, and intellectual property, as well as measures communicated by Members on general economic support. The lists presented on the website are updated regularly and are not exhaustive. This information is provided for transparency purposes and does not question or pass judgement on the right of WTO Members to implement any of the measures listed. The full list of notifications received by the WTO Secretariat in the context of the COVID-19 pandemic is also available on the COVID-19 page of the WTO website.⁵

1.5. In accordance with the practice of the WTO trade monitoring exercise of verifying information and measures with Members, the WTO Secretariat implemented an *ad hoc* verification process of COVID-19-related measures. In recognition of the fact that some measures did not initially have official government sources, the regular update of these measures was listed only on the dedicated COVID-19 page of the WTO Members' website, pending verification by the relevant delegation. For those trade and trade-related goods, services and intellectual property measures submitted directly by delegations, or where official sources were found, a separate list was made available on the WTO public website.

1.6. The structure of this Trade Monitoring Report is similar to the November 2020 version. Each Section, except Section 2, will first cover the regular monitoring of trade and trade-related measures implemented during the review period. Subsequently, each Section will address developments in the context of the COVID-19 pandemic, including specific work and activities undertaken in various WTO committees as a result of the health crisis.

¹ WTO document WT/TPR/OV/W/15, 13 July 2021.

² In addition to the trade policy measures implemented during the period under review and recorded by this Report, other measures which impact trade flows may have been taken by WTO Members and Observers.

³ WTO document WT/L/848, 19 December 2011.

⁴ WTO, *COVID-19 and World Trade*. Viewed at:

https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

⁵ WTO, *WTO Members' Notifications on COVID-19*. Viewed at:
https://www.wto.org/english/tratop_e/covid19_e/notifications_e.htm.

1.7. A separate Addendum⁶ to this Report contains Annexes on recorded trade and trade-related measures taken by WTO Members and Observers in the areas of goods and services from 16 October 2020 to 15 October 2021. This separate Addendum lists new regular (non-COVID-19-related) measures recorded during the review period. Measures implemented outside of this period are not included in these Annexes. This information is also publicly available through the Trade Monitoring Database (TMDB).⁷

1.8. Information on the measures included in this Report has been collected from inputs submitted by WTO Members and Observers, as well as from other official and public sources. Replies to the initial request for information on measures taken during the period under review and replies to the requests for verification were received from 98 Members⁸ (Box 1.1), which represents 60% of the Membership, and covers around 94.2% of world imports.⁹ Five Observers also replied to the request for information.

1.9. The Organization for Economic Cooperation and Development (OECD) and the International Trade Centre (ITC) have contributed topical boxes to this Report.

Box 1.1 Participation in the Preparation of this Report

1.	Albania	40.	Malaysia
2.	Angola	41.	Mali
3.	Argentina	42.	Mauritania
4.	Australia	43.	Mauritius
5.	Azerbaijan ^a	44.	Mexico
6.	Bahrain, Kingdom of	45.	Republic of Moldova
7.	Bangladesh	46.	Mongolia
8.	Belarus ^a	47.	Montenegro
9.	Belize	48.	Myanmar
10.	Brazil	49.	Nepal
11.	Cambodia	50.	New Zealand
12.	Canada	51.	North Macedonia
13.	Chile	52.	Norway
14.	China	53.	Oman
15.	Colombia	54.	Pakistan
16.	Costa Rica	55.	Paraguay
17.	Cuba	56.	Philippines
18.	Dominican Republic	57.	Qatar
19.	Ecuador	58.	Russian Federation
20.	Egypt	59.	Kingdom of Saudi Arabia
21.	El Salvador	60.	Serbia ^a
22.	Equatorial Guinea ^a	61.	Seychelles
23.	European Union	62.	Singapore
24.	The Gambia	63.	South Africa
25.	Guatemala	64.	Sri Lanka
26.	Honduras	65.	Switzerland
27.	Hong Kong, China	66.	Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)
28.	India	67.	Tajikistan
29.	Indonesia	68.	Thailand
30.	Iraq ^a	69.	Tunisia
31.	Israel	70.	Turkey
32.	Japan	71.	Ukraine
33.	Kazakhstan	72.	United Kingdom
34.	Kenya	73.	United States
35.	Republic of Korea	74.	Viet Nam
36.	Lao People's Democratic Republic	75.	Zambia
37.	Lesotho	76.	Zimbabwe
38.	Macao, China		
39.	Madagascar		

a Observer.

Source: WTO Secretariat.

⁶ WTO document WT/TPR/OV/24/Add.1, 22 November 2021.

⁷ WTO, *Trade Monitoring Database*. Viewed at: <http://tmdb.wto.org>.

⁸ The European Union and its member States counted separately.

⁹ This figure includes intra-EU trade.

Box 1.2 About the WTO Trade Monitoring Report

The Trade Monitoring Report is first and foremost a transparency exercise. It is intended to be purely factual and has no legal effect on the rights and obligations of WTO Members. It is without prejudice to Members' negotiating positions and has no legal implication with respect to the conformity of any measure noted in the Report with any WTO Agreement or any provision thereof.

The Report aims to shed light on the latest trends in the implementation of a broad range of policy measures that facilitate as well as restrict the flow of trade and provide an update on the state of global trade. The Report neither seeks to pronounce itself on whether a trade measure is protectionist, nor does it question the right of Members to take certain trade measures. The Reports continue to evolve in terms of the coverage and analysis of trade-related issues and take into account discussions among WTO Members in the Trade Policy Review Body (TPRB).

Regarding trade remedy actions, it has been highlighted in discussions among WTO Members that some of these measures are taken to address what is perceived by some as a market distortion resulting from trade practices of entities in another trading partner. The Anti-Dumping and the Subsidies Agreements and Countervailing Measures permit WTO Members to impose anti-dumping (AD) or countervailing (CVD) duties to offset what is perceived to be injurious dumping or subsidization of products exported from one Member to another. The Reports are not in a position to establish if, where or when such perceived distortive practices have taken place. The Reports have never categorized the use of trade remedies as protectionist or WTO-inconsistent, or criticized governments for utilizing them. The main objective of monitoring these measures is to provide additional transparency and to identify emerging trends in the application of trade policy measures.

With respect to Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) measures covered in the Report, it is important to emphasize that they are neither classified nor counted as trade-restrictive or trade-facilitating, and the increasing trend with respect to the number of notifications of such measures is carefully linked to the transparency provisions of the Agreements only. The Reports have consistently underlined the basic premise that an increased number of SPS and TBT notifications does not automatically imply greater use of protectionist or unnecessarily trade-restrictive measures, but rather enhanced transparency regarding these measures. Finally, the Reports clearly emphasize that the SPS and TBT Agreements specifically allow Members to take measures in the pursuit of a number of legitimate policy objectives.

The WTO Secretariat strives to ensure that the Trade Monitoring Reports are factual and objective. Since 2009, the Reports have sought to provide a nuanced perspective to developments in the area of international trade. For example, the Reports have consistently emphasized that although the number of specific and often long-term restrictive trade measures remains a source of serious concern, other key factors may influence trade developments. During discussions of the Trade Monitoring Reports at the TPRB, Members have also drawn attention to this point and to the fact that, with respect to both, vigilance remains imperative.

Source: WTO Secretariat.

2 RECENT ECONOMIC AND TRADE DEVELOPMENTS

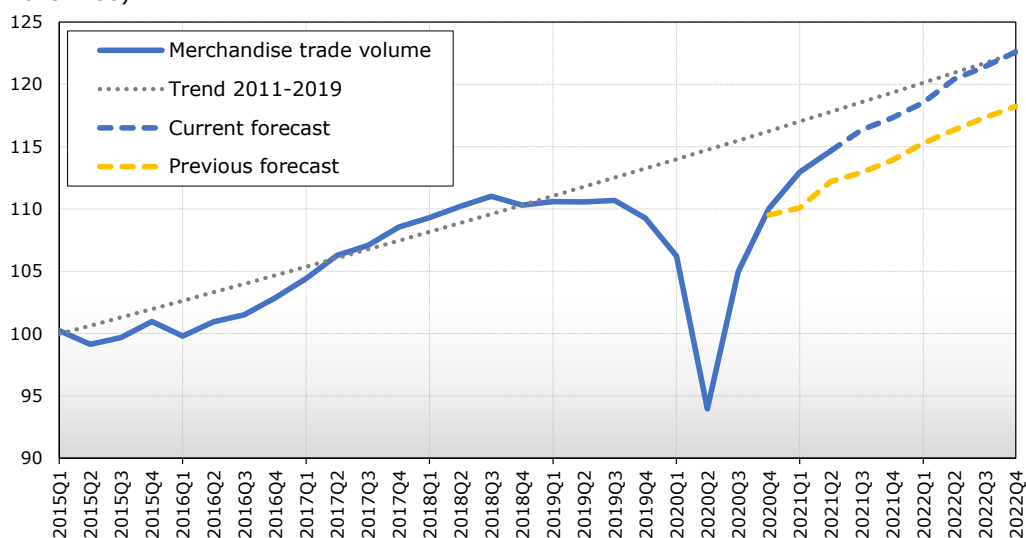
2.1 Overview of Trade Developments and Economic Outlook

2.1. World trade and GDP growth continued to exceed expectations during the review period, prompting the WTO to upgrade its forecasts for 2021 and 2022 on 4 October 2021¹ (Chart 2.1). However, the recovery continues to be marred by regional and sectoral divergences and by increasing strains on global supply chains.

2.2. The WTO now expects the volume of world merchandise trade to increase by 10.8% in 2021 and by 4.7% in 2022. The forecast for 2021 marks a strong upward revision from the previous estimate of 8.0% from last March, while the forecast for 2022 represents a more modest upgrade from 4.0% previously (Table 2.1). The pace of quarterly expansion should ease as the volume of merchandise trade approaches its pre-pandemic trend. Headwinds in the form of semiconductor shortages and shipping backlogs will probably also weigh on trade in the near term, but the biggest downside risk continues to be the COVID-19 pandemic.

Chart 2.1 World merchandise trade volume, 2015Q1-2022Q4

(Index, 2015=100)



Sources: WTO Secretariat and UNCTAD for trade volume data; WTO Secretariat for forecasts.

2.3. The large growth rate for merchandise trade in 2021 is mostly related to the magnitude of the previous year's slump, which bottomed out in the second quarter of 2020. Year-on-year trade volume growth was 22.0% in the second quarter of 2021 due to a low base 2020, but this should fall to 10.9% in the third quarter and 6.6% in the fourth quarter if the current forecast is realized. Reaching the annual forecast for 2021 will only require quarter-on-quarter growth to average 0.8% in the second half of the year, which is equivalent to an annual rate of 3.1%.

2.4. Trade growth in the first half of 2021 exceeded previous forecasts for a number of reasons, including increased production and dissemination of COVID-19 vaccines. As of 13 October, nearly 6.6 billion doses had been administered worldwide. This achievement is remarkable, but still insufficient as many poor countries remain largely unvaccinated. To date, only 2.5% of people in low-income countries have received even a single dose of a COVID-19 vaccine.² Failure to vaccinate more widely has contributed to a multi-speed economic recovery, with slower growth in countries and regions with less access to vaccines. The existence of large populations of unvaccinated people also creates spaces for new strains of the virus to emerge, which could require the reimposition of

¹ WTO, Press/889 "Global trade rebound beats expectations but marked by regional divergences". Viewed at: https://www.wto.org/english/news_e/pres21_e/pr889_e.htm.

² Mathieu, E., Ritchie, H., Ortiz-Ospina, E. et al. "A global database of COVID-19 vaccinations." Nat Hum Behav (2021).

health-related controls. This has already happened with the highly contagious Delta variant and could happen again if global vaccination is not achieved.

2.5. The trade projections are dependent upon consensus forecasts for GDP at market exchange rates, which have global output growing 5.3% in 2021 (up from 5.1% in March) and 4.1% in 2022 (up from 3.8% previously). GDP growth has been boosted by sustained monetary and fiscal policy support in advanced economies and in developing economies with sufficient fiscal space. Governments in low-income countries have fewer resources to cushion households and businesses against pandemic-related shocks and have experienced weaker recoveries as a result.

2.6. Risks to the forecast are predominantly on the downside. These include port congestion, rising shipping rates, and shortages of semiconductors. The combination of supply side disruptions and strong demand for goods may also be contributing to inflation, which has hit multi-year highs in certain advanced economies. However, the COVID-19 pandemic still represents the greatest threat to world trade and output, particularly if more deadly variants of the disease emerge.

2.7. Certain trade-related indicators may provide some clues as to the seriousness of recent supply chain disruptions. One such indicator is the Manufacturing New Export Orders component of IHS-Markit's Global Purchasing Managers Index (PMI). Index values greater than 50 indicate expansion while values less than 50 denote contraction. Increased port congestion and rising shipping rates coincided with a jump in new export orders from a low of 39.0 in April 2020 to a peak of 54.9 in May of 2021. The index has since fallen to 51.0 in September, suggesting a cooling of global import demand. This could alleviate some of the strains on supply chains, although backlogs and high shipping rate may persist for some time.

2.8. Recent upticks in inflation could turn out to be transitory, but if inflationary expectations do become entrenched, central banks may be forced to tighten monetary policy earlier than planned. This could set off destabilizing capital flows and exchange rate fluctuations comparable to those seen when the US Federal Reserve announced the tapering of bond purchases after the financial crisis. Negative spill-overs from a phase-out of policy support could eventually hit trade flows. Governments should expect some periods of volatility when monetary and fiscal policies are eventually normalized.

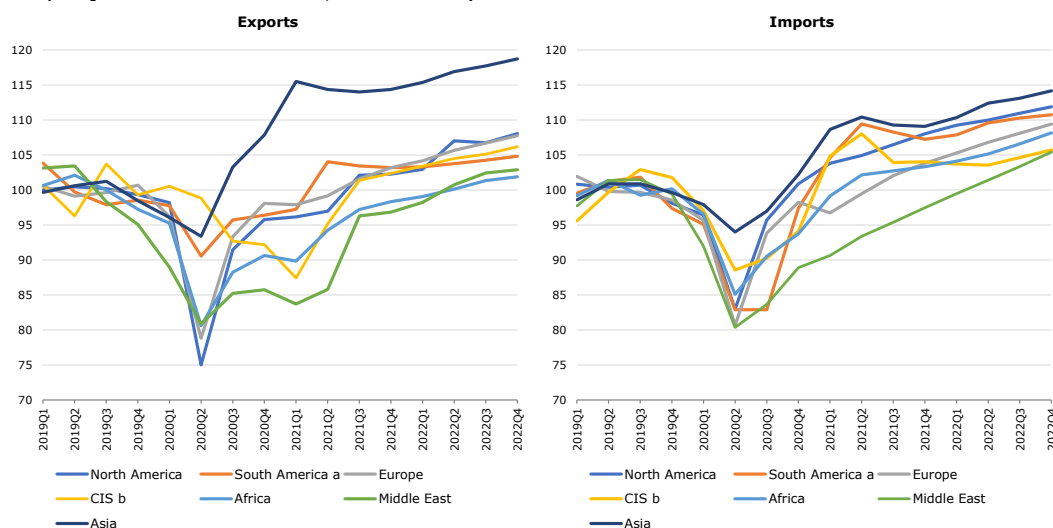
2.9. The trade recovery continues to diverge across regions, with the Middle East, Africa and South America expected to have the weakest performances on the export side through 2022. On the import side, the Middle East, the Commonwealth of Independent States (CIS), and Africa look set to have the weakest rebounds. This is illustrated by Chart 2.2, which shows quarterly merchandise trade volume growth by region since 2019. Year-on-year growth rates in 2021 do not fully capture the extent of economic recovery because the depth of the recession in 2020 differed from one region to another. Cumulative trade growth between 2019 and the end of 2022 provides a better indication of the impact of the pandemic.

2.10. If the current forecast is realized, by the fourth quarter of 2022 Asia's merchandise imports will be 14.2% higher than in 2019. Meanwhile, imports will have risen 11.9% in North America, 10.8% in South and Central America, 9.4% in Europe, 8.2% in Africa, 5.7% in the CIS and 5.4% in the Middle East. Asia's exports will have grown 18.8% over the same period, while other regions will have experienced more modest increases: 8.0% in North America, 7.8% in Europe, 6.2% in the CIS, 4.8% in South America, 2.9% in the Middle East and 1.9% Africa.

2.11. Regions that disproportionately rely on oil exports registered significant declines in both merchandise exports and imports during the 2020 recession, but most have only seen partial recoveries since then. South America's relatively strong import growth partly reflects an already low base in 2019 due to recessions in leading regional economies. Higher prices could boost export revenues of oil producers going forward and raise import demand in volume terms, but export volumes are likely to remain depressed until international travel returns to nearer pre-pandemic levels.

Chart 2.2 Volume of merchandise exports and imports by region, 2019Q1-2022Q4

(Seasonally adjusted volume indices, 2019 = 100)



a Refers to South and Central America and the Caribbean.

b Refers to Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat and UNCTAD.

2.12. Forecasts of annual merchandise trade volume growth and real GDP growth at market exchange rates are summarized in Table 2.1. Annual figures differ slightly from quarterly data for reasons of statistical methodology, but both depict similar regional divergences. If the trade forecast is realized, merchandise export growth in 2021 should be 8.7% in North America, 7.2% in South America, 9.7% in Europe, 0.6% in the CIS, 7.0% in Africa, 5.0% in the Middle East, and 14.4% in Asia. In the same period, merchandise imports should increase by 12.6% in North America, 19.9% in South America, 9.1% in Europe, 13.1% in CIS, 11.3% in Africa, 9.3% in the Middle East, and 10.7% in Asia. The Table also shows estimates for least developed countries (LDCs), which saw their exports increase by 5.3% and their imports rise by 5.5% in 2021.

2.13. As with quarterly figures, annual trade growth in 2021 depends, to a large extent, on the size of the decline that a region experienced in 2020. Consequently, cumulative growth between 2019 and 2021 provides a better indication of the total impact of the pandemic. If the second half of this year turns out as expected, global merchandise trade should be up 4.9% in 2021 compared to 2019. Asia will record the strongest growth on both the export and the import sides: 14.7% and 9.4%, respectively. Other regions will see much weaker growth on the export side: -0.6% in North America, 2.2% in South America, 1.0% in Europe, -1.0% in the CIS, -2.4% in Africa, and -7.2% in the Middle East. Import volume growth will also be considerably weaker: 5.7% in North America, 8.1% in South America, 0.8% in Europe, 7.5% in the CIS, -1.0% in Africa, and -5.9% in the Middle East. In LDCs, the volume of merchandise exports is expected to grow 3.2% between 2019 and 2021, while their imports are expected to fall 1.6%.

Table 2.1 Merchandise trade volume and real GDP, 2017-22^a

(Annual % change)

	2017	2018	2019	2020	2021P	2022P
Volume of world merchandise trade^b	4.8	3.1	0.1	-5.3	10.8	4.7
Exports						
North America	3.4	3.8	0.3	-8.6	8.7	6.9
South America ^c	2.2	-0.2	-2.2	-4.7	7.2	2.0
Europe	4.1	1.9	0.6	-7.9	9.7	5.6
CIS ^d	3.9	4.1	-0.3	-1.5	0.6	8.5
Africa	5.3	3.6	-0.7	-8.8	7.0	6.0
Middle East	-2.2	4.8	-2.2	-11.6	5.0	9.6
Asia	6.7	3.7	0.8	0.3	14.4	2.3
Imports						
North America	4.4	5.1	-0.6	-6.1	12.6	4.5

	2017	2018	2019	2020	2021P	2022P
South America ^c	4.4	5.6	-2.6	-9.9	19.9	2.1
Europe	3.9	1.9	0.3	-7.6	9.1	6.8
CIS ^d	13.9	4.0	8.5	-5.6	13.8	-0.8
Africa	-1.7	5.3	2.8	-11.1	11.3	4.1
Middle East	1.2	-4.1	2.4	-13.9	9.3	8.7
Asia	8.5	5.0	-0.5	-1.2	10.7	2.9
World GDP at market exchange rates	3.2	3.1	2.4	-3.5	5.3	4.1
North America	2.3	2.8	2.0	-4.0	5.6	3.7
South America ^c	0.7	0.3	-0.5	-7.5	4.9	2.9
Europe	2.7	2.0	1.5	-6.4	4.3	4.0
CIS ^d	2.3	3.1	2.6	-2.7	3.9	3.4
Africa	3.1	3.0	2.9	-2.8	3.5	4.1
Middle East	0.7	0.4	0.0	-4.6	2.9	4.5
Asia	5.0	4.7	3.9	-0.9	6.1	4.7
Memo: Least developed countries (LDCs)						
Volume of merchandise exports	4.3	4.0	2.1	-2.0	5.3	4.7
Volume of merchandise imports	4.9	5.3	7.6	-6.7	5.5	8.6
Real GDP at market exchange rates	3.1	3.2	3.8	0.3	2.2	4.4

a Figures for 2021 and 2022 are projections.

b Average of exports and imports.

c Refers to South and Central America and the Caribbean.

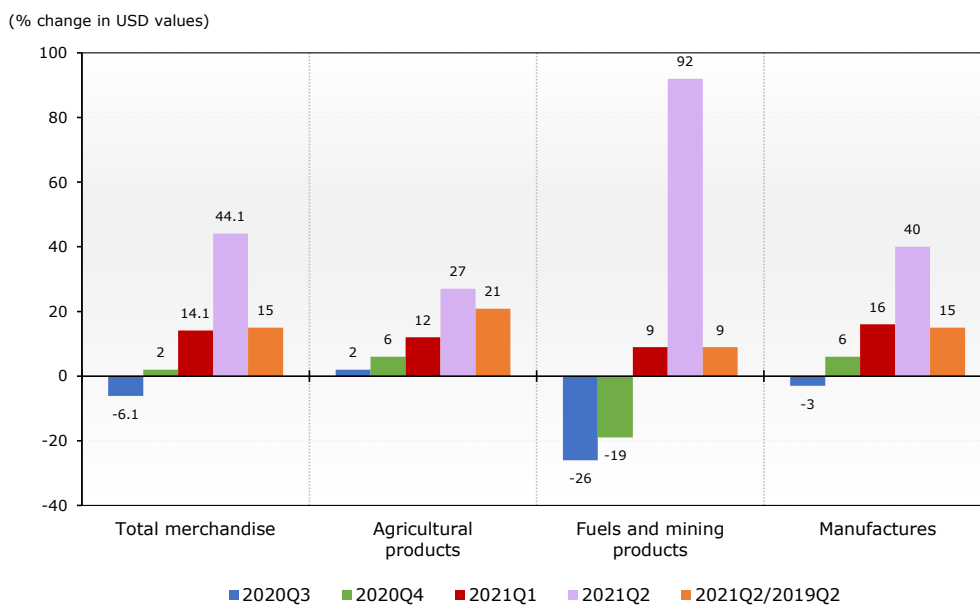
d Refers to Commonwealth of Independent States (CIS), including certain associate and former member States.

Source: WTO for trade, consensus estimates for GDP.

2.2 Trade Developments

2.14. Chart 2.3 illustrates the evolution of merchandise trade in current US dollar terms through the first half of 2021 by sector. The value of total merchandise trade was up 44% year-on-year in Q2 due to the sharp decline in the second quarter of last year as the full economic impact of the COVID-19 pandemic was felt. World trade in manufactured goods was up by a similar amount (40%), while trade in agricultural products was up less (27%) and trade in fuels and mining products was up more (92%). The relatively small year-on-year increase in agricultural products' trade in Q2 can be explained by stable demand for food during the first wave of the pandemic. In contrast, prices and quantities of traded fuels collapsed during the trade slump as domestic and international travel restrictions were imposed. Both have recovered substantially since then, including a tripling of crude oil prices between April 2020 and August 2021. The value of merchandise trade in the second quarter of 2020 was also up moderately (15%) compared to the second quarter of 2019.

Chart 2.3 Year-on-year growth in world merchandise trade by sector, 2020Q3-2021Q2

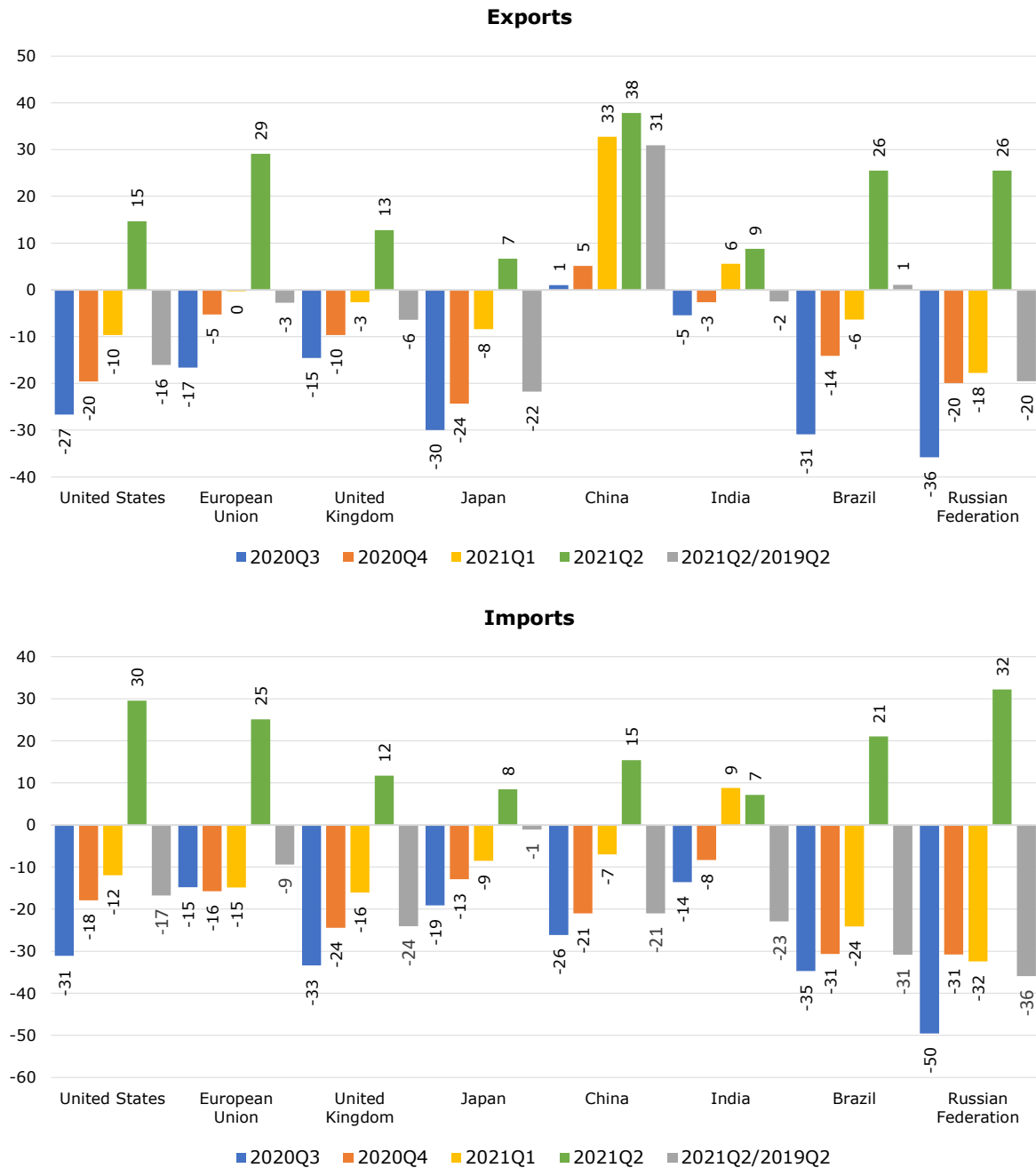


Source: WTO Secretariat estimates.

2.15. Although aggregate statistics on world commercial services' trade through Q2 have not been released yet, data for many individual economies are available. These are illustrated by Chart 2.4, which shows year-on-year growth in the nominal US dollar value of commercial services exports and imports of selected economies. Most countries recorded double-digit year-on-year increases in both exports and imports in the second quarter, including a 38% rise in exports of China and a 30% increase in imports of the United States. However, except for Brazilian and Chinese exports, services trade in Q2 was still down substantially compared to the second quarter of 2019.

Chart 2.4 Commercial services exports and imports of selected economies, 2020Q3Q2-2021Q2

(% change in current USD values)



Source: WTO Secretariat and UNCTAD.

3 TRADE AND TRADE-RELATED POLICY ISSUES

3.1 Overview of Trends Identified during the Review Period

3.1. This Section provides analysis of selected trade and trade-related policy developments in the area of goods during the period from mid-October 2020 to mid-October 2021. It is divided into two parts. The first part looks at regular, i.e., non-COVID-related measures, implemented during the review period, including calculations of trade coverage.¹ The second part, in Section 3.1.2, covers measures taken in the context of the COVID-19 pandemic. Measures in the second part are not included in the trade coverage calculations and are not counted towards the aggregate numbers in part 1.

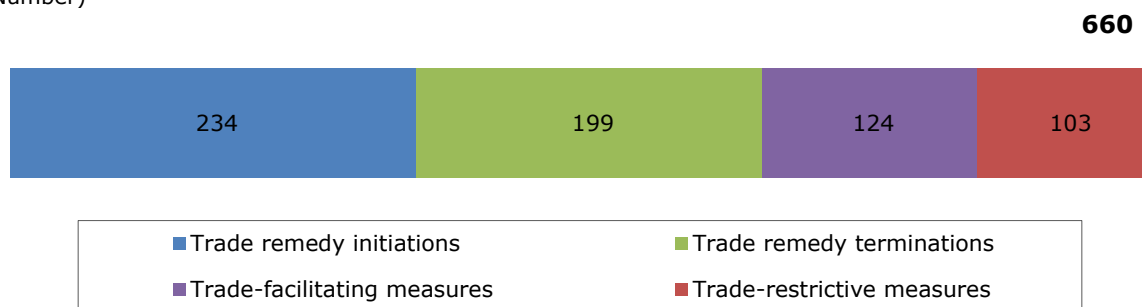
3.2. A separate Addendum² to this Report contains Annexes 1, 2 and 3 on recorded trade and trade-related goods measures taken by WTO Members and Observers from 16 October 2020 to 15 October 2021. This separate Addendum lists new regular (non-COVID-19-related) measures recorded during the review period.

3.1.1 Regular trade measures

3.3. A total of 660 trade measures were recorded for WTO Members and Observers during the review period (Chart 3.1).³ This figure includes measures facilitating trade, trade remedy measures and other trade and trade-related measures, i.e. trade restrictive measures. It excludes measures taken in response to the COVID-19 pandemic. Chart 3.2 below illustrates the trade coverage of the measures recorded for WTO Members and Observers during the review period.

Chart 3.1 Overview of measures, mid-October 2020 to mid-October 2021

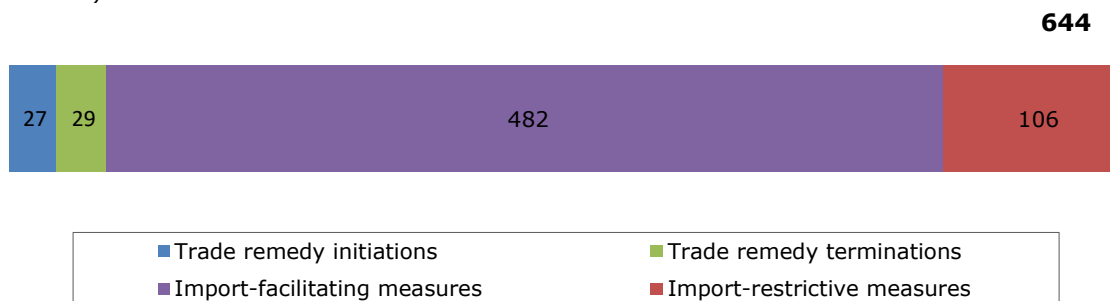
(Number)



Source: WTO Secretariat.

Chart 3.2 Trade coverage of measures, mid-October 2020 to mid-October 2021

(USD billion)



Source: WTO Secretariat.

¹ COVID-19 trade and trade-related measures are not included. Those are covered in Section 3.1.2.

² WTO document WT/TPR/OV/24/Add.1, 22 November 2021.

³ See Annexes 1-3 in the separate Addendum. These Annexes do not include SPS and TBT measures, which are covered in Sections 3.3 and 3.4. Services measures are analysed in Section 4 and are listed in Annex 4 in the Addendum.

Measures facilitating trade

3.4. Annex 1 contained in the Addendum to this Report lists measures that are clearly trade-facilitating. During the review period, 124 new trade-facilitating measures were recorded for WTO Members and Observers, of which 57 were of a temporary nature. This represents 19% of the total number of measures recorded. Table 3.1 below shows that, as for previous periods, the reduction or elimination of import tariffs make up the bulk of trade-facilitating measures, followed by the elimination of taxes⁴, and the simplification of customs procedures.⁵ On the export side, measures included reductions of export duties⁶ and elimination of bans.⁷

Table 3.1 Measures facilitating trade (Annex 1)

Type of measure	2012	2013	2014	2015	2016	2017	2018	2019	2020	Mid-Oct 19 to mid-Oct 20 (WT/TPR/OV/23)	Mid-Oct 20 to mid-Oct 21 (WT/TPR/OV/24)
Import	185	149	181	205	147	113	144	100	96	82	109
- Tariff	156	116	150	154	111	93	119	85	84	72	98
- Customs procedures	12	28	17	30	27	17	15	2	3	3	5
- Tax	2	4	2	5	4	3	6	5	8	6	5
- QRs	7	1	11	5	1	0	3	1	1	1	1
- Other	8	0	1	11	4	0	1	7	0	0	0
Export	20	8	9	40	32	24	18	14	7	5	13
- Duties	8	3	3	18	5	1	6	10	5	4	11
- QRs	9	4	3	3	1	2	0	1	1	0	2
- Other	3	1	3	19	26	21	12	3	1	1	0
Other	5	1	1	4	3	0	0	1	1	1	2
Total	210	158	191	249	182	137	162	115	104	88	124
<i>Average per month</i>	<i>17.5</i>	<i>13.2</i>	<i>15.9</i>	<i>20.8</i>	<i>15.2</i>	<i>11.4</i>	<i>13.5</i>	<i>9.6</i>	<i>8.7</i>	<i>7.3</i>	<i>10.3</i>

Note: Revisions of the data reflect changes undertaken in the TMDB to fine-tune and update the available information. COVID-19 trade and trade-related measures are not included. Those measures are covered in Section 3.1.2.

Source: WTO Secretariat.

3.5. The trade coverage of the import-facilitating measures introduced during the review period was estimated at USD 481.6 billion, i.e. 2.7% of the value of world merchandise imports.⁸ This share is the fourth-highest reported for this type of measures since October 2012 (Table 3.2 and Chart 3.3).

3.6. The HS Chapters within which most of the trade-facilitating measures were taken include machinery and mechanical appliances (HS 84) (13.6%), electrical machinery and parts thereof (HS 85) (10.6%), copper and articles thereof (HS 74) (8.4%), and plastics and articles thereof (HS 39) (6.7%).

⁴ For example, elimination of excise duties on diamonds and jewellery, decrease of CESS levy on articles of apparel and clothing and elimination of the special commodity levy on fish by Sri Lanka, imports of grains exempted from VAT by the Kyrgyz Republic, and reduction of excise duties on imported motor vehicles by Mauritius.

⁵ For example, temporary admission period of five years of spare parts for aircraft maintenance by Costa Rica; import policy of tur, pigeon peas, moong urad, refined bleached, and odoriferous preparations, changed to free by India.

⁶ For example, reduction of export duties on 4,673 tariff lines by Argentina, reduction of export duties on raw skins by Azerbaijan; on sheets for veneering by Indonesia; on wool by Kazakhstan; on ferro-alloys by the Eurasian Economic Union; and decrease of the export development board levy on natural rubber and natural sands by Sri Lanka.

⁷ For example, elimination of the temporary export quota on waste and scraps by Colombia, and elimination of export restriction on onions by India.

⁸ These figures include one measure by China (interim import tariffs resulting in the temporary reduction of import tariffs on certain products), accounting for 69.4% of the total; and three measures by Brazil (temporary elimination of import tariffs on capital goods, informatic and telecommunication), accounting for 7.3% of the total.

Table 3.2 Share of trade covered by trade-facilitating measures

(%)

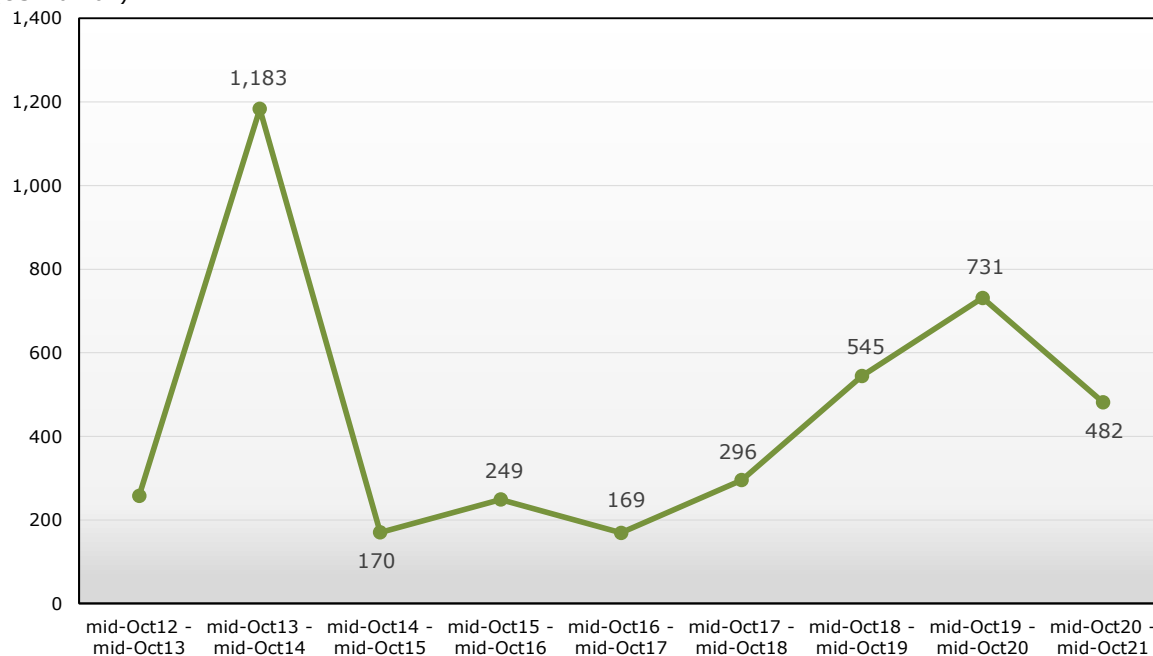
	Mid-Oct 13 to mid-Oct 14	Mid-Oct 14 to mid-Oct 15	Mid-Oct 15 to mid-Oct 16	Mid-Oct 16 to mid-Oct 17	Mid-Oct 17 to mid-Oct 18	Mid-Oct 18 to mid-Oct 19	Mid-Oct 19 to mid-Oct 20	Mid-Oct 20 to mid-Oct 21
Share in total world imports	6.40	0.91	1.51	1.07	1.68	2.80	3.88	2.74

Note: Data for mid-October 2020 to mid-October 2021 are based on 2020 calendar year imports. For some countries, 2020 import data are not yet available.

Source: WTO Secretariat and UN Comtrade database.

Chart 3.3 Trade coverage of new import-facilitating measures in each reporting period (not cumulative)

(USD billion)



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.

Source: WTO Secretariat.

Trade coverage of the ITA Expansion Agreement

3.7. The implementation of the ITA Expansion Agreement⁹ is entering its final phase. This report includes 11 measures resulting from the implementation of the ITA Expansion Agreement by Albania, Australia, China, the European Union, Israel, the Republic of Korea, Malaysia, Montenegro, the Philippines, Chinese Taipei, and Thailand. According to preliminary estimates by the WTO Secretariat, the trade coverage of the import-facilitating measures implemented during the review

⁹ Participants to the ITA: Albania; Australia; Canada (all duty free as of July 2019); China; Colombia; Costa Rica; the European Union; Georgia; Guatemala; Hong Kong, China (all duty free as of July 2016); Iceland (all duty free as of July 2017); Israel; Japan (all duty free as of July 2016); the Republic of Korea; Macao, China; Malaysia; Mauritius; Montenegro; New Zealand; Norway (all duty free as of July 2016); Philippines; Singapore (all duty free as of July 2016); Switzerland (all duty free as of July 2017); Chinese Taipei; Thailand; and the United States (all duty free as of July 2019). WTO document G/MA/W/117, 26 January 2019.

period in the context of the ITA Expansion Agreement amounted to USD 137.9 billion, or around 0.79% of the value of world merchandise imports.¹⁰ Given the significant trade coverage value of these measures, they have not been included in the figures estimating the trade coverage of import-facilitating measures in Section 3.1.1, as it would make any comparison with previous Reports difficult.

Trade remedy actions

3.8. During the period under review, 433 trade remedy actions were recorded for WTO Members and Observers (Annex 2 of the Addendum), accounting for 66% of all trade-related measures recorded in this Report. After reaching its highest peak so far in 2020, the average number of trade remedy initiations during the review period was 19.5 per month (Table 3.3 and Chart 3.4), the lowest since 2012.

Table 3.3 Trade remedy actions (Annex 2)

Type of measure	2012	2013	2014	2015	2016	2017	2018	2019	2020	Mid-Oct 19 to mid-Oct 20 (WT/TPR/OV/23)	Mid-Oct 20 to mid-Oct 21 (WT/TPR/OV/24)
Initiations	255	338	304	277	343	298	273	281	433	392	234
- AD	208	287	236	229	298	249	202	215	355	310	201
- CVD	23	33	45	31	34	41	55	36	56	57	23
- SG	24	18	23	17	11	8	16	30	22	25	10
<i>Average per month</i>	<i>21.3</i>	<i>28.2</i>	<i>25.3</i>	<i>23.1</i>	<i>28.6</i>	<i>24.8</i>	<i>22.8</i>	<i>23.4</i>	<i>36.1</i>	<i>32.7</i>	<i>19.5</i>
Terminations	208	186	220	212	171	157	225	181	209	130	199
- AD	177	160	185	167	141	128	201	164	178	111	175
- CVD	21	17	23	25	15	12	24	7	12	8	12
- SG ^a	10	9	12	20	15	17	0	10	19	11	12
<i>Average per month</i>	<i>17.3</i>	<i>15.5</i>	<i>18.3</i>	<i>17.7</i>	<i>14.3</i>	<i>13.1</i>	<i>18.8</i>	<i>15.1</i>	<i>17.4</i>	<i>10.8</i>	<i>16.6</i>

Note: The information on trade remedy actions for 2012 to 2020 is based on the semi-annual notifications. For the present review period, the information is also based on the responses and the verifications received directly from Members.

a The figure for a specific year is the sum of the following: (i) all ongoing investigations terminated during the course of that specific year without any measure; and (ii) all imposed measures expired during the course of that specific year. COVID-19 trade and trade-related measures are not included. Those measures are covered in Section 3.1.2.

Source: WTO Secretariat.

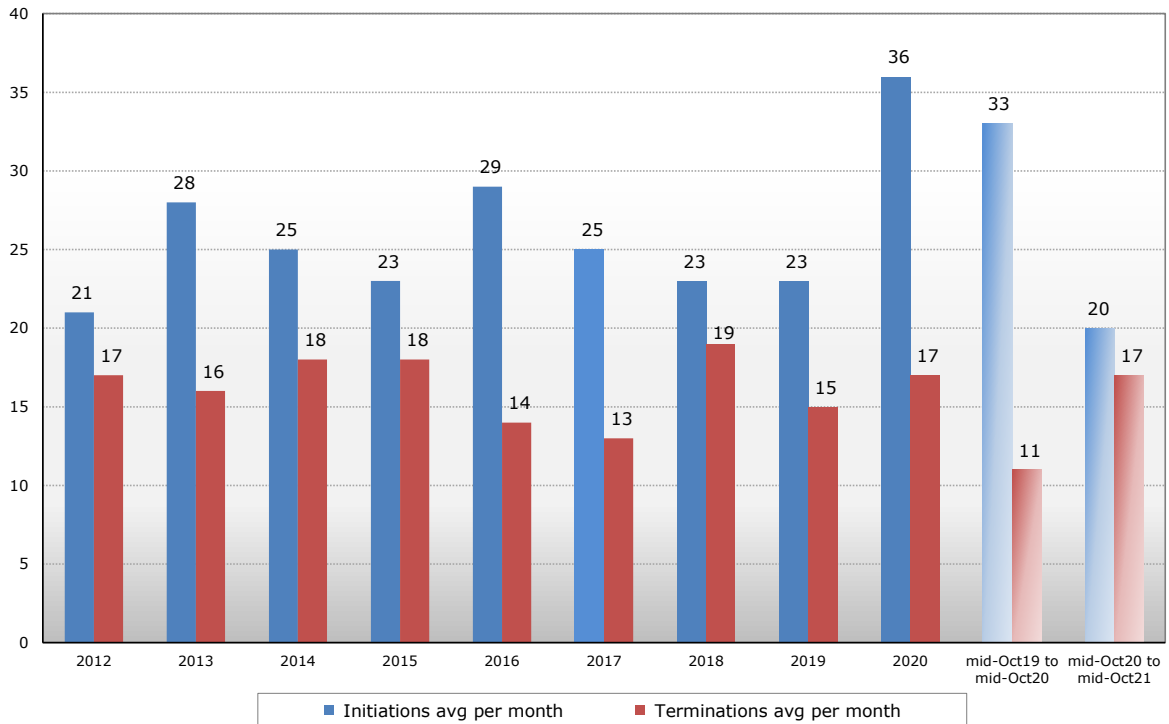
3.9. Trade remedy actions taken during the review period included initiations of investigations on organic chemicals (HS 29) (20.9%), iron and steel (HS 72) (15.8%), plastics and articles thereof (HS 39) (10.7%), and articles of iron and steel (HS 73) (10%).

3.10. The trade coverage of all trade remedy investigations initiated during the review period was USD 26.9 billion, i.e., 0.15% of the value of world merchandise imports, the lowest registered since 2014 (Table 3.4). For terminations, the trade coverage was valued at USD 29.2 billion (0.17% of the value of world merchandise imports).

¹⁰ Calculated at the HS six-digit level and using 2020 import figures.

Chart 3.4 Trade remedies initiations and terminations

(Average per month)



Note: Values are rounded.

Source: WTO Secretariat.

Table 3.4 Share of trade covered by trade remedy initiations

(%)

	Mid-Oct 13 to mid-Oct 14	Mid-Oct 14 to mid-Oct 15	Mid-Oct 15 to mid-Oct 16	Mid-Oct 16 to mid-Oct 17	Mid-Oct 17 to mid-Oct 18	Mid-Oct 18 to mid-Oct 19	Mid-Oct 19 to mid-Oct 20	Mid-Oct 20 to mid-Oct 21
Share in total world imports	0.20	0.17	0.55	0.48	0.53	0.24	0.36	0.15

Note: Data for mid-October 2020 to mid-October 2021 are based on 2020 calendar year imports. For some countries, 2020 import data are not yet available.

Source: WTO Secretariat and UN Comtrade database.

Other trade and trade-related measures

3.11. Annex 3 of the Addendum to this Report lists measures that may be considered to have a trade-restrictive effect. A total of 103 new trade-restrictive measures were recorded for WTO Members and Observers, mostly tariff increases, followed by stricter customs procedures¹¹ and by

¹¹ For example, updated criterion values for certain products by Argentina; import approval requirement for sugar and waste glass by Egypt; amendments introduced on import policies on certain products by India; amendments introduced in the import policy of wood products by the Philippines; and imposition of import procedures on hydrofluorocarbons by the Eurasian Economic Union.

bans.¹² Restrictive measures on exports included quantitative restrictions¹³, the imposition of duties¹⁴ and stricter administrative customs procedures (Table 3.5).¹⁵

3.12. Four WTO Members implemented government procurement legislation granting preference to locally produced goods and services.

3.13. The measures recorded in Annex 3 cover a wide range of products. The main sectors affected (HS Chapters) were mineral fuel and oils (HS 27) (26.5%), copper and articles thereof (HS 74) (8.5%), electrical machinery and parts thereof (HS 85) (8.3%), and iron and steel (HS 72) (7.8%).

Table 3.5 Other trade and trade-related measures (Annex 3)

Type of measure	2012	2013	2014	2015	2016	2017	2018	2019	2020	Mid-Oct 19 to mid-Oct 20 (WT/TPR/OV/23)	Mid-Oct 20 to mid-Oct 21 (WT/TPR/OV/24)
Import	134	146	132	166	99	84	114	77	72	71	57
- Tariff	75	86	83	106	64	47	70	46	40	39	23
- Customs procedures	31	27	19	32	16	19	6	6	10	8	17
- Tax	5	5	8	10	6	9	13	6	6	6	6
- QRs	16	17	7	12	12	7	16	14	10	13	8
- Other	7	11	15	6	1	2	9	5	6	5	3
Export	23	31	26	44	20	18	18	19	27	18	41
- Duties	3	5	12	13	6	4	9	7	4	6	13
- QRs	12	10	8	7	10	8	4	3	11	7	21
- Other	8	16	6	24	4	6	5	9	12	5	7
Other	12	7	12	13	11	14	0	2	0	0	5
- Local content	5	6	11	13	7	12	0	1	0	0	4
- Other	7	1	1	0	4	2	0	1	0	0	1
Total	169	184	170	223	130	116	132	98	99	89	103
<i>Average per month</i>	<i>14.1</i>	<i>15.3</i>	<i>14.2</i>	<i>18.6</i>	<i>10.8</i>	<i>9.7</i>	<i>11.0</i>	<i>8.2</i>	<i>8.3</i>	<i>7.4</i>	<i>8.6</i>

Note: Revisions of the data reflect changes undertaken in the TMDB to fine-tune and update the available information. COVID-19 trade and trade-related measures are not included. Those measures are covered in Section 3.1.2.

Source: WTO Secretariat.

3.14. The trade coverage of the trade-restrictive measures affecting imports implemented during the review period was estimated at USD 105.9 billion, i.e. 0.6% of the value of world merchandise imports (Table 3.6).¹⁶ This represents the second-lowest value recorded since October 2012 (Chart 3.5).

¹² For example, ban on ceramic flags and paving by Egypt; changes in the management system for administration of import quotas by the European Union and Switzerland; and temporary ban on certain vegetables and meat by Peru.

¹³ For example, QRs on bovine meat and extension of the QRs on ferrous waste and scrap by Argentina; QRs on bovine meat by the Plurinational State of Bolivia; conditional prohibition of the export of certain pharmaceutical products by Canada; QRs on dried beans by Egypt; export prohibition on onions seeds and syringes by India; and temporary QRs on oil and petroleum oil products, mineral fertilizers, scrap and waste of ferrous metals and paper by the Kyrgyz Republic.

¹⁴ For example, export duties on certain products by Argentina; on wheat and meslin by Azerbaijan; on 5 items of iron and steel products by China; export taxes on certain products by Egypt; increase of export duties on waste and scrap of cast iron by Malaysia; temporary export duties on soya beans by the Russian Federation; and export tariffs on certain grains by the Eurasian Economic Union.

¹⁵ For example, reference values requirements for exports of certain products by Argentina; and sworn declaration requirement for export of certain precious metals by Chile.

¹⁶ These figures include one measure by Argentina (extension of the statistical fee), accounting for 40% of the total, followed by one measure by India (amendments introduced in the import policy of coal), accounting for 15%, and one measure by the European Union (retrospective surveillance of imports of renewable ethanol for fuel), accounting for 12.6%.

Table 3.6 Share of trade covered by import-restrictive measures (Annex 3)

(%)

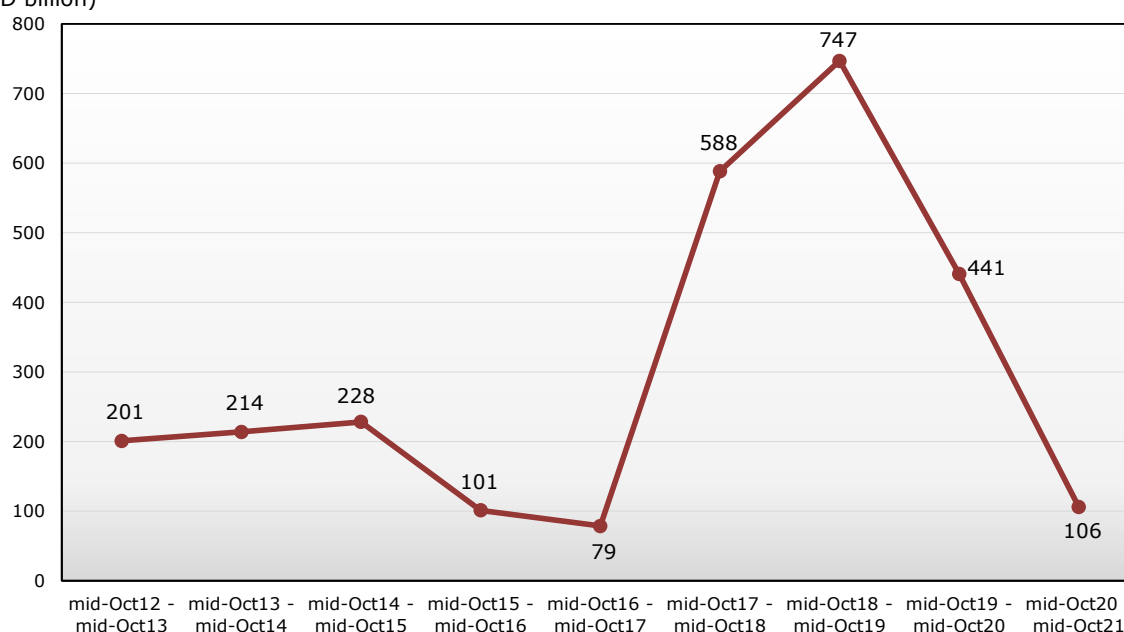
	Mid-Oct 13 to mid-Oct 14	Mid-Oct 14 to mid-Oct 15	Mid-Oct 15 to mid-Oct 16	Mid-Oct 16 to mid-Oct 17	Mid-Oct 17 to mid-Oct 18	Mid-Oct 18 to mid-Oct 19	Mid-Oct 19 to mid-Oct 20	Mid-Oct 20 to mid-Oct 21
Share in total world imports	1.17	1.23	0.62	0.50	3.33	3.84	2.40	0.60

Note: Data for mid-October 2020 to mid-October 2021 are based on 2020 calendar year imports. For some countries, 2020 import data are not yet available.

Source: WTO Secretariat and UN Comtrade database.

Chart 3.5 Trade coverage of new import-restrictive measures in each reporting period (not cumulative)

(USD billion)



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.

Source: WTO Secretariat.

Stockpile of import-restrictive measures

3.15. Accurately estimating the roll-back of import-restrictive measures, and eventually the overall stockpile, is made complex by the fact that many temporary measures remain in place beyond the envisaged termination date. Moreover, the Secretariat does not always receive accurate information on changes to reported measures. As a result, the figures below are estimates based on the information recorded in the TMDB since 2009. These estimates are also conditioned by the availability of termination dates of the import-restrictive measures and of the HS codes of products covered.¹⁷

3.16. Table 3.7 and Chart 3.6 show that the stockpile of import restrictions in force has grown steadily since 2009 – in value terms and as a percentage of world imports – and that a significant increase in both took place from 2017 to 2018. This specific jump is largely explained by measures introduced on steel and aluminium, and by tariff increases introduced as part of bilateral trade

¹⁷ Only import measures where HS codes were available are included in the calculation.

tensions. Global imports decreased substantially in 2020 compared to 2019 and the decline was also reflected in the import restrictions in force. At the end of 2020 some 8.6% of world imports were affected by import restrictions implemented since 2009 and which are still in force (a slight decline compared to 2019). Preliminary estimates suggest that as at mid-October 2021, the stockpile of import restrictions in force was about USD 1.5 trillion representing around 8.7% of total world imports.

Table 3.7 Cumulative trade coverage of import-restrictive measures since 2010 to 2020

(USD billion, unless otherwise indicated)

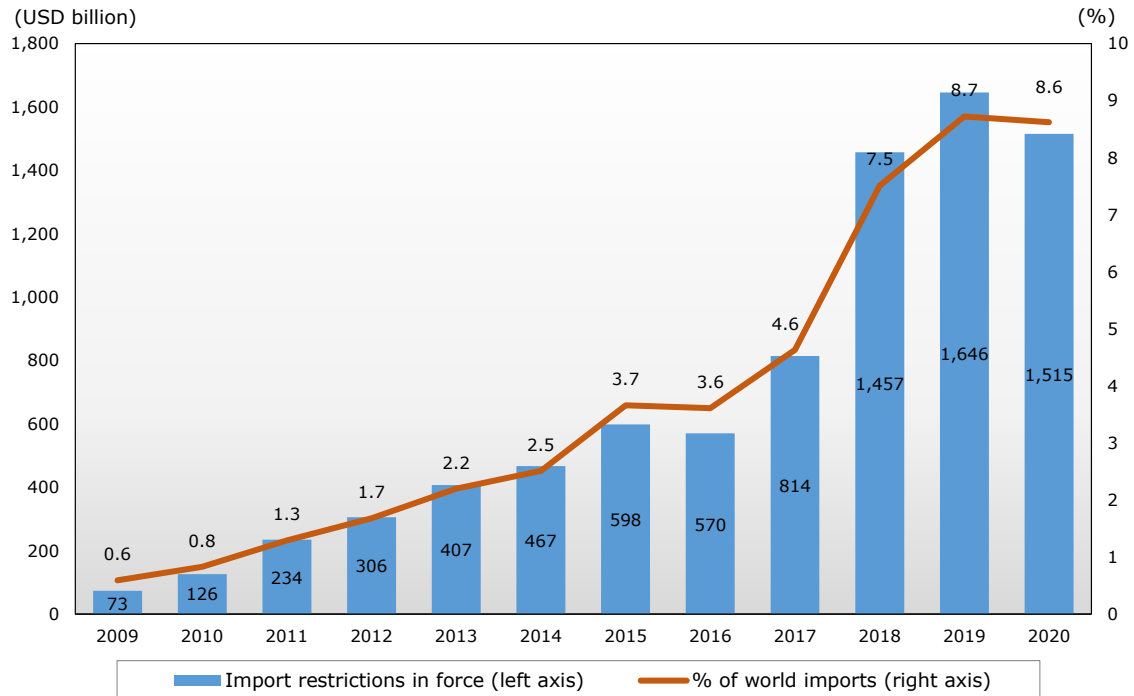
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total imports (world)	15,163	18,109	18,193	18,483	18,654	16,360	15,812	17,587	19,402	18,883	17,659
Total import restrictions in force	125.75	234.42	305.91	407.26	467.39	598.43	570.24	814.45	1,456.97	1,645.70	1,514.96
Share in world imports (%)	0.83	1.29	1.68	2.20	2.51	3.66	3.61	4.63	7.51	8.72	8.62
Total import restrictions terminated	1.68	15.43	59.41	37.15	34.05	1.51	38.09	3.88	5.45	13.12	n.a.
Share in world imports (%)	0.01	0.09	0.33	0.20	0.18	0.01	0.24	0.02	0.03	0.07	n.a.

Note: For some countries, 2020 import data were not yet available. Data for the previous full calendar year were used for those countries.

n.a. Not applicable. For this Report no information was received about the termination of non-COVID-19-related import restrictions.

Source: WTO calculations, based on UN Comtrade database.

Chart 3.6 Cumulative trade coverage of import-restrictive measures on goods since 2009 to 2020



Note: The cumulative trade coverage estimated by the Secretariat is based on information available in the 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. The import values were sourced by the UN Comtrade database.

Source: WTO Secretariat.

3.17. This review period has not seen an escalation of the bilateral trade tensions that characterized some previous reports. In fact, the current review period saw the extension of the waiver on the additional tariffs imposed by China on the United States on certain products.

3.1.2 COVID-19 trade and trade-related measures

3.18. Overall, since the outbreak of the pandemic, 399 trade and trade-related measures in the area of goods have been implemented by WTO Members and Observers (Table 3.8)¹⁸, of which 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 (Charts 3.7 and 3.8).

Table 3.8 COVID-19 trade and trade-related measures since the outbreak

	Facilitating	Phased out	Restrictive	Phased out	Total
Import	155	47	13	5	168
Export	90	7	117	72	207
Other	17	3	7	4	24
Total	262	57	137	81	399

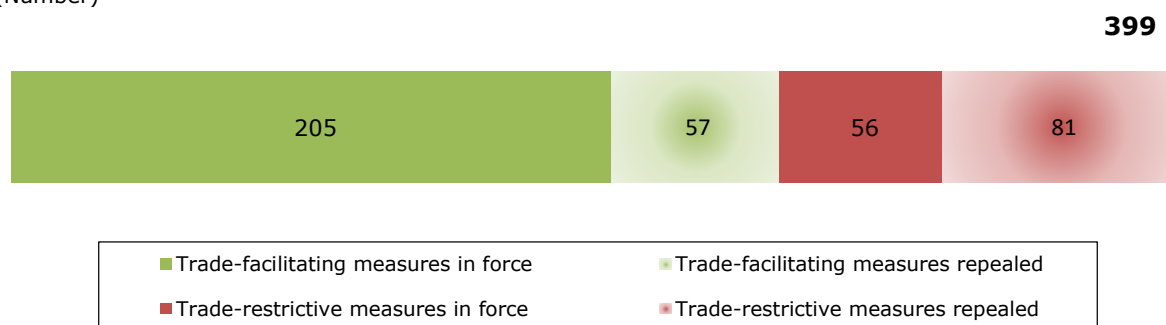
Source: WTO Secretariat.

3.19. According to preliminary estimates by the WTO Secretariat, the trade coverage of the COVID-19 trade-facilitating measures implemented since the outbreak of the pandemic amounted to USD 321 billion, and the trade coverage of trade-restrictive measures was estimated at USD 202.5 billion.¹⁹ Overall, the flow of new trade-facilitating measures as well as trade-restrictive measures slowed during the review period. The bulk of COVID-19 trade restrictions appear to be maintained by G20 economies.

3.20. The gradual phase-out of exports constraints targeting products such as PPE, surgical masks, gloves, medicines, disinfectant, and food products continued during the review period. The roll-back of trade-restrictive measures taken in the early stages of the pandemic was also noticeable. For instance, around 59% of the COVID-19 trade-restrictive measures implemented by WTO Members and Observers had been repealed by mid-October 2021 and around 22% of COVID-19 trade-facilitating measures had been terminated (Table 3.8 and Chart 3.7).

Chart 3.7 COVID-19 trade and trade-related measures on goods, by mid-October 2021

(Number)



Source: WTO Secretariat.

3.21. According to preliminary estimates by the WTO Secretariat, the trade coverage of the COVID-19 trade-restrictive measures repealed since the beginning of the pandemic amounted to USD 110.2 billion and that of trade-facilitating measures to USD 208.9 billion (Chart 3.8).²⁰

3.22. The reduction or elimination of import tariffs and import taxes make up 59% of trade-facilitating measures taken since the beginning of the pandemic. Certain WTO Members and

¹⁸ Measures implemented in the context of the pandemic up until mid-October 2021 can be viewed at: https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

¹⁹ Including imports and exports and based on annual 2020 trade figures. For some countries, 2020 import data were not yet available. Data for the previous full calendar year were used for those countries.

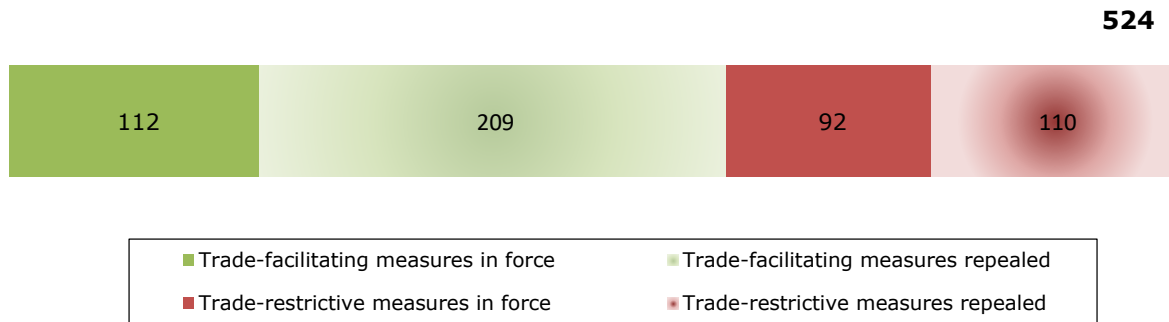
²⁰ See footnote 19.

Observers reduced their tariffs on a variety of goods such as PPE, sanitizers, disinfectants, medical equipment, and medicine/drugs. In many cases, tariff reductions were also accompanied by exemptions from VAT and other taxes. Extensions, often more than once, of some measures were implemented, while other measures have simply remained in force.

3.23. Certain WTO Members and Observers have extended many trade-facilitating measures originally introduced in immediate response to the pandemic. At the same time, a host of other facilitating measures have been rolled back to pre-pandemic higher tariff levels. Several WTO Members and Observers badly affected by successive waves of the pandemic have also been eliminating import tariffs on certain goods necessary to fight COVID-19, such as oxygen, oxygen canisters, certain drugs, and active substances.

Chart 3.8 Trade coverage of COVID-19 trade and trade-related measures on goods, by mid-October 2021

(USD billion)



Note: Values are rounded.

Source: WTO Secretariat.

3.2 Trade Remedy Trends²¹

3.24. This Section provides an assessment of trends in trade-remedy actions over three periods: July 2018-June 2019, July 2019-June 2020 and July 2020-June 2021.²²

Anti-Dumping Measures²³

3.25. Between the first and second periods, global anti-dumping initiations increased from 178 to 304, and they then decreased to 282 in the last period. Table 3.9 provides information on which Members initiated anti-dumping investigations and applied measures over three periods.

3.26. While anti-dumping investigations do not necessarily lead to the imposition of measures, an increase in the number of investigations initiated is an early indicator of a likely increase in the number of measures imposed. Over the three periods, a total of 478 anti-dumping measures were applied. As it can take up to 18 months for an anti-dumping investigation to be concluded, the measures applied in a given period may not necessarily be the result of investigations initiated in the same period.

Table 3.9 Initiations of anti-dumping investigations and measures applied, by Member

(Number)

Reporting Member	July 2018-June 2019		July 2019-June 2020		July 2020-June 2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Argentina	15	6	11	12	8	13
Australia	8	10	15	2	9	2

²¹ This Section is without prejudice to Members' right to take trade remedy actions under the WTO.

²² These periods coincide with Members' semi-annual reporting periods.

²³ Anti-dumping and countervailing investigations are counted based on the number (n) of exporting countries or customs territories affected by an investigation. Thus, one anti-dumping or countervailing investigation involving imports from n countries/customs territories is counted as n investigations.

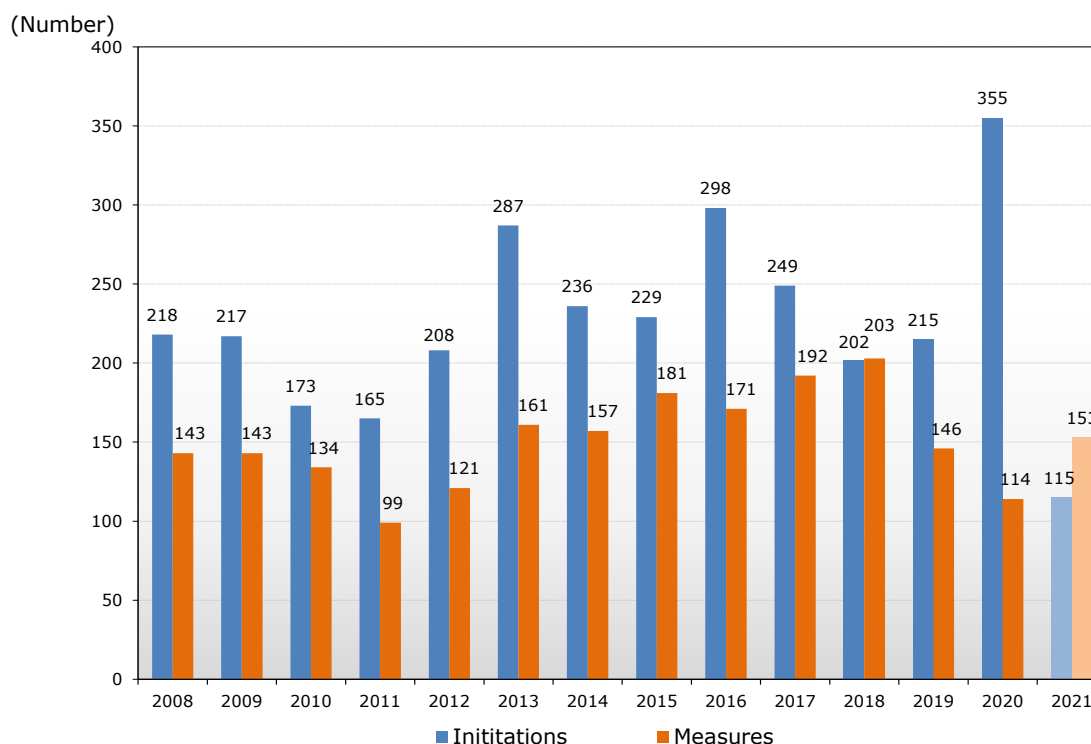
Reporting Member	July 2018-June 2019		July 2019-June 2020		July 2020-June 2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Bahrain, Kingdom of; Kuwait, State of; Oman; Qatar; Saudi Arabia, Kingdom of; United Arab Emirates ^a	5	2	1	2	3	1
Brazil	0	3	4	6	13	3
Canada	9	13	12	3	23	17
Chile	0	1	1	0	1	0
China	18	17	4	10	4	28
Colombia	1	6	1	0	3	1
Dominican Republic	1	0	0	1	0	0
Egypt	2	1	8	2	6	9
European Union ^b	11	2	8	6	15	6
Ghana	0	0	1	0	0	1
India	21	19	98	9	60	32
Indonesia	0	0	8	1	0	0
Israel	0	3	0	0	0	0
Japan	0	0	2	0	2	2
Republic of Korea	7	6	1	0	7	1
Madagascar	1		0		0	
Malaysia	8	2	4	7	9	5
Mexico	5	6	7	3	3	6
Morocco	0	1	0	0	3	1
New Zealand	0	0	2	0	4	1
Pakistan	10	5	7	2	9	7
Peru	1	0	1	0	2	0
Philippines	0	0	0	0	1	0
Russian Federation ^c	3	1	4	4	4	5
South Africa ^d	3	0	0	3	10	0
Chinese Taipei	0	0	0	2	5	0
Thailand	1	0	10	1	7	2
Turkey	0	2	4	0	9	2
Ukraine	11	8	7	10	10	2
United Kingdom ^e	n.a. ^f	n.a. ^f	0	0	1	0
United States	32	33	71	29	42	59
Uruguay	0	0	0	0	1	0
Viet Nam	5	0	12	3	8	7
Total	178	147	304	118	282	213

n.a. Not applicable.

- a Notified by all Gulf Cooperation Council (GCC) member States collectively, as investigations are initiated by the GCC regional investigating authority on behalf of all GCC member States.
- b The European Union is counted as one (28 member States until 31 January 2020).
- c Notified by the Russian Federation, but investigations are initiated by the Eurasian Economic Union (EAEU) on behalf of all its members, i.e. Armenia, Kyrgyz Republic, Kazakhstan, and Belarus (non-WTO Member) collectively.
- d Notified by South Africa, but investigations are initiated at the level of the Southern African Customs Union (SACU) on behalf of its member States (also for Botswana, Eswatini, Lesotho and Namibia).
- e The United Kingdom withdrew from the European Union as of 1 February 2020. The European Union and the United Kingdom communicated that during the transition period, which ended on 31 December 2020, European Union law, with a few limited exceptions, continued to be applicable to and in the United Kingdom. See WTO documents WT/LET/1462, 29 January 2020; and WT/GC/206, 1 February 2020.
- f Member State of the European Union during the period in question.

Source: WTO Secretariat.

3.27. Chart 3.9 shows that the number of initiations of anti-dumping investigations increased significantly in 2020 compared with the previous years. The 355 initiations in 2020 represent the peak since 2002, but lower than the all-time high of 372 in 2001.

Chart 3.9 Initiations of anti-dumping investigations and measures applied, 2008-21

Note: Data for 2021 cover January to June.

Source: WTO Secretariat.

3.28. There was little change in terms of the products affected by anti-dumping investigations initiated during the three periods examined. Most initiations focused on products in the metal sector, followed by the chemicals sector and the plastics and rubber sector.

3.29. In terms of countries or customs territories affected by new anti-dumping investigations, 44 exporting Members were affected during the first period, while 55 were affected during the second period and 46 in the last period. China remained, by far, the most targeted Member by anti-dumping initiations during the three reporting periods, accounting for 26% of all investigations. China was followed by Viet Nam and Malaysia, both of which accounted for 5% of the total initiations.

3.30. As of 8 October 2021, only two Members had notified anti-dumping actions referring to the COVID-19 pandemic. Brazil suspended anti-dumping duties on syringes and vacuum plastic tubes for blood collection, and Argentina suspended anti-dumping duties on syringes and parenteral solutions.

Countervailing Measures

3.31. The number of global initiations of countervailing duty investigations and the number of countervailing measures fluctuated over the review period. Table 3.10 provides information on which Members initiated countervailing investigations and applied final measures during the review period.

Table 3.10 Initiations of countervailing investigations and measures applied, by Member

(Number)

Reporting Member	July 2018-June 2019		July 2019-June 2020		July 2020-June 2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Australia	1	1	6	0	2	0
Brazil	0	1	0	0	2	0
Canada	0	5	4	0	3	2
China	2	0	1	1	4	2
Colombia	1	0	0	1	0	0
European Union ^a	4	3	3	4	4	0

Reporting Member	July 2018-June 2019		July 2019-June 2020		July 2020-June 2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
India	9	1	11	8	5	1
Peru	1	1	0	0	0	0
Chinese Taipei	0	0	0	5	0	0
Ukraine	1	0	0	0	0	0
United States	18	18	23	15	19	25
Viet Nam	0	0	0	0	1	1
Total	37	30	48	34	40	31

a The European Union is counted as one (28 member States until 31 January 2020).

Source: WTO Secretariat.

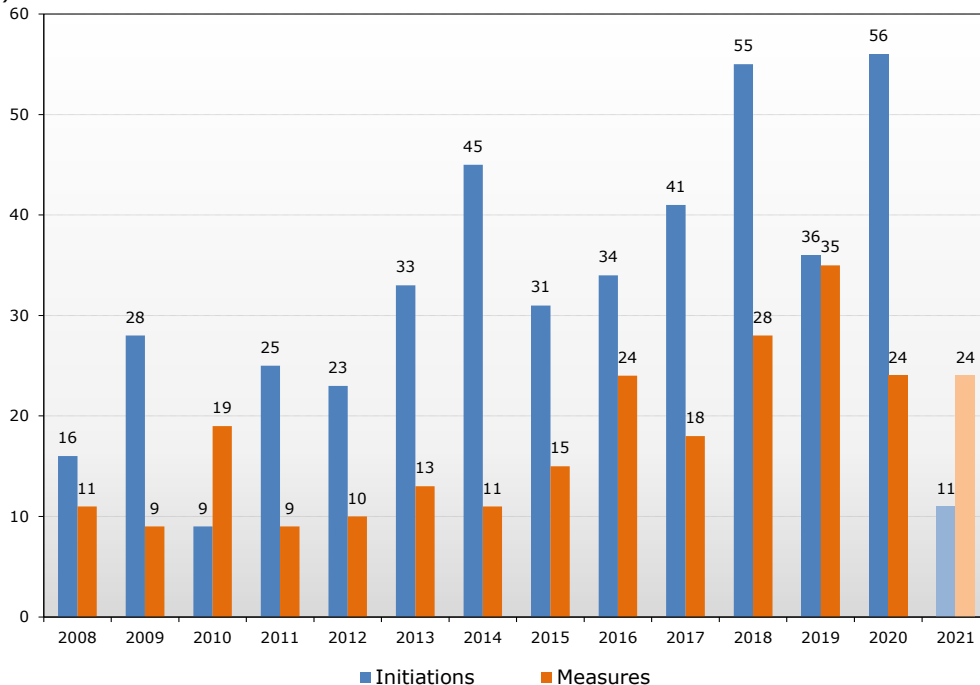
3.32. As with anti-dumping, countervailing duty investigations do not necessarily lead to measures being applied. However, an increase or decrease in the number of investigations initiated may be an early indicator of a likely increase or decrease in the number of measures applied. As it can take up to 18 months for an investigation to be concluded, these measures may not necessarily be the result of initiations in the same period.

3.33. Chart 3.10 provides annual figures on countervailing initiations of investigations and measures applied since 2008 up to the first half of 2021. It shows an upward trend in countervailing initiations from 2015 to 2020, notwithstanding some fluctuation in 2019. The number of countervailing initiations in 2020 increased to the peak level of initiations that was observed in 1999 and 2018.

3.34. In the first half of 2021, 24 exporting countries or customs territories were affected by new countervailing investigations. China was the most frequent target of investigations (42), accounting for 34% of all investigations during the three periods. India (12), the second most frequent subject, accounted for 12% of initiations, followed by Malaysia (9) and Turkey (9), both of which accounted for 7% of the total.

Chart 3.10 Initiations of countervailing investigations and measures applied, 2008-21

(Number)



Note: Data for 2021 cover January to June.

Source: WTO Secretariat.

3.35. In terms of the products affected by countervailing investigations, metals accounted for the largest share of the initiations reported over the three reporting periods.

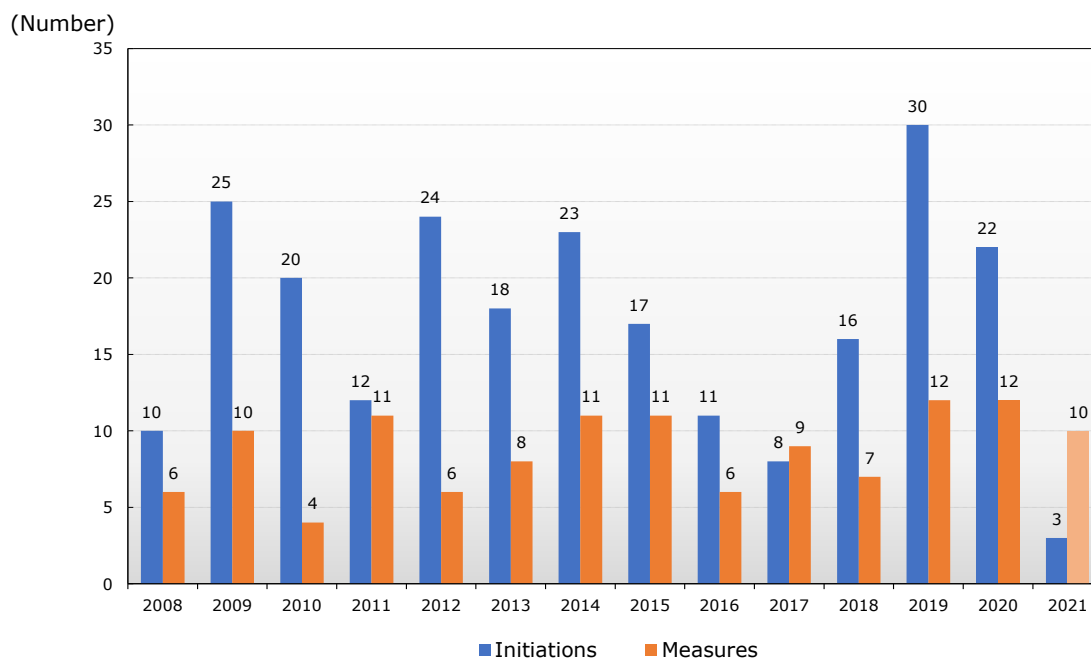
3.36. As of 8 October 2021, no Member had notified any countervailing duty action referring to the COVID-19 pandemic.

Safeguard Measures

3.37. Safeguard measures are temporary measures applied in response to increased imports of goods that are causing serious injury, and are applied on imports from all sources, i.e. all exporting countries/customs territories.²⁴ Safeguard measures are subject to different rules and timelines than anti-dumping and countervailing measures and are, therefore, not directly comparable to these other types of trade remedies.

3.38. Chart 3.11 shows the trend of initiations of safeguard investigations side by side with the trend of application of measures on a calendar-year basis for 2008-20 plus first-half 2021. The most recent figure (first-half 2021) of initiations is 3, and for applications 10.²⁵ If the trend in that period continues, the application figure for full-year 2021 would result in the largest figure since 1995. Until now, the largest number of applications was in 2003, with 15 applications.

Chart 3.11 Initiations of safeguard investigations and measures applied, 2008-21



Note: Data for 2021 cover January to June. Some notifications are ambiguous about the timing when measures took effect. For those, an additional notification clarifying, *ex post*, the effective date of the measure is sometimes filed. For this reason, the number of applications of measures in a given period indicated in past reports may differ from the figures indicated in the most recent Report.

Source: WTO Secretariat.

3.39. Table 3.11, which shows the breakdown on a July-June basis of Members that initiated safeguard investigations and applied measures, confirms the recent trend of increased applications.

²⁴ With the exception of exporting Members covered by the special and differential treatment provided for developing countries in Article 9.1 of the Agreement on Safeguards.

²⁵ Since an investigation initiated in a specific year can result in application of a measure in the subsequent year, the number of initiations can be smaller than the number of applications in some years.

Table 3.11 Initiations of safeguard investigations and measures applied, by Member

(Number)

Reporting Member	July 2018-June 2019		July 2019-June 2020		July 2020-June 2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Bahrain, Kingdom of; Kuwait, State of; Oman; Qatar; Saudi Arabia, Kingdom of; United Arab Emirates ^a	0	1	1	0	0	1
Canada	1	1	0	0	0	0
Colombia	1	0	0	0	0	0
Costa Rica	1	0	0	0	0	1
Ecuador	0	0	1	0	0	0
Egypt	1	0	1	1	0	1
European Union ^b	0	1	0	0	0	0
Guatemala	0	0	1	0	0	0
India	0	1	3	0	0	0
Indonesia	2	1	5	5	3	5
Jordan	0	0	1	0	0	0
Madagascar	3	2	4	1	0	3
Malaysia	0	0	0	0	1	0
Morocco	2	0	1	2	1	1
Panama	1	0	0	0	0	0
Peru	0	0	0	0	1	0
Philippines	3	0	5	1	1	0
Russian Federation ^c	3	0	0	1	0	0
South Africa ^d	1	1	2	1	0	0
Thailand	0	0	0	0	1	0
Turkey	1	0	2	1	0	1
Ukraine	0	1	6	0	3	2
United States	0	0	0	0	1	0
Total	20	9	33	13	12	15

a Notified by all GCC member States collectively as investigations are initiated by the GCC regional investigating authority on behalf of all GCC member States.

b The European Union is counted as one (28 member States until 31 January 2020).

c Notified by the Russian Federation, but investigations are initiated by the EAEU on behalf of all of its members, i.e. Armenia, Kyrgyz Republic, Kazakhstan, and Belarus (non-WTO Member) collectively.

d Notified by South Africa, but investigations are initiated at the level of the SACU, i.e. also in respect of Botswana, Eswatini, Lesotho and Namibia.

Source: WTO Secretariat.

3.40. In terms of products affected by safeguard initiations, during the first two periods metals accounted for most of initiations. In the most recent period, initiations were not concentrated in any specific sector.

3.41. As of 8 October 2021, no Member had notified any safeguard action referring to the COVID-19 pandemic.

3.3 Sanitary and Phytosanitary (SPS) Measures²⁶

3.42. The SPS Agreement requires WTO Members to provide an advance notice of intention to introduce new or modified SPS measures²⁷, or to notify immediately when emergency measures are imposed. The main objective of complying with the SPS notification obligations is to inform other Members about new or changed regulations that may significantly affect international trade.

²⁶ Information presented in this Section was retrieved from the SPS Information Management System (<http://spsims.wto.org>). This Section refers to notifications to the WTO for the period 1 October 2020 to 30 September 2021 and on specific trade concerns (STCs) raised at SPS Committee meetings held in November 2020, March 2021 and June 2021.

²⁷ Transparency obligations are contained in Article 7 and Annex B of the SPS Agreement.

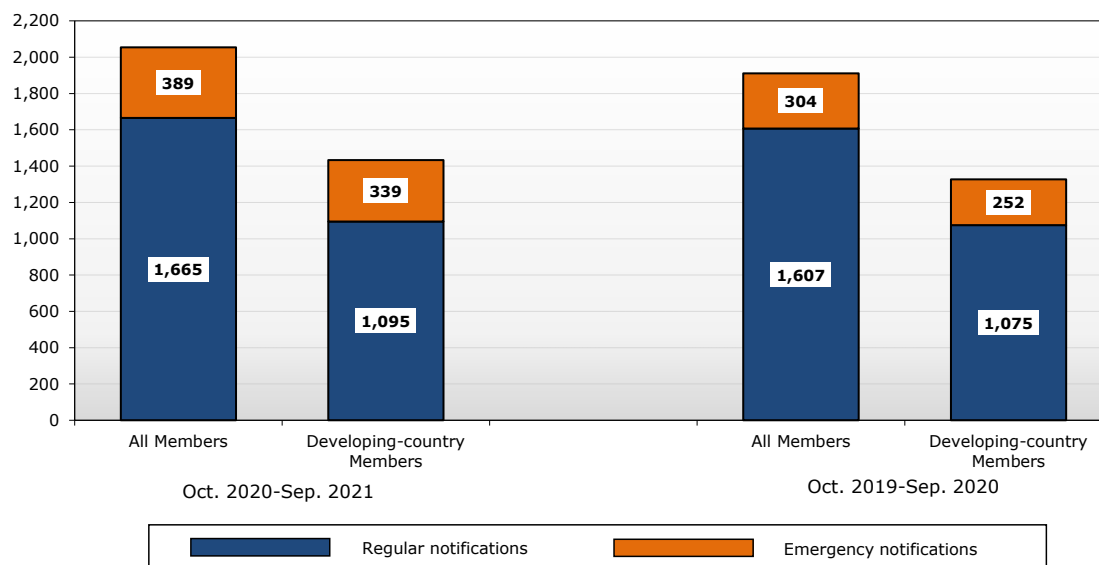
3.43. An increased number of notifications usually implies enhanced transparency regarding food safety, and animal and plant health measures, most of which are presumably legitimate health-protection measures.

3.44. From 1 October 2020 to 30 September 2021, 2,054 SPS notifications (regular and emergency, including addenda) were submitted to the WTO, a 7% increase compared to the previous period from 1 October 2019 to 30 September 2020. The share of notifications from developing-country Members remained stable at 70% of the total, compared with 68% during the previous 12-month period (Chart 3.12).

3.45. During the review period, WTO Members submitted 1,665 regular SPS notifications (including addenda), 66% of which were submitted by developing-country Members. Compared with the previous 12-month period, the total number of regular notifications increased by 4%, while those submitted by developing-country Members increased by 2%.

3.46. An increase in the number of notifications of emergency measures (389 notifications, including addenda) submitted was observed compared with the previous period. While the total number of emergency notifications (including addenda) increased by 35% in the current review period, the proportion of all emergency notifications (including addenda) submitted by developing-country Members remained high, constituting 87% of the total (compared with 83% in the previous period). This may be because developing-country Members have less extensive SPS regulatory systems compared to developed-country Members. Consequently, when facing emergency challenges, they are more likely to have to introduce new regulations or change existing ones.

Chart 3.12 Number of SPS notifications, including regular, emergency and addenda



Source: WTO Secretariat.

3.47. Many Members are following the recommendation to notify SPS measures even when these are based on a relevant international standard²⁸, as this substantially increases transparency. Of the 1,146 regular notifications (excluding addenda) submitted from 1 October 2020 to 30 September 2021, 49% indicated that at least one international standard, guideline or recommendation was applicable to the notified measure. Of these, about 70% indicated that the proposed measure was in conformity with the applicable international standard.

3.48. International standards often provide useful guidance regarding measures to address disease outbreaks and other emergency situations. Indeed, about 95% (270 in total) of the 284 emergency notifications (excluding addenda) submitted during the review period indicated that an international

²⁸ WTO document G/SPS/7/Rev.4, 4 June 2018, para. 2.3.

standard, guideline or recommendation was applicable to the notified measure. All indicated that the measure was in conformity with the applicable international standard.

3.49. Of the 1,146 regular notifications (excluding addenda) submitted during the review period, the majority were related to food safety.²⁹ The remainder related to plant protection and animal health and, to a lesser extent, to the protection of humans from animal diseases or plant pests, and the protection of the Member's territory from other damage from pests. It is usual for regular notifications to contain more than one objective.

3.50. Of the 284 emergency measures (excluding addenda) notified in the same period, the majority related to animal health, followed by those related to food safety, the protection of humans from animal diseases or plant pests, plant protection and the protection of the Member's territory from other damage from pests. Emergency notifications may contain more than one objective.

3.51. WTO Members can raise specific trade concerns (STCs), at any of the regular meetings of the SPS Committee each year, regarding a notified measure or the failure to notify an SPS measure. In the SPS Committee meetings of November 2020, March 2021 and July 2021, 39 STCs were raised for the first time (Table 3.12), and 49 previously raised STCs were discussed again.

3.52. The margins of the SPS Committee meetings provide important opportunities for delegations, often including capital-based experts, to discuss and resolve STCs bilaterally. For example, during the review period, Mexico, Brazil and Viet Nam withdrew STCs that had been included in the proposed agendas for the upcoming meetings because bilateral progress had been made.³⁰ Furthermore, 34 STCs were reported as resolved during the review period.³¹ Since 1995, 51% of all STCs raised at a Committee meeting have been reported as resolved or partially resolved.

Table 3.12 New SPS STCs raised in the November 2020, March 2021 or July 2021 meetings

Meeting	Total STCs raised		Members raising		Members supporting		Members responding	
	New	Previously raised	New	Previously raised	New	Previously raised	New	Previously raised
November 2020	19	20	12	13	21	21	13	13
March 2021	11	35	6	19	4	25	7	17
July 2021	9	38	6	16	6	27	6	26
Total	39	49	16	23	29	54	17	30

Source: WTO Secretariat.

3.53. Of the 39 STCs raised for the first time at the November 2020, March 2021 or July 2021 SPS Committee meetings, 14 (36%) concerned food safety, 5 (13%) concerned measures covering animal health, 3 (8%) covered plant health and 17 (43%) related to other types of concerns.³²

3.54. Forty-nine previously raised STCs were discussed in the review period, of which 15 were discussed in all three meetings.³³ Twenty-two STCs raised for the first time in the review period were discussed again.³⁴ Of the 49 previously raised STCs, 17 (35%) concerned measures covering food safety, 11 (22%) concerned animal health, 6 (12%) related to plant health and 15 (31%) covered other types of concerns.

²⁹ The objective of an SPS measure falls under one or more of the following categories: (i) food safety; (ii) animal health; (iii) plant protection; (iv) protection of humans from animal/plant pests or diseases; and (v) protection of territory from other damages from pests. Members commonly identify more than one objective for a measure.

³⁰ WTO documents G/SPS/R/100, 21 December 2020; and G/SPS/R/101, 19 May 2021.

³¹ WTO document RD/SPS/114, 29 October 2020.

³² Such as control, inspection and approval procedures, and administrative measures.

³³ The 15 STCs that were raised in both meetings were 193, 382, 392, 393, 406, 431, 439, 441, 448, 456, 470, 471, 479, 485 and 486. Of these, five STCs (193, 382, 406, 392 and 393), discussed in the November 2020, March 2021 or July 2021 meetings, have been raised 10 times or more.

³⁴ These were STCs 487, 489, 490, 491, 493, 496, 497, 498, 500, 501, 502, 503, 504, 506, 507, 508, 509, 510, 512, 513, 515 and 516.

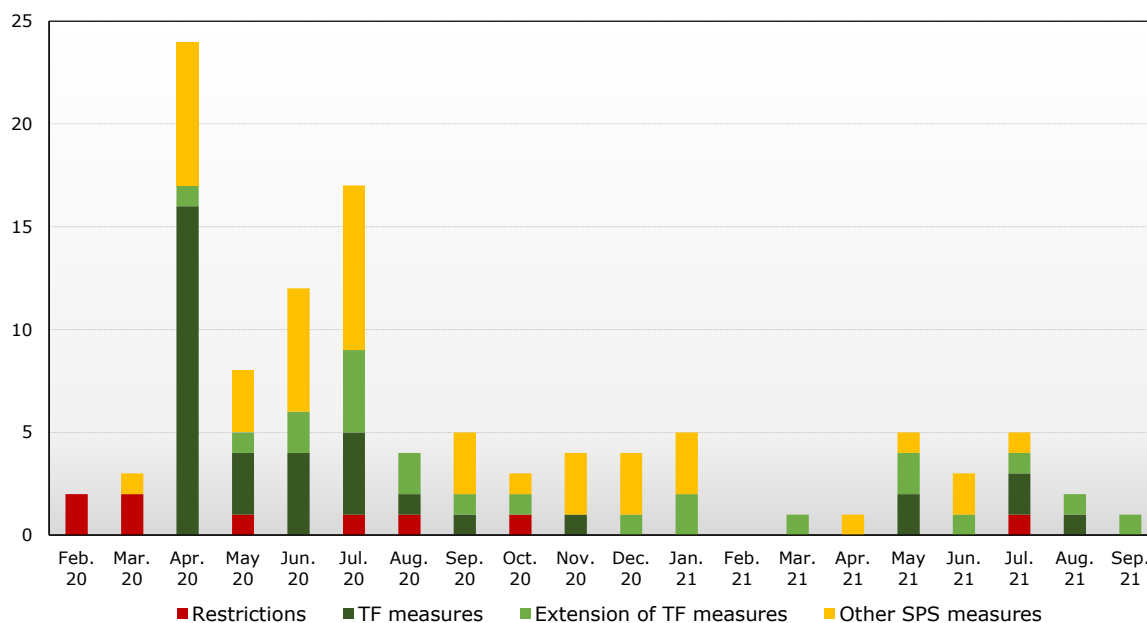
3.55. Discussions during the SPS Committee meetings continue to be multifaceted and dynamic. While pesticide maximum residue limits (MRLs) continue to be a topic of concern for Members, several STCs raised in the current review period related to approval procedures.

COVID-19-related SPS measures (1 February 2020³⁵-30 September 2021)

3.56. The three standard-setting bodies recognized by the SPS Agreement (Codex, OIE and IPPC), as well as the World Health Organization (WHO), are monitoring the COVID-19 situation and, so far, have not recommended any trade restrictions. In the absence of relevant international standards, SPS measures must be based on a risk assessment. However, it may take some time before sufficient scientific evidence becomes available. Under the SPS Agreement, Members have the right to adopt provisional measures based on available information. As more scientific evidence emerges and risk assessments can be carried out, these measures must be reviewed within a reasonable period.

3.57. From 1 February 2020 to 30 September 2021, 30 Members (counting the European Union as one) notified 60 SPS measures taken in relation to the COVID-19 pandemic. Twenty-four measures were notified as regular notifications. Additionally, 20 addenda to regular notifications were submitted, mostly extending both implementation periods of temporary measures and comment periods and dates of adoption of previously notified regulations. Eighteen measures were notified as emergency measures, and 10 emergency addenda were notified, mostly lifting temporary restrictions previously imposed or extending the validity of temporary trade-facilitating measures. Nine Members submitted their measures through an information communication (GEN document), and one additional GEN document³⁶ was submitted by 40 Members. Overall, 26% of notifications on COVID-19 are SPS measures.³⁷

Chart 3.13 Number of submitted SPS documents related to COVID-19, by date and trade effect, February 2020-September 2021



Note: TF measures = trade-facilitating measures.

Source: WTO Secretariat.

3.58. Initially, these measures mainly related to restrictions on animal imports and/or transit from affected areas (some of these were subsequently terminated) and increased certification requirements. Since the beginning of April 2020, most notifications and communications have related to measures taken to facilitate trade, by allowing temporary flexibility for control authorities to use

³⁵ The first COVID-19-related notifications were received in February 2020.

³⁶ WTO document G/SPS/GEN/1778/Rev.5, 14 January 2021 (also circulated as G/TBT/GEN/296/Rev.5, 14 January 2021).

³⁷ WTO, *COVID-19 and World Trade*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

electronic versions of veterinary and/or phytosanitary certificates, since the COVID-19 situation has made the transmission of original paper certificates problematic. Overall, more than half of the measures notified were considered trade-facilitating, and the implementation periods for most of them have already been extended. Submitted documents are displayed by month and trade effect in Chart 3.13.

Box 3.1 Enhancing monitoring and transparency in SPS and TBT

Accessing relevant information on SPS or TBT product requirements in export markets can represent a significant challenge, in particular for SMEs. WTO Members are required to notify SPS and TBT measures, still in draft form, that may have a significant effect on trade and that are not in accordance with existing international standards. Each year, the WTO receives around 5,000 SPS and TBT notifications.

The WTO facilitates the fulfilment of the transparency provisions contained in the SPS and TBT Agreements and provides easy access to information. Timely access to notifications is crucial, given the 60-day period that should normally be provided for submitting comments on the proposed regulations. The following publicly available online tools assist stakeholders in finding notifications of relevance to their trade and thus contributing to avoid and address potential trade barriers:

- SPS Information Management System (SPS IMS): www.spsims.wto.org;
- TBT Information Management System (TBT IMS): www.tbtime.wto.org; and
- ePing alert system: <http://www.epingalert.org>.

The SPS/TBT IMSs are search platforms that, among other things, help identify SPS or TBT notifications (or any trade concerns raised by Members) using parameters such as product, notifying Member and objective. ePing is an online alert system allowing users (governments, economic operators and civil society) to receive daily or weekly email alerts about SPS and TBT notifications covering products and markets of interest to them. ePing also facilitates dialogue among the public and private sectors to discuss and share information on notifications of concern, allowing stakeholders to address potential trade problems at an early stage of the regulatory lifecycle.

Source: WTO Secretariat.

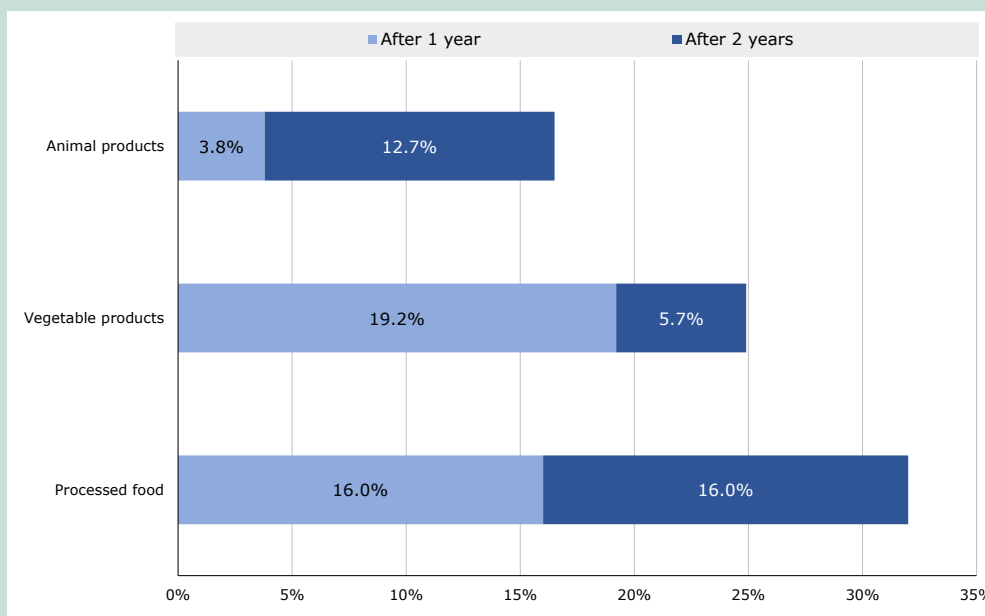
Box 3.2 Digital opportunities for SPS systems

Countries are increasingly using digital technologies in their SPS systems and the disruptions caused by the COVID-19 pandemic are accelerating this evolution. At the outset of the COVID-19 pandemic, countries committed not only to continue trading, but also to make trade easier by, for example, accepting electronic sanitary and phytosanitary (SPS) certificates.

Reports from the ePhyto Hub, the International Plant Protection Convention (IPPC) system for the centralised exchange of phytosanitary electronic certificates, demonstrate a significant increase in countries' exchange of e-certificates for plant products following the COVID-19 outbreak. The total number of electronic phyto certificates exchanged increased more than tenfold from approximately 8,000 in December 2019 to almost 85,000 in July 2021.

Work by the OECD³ on the potential for digital technologies to create efficiencies in SPS systems and enhance agro-food trade shows that digital technologies such as SPS electronic certificates have positive effects on trade volumes, although these effects do not materialise immediately, as implementation takes time and resources. The total value of export for animal products, vegetable products and processed food is estimated to increase by 16%, 25% and 32%, respectively, two years after the creation of e-certificates (Figure 3.1).

Figure 3.1 Implementing SPS e-certificates increases trade
Increase in export volumes from implementing SPS e-certificates (%)



Source: OECD (2021).

Given the potential impacts on trade volumes, there are benefits to countries working to identify their automation needs within SPS systems and considering the appropriate expansion of their use of digital technologies to create greater efficiencies, facilitate trade, and assist with the healthy and safe supply of food products.

Implementation is, however, not straightforward and a number of elements need to be considered for the successful expansion of digital technologies within SPS systems. These include careful planning and analysis of needs and priorities, along with investments in training staff and building capacity in the use of these technologies and access to dependable long-term sources of funding to make the system sustainable. In addition to these investments, a clear and enabling regulatory environment is important, including in providing assurances regarding data storage, transmission, and use.

Systems also need to operate across borders, requiring efforts to promote the interoperability and equivalence of SPS systems using digital technologies. Continued participation in multilateral forums to consider and resolve technical issues relating to the use of these technologies and share best-practice guidance in the use of these technologies (including case studies) will be important in developing expertise in the implementation, monitoring, and oversight of these technologies.

The expanded use of these digital technologies, while bringing benefits, can pose challenges for developing and least-developed countries, and all countries need to be mindful of the digital divide in capacity and capability to adopt these technologies and be ready to provide the support and assistance these countries may require.

- a OECD (2021), "Digital opportunities for Sanitary and Phytosanitary (SPS) Systems and the trade facilitation effects of SPS Electronic Certification", OECD Food, Agriculture and Fisheries Papers, No. 152, OECD Publishing, Paris, <https://doi.org/10.1787/cbb7d0f6-en>.

Source: OECD (2021).

3.4 Technical Barriers to Trade (TBTs)

Notifications submitted to the TBT Committee

3.59. Under the TBT Agreement, WTO Members are required to notify their intention to introduce new or modified TBT measures, or to notify adopted emergency measures immediately. The principal objective of complying with the TBT notification obligations is to inform other Members about new or changed regulations that may significantly affect trade.³⁸

³⁸ Under the TBT Agreement, WTO Members are not *required* to notify *all* proposed TBT measures (technical regulations or conformity assessment procedures). Rather, as a minimum, they are required to

3.60. During the review period³⁹, WTO Members submitted 2,378 new regular notifications of TBT measures, a 23% increase compared to the preceding 12-month period. Around 70% of these regular TBT notifications came from developing countries.

3.61. Some 56% of all new regular notifications came from Uganda (214), Brazil (183), Tanzania (169), Rwanda (151), China (139), the United States (131), Kenya (118), the European Union (89), the Republic of Korea (77) and Burundi (69).

3.62. Of the 2,378 new regular TBT notifications, the majority indicated the protection of human health or safety as their main objective⁴⁰, followed by quality requirements, consumer information, labelling, the prevention of deceptive practices and consumer protection, protection of the environment, reducing trade barriers and facilitating trade and harmonization.

3.63. A total of 1,425 "follow-up notifications"⁴¹ were submitted during the review period, a slight increase compared to the preceding 12-month period. The continuing and frequent use by Members of this type of notification is a positive development, as it increases transparency and predictability across the measures' regulatory lifecycle.

COVID-19-related TBT notifications⁴²

3.64. During the review period, WTO Members submitted 78 TBT notifications (technical regulations and conformity assessment procedures) in response to the pandemic.⁴³ As indicated in Chart 3.14, TBT notifications in relation to the COVID-19 pandemic were submitted by 21 WTO Members.

notify only those measures that may have a *significant effect on trade* of other Members and are *not in accordance with* a relevant international standard (in the case of technical regulations), or relevant guidelines or recommendations issued by international standardizing bodies (in the case of conformity assessment procedures). However, the TBT Committee, in its Sixth Triennial Review, encouraged Members, "for the purpose of enhancing predictability and transparency in situations where it is difficult to establish or foresee whether a draft technical regulation or conformity assessment procedure may have a 'significant effect on trade of other Members', to notify such measures". This recommendation was reiterated by the TBT Committee in its Eighth, and last, Triennial Review (November 2018).

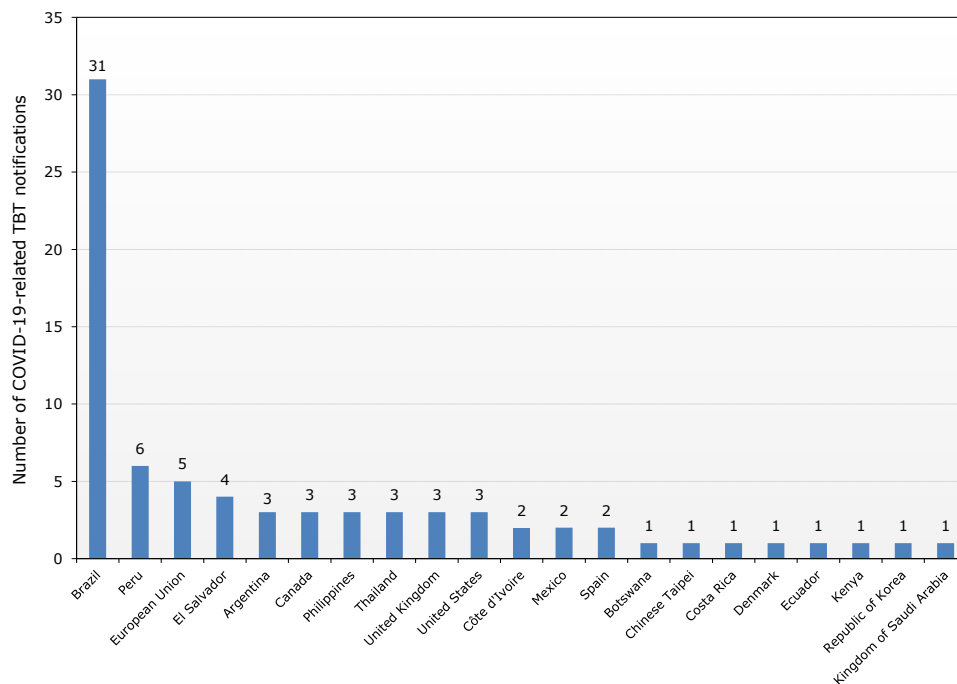
³⁹ With respect to specific trade concerns (STCs), this Section takes account of the STCs raised in the TBT Committee meetings of 28-29 October 2020, 24-26 February 2021 and 2-4 June 2021.

⁴⁰ A TBT measure may pursue a variety of legitimate objectives, although historically the majority fall under one of the following categories: the protection of human, animal or plant life or health; or the environment. Members are required to identify the purpose of the measure in their notifications. It is not uncommon that more than one objective is identified for a measure.

⁴¹ Follow-up notifications are called "addenda", "corrigenda" or "supplements". They can also be in the form of "revisions" if the original measure is substantially redrafted prior to adoption or entry into force. A revision replaces the original notification. All four are linked to the original notification of a measure, and include additional pertinent information, such as the extension of a notification comment period (addenda), the withdrawal or revocation of a measure (addenda), if the measure is substantially redrafted prior to adoption or entry into force (revision) or when the adopted final text of the measure becomes available (addenda). See WTO document G/TBT/35/Rev.1, 21 November 2019, for further information on the different types of TBT notifications.

⁴² For further information on TBT and COVID-19, see WTO, *Standards Regulations and COVID-19 – What Actions Taken by WTO Members*, 4 December 2020. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/standards_report_e.pdf.

⁴³ TBT notifications are classified as COVID-19-related if they contain the terms "coronavirus", "COVID", "SARS-COV-2" or "nCoV". This includes not only regular notifications but also 39 follow-up notifications (in the form of revisions or addenda to previous regular notifications).

Chart 3.14 COVID-19-related TBT notifications, by WTO Member

Source: WTO Secretariat.

3.65. TBT notifications in relation to the COVID-19 pandemic cover a wide range of products, including medicines (27), personal protective equipment (PPE) (12), medical supplies (11), others (9), general (8), medical equipment (6) and food (5).⁴⁴

3.66. The notified measures deal with a variety of issues, including extraordinary and temporary procedures put in place to handle the COVID-19 public health emergency and the implementation of remote conformity assessment procedures when on-site inspections are not possible.

Measures discussed in the TBT Committee (STCs)

3.67. WTO Members use the TBT Committee as a forum for discussing trade issues related to specific TBT measures (technical regulations, standards and conformity assessment procedures) maintained by other Members. These STCs normally relate to proposed draft measures notified to the Committee (but they can also relate to the implementation of existing adopted measures). Issues raised can range from simple requests for additional information and clarifications to more substantive questions about the consistency of measures with TBT Agreement disciplines.

3.68. A total of 245 (63 new and 182 previously raised) STCs were discussed during the three Committee meetings that fell within the review period: 77 (24 new and 53 previously raised) at the October 2020 meeting, 82 (20 new and 62 previously raised) at the February 2021 meeting and 86 (19 new and 67 previously raised) at the June 2021 meeting.

3.69. As depicted in Table 3.13, these 63 new STCs concerned TBT measures by the European Union (11); India (9); Chile (7); the Kingdom of Saudi Arabia (5); the United States (3); Mexico (3); Colombia (2); the Republic of Korea (2); the Russian Federation (2); Canada (2); Viet Nam (2); one each by Ecuador, Egypt, France, Morocco, Nigeria, Oman, Panama, Tajikistan, Thailand, Turkey, the United Arab Emirates, the United Kingdom, and Zimbabwe; and one collectively by the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Kuwait, Oman, Qatar, Yemen and the United Arab Emirates. These new STCs covered regulations on a wide range of products.

⁴⁴ The category of "General" includes notifications without a specific product scope. The "Other" category includes, for instance, clothing, textiles and tobacco products.

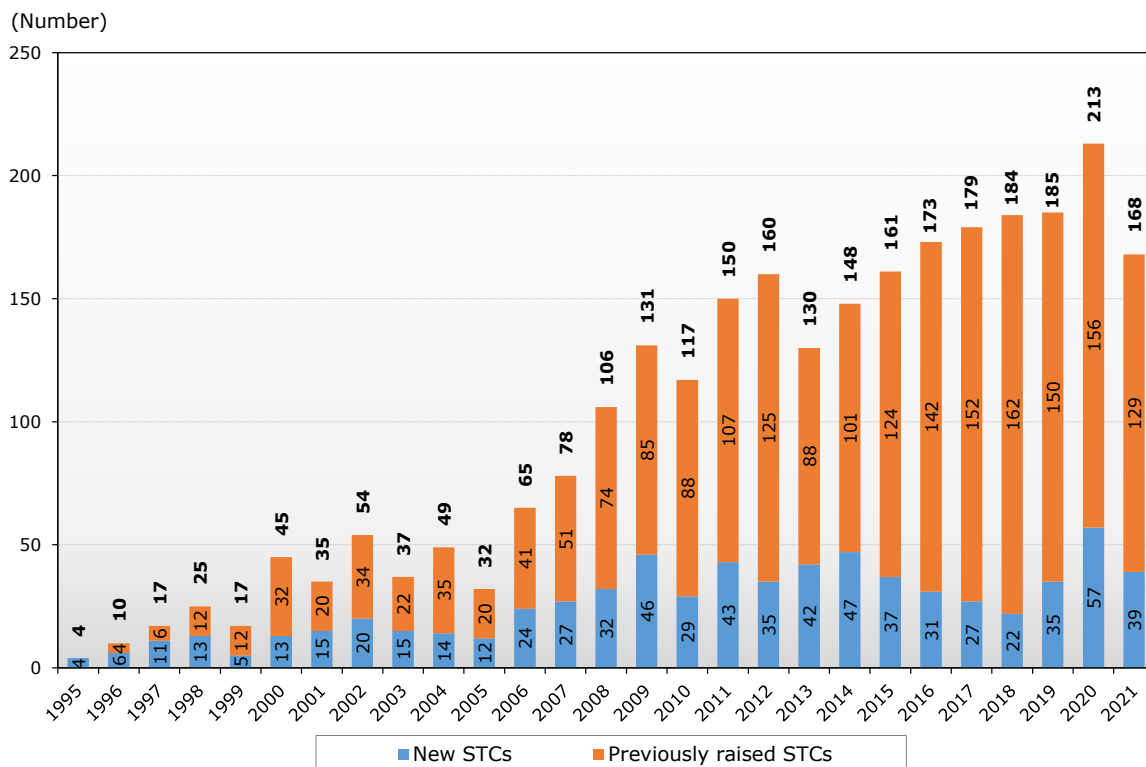
Table 3.13 New STCs raised in the TBT Committee meetings of October 2020, February 2021 and June 2021

New STCs
Kingdom of Saudi Arabia, Kingdom of Bahrain, State of Kuwait, Oman, Qatar, Yemen, United Arab Emirates: Halal Feedstuff (ID 643) <i>(raised by United States; European Union)</i>
China: Commercial Cryptography Administrative Regulations (ID 644) <i>(raised by United States; European Union)</i>
India: Phase II of the Mandatory Testing and Certification of Telecommunications Equipment (MTCTE), implementing the Indian Telegraph Amendment (ID 646) <i>(raised by United States)</i>
India: Indian standards and import restrictions in the automotive sector (Quality Control Orders): wheel rims, safety glass, helmets (ID 649) <i>(raised by European Union)</i>
Russian Federation: Federal Law No. 468 on wine making and wine growing in the Russian Federation (ID 650) <i>(raised by Australia; European Union; United States)</i>
India: Order related to requirement of Non-GM cum GM- free certificate accompanied with imported food consignment (ID 651) <i>(raised by Brazil; United States; European Union)</i>
Republic of Korea: Revision of Safety Conformation Criteria for Textile Products for Infants (ID 652) <i>(raised by European Union)</i>
United States: Appliance Efficiency for Sprinkler Bodies (ID 653) <i>(raised by China)</i>
Chile: Technical specifications for the design of energy efficiency labels for washing machines (ID 654) <i>(raised by the Republic of Korea)</i>
France: New legislative requirements about index of repairability of electrical and electronic equipment (ID 657) <i>(raised by China)</i>
European Union: Waste Framework Directive (ID 658) <i>(raised by India)</i>
European Union: Wine labelling requirements – listing of importers for multiple destinations (ID 659) <i>(raised by Australia)</i>
Panama: Onions and Potatoes Harvest Life and Sprouting Requirements (ID 662) <i>(raised by United States)</i>
United Kingdom: Wine labelling and documentation requirements at the end of the Brexit transition period (ID 663) <i>(raised by Australia)</i>
Kingdom of Saudi Arabia: Technical Regulation for limiting and restricting hazardous materials in electrical and electronic equipment (ID 666) <i>(raised by China; Japan; United Kingdom)</i>
India: Draft Food Safety and Standards (Import) Amendment Regulation, 2020 (ID 667) <i>(raised by Mexico; United States)</i>
Kingdom of Saudi Arabia: Air Conditioners - Minimum Energy Performance, Labelling and Testing Requirements for Low-Capacity Window Type and Single-Split (ID 668) <i>(raised by Republic of Korea)</i>
United States: Energy Conservation Program: Energy conservation standards for residential dishwashers (ID 670) <i>(raised by China)</i>
India: Refrigerating Appliances (Quality Control) Order, 2020 (ID 671) <i>(raised by Republic of Korea)</i>
Thailand: Ministerial Regulation Prescribing Description, Production, and Method of Displaying of Standard Marks on the Industrial Products (ID 672) <i>(raised by United States)</i>
Mexico: Conformity Assessment Procedure under Mexican Official Standard NOM-223-SCFI/SAGARPA-2018, "Cheese Names, Specifications, Commercial Information, and Test Methods" published on 31 January 2019 (ID 678) <i>(raised by United States)</i>
Nigeria: Onerous testing and conformity requirements by Société générale de surveillance (SGS) for machinery and their parts (ID 679) <i>(raised by India)</i>
European Union: Testing methods for prohibited chemicals of regulation on cosmetic products (ID 680) <i>(raised by China)</i>
India: Plain Copier Paper (Quality Order) 2020 (ID 681) <i>(raised by Indonesia)</i>
Kingdom of Saudi Arabia: Concerns on conformity assessment practices of Saudi Arabia against Turkish products (ID 683) <i>(raised by Turkey)</i>
European Union: Draft EU Batteries Regulation (implementation of the European Green Deal) (ID 685) <i>(raised by China; Russian Federation)</i>
Egypt: Regulatory Guidelines for the Circulation of Cosmetics Products in Egypt (ID 686) <i>(raised by European Union)</i>
Russian Federation: On Safety of Wheeled Vehicles (TR CU 018/2011) (ID 687) <i>(raised by Republic of Korea)</i>
Viet Nam: The List of products and goods with unsafe capability under management responsibility of Ministry of Information and Communications (ID 688) <i>(raised by Republic of Korea)</i>
Ecuador: Sanitary Technical Regulation on processed foods, processing plants, establishments for the distribution, marketing, and transportation of processed foods, and mass catering establishments (ID 689) <i>(raised by United States)</i>
European Union: Chemical strategy for sustainability (implementation of the European Green Deal) (ID 690) <i>(raised by Russian Federation)</i>
Republic of Korea: Amendment of particular requirements for appliances for heating liquids (KC 60335-2-15) (ID 691) <i>(raised by China)</i>
Canada: Concentration of Nicotine in Vaping Products Regulation (ID 692) <i>(raised by Japan)</i>

New STCs
Chile: Amendment to the general regulation of the compulsory system for livestock classification and the grading, marking and marketing of beef (ID 693) <i>(raised by Brazil)</i>
European Union: Withdrawal of the approval of the active substance alpha-cypermethrin (ID 694) <i>(raised by Brazil)</i>
Colombia: Biofuels Decree – Resolution No. 40111 of 9 April 2021 (ID 695) <i>(raised by European Union)</i>
Argentina: Requirement of affidavit along with the product certification from a certified body for export of boards derived from wood (ID 696) <i>(raised by India)</i>
Colombia: Good manufacturing practices of overseas production establishments (ID 697) <i>(raised by European Union)</i>
Kingdom of Saudi Arabia: Technical Regulation for Building Materials – Part 4: Bricks, Tiles, Ceramics, Sanitary Appliances, and related products (published in the official gazette on 22 March 2019) (ID 698) <i>(raised by European Union)</i>
European Union: The specific test procedures and technical requirements for the type-approval of motor vehicles with regard to the driver drowsiness and attention warning systems (ID 699) <i>(raised by China)</i>
European Union: Uniform procedures and technical specifications for the type-approval of motor vehicles with regard to their emergency lane keeping system (ELKS) (ID 700) <i>(raised by China)</i>
Kingdom of Saudi Arabia: Order on Standards for Import Products (ID 701) <i>(raised by India)</i>
United Arab Emirates: Requirement of G-mark for every toy (ID 702) <i>(raised by India)</i>
European Union: Phosmet (ID 703) <i>(raised by Chile)</i>
Mexico: Various State Measures Restricting Sale of Food and Drink Products to Minors (ID 648) <i>(raised by United States)</i>
China: CSAR - Draft Specifications for Cosmetic Registration and Filings; Draft Specifications for Registration and Filing of New Cosmetics Ingredients; Draft Specifications for Cosmetic Efficacy Claim Evaluation, Provisions for the Supervision and Administration of Toothpaste (ID665) <i>(raised by Australia; Japan; Republic of Korea; United States)</i>
India: Flat Transparent Sheet Glass and Safety Glass (Quality Control) Order (ID669) <i>(raised by Republic of Korea)</i>
Oman: Water heaters-energy performance requirements; Electrical Clothes Washing Machines Energy and Water performance requirements and Refrigerators, Refrigerator-Freezers and Freezers-Energy Performance, Testing and Labeling Requirements (ID 673) <i>(raised by Republic of Korea)</i>
India: Caustic Soda Quality Control Order, 2017 (ID674) <i>(raised by Chinese Taipei)</i>
European Union: Non-recognition of test certificates (by Italy and the Netherlands) issued to electrical equipment by Central Power Research Institute (CPRI) (ID 675) <i>(raised by India)</i>
Canada: Medical Device Single Audit Program (MDSAP) (ID 676) <i>(raised by China)</i>
China: Inventory of Existing Chemical Substances Produced or Imported in China (IECSC) requiring mandatory registration of certain chemicals for import and not notified at WTO (ID 677) <i>(raised by India)</i>
Morocco: Automotive glass testing requirements (ID 682) <i>(raised by China)</i>
Turkey: Eco-design regulation (ID684) <i>(raised by Republic of Korea)</i>
China: Provisions for Cosmetics Registration (Draft for Comments) (ID641) <i>(raised by Japan; Republic of Korea; United States)</i>
China: Administrative Measures on Cosmetic Labeling (ID 642) <i>(raised by Japan; Republic of Korea)</i>
Mexico: Decree amending, supplementing, and repealing various provisions of the Regulations on Sanitary Control of Products and Services and the Implementing Regulations to the General Law on Health with Respect to Advertising (ID 645) <i>(raised by United States)</i>
Zimbabwe: Electricity (Minimum Energy Efficiency Performance of Domestic Electrical Appliances) Regulations, 2020 (ID 647) <i>(raised by Republic of Korea)</i>
European Union: Information requirements in SCIP database (ID 655) <i>(raised by China)</i>
Tajikistan: Additional inspection control of imported food products for palm oil content (ID 656) <i>(raised by Russian Federation)</i>
India: Phthalic Anhydride (Quality Control) Order, 2019 (ID 660) <i>(raised by Chinese Taipei)</i>
Viet Nam: Decree No. 17/2020/ND-CP (ID661) <i>(raised by Thailand)</i>
United States: Revised Origin Marking Requirement for Goods Produced in Hong Kong (ID 664) <i>(raised by Hong Kong, China)</i>

Source: WTO Secretariat.

3.70. The overall trend suggests an increasing use of the TBT Committee as a forum for Members to raise and resolve trade concerns non-litigiously. In 2021, a record was reached with the largest number of STCs raised in a Committee, with 82 and 86 new and previously raised STCs during the TBT Committees of February and June, respectively, surpassing the previous record of 77 STCs raised in the October 2020 Committee (Chart 3.15). The next TBT Committee meeting will be held in November 2021.

Chart 3.15 STCs raised per year, 1995-2021

Note: The methodology of counting previously raised STCs was revised. The new methodology counts an STC each time it is raised: if raised for the first time, it is counted as a new STC, and if raised again, it is counted as a previously raised STC. The 2021 data only cover the two TBT Committee meetings that fell within the review period.

Source: WTO Secretariat.

3.71. During the review period, which includes STCs raised in the meetings of the TBT Committee in October 2020, February 2021 and June 2021, eight "persistent" STCs – i.e. those previously raised STCs that were raised more than 16 times in TBT Committee meetings – were discussed (Table 3.14). All of these persistent STCs concerned measures by G20 members.

Table 3.14 Persistent STCs raised between 15 October 2020 and 15 October 2021

Persistent STCs
India: Pneumatic tyres and tubes for automotive vehicles (ID 133) - raised <u>36 times</u> since 2006
China: Requirements for information security products, including, <i>inter alia</i> , the Office of State Commercial Cryptography Administration (OSCCA) 1999 Regulation on commercial encryption products and its ongoing revision and the Multi-Level Protection Scheme (MLPS) (ID 294) - raised <u>31 times</u> since 2011
Russian Federation: Draft Technical Regulation on Alcohol Drinks Safety (published on 24 October 2011) (ID 332) - raised <u>28 times</u> since 2012
European Union: Draft Implementing Regulations amending Regulation (EC) No. 607/2009 laying down detailed rules for the application of Council Regulation (EC) No. 479/2008 as regards protected designations of origin and geographical indications, traditional terms, labelling and presentation of certain wine sector products (ID 345) - raised <u>26 times</u> since 2012
India: Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (ID 367) - raised <u>25 times</u> since 2013
European Union: Hazard-based approach to plant protection products and setting of import tolerances (ID 393) - raised <u>24 times</u> since 2013
China: Regulations for the Supervision and Administration of Medical Devices (Order No. 650 of the State Council) (ID 428) - raised <u>21 times</u> since 2014
China: Registration Fees for Drugs and Medical Device Products (ID 466) - raised <u>18 times</u> since 2015

Source: WTO Secretariat.

TBT Committee discussions during the COVID-19 pandemic

3.72. Members continued to use the eAgenda platform, with 52 Members engaging through the platform over the three TBT Committees held within the review period.

3.73. In addition to the regular meeting of the TBT Committee on 28-29 October 2020, Members held an informal meeting of the Committee on 8 December 2020 to share experiences on TBT measures that they adopted, or were planning to adopt, in response to the COVID-19 pandemic. Members implemented measures such as shifting from on-site inspections to remote office assessments; capacity-building programmes to address the lack of national alignment to international standards, to facilitate access to medical devices during the pandemic; trade facilitation through the extension of validity periods of certificates; and postponing implementation of planned regulatory changes and simplifying surveillance and monitoring of notified bodies. The Secretariat also provided an overview of two relevant Secretariat documents relevant to TBT-related COVID-19 measures.

3.74. In light of the mandate in Article 15.4, the TBT Committee will complete its Ninth Triennial Review of the Operation and Implementation of the TBT Agreement at its last meeting of 2021. The TBT Committee agreed in October 2020 on a roadmap for its work and Members were invited, in line with this timeline, to submit proposals by 28 May 2021. In total, 30 proposals were submitted and discussed at formal and informal Committee meetings. The proposals address a variety of issues covered by the work of the Committee, including good regulatory practice, regulatory cooperation between Members, standards, conformity assessment procedures, transparency, technical assistance and COVID-19. The TBT Committee will hold formal and informal meetings with a view to adopting the Ninth Triennial Review in November 2021. During 2021, the TBT Committee also continued its work on developing non-prescriptive practical guidelines regarding the choice and design of appropriate and proportionate conformity assessment procedures.

3.5 Trade Concerns Raised in Other WTO Bodies⁴⁵

3.75. During the review period, a number of trade issues and concerns were raised by Members in formal meetings of various WTO bodies. This Section provides a factual overview of such concerns raised between mid-October 2020 and mid-October 2021.⁴⁶ The trade concerns covered in this Section have neither the status nor the procedural framework of the STCs raised in the SPS and TBT Committees. Nevertheless, they provide an up-to-date insight into which trade issues are being discussed by Members across the WTO and, as such, add important transparency. This Section does not reproduce the full substantive description of the trade concerns outlined by WTO Members, but provides a reference to the formal meeting(s) where a particular issue featured. A full account and context of the concerns can be found in the formal meeting records of the respective WTO bodies. The list of concerns and issues mentioned in this Section is not exhaustive.

3.76. At the 1-2 and 4 March 2021 meeting of the *General Council* (GC)⁴⁷, the delegations of Colombia, Costa Rica, Ecuador, Panama and Paraguay⁴⁸ called on Members to exercise restraint in the adoption and implementation of export restrictions on COVID-19 vaccines. At the 5-6 May 2021 GC meeting⁴⁹, the delegations of Paraguay, Colombia, Ecuador, Panama and Costa Rica called on Members to exercise restraint in the adoption and implementation of trade restrictions that block equal access to COVID-19 vaccines. At the 27-28 July 2021 GC meeting⁵⁰, a concern was raised on the Kingdom of Saudi Arabia's Restrictive Policies on Poultry Imports (raised by Brazil).

⁴⁵ This Section does not include the SPS and TBT Committees (covered separately). Issues raised in this Section may subsequently have become the subject of a dispute.

⁴⁶ Members are encouraged to communicate to the Trade Monitoring Section of the WTO trade issues which they have raised in WTO bodies and which they believe are relevant to the monitoring exercise.

⁴⁷ WTO document WT/GC/M/190, 23 April 2021.

⁴⁸ WTO document WT/GC/W/818, 18 February 2021.

⁴⁹ WTO document WT/GC/M/191, 8 July 2021.

⁵⁰ WTO document WT/GC/M/192, 4 October 2021. The matter has been also raised in the Committee on Agriculture and the SPS Committee.

3.77. During the review period, the *Council for Trade in Goods* (CTG) held two meetings. At the CTG meeting on 25-26 November 2020⁵¹, seven new trade concerns were raised as per Table 3.15.

Table 3.15 New trade concerns raised at the 25-26 November 2020 CTG meeting

Measures implemented by	Member(s) raising the concern
China – Implementation of Trade Disruptive and Restrictive Measures	Australia
Egypt – Import Restrictions for Sugar	European Union
Nigeria – Foreign Exchange Restrictions Affecting Dairy Imports	European Union
Panama – Import Restricting Practices	Costa Rica
Kingdom of Saudi Arabia – Trade Restrictive Policies and Practices Concerning Turkey	Turkey
Sri Lanka – Import Ban on Various Products	European Union
United States - Revised Origin Marking Requirement for Goods Produced in Hong Kong	Hong Kong, China

Source: WTO Secretariat.

3.78. At the same meeting, 26 previously raised concerns were revisited by the Council as per Table 3.16.

Table 3.16 Previously raised concerns repeated at the 25-26 November 2020 CTG meeting

Measures implemented by	Member(s) raising the concern
Angola – Import Restricting Practices	Russian Federation
Australia – Discriminatory Market Access Prohibition on 5G Equipment	China
China – Customs Duties on Certain Integrated Circuits	European Union, Japan
China – Export Control Law	European Union, Japan
China – Measures Restricting the Import of Scrap Materials	United States
Egypt – Manufacturer Registration System	European Union, Russian Federation
European Union – Amendments to the Directive 2009/28/EC, Renewable Energy Directive	Colombia
European Union – Carbon Border Adjustment Mechanism (the European Green Deal of December 2019)	Armenia, China, Kazakhstan, Kyrgyz Republic, Russian Federation
European Union – Draft Implementing Regulations regarding Protected Designations of Origin and Geographical Indications, Traditional Terms, Labelling and Presentation of Certain Wine Sector Products	United States
European Union – Enlargement of the EU to include Croatia: Negotiations under Article XXIV:6 of the GATT 1994	Russian Federation
European Union – Implementation of Non-Tariff Barriers on Agricultural Products	Argentina, Australia, Brazil, Canada, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay, United States, Uruguay
European Union – Proposed Modification of TRQ Commitments: Systemic Concerns	Australia, Brazil, Canada, China, New Zealand, Russian Federation, United States, Uruguay
European Union – Quality Schemes for Agricultural Products and Foodstuffs – the Registration of Certain Terms of Cheese as Geographical Indications	United States, Uruguay
European Union – Regulation (EU) No. 2017/2321 and Regulation (EU) No. 2018/825	China, Russian Federation
European Union – Regulation EC No. 1272/2008 (CLP Regulation)	Russian Federation
India – Restrictions on Imports of Certain Pulses	Australia, Canada, European Union, Russian Federation, Ukraine, United States
Indonesia – Import and Export Restricting Policies and Practices	European Union, Japan, New Zealand
Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, Oman, and Qatar – Selective Tax on Certain Imported Products	European Union, Japan, Switzerland, United States
Mexico – Front of Pack Nutrition Labelling (Nom-51)	United States
Mongolia – Measures Applied with respect to Certain Agricultural Products	Russian Federation
Russian Federation – Trade Restricting Practices	European Union

⁵¹ WTO document G/C/M/138, 12 March 2021.

Measures implemented by	Member(s) raising the concern
United Kingdom – Draft Goods Schedule and Proposed UK TRQ Commitments: Systemic Concerns	Australia, Brazil, Canada, China, New Zealand, Russian Federation, United States, Uruguay
United States – Executive Order on Securing the Bulk-Power System	China
United States – Export Control Measures for ICT Products	China
United States – Import Restrictions on Apples and Pears	European Union
United States – Measures regarding Market Access Prohibition for ICT Products	China

Source: WTO Secretariat.

3.79. At the CTG meeting on 31 March and 1 April 2021⁵² five new trade concerns were raised as per Table 3.17.

Table 3.17 New trade concerns raised at the CTG 31 March and 1 April 2021 meetings

Measures implemented by	Member(s) raising the concern
European Union – COVID-19 Vaccine Export Transparency and Authorization Measure	Australia
India – Mandatory Certification for Steel Products	Japan
India – Import Restrictions on Air Conditioners	Japan
Mexico – Conformity Assessment Procedure for Cheese under Mexican Official Standard NOM-223-SCFI/SAGARPA-2018	United States
European Union – Sweden's Discriminatory Market Access Prohibition on 5G Equipment	China

Source: WTO Secretariat.

3.80. At the same meeting, 27 previously raised concerns were revisited by the Council as per Table 3.18.

Table 3.18 Previously raised trade concerns repeated at the CTG 31 March and 1 April 2021 meetings

Measures implemented by	Member(s) raising the concern
Angola – Import Restricting Practices	Russian Federation
Australia – Discriminatory Market Access Prohibition on 5G Equipment	China
China – Customs Duties on Certain Integrated Circuits	European Union, Japan
China – Export Control Law	European Union, Japan
China – Implementation of Trade Disruptive and Restrictive Measures	Australia
China – Measures Restricting the Import of Scrap Materials	United States
Egypt – Import Restrictions for Sugar	European Union
Egypt – Manufacturer Registration System	European Union, Russian Federation
European Union – Carbon Border Adjustment Mechanism (the European Green Deal of December 2019)	Armenia, China, Kazakhstan, Kyrgyz Republic, Kingdom of Saudi Arabia, Qatar, Russian Federation
European Union – Draft Implementing Regulations regarding Protected Designations of Origin and Geographical Indications, Traditional Terms, Labelling and Presentation of Certain Wine Sector Products	United States
European Union – Implementation of Non-Tariff Barriers on Agricultural Products	Australia, Brazil, Canada, Colombia, Costa Rica, Côte d'Ivoire, Ecuador, Guatemala, Honduras, Jamaica, Panama, Paraguay, Peru, United States, Uruguay
European Union – Proposed Modification of TRQ Commitments: Systemic Concerns	Australia, Brazil, China, New Zealand, Uruguay
European Union – Quality Schemes for Agricultural Products and Foodstuffs – the Registration of Certain Terms of Cheese as Geographical Indications	Uruguay
European Union – Regulation (EU) No. 2017/2321 and Regulation (EU) No. 2018/825	China, Russian Federation
European Union – Regulation EC No. 1272/2008 (CLP Regulation)	Russian Federation

⁵² WTO document G/C/M/139, 16 June 2021.

Measures implemented by	Member(s) raising the concern
India – Restrictions on Imports of Certain Pulses	Australia, Canada, European Union, Russian Federation, Ukraine, United States
Indonesia – Import and Export Restricting Policies and Practices	Australia, European Union, Japan, New Zealand, United States
Kingdom of Saudi Arabia – Trade Restrictive Policies and Practices Concerning Turkey	Turkey
Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, State of Kuwait, Oman, and Qatar – Selective Tax on Certain Imported Products	European Union, Japan, Switzerland, United States
Mongolia – Measures Applied with respect to Certain Agricultural Products	Russian Federation
Russian Federation – Trade Restricting Practices	European Union, United States
Sri Lanka – Import Ban on Various Products	Australia, European Union
United Kingdom – Draft Goods Schedule and Proposed UK TRQ Commitments: Systemic Concerns	Australia, Brazil, China, New Zealand, Russian Federation, Uruguay
United States – Executive Order on Securing the Bulk-Power System	China
United States – Export Control Measures for ICT Products	China
United States – Import Restrictions on Apples and Pears	European Union
United States – Measures regarding Market Access Prohibition for ICT Products	China

Source: WTO Secretariat.

3.81. At the CTG meeting on 8 and 9 July 2021⁵³, 10 new trade concerns were raised (Table 3.19).

Table 3.19 New trade concerns raised at the 8-9 July 2021 CTG meeting

Measures implemented by	Member(s) raising the concern
India – Caustic Soda Quality Control Order	Chinese Taipei
India – Import Policy on Tyres	Chinese Taipei, European Union, Indonesia
Sri Lanka – Import Ban on Palm Oil	Indonesia
India – Indian Standards and Import Restriction in the Automotive Sector (Quality Control Orders): Wheel Rims, Safety Glass, Helmet	Indonesia
India – Plain Copier Paper Quality Order 2020	Indonesia
China – Cosmetics Supervision and Administration Regulations (CSAR)	Australia, Japan, United States
China – Subsidy Transparency and China's Publication and Inquiry Point Obligations under China's Protocol of Accession	Australia, Canada, European Union, Japan, United Kingdom, United States
European Union – the European Green Deal	Russian Federation
United Kingdom – Extension of Safeguard Measures on Certain Steel Products	Brazil, Switzerland
European Union – Extension of Safeguard Measures on Certain Steel Products	Brazil

Source: WTO Secretariat.

3.82. At the same meeting, 25 previously raised concerns were brought to the Council's attention (Table 3.20).

Table 3.20 Previously raised concerns repeated at the 8-9 July 2021 CTG meeting

Measures implemented by	Member(s) raising the concern
Angola – Import Restricting Practices	Russian Federation
Australia – Discriminatory Market Access Prohibition on 5G Equipment	China
China – Export Control Law	European Union, Japan
China – Implementation of Trade Disruptive and Restrictive Measures	Australia
China – Measures Restricting the Import of Scrap Materials	United States
Egypt – Manufacturer Registration System	European Union, Russian Federation

⁵³ WTO document G/C/M/140, 21 October 2021.

Measures implemented by	Member(s) raising the concern
European Union – Carbon Border Adjustment Mechanism (the European Green Deal of December 2019)	Armenia, Kingdom of Bahrain, China, Kazakhstan, Kyrgyz Republic, Qatar, Russian Federation, Kingdom of Saudi Arabia
European Union – Implementation of Non-Tariff Barriers on Agricultural Products	Argentina, Australia, Brazil, Canada, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Jamaica, Panama, Paraguay, Peru, United States, Uruguay
European Union – Proposed Modification of TRQ Commitments: Systemic Concerns	Brazil, China, Uruguay
European Union – Draft Implementing Regulations regarding Protected Designations of Origin and Geographical Indications, Traditional Terms, Labelling and Presentation of Certain Wine Sector Products	United States
European Union – Quality Schemes for Agricultural Products and Foodstuffs – the Registration of Certain Terms of Cheese as Geographical Indications	Argentina, Uruguay
European Union – Regulation (EU) No. 2017/2321 and Regulation (EU) No. 2018/825	China, Russian Federation
European Union – Regulation EC No. 1272/2008 (CLP Regulation)	Russian Federation
European Union – Sweden's Discriminatory Market Access Prohibition on 5G Equipment	China
India – Import Restrictions on Air Conditioners	Japan
India – Mandatory Certification for Steel Products	Japan
India – Restrictions on Imports of Certain Pulses	Australia, Canada, European Union, Russian Federation, United States
Indonesia – Import and Export Restricting Policies and Practices	European Union, Japan, New Zealand, United States
Kingdom of Saudi Arabia, Kingdom of Bahrain, the United Arab Emirates, the State of Kuwait, Oman, and Qatar – Selective Tax on Certain Imported Products	European Union, Japan, Switzerland, United States
Mexico – Conformity Assessment Procedure for Cheese under Mexican Official Standard NOM-223-SCFI/SAGARPA-2018	United States
Russian Federation – Trade Restricting Practices	European Union, United States
Sri Lanka – Import Ban on Various Products	Australia, European Union
United Kingdom – Draft Goods Schedule and Proposed UK TRQ Commitments: Systemic Concerns	Brazil, China, Russian Federation, Uruguay
United States – Export Control Measures for ICT Products	China
United States – Import Restrictions on Apples and Pears	European Union
United States – Measures regarding Market Access Prohibition for ICT Products	China

Source: WTO Secretariat.

3.83. At the 12 November 2020 meeting of the *Committee on Market Access (CMA)*⁵⁴, five new trade concerns were raised on: (i) the Russian Federation's draft decree restricting imports by certain entities (raised by European Union); (ii) the Russian Federation's track and trace Regime (raised by United States); (iii) Sri Lanka's import ban on various products (raised by European Union); (iv) Panama's import-restrictive measures (raised by Costa Rica); and (v) India's import policies on tyres, television sets, and air conditioners (raised by European Union and Thailand). Persistent trade concerns were also raised on: (i) Angola's import restriction practices (raised by Russian Federation and United States); (ii) China's custom duties on certain integrated circuits (raised by European Union, Japan, and Chinese Taipei); (iii) the European Union's Carbon Border Adjustment Mechanism (the European Green Deal of December 2019) (raised by Russian Federation); (iv) the EU enlargement negotiations under Article XXIV:6 of the GATT 1994 to include Croatia (raised by Russian Federation); (v) the EU renegotiations of tariff rate quotas under Article XXVIII of the GATT 1994 (raised by Russian Federation); (vi) the rectifications and modifications of the United Kingdom's Schedule XIX (raised by Russian Federation); (vii) India's customs duties on telecommunication and other products (raised by China); (viii) India's quantitative restrictions on imports of certain pulses (raised by Australia, Canada, European Union, Russian Federation and United States); (ix) Indonesia's customs duties on telecommunication products (raised by United States); (x) Mongolia's quantitative restrictions and prohibitions on the importation of certain agricultural products (raised

⁵⁴ WTO document G/MA/M/73, 7 April 2021.

by Russian Federation); (xi) Nepal's import ban on energy drinks (raised by Thailand) and (xii) the selective tax on certain imported products by the Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, Oman and Qatar (raised by European Union, Switzerland and United States).

3.84. At the 29-30 April 2021 meeting of the CMA⁵⁵, 22 trade concerns were raised, of which 8 were new (Table 3.21).

Table 3.21 Trade concerns raised at the 29-30 April 2021 of Committee on Market Access

Measures implemented by	Member(s) raising/interested in the concern
Angola – Import Restriction Practices	Russian Federation, United States
China – Customs Duties on Certain Integrated Circuits	European Union, Japan, Chinese Taipei
China – Trade Disruptive and Restrictive Measures (new)	Australia
European Union – Carbon Border Adjustment Mechanism (The European Green Deal of December 2019)	Armenia, Kingdom of Bahrain, China, Kazakhstan, Kyrgyz Republic, Qatar, Russian Federation, Kingdom of Saudi Arabia
European Union – Vaccine Export Transparency Mechanism (new)	Australia
Egypt – Manufacturer Registration System (Decree No. 43/2016) (new)	Russian Federation
India – Customs Duties on Telecommunication and Other Products	China
India – Import Policies on Tyres	European Union
India – Import Restriction on Air Conditioners	Japan
India – Quantitative Restrictions on Imports of Certain Pulses	Australia, Canada, European Union, Russian Federation, United States
Indonesia – Customs Duties on Certain Telecommunication Products	United States
Indonesia – Import Restriction on Air Conditioners (new)	Japan
Mexico – Import Quota on Glyphosate (new)	United States
Mongolia – Quantitative Restrictions on the Importation of Certain Agricultural Products	Russian Federation
Nepal – Import Ban on Energy Drinks	Thailand
Russian Federation – Export Prohibition on Timber Products (new)	European Union
Russian Federation – Track and Trace Regime	United States
Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, State of Kuwait, Oman, and Qatar - Selective Tax on Certain Imported Products	European Union, Japan, Switzerland, United States
Sri Lanka – Import Ban on Various Products	Australia, European Union
Sri Lanka – Import Ban on Palm Oil (new)	Indonesia
United Kingdom – Rectifications and Modifications of Schedule XIX	Russian Federation
United Kingdom – Renegotiation of Tariff Rate Quotas under Article XXVIII of the GATT 1994	Russian Federation

Source: WTO Secretariat.

3.85. At the 11 October 2021 meeting of the CMA⁵⁶, 21 trade concerns were raised, of which 5 were new (Table 3.22).

Table 3.22 Trade concerns raised at the 11 October 2021 meeting of the CMA

Measures (implemented by)	Member(s) raising/interested in the concern
Angola – Import Restriction Practices	European Union, Russian Federation, and United States
Canada – Restrictions on the Commercial Importation of Cannabis and Cannabis Products for Medical Use (new)	Colombia
China – Trade Disruptive and Restrictive Measures	Australia, Canada, European Union, Japan, New Zealand, United Kingdom, United States

⁵⁵ WTO document G/MA/M/74, 4 October 2021.

⁵⁶ WTO document G/MA/M/75, forthcoming.

Measures (implemented by)	Member(s) raising/interested in the concern
European Union – Carbon Border Adjustment Mechanism (CBAM)	Australia, Kingdom of Bahrain, Brazil, Canada, China, Egypt, India, Japan, Republic of Korea, New Zealand, Paraguay, Russian Federation, Kingdom of Saudi Arabia, and Chinese Taipei
Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, State of Kuwait, Oman, and Qatar – Selective Tax on Certain Imported Products	European Union, Japan Switzerland, United States
India – Indian Standards and Import Restrictions in the Automotive Sector (Quality Orders): Wheel Rims, Safety Class, Helmets (new)	Indonesia
India – Plain Copier Paper Quality Order 2020 (new)	Indonesia
India – Quantitative Restrictions on Imports of Certain Pulses	Australia, Canada, European Union, Russian Federation, Ukraine, United States
India – Import Policies on Tyres	European Union, Republic of Korea, Indonesia, Chinese Taipei, United States
India – Import Restriction on Air Conditioners	Japan
India – Import Policies on Tyres, Television Sets, And Air Conditioners	Thailand
Indonesia - Import Substitution Programme (new)	European Union, United States
Indonesia – Customs Duties on Certain Telecommunication Products	Canada, European Union, Japan, United States
Mexico – Import Quota on Glyphosate	Canada, United States
Nepal – Import Ban on Energy Drinks	Thailand, United States
Russian Federation – Export Prohibition on Timber Products	European Union, United States
Russian Federation – Discriminatory Application of Value Added Taxes (new)	United States
Russian Federation – Track and Trace Regime	European Union, United States
Sri Lanka – Import Ban on Various Products	Australia, European Union, Japan, Thailand, United States
Sri Lanka – Import Ban on Palm Oil	Colombia, Indonesia
United Kingdom – Renegotiation of Tariff Rate Quotas under Article XXVIII of the GATT 1994	India, Mexico, New Zealand, Russian Federation

Source: WTO Secretariat.

3.86. At the 29-30 April 2021 and the 11 October 2021 CMA meetings, Members also raised concerns in the context of the review of notifications under the 2012 Decision on notification procedures for quantitative restrictions.⁵⁷

3.87. At the 21 April 2021 meeting of the *Committee on Import Licensing* (CIL)⁵⁸, new and persistent trade concerns were raised (Table 3.23).

Table 3.23 Trade concerns raised at the April 2021 CIL meeting

Measures implemented by	Member(s) raising the concern
Argentina – Import Licensing System	United States
Angola – Import Licensing Requirements	European Union
China – Changes to Import Licensing for Certain Recoverable Materials	United States
Dominican Republic – Import Licensing System	United States
Egypt – Import Licensing System	United States
Egypt – Import Licensing Requirements for Certain Agricultural and Processed Products	European Union
India – Import Licensing Requirements for Boric Acid	United States
India – Quantitative Restrictions on Certain Pulses	Canada, Australia, European Union
India – Importation of Pneumatic Tyres	European Union
Indonesia – Import Licensing System	European Union
Indonesia – Import Licensing Regime for Cell phones, Handheld Computers and Tablets	United States
Indonesia – Import Licensing Restricting Policies and Practices	Australia

⁵⁷ WTO document G/L/59/Rev.1, 3 July 2012.

⁵⁸ WTO document G/LIC/M/52, 30 July 2021.

Measures implemented by	Member(s) raising the concern
Indonesia – Import Restrictions: Compulsory Registration by Importers of Steel Products	Japan
Indonesia – Import Licensing Regime for Certain Textile Products	European Union, Japan
Indonesia – Import Restrictions on Air Conditioners	European Union, Japan
Philippines – Import Licensing System	United States
Thailand – Importation of Feed Wheat	European Union

Source: WTO Secretariat.

3.88. At the 8 October 2021 meeting of the *Committee on Import Licensing* (CIL)⁵⁹, new and persistent trade concerns were raised (Table 3.24).

Table 3.24 Trade concerns raised at the October 2021 CIL meeting

Measures implemented by	Member(s) raising the concern
Angola – Import Licensing Requirements	European Union
China – Changes to Import Licensing for Certain Recoverable Materials	United States
Egypt – Import Licensing Requirements for Certain Agricultural and Processed Products	European Union
India – Import Licensing Requirements for Boric Acid	United States
India – Quantitative Restrictions on Certain Pulses	Canada
India – Importation of Pneumatic Tyres	European Union, Indonesia
Indonesia – Import Restrictions: Compulsory Registration by Importers of Steel Products	Japan
Indonesia – Import Licensing Regime for Certain Textile Products	European Union, Japan
Philippines – Import Licensing System	United States
Sri Lanka – Import Ban on Palm Oil	Indonesia
Tanzania – Import Licensing Regimes	United States
Thailand – Importation of Feed Wheat	European Union

Source: WTO Secretariat.

3.89. At the meeting of the *Committee on Rules of Origin* on 30 October 2020⁶⁰, trade concerns were raised on the United States' country of origin marking (raised by Hong Kong, China).

3.90. The *Committee of Participants on the Expansion of Trade in Information Technology Products* (ITA Committee) has held two formal meetings on 15 April and 17 September 2021.⁶¹ At the 15 April meeting, an implementation issue was raised concerning Indonesia, calling for aligning the tariff treatment of certain ICT products classified under subheading 8517.62 with Indonesia's WTO commitments (raised by United States, European Union and Japan). The implementation issue concerning Indonesia was reiterated at the Committee's meeting in September 2021. Another two implementation issues, concerning India (raised by China) and China (raised by European Union, Japan, and Chinese Taipei) were raised at the Committee's meeting in April.

3.91. At the 30 November-1 December 2020, 29-30 March, 17-18 June, and 23-24 September 2021 meetings of the *Committee on Agriculture* (CoA)⁶², several questions and concerns were raised with respect to Members' individual notifications, and on specific implementation matters (SIMs) under Article 18.6. During the review period, a total of 515 questions were discussed on individual notifications (287 questions), Article 18.6 matters (212 questions covering 110 SIMs), and overdue notifications (16 questions). Additional details regarding these questions and concerns can be found in Section 3.6 of this Report.

⁵⁹ WTO document G/LIC/M/53, forthcoming.

⁶⁰ WTO document G/RO/M/75, 1 February 2020.

⁶¹ WTO documents G/IT/M/73, 29 June 2021 and G/IT/M/74, forthcoming.

⁶² Questions raised under the review process in the CoA meetings on 30 November – 1 December 2020, 29-30 March 2021, 17-18 June and 23-24 September 2021 are available in WTO documents G/AG/W/208, 19 November 2020; G/AG/W/210, 18 March 2021; G/AG/W/212, 4 June 2021; and G/AG/W/213, 8 September 2021. The questions, responses and follow-up comments are available through the Q&A section of the Agriculture Information Management System. Viewed at: <http://agims.wto.org/>.

3.92. At the meetings of the *Committee on Anti-Dumping Practices*⁶³ on 28 October 2020 and 28 April 2021, concerns were raised as per Table 3.25.

Table 3.25 Concerns raised on anti-dumping practices

Measures implemented by	Member(s) raising the concern
Australia - Sunset review – Ammonium Nitrate	Russian Federation
Australia - Repetitive initiations on similar products: Aluminium micro-extrusions and Aluminium zinc coated steel (<600mm) - Hot dip galvanised steel angle and solid base angle	China
Canada - Sunset review – refined sugar	European Union
Canada - Investigation - concrete reinforcing bars	Russian Federation
China - Investigation and imposition of ADDs – barely	Australia
China - Investigation - wines	Australia
China - Final determination and continued imposition of ADDs - stainless billets and hot-rolled plates and coils	Japan
China - Final determination and continued imposition of ADDs – optical fibre preform	Japan
Dominican Republic - Sunset review - steel reinforcing bars	Turkey
Egypt - Initiation - pre-stressed concrete steel strands	Turkey
Egypt - Initiation - machine-made carpet and other floor coverings	Turkey
European Union - Investigation - steel wheels	China
European Union - Investigation - glass fibre fabrics products	China
European Union - Final determination and continued imposition of ADDs – grain-oriented flat-rolled products of electrical steel (GOES)	Japan
India - Final determination and continued imposition of ADDs – phthalic anhydride	Japan
Indonesia - Final determination and continued imposition of ADDs - cold rolled stainless sheet	Japan
Republic of Korea - Final determination and continued imposition of ADDs based on the 4th sunset review - stainless steel bar	Japan
Mexico - Measures - bond paper	Brazil
Mexico - Sunset review - hot-rolled sheet	Ukraine
Mexico - Sunset review - alloy and non-alloy carbon steel plate in sheets and bars	Ukraine
Mexico - Sunset review – bars and rods of iron or non-alloy steel	Ukraine
Mexico - Continued application of an AD measure - cold-rolled sheet	Kazakhstan
Mexico - Final determination and continued imposition of ADDs - seamless steel tubing	Japan
Pakistan - Sunset review – cold-rolled coils/sheets	Ukraine
Philippines - Sunset review and extension of measures – wheat flour	Turkey
South Africa - Sunset review – frozen potato chips	European Union
South Africa - Sunset review - frozen bone-in chicken portions	European Union
South Africa - Initiation - Frozen bone-in portions of the species Gallus Domesticus	Brazil
Thailand - Final determination and continued imposition of ADDs - flat cold rolled stainless steel and flat hot rolled steel in coils and not in coils	Japan
Ukraine - Initiation - cement	Turkey
Ukraine - Initiation - pivot-reclining devices (mechanisms) for window and balcony door blocks	Turkey
United Kingdom - Transitional review - welded tubes and pipes of iron or non-alloy steel	Russian Federation
United States - Administrative review - frozen warmwater shrimp	China
United States - Multiple actions on aluminium products/sheets	China
United States - Provisional measure - common alloy aluminium sheet	Norway
United States - Provisional measure - common alloy aluminium sheet	European Union
United States - Provisional determination - seamless carbon and alloy steel standard, line, and pressure pipe	Russian Federation
United States - Provisional measures - prestressed concrete steel wire strand	Ukraine
United States - Initiation - seamless carbon and alloy steel standard, line, and pressure pipe	Ukraine

Source: WTO Secretariat.

⁶³ WTO documents G/ADP/M/58, 29 January 2021; and G/ADP/M/59, 29 July 2021.

3.93. Other issues and concerns raised concerned: (i) the length of the United States anti-dumping measures – 19 prolonged measures (raised by Japan); (ii) the European Union's Regulation (EU) 2017/2321 and Regulation (EU) 2018/825 (item placed on the agenda by Russian Federation and supported by China); (iii) overall importance of prompt notifications for transparency purposes (raised by the United States) and (iv) transitional reviews of anti-dumping measures conducted by the United Kingdom (raised by China and Russian Federation).

3.94. At the meetings of the *Committee on Subsidies and Countervailing Measures* on 27 October 2020 and 27 April 2021 concerns were raised on subsidies as per Table 3.26.

Table 3.26 Concerns raised at the Committee on Subsidies and Countervailing Measures

Measures implemented by	Member(s) raising the concern
Canada - Sunset review – Refined sugar	European Union
China - Countervailing duty investigation - n-Propanol (NPA)	United States
China - Countervailing duty investigation - Barley	Australia
China - Provisional measures - Wines in containers holding 2 litres or less	Australia
European Union - Countervailing duty investigation - certain woven and/or stitched glass fibre fabrics	China, Egypt
United States - Provisional measures - Phosphate fertilizers	Morocco, Russian Federation
United States - Provisional measures – Seamless carbon and alloy steel standard, line, and pressure pipe	Russian Federation

Source: WTO Secretariat.

3.95. Additional concerns were raised on: (i) elimination of export subsidies by the Members that received extensions under Article 27.4 of the SCM Agreement; (ii) low and declining level of compliance with the notification and transparency obligations in the SCM Agreement; (iii) requests for information pursuant to Article 25.8 and 25.9 (proposal on procedures from the United States); (iv) subsidies and overcapacity (raised by Canada, European Union, Japan, Norway, and United States); (v) request for information on certain alleged subsidy programmes in the steel sector in China (raised by European Union and United States); (vi) countervailing duty regulation of the United States regarding designation of developing country status in CVD cases (raised by Brazil); (vii) countervailing duty regulation of the United States regarding the assessment of currency undervaluation in CVD cases (raised by Brazil and China); (viii) use of adverse facts available by the United States in certain CVD investigations (raised by China); (ix) transitional reviews of countervailing measures conducted by the United Kingdom (raised by China and Russian Federation); (x) subsidy transparency and China's publication and inquiry point obligations under China's protocol of accession (raised by European Union and United States).

3.96. At the meetings of the *Committee on Safeguards* held on 26 October 2020 and on 26 April 2021⁶⁴, concerns were raised on specific safeguard actions as per Table 3.27.

Table 3.27 Concerns raised at the Committee on Safeguards

Measure Implemented by	Member(s) raising the concern
Costa Rica	
Investigation on refined white sugar	Brazil
European Union	
Investigation on certain steel products	Japan, Republic of Korea, Russian Federation, Switzerland, China, India, Brazil, Turkey
Kingdom of Bahrain; State of Kuwait; Oman; Qatar; Kingdom of Saudi Arabia; and United Arab Emirates ^a	
Investigation on certain steel products	Japan, Republic of Korea, Switzerland, Ukraine, United States, India
India	
Investigation on single mode optical fibre	Japan
Indonesia	
Investigation on carpets and other textile floor coverings	Japan
Investigation on articles of apparel and clothing accessories	European Union, Japan
Investigation on cigarette paper	European Union
Madagascar	
Investigation on pasta	Mauritius

⁶⁴ WTO documents G/SG/M/57, 23 February 2021; and G/SG/M/58, 27 July 2021.

Measure Implemented by	Member(s) raising the concern
Malaysia	
Investigation on ceramic floor and wall tiles	Japan
Morocco	
Investigation on welded pipes and tubes of iron or steel	European Union
Investigation on wire rods and reinforcing bars	Ukraine
Investigation on cold rolled sheets in coils or cut, and plated or coated sheets	Ukraine
Peru	
Investigation on clothing	Brazil
Philippines	
Investigation on galvanized iron sheets, coils and strips	Japan
Investigation on motor vehicles	Japan, Thailand, Republic of Korea, European Union, Indonesia
South Africa	
Investigation on certain flat rolled products of iron, non-alloy steel or other alloy steel	Japan, European Union
Investigation on U, I, H, L and T sections of iron or non-alloy steel	Republic of Korea, Japan,
Investigation on bolts with hexagon heads of iron or steel	Chinese Taipei
Thailand	
Investigation on non-alloy hot rolled steel flat products in coils and not in coils	Japan
Turkey	
Investigation on toothbrushes	European Union
Investigation on wallpaper and similar wallcoverings	Ukraine, European Union
Ukraine	
Investigation on fresh cut roses	Ecuador, European Union, Colombia
Investigation on polymeric materials	European Union
Investigation on wires	European Union
United Kingdom	
Investigation on certain steel products	Japan, Russian Federation, Turkey, Switzerland, Republic of Korea, China, Brazil,
United States	
Investigation on crystalline silicon photovoltaic cells	China
Investigation on fresh, chilled, or frozen blueberries	Chile, Peru
Investigation on large residential washers	Republic of Korea
Measures taken following Section 232 investigations	India, Japan, European Union, Turkey, Russian Federation, China
Viet Nam	
Investigation on certain semi-finished and finished products of alloy and non-alloy steel	Japan

a Investigations are initiated at the level of the GCC.

Source: WTO Secretariat.

3.97. At the meeting of the *Trade-Related Investment Measures* (TRIMs) Committee on 23 March 2021⁶⁵, new or returning issues were raised, as per Table 3.28.

Table 3.28 Concerns raised at the TRIMs Committee

Measure implemented by	Member(s) raising the concern
Indonesia	
Comprehensive review of localization measures ^a	European Union, Japan, United States
Import restriction on carpets and other textiles	Japan
Import restriction on air conditioners	Japan
India	
Import restriction on air conditioners	Japan
Import restriction on tires	Japan
Russian Federation	
Measures implementing the Russian Federation's import substitution policy ^b	European Union, United States

a WTO documents G/TRIMS/Q/IDN/5, 14 May 2019; G/TRIMS/Q/IDN/6, 13 March 2020; G/TRIMS/Q/IDN/7, 7 June 2020; and G/TRIMS/Q/IDN/8, 17 July 2020.

⁶⁵ WTO document G/TRIMS/M/49, 25 May 2021.

- b WTO documents G/TRIMS/Q/RUS/4, 26 May 2016; G/TRIMS/Q/RUS/5, 27 September 2016; G/TRIMS/Q/RUS/6, 27 April 2017; G/TRIMS/Q/RUS/8, 24 January 2018; G/TRIMS/Q/RUS/7, 8 November 2017; G/TRIMS/Q/RUS/9, 22 March 2018; and G/TRIMS/Q/RUS/10, 2 September 2020.

Source: WTO Secretariat.

3.98. At the meeting of the *Working Party on State Trade Enterprises* (STEs) of 2 November 2020⁶⁶, trade concerns were raised on: (i) India's decision not to identify certain entities as STEs in its 2018 and 2019 notifications (raised by United States and European Union); (ii) Brazil's notification of no STEs (raised by United States); (iii) the continued non-notification of STEs by the Russian Federation (raised by United States and European Union); and (iv) the low level of compliance with notification obligations relating to STEs (raised by United States).

3.99. At the meeting of the Working Party on STEs of 3 May 2021⁶⁷, trade concerns were raised on: (i) Brazil's decision not to identify certain entities as STEs; (ii) the involvement of STEs in China's importation of key agricultural commodities and coal (raised by Australia); (iii) India's decision not to identify certain entities as STEs in its 2018 and 2019 notifications (raised by United States and Australia); (iv) the continued non-notification of STEs by the Russian Federation (raised by United States and European Union); and (v) the need to enhance transparency (raised by Canada, European Union, Japan, Republic of Korea, Philippines, Switzerland, and United States).

3.100. At the meeting of the Working Party on STEs of 5 October 2021⁶⁸, trade concerns were raised on: (i) the involvement of STEs in China's importation of key agricultural commodities and coal (raised by Australia); (ii) India's decision not to identify any STE for pulses in its 2019 notifications (raised by Australia); (iii) the continued non-notification of STEs by the Russian Federation (raised by European Union, United Kingdom and United States); and (iv) the need to enhance compliance with notification obligations (raised by European Union, Japan, United Kingdom and United States).

3.101. At the meeting of the *Council for Trade in Services* (CTS) held on 4 December 2020, concerns were raised about certain tax measures of the Russian Federation (raised by United States). At that same meeting, concerns were reiterated about measures of the Russian Federation related to market access for foreign-licensed fixed satellite operators (raised by United States).⁶⁹ At the CTS meetings held on 4 December 2020 and 5 March 2021, concerns were reiterated about: (i) cybersecurity measures of China and Viet Nam (raised by Japan and United States); (ii) 5G-related measures of Australia (raised by China); (iii) measures of the Russian Federation requiring software pre-installation (raised by United States); (iv) measures of the United States related to mobile applications (raised by China); (v) measures of India on prior approval for acquisitions of Indian companies and on the use of mobile applications (raised by China).⁷⁰

3.102. At the meeting of the *Council for Trade in Services* (CTS) held on 1 July 2021, concerns were reiterated about: (i) cybersecurity measures of China and Viet Nam (raised by Japan and United States); (ii) 5G-related measures of Australia (raised by China); (iii) measures of the Russian Federation requiring software pre-installation (raised by United States); (iv) measures of the United States related to mobile applications (raised by China); (v) measures of India on prior approval for acquisitions of Indian companies and on the use of mobile applications (raised by China).⁷¹ At that same meeting, concerns were raised about measures by the Kingdom of Saudi Arabia on localization of customer services (raised by United States).⁷²

3.103. At meetings of the *Committee on Trade and Development* (CTD) held on 20 November 2020⁷³ and 29 March 2021⁷⁴, the LDC Group expressed concern about the relatively low rate of utilization of preferences by LDCs. Members were called upon to jointly identify the impediments to maximizing export potential under the preferences granted, so as to try to remove the obstacles and make the preferential arrangements more effective. At these same meetings, as well as at the

⁶⁶ WTO document G/STR/M/37, 17 December 2020.

⁶⁷ WTO document G/STR/M/38, 17 June 2021.

⁶⁸ WTO document G/STR/M/39, forthcoming.

⁶⁹ WTO document S/C/M/144, 21 January 2021.

⁷⁰ WTO documents S/C/M/144, 21 January 2021 and S/C/M/145, 1 April 2021.

⁷¹ WTO document S/C/M/146, 22 July 2021.

⁷² WTO document S/C/M/146, 22 July 2021.

⁷³ WTO document WT/COMTD/M/113, 18 December 2020.

⁷⁴ WTO document WT/COMTD/M/114, 15 June 2021.

CTD meeting of 28 June 2021⁷⁵, concerns were raised regarding the capacity constraints faced by developing countries and LDCs that prevented them from benefiting more fully from e-commerce. At the meeting of the CTD's Dedicated Session on Small Economies held on 2 November 2020⁷⁶, concerns were raised regarding the impact of the COVID-19 pandemic. Finally, at the meeting of the CTD's Dedicated Session on Small Economies held on 6 July 2021⁷⁷, concerns were raised regarding the economic and trade impact of natural disasters.

3.104. The above Section provides evidence of the numerous trade concerns raised in the various WTO bodies between mid-October 2020 and mid-October 2021. During the review period, although the WTO Committees and Councils meetings were hosted virtually due to COVID-19 restrictions, Members continued to raise trade issues and concerns. Several new trade concerns were raised during the review period and several had already been raised in previous periods, indicating persistent and unresolved issues. Also, some trade concerns were raised in more than one WTO body, suggesting that these concerns involve cross-cutting and technically complex issues. It may also suggest that WTO Members are continuing to use multiple platforms within the WTO committee structure to address various aspects of such concerns. Systemically, this is significant because of the increased transparency which it brings, but also because it demonstrates that Members are actively using the WTO committees to engage trading partners on real or potential areas of trade friction. At the same time, however, the repetition and non-resolution of the same trade concerns and issues in various WTO bodies may also be a source of concern. The Secretariat will continue to closely monitor developments in this area.

3.6 Policy Developments in Agriculture

3.105. The Committee on Agriculture (CoA) provides a forum for Members to discuss matters related to agricultural trade, and to consult on matters related to Members' implementation of commitments under the Agreement on Agriculture (AoA). The review work of the CoA is based on notifications that Members make in relation to their commitments. A provision in Article 18.6 of the AoA allows Members to raise any matter relevant to the implementation of commitments under the Agreement, i.e. specific implementation matters (SIMs). The Committee has also been tasked with the monitoring of the implementation of specific outcomes reached under the agriculture negotiations.

3.106. During the period under review, the CoA held four regular meetings⁷⁸, on 30 November-1 December 2020, 29-30 March 2021, 17-18 June 2021 and 23-24 September 2021. Members posed 515 questions regarding individual notifications, overdue notifications, and SIMs under Article 18.6. Most questions concerning individual notifications were related to domestic support notifications (71%). For matters under Article 18.6 (SIMs), around 40% related to domestic support policies and 30% to policies affecting market access. Around 15% of SIMs concerned matters related to export prohibitions and restrictions on foodstuffs, and the remaining 15% of SIMs related to matters under the export competition pillar and other issues.

3.107. In total, 13 Members raised 212 questions on 110 SIMs in the 4 meetings covered by this Report.⁷⁹ The average number of questions raised under Article 18.6 per meeting has been on the rise since 2011, reaching an all-time high of an average of 74 questions per meeting in 2020. These numbers include questions that were repeated over more than one meeting.

3.108. Of the 110 SIMs raised in the CoA during the review period, 70 were discussed for the first time. Of these, around 40% related to domestic support programmes, 30% related to market access issues, 19% concerned policies prohibiting or restricting exports of foodstuffs, and the remaining 11% concerned export competition and other issues.

3.109. SIMs in the area of market access targeted measures that restricted, or had the potential to restrict, trade in agricultural products, including bovine meat (Indonesia's regulations on imports of bovine meat), cereals (China's maize import duties, Morocco's increase in wheat tariffs, Nigeria's

⁷⁵ WTO document WT/COMTD/M/115, 5 August 2021.

⁷⁶ WTO document WT/COMTD/SE/M/40, 12 January 2021.

⁷⁷ WTO document WT/COMTD/SE/M/41, 10 August 2021.

⁷⁸ 96th, 97th, 98th and 99th CoA meetings, respectively.

⁷⁹ Australia, Brazil, Canada, China, the European Union, India, Japan, New Zealand, Paraguay, the Russian Federation, Turkey, Ukraine and the United States.

border closures, the Philippines' market access volume utilization of corn and its Sanitary and Phytosanitary Import Clearance (SPSIC) permits, and Chinese Taipei's ceiling price for imported rice under the tariff rate quota (TRQ)), cotton (India's increase on cotton tariffs), fruits and vegetables (Indonesia's imports of citrus, melons, strawberries and persimmons and the Kingdom of Saudi Arabia's imports of agricultural products from Turkey), poultry (South Africa's review of tariff structure for poultry meat imports and Tajikistan's poultry tariffs), seeds (India's oilseeds policies), spirits (Côte d'Ivoire's tax on imported spirits) and sugar (Egypt's sugar import ban). Certain SIMs related to Members' broader import policies covering several products.

3.110. In the domestic support pillar, Members sought clarification on support policies targeting specific products, including dairy products (Canada's farm gate milk prices and its dairy price increase in New Brunswick), cereals (China's minimum support prices, Japan's rice paddy renovation for new market development and the Russian Federation's wheat subsidies), cotton (India's cotton support), livestock (Germany's domestic support to the livestock sector), soybeans (France's soybean production and the European Union's blue box support), sugar (India's support to sugar and biofuels) and wine (Canada's support to the wine sector), as well as domestic support policies with a wider sectoral scope applied by eight Members.

3.111. Thirteen SIMs related to measures restricting or prohibiting exports, including on beef (Argentina's export restrictions on beef), cereals (the Russian Federation's grain export duties, its formula-based grain export tax and its lack of notifications to the CoA regarding its recently implemented export restrictions; Turkey's export restrictions on pasta; and Ukraine's export cap on corn), fresh vegetables (India's export prohibition on onions), seeds (the Russian Federation's sunflower seeds export duty and its draft resolution on export duties, and Ukraine's licensing requirement for exports of sunflower seeds and its Memorandum of Understanding with the effect of an export restriction), olive oil (Turkey's ban on olive oil exports) and soybean (the Russian Federation's soybeans export duty).

3.112. Three SIMs sought further information and clarification on policies that potentially subsidized exports of agricultural products (India's export subsidies for sugar, and the Russian Federation's support on exports of high value-added agricultural products and its support for exported agricultural products). Other SIMs concerned Austria's draft resolution to change the criteria for granting the "AMA seal", China's outstanding responses to questions raised in the CoA, France's requirements concerning the origin of goods and meats on supermarket shelves and in cafeterias, respectively, and Tajikistan's new Tax Code.

3.113. A total of 40 SIMs that were discussed during the period under review were a follow-up to matters raised in previous CoA meetings. Some of these matters have been raised multiple times. For example, two SIMs (Canada's new milk ingredient class and India's pulses policies) have been raised in 18 and 15 CoA meetings, respectively, attracting 64 and 60 questions. Similarly, matters related to Mongolia's quota regime for importation, China's cotton policies, India's skim milk powder export subsidies and the Russian Federation's railway subsidy for exports have been raised on seven or more occasions. Other agricultural policies of Australia, Brazil, Canada, China, the European Union, Honduras, India, Indonesia, New Zealand, Nigeria, the Russian Federation, Tajikistan, Turkey, the United Kingdom and the United States were also the subject of repeated concerns under Article 18.6.

3.114. All 110 SIMs (new and repeated), including questions, answers and follow-up comments, can be accessed through the Agriculture Information Management System (AG IMS).⁸⁰

3.115. Regarding steps taken by Members to implement the December 2015 Nairobi Ministerial Decision on Export Competition, of the 16 Members with positive export subsidy commitment levels in their schedules at the time of adoption of the Decision, 12 have had their revised export subsidy schedules certified (Australia, Colombia, Iceland, Indonesia, Israel, Mexico, Norway, South Africa, Switzerland, Turkey, the United States and Uruguay); 2 (Canada and the European Union) circulated their draft revised schedules, which are pending certification; and 2 still have to circulate their revised draft export subsidy (ES) schedules (Brazil and the Bolivarian Republic of Venezuela). At the

⁸⁰ On the "Review Process Q&A" tab, select function "Search Q&A Submitted Since 1995" on the AG IMS (<http://agims.wto.org/>) and indicate in the search criteria the meeting numbers 96, 97, 98 and 99.

September 2021 meeting of the Committee, Brazil reported that the draft ES schedule would be circulated after the release of the Presidential Decree approving the Nairobi Decision.

Policy developments in agriculture related to the COVID-19 pandemic

3.116. The four CoA meetings covered by this Report included a dedicated agenda item on COVID-19 and agriculture. While Members also used the standard review process of the CoA to request clarification on each other's policies implemented in response to the pandemic, this standing agenda item provided an opportunity to engage in a broader discussion on the serious disruptions the pandemic has inflicted on food and agriculture systems globally. The agenda item allowed Members to engage in the review of each other's *ad hoc* reports on measures taken in response to the pandemic. In this regard, seven Members (counting the European Union as one) submitted *ad hoc* reports to the CoA during the review period.⁸¹ In addition, at Members' request, the WTO produced a compilation of Members' COVID-19 agricultural measures on their *ad hoc* reports submitted to the CoA.⁸²

3.117. Observer International Organizations also contributed to discussions under the agenda item on COVID-19 and agriculture. The Food and Agriculture Organization of the United Nations (FAO), the OECD, the World Food Programme (WFP) and the International Grains Council (IGC) submitted reports outlining their work in relation to the pandemic.⁸³

3.118. Some of the measures put in place by Members in response to the pandemic included restriction or prohibition on exports of certain goods, including agricultural products. The AoA establishes disciplines for cases where Members institute export prohibitions or restrictions to prevent or relieve critical shortages of foodstuffs (Article 12). Transparency is at the heart of these disciplines. The AoA states that: (i) Members are to give due consideration to the effects of such prohibition or restriction on importing Members' food security; and (ii) before any Member institutes an export prohibition or restriction, it shall give notice in writing, as far in advance as practicable, to the CoA, comprising such information as the nature and the duration of such measure, and shall consult, upon request, with any other Member having a substantial interest as an importer with respect to any matter related to the measure in question. These written notices are referred to as ER:1 notifications. The AoA includes a special and differential treatment provision, whereby the above requirements do not apply to developing country Members unless the measure is taken by a developing country Member that is a net food exporter of the specific foodstuff concerned. In the period under review, there was one notification submitted to the CoA by the Kyrgyz Republic on the export prohibitions of certain agricultural products attributed to the COVID-19 pandemic.⁸⁴

3.119. Governments also implemented support measures to the agriculture sector in the wake of the pandemic. These measures were discussed at the Committee, including based on relevant Members' *ad hoc* reports and notifications.⁸⁵

3.120. The following box has been contributed by the OECD.

Box 3.3 Measuring and Assessing support to Agriculture

In 2018-20, agricultural support policies across the 54 countries covered in the OECD's annual [Agricultural Policy Monitoring and Evaluation](#) report generated USD 720 billion per year in transfers to agriculture.^a USD 272 billion of this comes in the form of market price support paid by consumers (e.g., through higher prices from tariffs), while the remaining USD 447 billion are budgetary support paid by taxpayers. Much of this support does little to help, or even harms, its stated aims of improving food security, incomes and livelihoods, and environmental sustainability.

⁸¹ WTO documents for European Union (G/AG/GEN/159/Add.3, 26 November 2020; G/AG/GEN/159/Add.4, 24 March 2021; and G/AG/GEN/159/Add.5, 20 September 2021); Israel (G/AG/GEN/160/Add.1, 17 March 2021); Japan (G/AG/GEN/166/Rev.1, 26 March 2021); Norway (G/AG/GEN/172, 11 November 2020); El Salvador (G/AG/GEN/163/Add.1, 4 February 2021); South Africa (G/AG/GEN/180, 12 March 2021); and Switzerland (G/AG/GEN/164/Corr.1, 19 November 2020; and G/AG/GEN/164/Add.1, 25 November 2020).

⁸² WTO document G/AG/W/209/Rev.1, 8 September 2021.

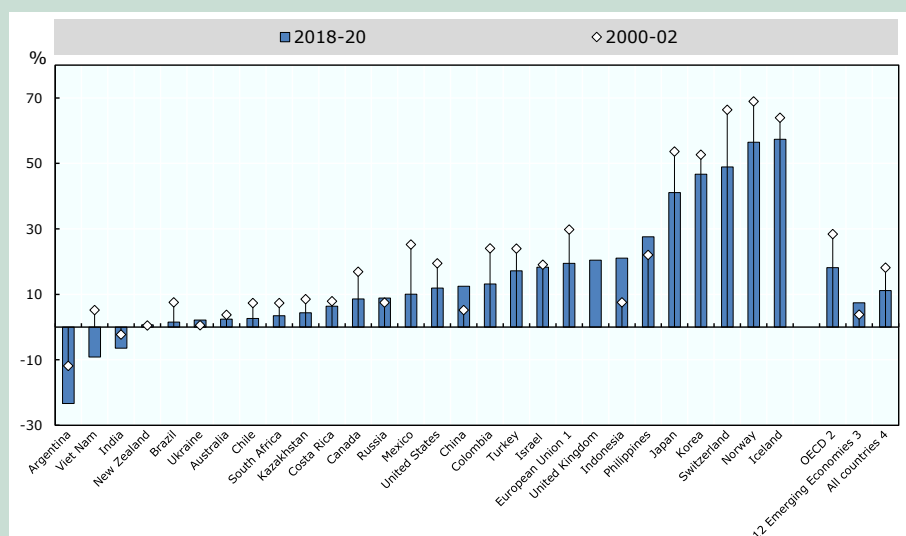
⁸³ WTO documents for FAO (G/AG/GEN/175, 26 November 2020; and G/AG/GEN/189, 11 June 2021); OECD (G/AG/GEN/176, 27 November 2020); WFP (G/AG/GEN/183, 16 March 2021; G/AG/GEN/188, 8 June 2021; and G/AG/GEN/190, 7 September 2021); and IGC (G/AG/GEN/181, 16 March 2021; G/AG/GEN/182, 16 March 2021; and G/AG/GEN/191, 14 September 2021).

⁸⁴ WTO document G/AG/N/KGZ/35, 6 July 2021.

⁸⁵ WTO documents G/AG/R/99, 13 July 2021; and G/AG/R/100 (forthcoming).

Individual producers received USD 540 billion in support per year (about 75% of all positive transfers to agriculture) through various support measures, including higher prices paid by consumers (Figure 3.2).

Figure 3.2 Producer Support Estimate by country, 2000-02 and 2018-20 (% of gross farm receipts)



Notes:

Countries are ranked according to the 2018-20 levels.

1. EU15 for 2000-02, EU28 for 2018-19 and EU27 plus UK for 2020.

2. The OECD total does not include the non-OECD EU Member States. Latvia and Lithuania are included only for 2018-20.

3. The 12 Emerging Economies include Argentina, Brazil, China, Costa Rica, India, Indonesia, Kazakhstan, the Philippines, the Russian Federation, South Africa, Ukraine and Viet Nam.

4. The All countries total includes all OECD countries, non-OECD EU Member States, and the Emerging Economies.

Source:

OECD (2021), "Producer and Consumer Support Estimates", OECD Agriculture statistics (database), <http://dx.doi.org/10.1787/agr-pcse-data-en>.

The most distorting forms of support amount to USD 338 billion per year, and include market price support (USD 272 billion), and payments linked to output or the unconstrained use of inputs (USD 66 billion). These measures are both inequitable (as support linked to production is disproportionately allocated to larger farms) and inefficient in transferring income to farmers (as a large share of the benefits leak in the form of higher land values or input prices). Furthermore, they are among the most environmentally harmful support policies, as they provide incentives for the intensification of input use, the allocation of land to supported crops, and the entry of new land into the agricultural sector. Payments based on variable inputs without appropriate constraints can encourage the excessive use of fertilisers and pesticides, causing severe damage to freshwater ecosystems and biodiversity.

Instruments with more positive effects on food security, incomes and resource use mostly fall within the category of general services, and particularly include investments in R&D, biosecurity and infrastructure. Despite evidence of high returns, spending on agricultural knowledge and innovation systems was just USD 26 billion per year (6% of all budgetary support), while spending on biosecurity and for the development and maintenance of infrastructure for the sector amounted to USD 50 billion per year (11% of budgetary support).

To accelerate progress in addressing the challenges facing food systems, the OECD's report suggest that governments should: (i) phase out price interventions and market distorting producer support; (ii) target income support to farm households most in need, and where possible incorporate such support into economy-wide social policies and safety-nets; and (iii) re-orient public expenditures towards investments in public goods – in particular innovation systems.

a

OECD estimates agricultural support as "gross transfers to agriculture from consumers or taxpayers, arising from governments' policies that support agriculture" (*PSE Manual*, p. 16). As such, the indicators provided here are indications of policy effort that differ from support estimates calculated by other institutions, including the WTO, which aim at different objectives and follow different methodologies (Diakosavvas, 2002; Effland, 2011; Brink, 2018). For 'domestic support' information based on the WTO framework, the relevant Members' Table DS:1 notifications accessible on AGIMS may be consulted.

References:

Brink, L. (2018), Two indicators, little in common, same name: Market Price Support – CAP Reform, viewed at: <http://capreform.eu/two-indicators-little-in-common-same-name-market-pricesupport/>.
 Diakosavvas, D. (2002), "How to Measure the Level of Agricultural Support: Comparison of the Methodologies applied by OECD and WTO", China in the Global Economy. Agricultural Policies in China after WTO Accession, OECD Publishing, Paris, viewed at: <https://dx.doi.org/10.1787/9789264158894-en>.
 Effland, A. (2011), "Classifying and Measuring Agricultural Support: Identifying Differences Between the WTO and OECD Systems", Economic Information Bulletin 74, viewed at: <http://www.ers.usda.gov/> (accessed on 19 April 2019).

Source: OECD.

3.7 General Economic Support

3.121. At the 29 July 2021 informal TPRB meeting dedicated to discussing the Director-General's mid-year Trade Monitoring Report on Trade-related Developments⁸⁶, WTO Members engaged in a comprehensive and constructive exchange of views. In the context of trade responses to the COVID-19 pandemic, several delegations expressed that this transparency platform offered an opportunity to understand the nature of policies and programmes implemented, their duration, and the envisaged timetables for a phase-out. Introducing her Report to the meeting, the Director-General emphasized that the Report did not question the explicit right of Members to adopt certain trade measures and had no legal effects on the rights and obligations of WTO Members.

3.122. Since July 2017, the Secretariat has been unable to justify the inclusion of a separate Annex on general economic support measures in the Trade Monitoring Reports. This has been partly due to the low participation and response rate of WTO Members to the request for information, and partly because such an Annex would be biased against those Members that traditionally share and publish detailed information on such measures. Compounding the lack of information volunteered by Members, some delegations have often insisted on excluding general economic support measures identified by the Secretariat from public sources and for which verification was sought. The past few TPRB meetings generated an exchange of views on how to address this issue, with several Members emphasizing the need to preserve and strengthen transparency through the trade monitoring exercise while one Member had other views. Several Members welcomed the online COVID-19 support measures list⁸⁷ compiled by the WTO Secretariat, which was put in place in the early stages of the pandemic. The list provides an informal situation report and is an attempt to enhance transparency around support measures taken in response to the COVID-19 crisis. It includes only information and measures communicated by delegations directly to the WTO Trade Monitoring Section and only in the original language of the submission.

Regular economic support measures (not related to COVID-19)

3.123. In response to Director-General's 16 March 2021 and 1 September 2021 requests for information for this Trade Monitoring Report, 33 WTO Members (Albania; Colombia; European-Union⁸⁸; Hong Kong, China; Indonesia; Ukraine; and Mauritius) volunteered information on 26 regular general economic support measures unrelated to the pandemic. The Secretariat's own research suggests that during the review period many more support measures with potentially important ramifications for trade were implemented by WTO Members.

3.124. During the review period, regular support measures communicated by WTO Members and those identified by the Secretariat, included measures to support farmers and the agricultural sector, as well as support to the manufacturing, pharmaceuticals, and automotive sectors. Other measures included loans, financial and tax incentives to support activities of MSMEs and businesses, investments to promote the use or development of digital technologies, as well as general stimulus packages. Some measures included incentives relating to environmental sustainability targets and renewable energy projects. Several of these measures were multi-year programmes, with financial disbursements staggered over the lifetime of a project and some were one-off grants or aid schemes.

COVID-19-related economic support measures

3.125. In response to Director-General's 16 March 2021 and 1 September 2021 requests for information 67 Members⁸⁹ and 3 Observers⁹⁰ volunteered 372 COVID-19-related support measures to the Secretariat.

⁸⁶ WTO document WT/TPR/OV/W/15, 13 July 2021.

⁸⁷ WTO, *COVID-19: Support Measures*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/trade_related_support_measures_e.htm.

⁸⁸ Counting the EU (27) and its members separately.

⁸⁹ Angola; Australia; Bahrain, Kingdom of; Belize; Brazil; Canada; Chile; China; Colombia; Costa Rica; Dominican Republic; El Salvador; European Union (counting the EU (27) and its members separately); Hong Kong, China; Indonesia; Israel; Macao, China; Madagascar; Malaysia; Mali; Mauritania; Mauritius; Mexico; Moldova, Republic of; Montenegro; Myanmar; Nepal; Norway; Paraguay; Philippines; Russian Federation; Kingdom of Saudi Arabia; Switzerland; Chinese Taipei; Thailand; Tunisia; Turkey; Ukraine; United Kingdom; and Zambia.

⁹⁰ Belarus, Equatorial Guinea, and Iraq.

3.126. Since the beginning of the pandemic, at least 1,664 COVID-19-related economic support measures have been put in place by 109 Members and 4 Observers.⁹¹ Of these, as at 4 October 2021, 1,020 (61%) were communicated directly to the WTO Secretariat. This number includes 66 COVID-19-related support measures for MSMEs that were communicated directly to the Trade Monitoring Section by 49 Members following the recommendation adopted by the Informal Working Group on MSMEs to further increase transparency and provide, on a voluntary basis, information on policies related to MSMEs.

3.127. The unprecedented number of COVID-19-related support measures put in place since the beginning of the pandemic far exceeds the activity seen in the wake of the global financial crisis of 2008-09. So far in 2021, 414 such measures have been announced or implemented in the form of grants, loans or stimulus packages targeting sectors of the economy heavily affected by the pandemic, including agriculture, health, aviation, transport, tourism, education, culture, as well as fiscal and financial measures to support businesses and MSMEs and broader stimulus packages. Another set of support measures put in place by governments in response to the COVID-19 pandemic included measures implemented by Central Banks.

3.128. COVID-19-related support measures generally appear to be temporary in nature. Some of the measures implemented in the early stages of the pandemic were extended in 2021, but overall, the flow of new support measures has slowed during the review period, particularly in the second half of 2021. Some of these measures form part of rescue plans staggered over several years or stimulus packages worth several trillion US dollars. The large stimulus packages and economic support measures introduced by several governments have helped to mitigate the economic impact of the pandemic and this is slowly seeing some economies beginning to recover. Central Banks in some countries have started lifting interest rates to address rising inflation or cut back their bond purchasing programs, moving away from policies taken to address the economic impacts of the pandemic.

3.129. The responses of high-income economies have been significantly more generous in terms of the number and variety of measures implemented and funds allocated than those offered by lower-income economies. The latter's responses have often relied on funding or other assistance obtained from international organizations and/or donors. The Secretariat identified 443 bilateral and multilateral assistance⁹² measures that were received during the review period by 122 Members and Observers to address the COVID-19 crisis. Of the 443 measures, 224 related to vaccination roll outs and bilateral vaccine donations. Others included additional financing for governments to address the pandemic in the forms of loans, grants, and donations of medical devices. Several assistance measures were also provided to support the education sector and MSMEs in facing the challenges brought by the pandemic.

3.130. The above has captured activities in regular and COVID-19-related economic support measures, including bilateral and multilateral assistance for the period between mid-October 2020 and mid-October 2021. Governments around the world have provided an unprecedented number and variety of support measures to address the social and economic impacts of the pandemic. These emergency support measures are central to governments' strategies to address the pandemic-induced economic downturn and to ensure a sustainable recovery.

3.131. The trade monitoring exercise does not make any judgement as to the WTO-compatibility of any of the measures referred to in this Section. While it is possible that these measures, whether taken as part of a Member's overall commercial strategy or as part of a Member's emergency response to the COVID-19 pandemic, may affect trade in some way, it is not always straightforward to conclude that they restrict or facilitate trade (and by how much), or that they distort competition.

3.8 Overview of Trade Policy Reviews

3.132. Due to the restrictions imposed on account of the COVID-19 pandemic, only 15 Trade Policy Reviews (TPRs) were undertaken between mid-October 2020 and mid-October 2021 (Table 3.29).

⁹¹ Azerbaijan, Belarus, Equatorial Guinea, and Iraq.

⁹² Multilateral assistance refers to assistance from international organizations and regional development banks.

TPRs aim to provide the WTO membership with a deeper understanding of the trade and economic policies of the Member under review and lead to constructive and insightful discussions.

Table 3.29 Trade Policies Reviews mid-October 2020 to mid-October 2021

Member reviewed	Date of the Meeting	Documents related to this meeting can be viewed at:
2020		
Thailand	24 and 26 November	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=190018&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Indonesia	9 and 11 December	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=190175&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Macao, China	15 and 17 December	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=188618&Language=English&Context=ScriptedSearches&languageUIChanged=true#
2021		
India	6 and 8 January	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=190585&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Nicaragua	27 and 29 January	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=192497&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Myanmar	15 and 17 February	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=190204&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Kingdom of Saudi Arabia	3 and 5 March	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=188651&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Mongolia	17 and 19 March	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=194381&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Qatar	6 and 8 April	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=188652&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Tonga	14 and 16 April	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=188653&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Viet Nam	27 and 29 April	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=191111&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Kyrgyz Republic	18 and 20 May	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=193336&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Argentina	15 and 17 September	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=191715&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Singapore	22 and 24 September	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=191663&Language=English&Context=ScriptedSearches&languageUIChanged=true#
Republic of Korea	13 and 15 October	https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?DataSource=Cat&Query=@MeetingId=188661&Language=English&Context=ScriptedSearches&languageUIChanged=true#

Source: WTO Secretariat.

3.9 Other Selected Trade Policy Issues

3.133. The following Section provides a brief overview of the other selected trade policy issues where important developments took place during the review period. It also includes follow-up to a number of issues which saw outcomes at MC11.

COVID-19-related discussions at the General Council

3.134. The General Council has seen WTO Members engage on COVID-19-related matters on several occasions during the review period. At the 16-18 December 2020, 1-2 and 4 March, 5-6 May, 27-28 July and 7-8 October 2021 General Council (GC) meetings⁹³, the TRIPS Council Chair reported on the discussions on the proposed waiver on some TRIPS provisions⁹⁴ by India, South Africa, and other co-sponsors in relation to the prevention, containment or treatment of COVID-19.

3.135. Based on Members demand and the need to channel all various and useful efforts on the WTO Response to the Pandemic, the GC Chair set up on 22 June 2021 a Facilitator-led, horizontal and multilateral process under the auspices of the GC to streamline and organize work in this area and ensure transparency and inclusiveness. Ambassador David Walker was appointed by the GC Chair to facilitate this process and reported at the 27-28 July and the 7-8 October GC meetings⁹⁵ on the discussions on the WTO Response to the Pandemic.

3.136. At the 16-18 December 2020 and 1-2 and 4 March 2021 GC meetings⁹⁶, the European Union, Canada and other co-sponsors drew the General Council's attention to the Trade and Health Initiative.⁹⁷ At the 5-6 May GC meeting, Canada and other co-sponsors referred to the relevant proposed General Council Declaration.⁹⁸

3.137. At the 1-2 and 4 March GC meeting⁹⁹, Colombia, Costa Rica, Ecuador, Panama and Paraguay presented their joint communication and called on Members to exercise restraint in the adoption and implementation of export restrictions on COVID-19 vaccines.¹⁰⁰

3.138. At the 5-6 May GC meeting, Paraguay, Colombia, Ecuador, Panama and Costa Rica called on Members to exercise restraint in the adoption and implementation of trade restrictions that block equal access to COVID-19 vaccines.¹⁰¹

3.139. At the 27-28 July GC meeting¹⁰², Canada, on behalf of co-sponsors of the Trade and Health Initiative, presented a "Draft General Council Declaration – COVID-19 and Beyond: Trade and Health", the European Union presented its communication on "Urgent Trade Policy Responses to the COVID-19 Crisis" and Chinese Taipei its communication on a "Ministerial Declaration on Combating, Mitigating and Recovering from the Impacts of COVID-19 and Beyond".¹⁰³

Aid for trade

3.140. The Aid for Trade initiative was launched at the Hong Kong Ministerial Conference in December 2005. The recent trends in Aid-for-Trade (AFT) flows, show that Aft disbursements totalled USD 45.8 billion in 2019, up 1% from the previous year. Economic infrastructure accounted for 55% of total Aft support with 43% going to building productive capacity and 2% to trade policy and regulations.

⁹³ WTO documents WT/GC/M/188, 22 February 2021; WT/GC/M/190, 23 April 2021; WT/GC/M/191, 8 July 2021; WT/GC/M/192, 4 October 2021; and WT/GC/M/193 (forthcoming).

⁹⁴ WTO document IP/C/W/669, 2 October 2020, its addenda and its revision.

⁹⁵ WTO documents WT/GC/M/192, 4 October 2021; and WT/GC/M/193 (forthcoming).

⁹⁶ WTO documents WT/GC/M/188, 22 February 2021; and WT/GC/M/190, 23 April 2021.

⁹⁷ WTO document WT/GC/223, 24 November 2020.

⁹⁸ WTO document JOB/GC/251/Rev.1, 22 April 2021.

⁹⁹ WTO document WT/GC/M/190, 23 April 2021.

¹⁰⁰ WTO document WT/GC/W/818, 18 February 2021.

¹⁰¹ WTO documents WT/GC/M/191, 8 July 2021; and WT/GC/W/826, 26 July 2021.

¹⁰² WTO document WT/GC/M/192, 4 October 2021.

¹⁰³ WTO documents WT/GC/W/823, 15 July 2021; WT/GC/231, 4 June 2021; and WT/GC/W/822, 18 June 2021.

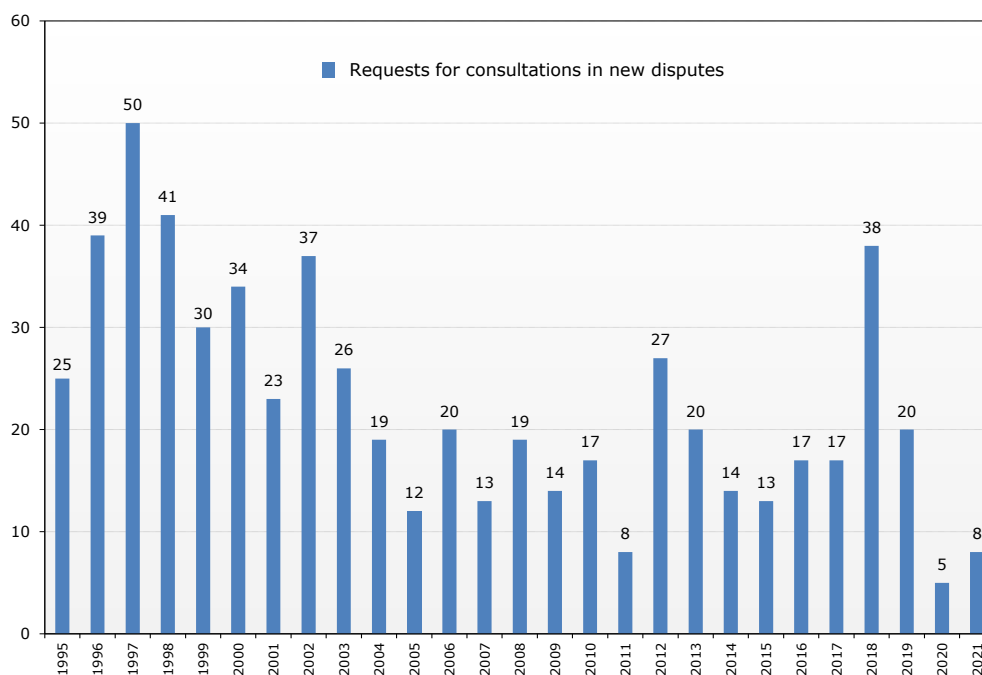
3.141. In addition to monitoring AFT flows, the WTO and OECD Secretariats are launching a new AFT Monitoring and Evaluation (M&E) exercise. The exercise will survey AFT stakeholders to determine recent trends in AFT priorities, notably in relation to ongoing recovery from the COVID-19 pandemic. It also seeks to contribute towards policy coherence, by identifying how trade is integrated into national strategies related to sustainable development, digital connectivity, and women's economic empowerment. This M&E exercise is a key input deliverable for the 8th Global Review of Aid for Trade in mid-2022. The Global Review forms the centrepiece of the 2020-2022 AFT Work Programme, themed "Empowering, Connected, Sustainable Trade".

Dispute settlement

3.142. Between the beginning of October 2020 and the beginning of October 2021, the WTO dispute settlement system continued to deal with a large number of proceedings initiated in 2018 and 2019. Following a significant drop in the number of newly initiated disputes in the previous review period, the number of new complaints has rebounded to 10 over the past 12 months (Chart 3.16). Eight of these requests for consultations were filed between January and August 2021.

3.143. The subject matter of new disputes brought to the WTO spanned a wide range of issues covered under the GATT 1994, the GATS, the SCM Agreement, the Anti-Dumping Agreement, the Agreement on Technical Barriers to Trade, the SPS Agreement, and the Agreement on Rules of Origin. As in previous years, both developed and developing country Members have been involved in dispute settlement proceedings, as complainants, respondents, or third parties.

Chart 3.16 New disputes initiated per year 1995-2021



Note: 2021 data cover the period between January to September.

Source: WTO Secretariat.

3.144. As with other activity areas of the WTO, the ongoing COVID-19 pandemic has affected the functioning of the dispute settlement system. Lockdowns, travel restrictions and limited access to WTO premises have prevented panelists, arbitrators and delegations of WTO Members alike from participating in meetings in Geneva, with implications for proceedings. Nevertheless, work on most disputes has continued according to the schedules developed by panels and arbitrators following consultation with disputing parties. In cooperation with the parties, and with the Secretariat's assistance, panels and arbitrators have developed procedures addressing the difficulties in holding in-person meetings. These procedures include additional exchanges of written submissions in place of substantive in-person meetings or substantive meetings conducted virtually. As a result, between the beginning of October 2020 and the beginning of October 2021, panels and arbitrators held fully

virtual or hybrid substantive meetings with parties in 20 disputes. As of the end of September 2021, panel proceedings in 34 disputes and 3 arbitrations on the level of suspension of concessions under Article 22.6 of the DSU were ongoing.

3.145. During the review period, panels circulated eight reports and one arbitrator issued a decision on the level of suspension of concessions or other obligations under Article 22.6 of the DSU. Between the beginning of October 2020 and the beginning of October 2021, Members appealed eight panel reports. These appeals cannot be considered at the current time, however, as in the absence of consensus among the WTO Members to launch the Appellate Body members selection process all seven positions on the Appellate Body have been vacant since 30 November 2020.

Electronic Commerce

3.146. Discussions on electronic commerce continue along two parallel tracks – multilaterally under the General Council and its relevant subsidiary bodies, and through the Joint Statement Initiative on Electronic Commerce (JSI). On both tracks, delegations are reiterating the importance of e-commerce in supporting the economic recovery from COVID-19 and the need to address development-related challenges.

3.147. At the multilateral level, discussions on the Work Programme and on the moratorium on customs duties on electronic transmissions have intensified, including at the General Council meetings in May and July 2021. On 5 July 2021, the Chair of the General Council convened a structured discussion which focused on three themes based on his consultations in April, namely (i) electronic transmissions; (ii) the imposition of internal non-discriminatory taxes on electronic transmissions, and; (iii) the challenges and opportunities of e-commerce, particularly in the context of the COVID-19 pandemic. The meeting provided an opportunity for Members to share experiences and further explore some of these issues. Work also continued in the relevant bodies entrusted with the implementation of the Work Programme.

3.148. JSI participants continue their negotiations under six broad themes: (i) enabling e-commerce; (ii) openness and e-commerce; (iii) trust and e-commerce; (iv) cross-cutting issues, such as transparency, domestic regulation, and cooperation; (v) telecommunications; and (vi) market access. In September 2021, the co-convenors (Australia, Japan, and Singapore) circulated an updated consolidated negotiating text capturing progress made thus far. Clean text was reached on unsolicited commercial electronic messages (spam), e-authentication and e-signatures, electronic contracts, online consumer protection and open government data. An article on transparency has been "parked", subject to the final scope and legal structure of the initiative's outcome. Discussions held in September on capacity building and technical assistance also focused on possible ways of addressing the needs and challenges faced by developing and least developed countries, as well as on proposals to help them implement the new rules on e-commerce and address the digital divide.

Fisheries Subsidies

3.149. In line with the mandate in Target 14.6 of the Sustainable Development Goals and from MC11, work continued in 2021 on an agreement to prohibit subsidies that contribute to illegal fishing and to overcapacity and overfishing, with special and differential treatment integral to the negotiations. Although the deadline to complete negotiations in 2020 had been missed, progress made during that year had been considerable, particularly given the restrictions on meetings and movement necessary in the context of the COVID-19 pandemic. These restrictions continued in 2021. Nevertheless, work continued in virtual and hybrid mode and the Chair presented a revised version of a draft text of disciplines in May¹⁰⁴ which was revised again in June.¹⁰⁵ This revision was discussed at a meeting of the TNC held at Ministerial level on 15 July in virtual mode. At that meeting, Ministers stated that they wanted an agreement to be reached as soon as possible, preferably well in advance of MC12. Since then, Members have been engaged in intensive negotiations to reach that goal.

¹⁰⁴ WTO document TN/RL/W/276, 11 May 2021.

¹⁰⁵ WTO document TN/RL/W/276/Rev.1, 30 June 2021.

Government Procurement

3.150. The WTO Agreement on Government Procurement 2012 (GPA 2012) continues to gain importance as an instrument for promoting trade and good governance in government procurement markets. Currently, the Agreement has 21 Parties, covering 48 WTO Members.¹⁰⁶ Thirty-five WTO Members/Observers participate as Observers in the GPA Committee.

3.151. With Switzerland's acceptance of the GPA 2012, on 1 January 2021 the GPA 2012 replaced the 1994 GPA in relation to all GPA Parties.¹⁰⁷ Moreover, the United Kingdom, in its own right, joined the GPA 2012, on 1 January 2021.¹⁰⁸

3.152. Important progress was made on several accessions to the Agreement. Brazil circulated its Replies to the Checklist of Issues and related information on its public procurement system in October 2020 and submitted its initial market access offer in February 2021. GPA Parties welcomed Brazil's efforts in its accession process and provided comments on the offer. Brazil's application for accession is the first from Latin America and as such is of systemic importance for the GPA. China has also actively pursued its efforts to accede to the GPA, by circulating extensive replies to questions and comments put forward by GPA Parties. It also further modified its Government Procurement Law to ensure consistency with the GPA 2012. North Macedonia, Kazakhstan, the Kyrgyz Republic, Tajikistan and the Russian Federation also continued their respective processes of accession.

3.153. The accessions of Albania, Georgia, Jordan, and Oman are pending. Several Members updated the Committee on their recent domestic developments and issues affecting their respective accession progress during the June meetings of the Committee. Afghanistan, Mongolia, the Kingdom of Saudi Arabia and Seychelles have undertaken commitments regarding the initiation of negotiations on accession to the Agreement in their respective Protocols of Accession to the WTO.

3.154. The Committee also continued to advance its Work Programmes concerning sustainable procurement; the collection and reporting of statistical data; and SMEs.

Micro, Small and Medium-sized Enterprises (MSMEs)

3.155. The MSME Informal Working Group (MSME Group), with 91 Members, met regularly throughout the reporting period. Work by the MSME Group focused on preparation for MC12 and implementation of the December 2020 package¹⁰⁹, which was endorsed by 97 Members, including 6 non-Members. Further, a MSME Group Declaration for MC12 was cleared in September 2021, taking stock of the progress achieved and paving the way for future work.¹¹⁰

3.156. Other work by the MSME Group is proceeding based on proposals and presentations by Members on a variety of topics including innovation policies, rural MSMEs, cyber-security and low-value shipments. External presenters also delivered information to the MSME Group on UNCITRAL's Model Law on Electronic Transferable Records (MLETR) and supply chain finance and the MSME Group continued to receive briefings on MSME-related work and discussions in other WTO committees, including on MSMEs and intellectual property in the TRIPS Committee, the SPS and TBT notification system in ePing, and the ASYCUDA-CDS communication platform project by the EIF.

Regional Trade Agreements (RTAs)

3.157. During the review period, WTO Members notified 51 RTAs (75 notifications) as compared to 8 RTAs (13 notifications) during the previous period. Most of these notifications concerned the entry

¹⁰⁶ The European Union and its 27 member States are covered by the Agreement as one Party.

¹⁰⁷ The GPA 2012 entered into force for Switzerland on 1 January 2021. With the entry into force of the GPA 2012 for Switzerland, all GPA Parties have accepted the GPA 2012.

¹⁰⁸ The United Kingdom had previously been covered by the GPA 1994 and subsequently by the GPA 2012 as a member State of the European Union and later in accordance with the Withdrawal Agreement concluded between the European Union and the United Kingdom and relevant decisions of the WTO Committee on Government Procurement. From 2018 to 2020, the United Kingdom negotiated with GPA Parties for GPA membership in its own right. On 2 December 2020, the United Kingdom deposited its instrument of accession to the GPA 2012.

¹⁰⁹ WTO document INF/MSME/4/Rev.1, 18 March 2021.

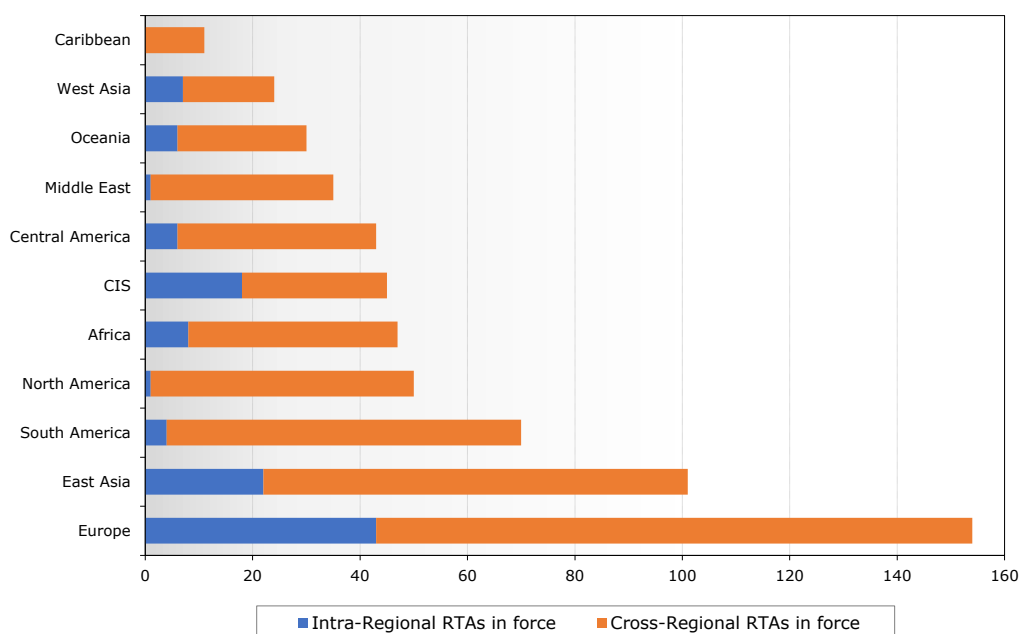
¹¹⁰ WTO document INF/MSME/W/36, 28 September 2021.

into force of agreements concluded by the United Kingdom following its withdrawal from the European Union and the termination of a transition period lasting until 31 December 2020. Of these RTAs, 27 relate to trade in goods only, one of which was notified under the Enabling Clause and 26 under GATT Article XXIV; 24 RTAs include trade liberalization in both goods and services and were notified under GATT Article XXIV and GATS Article V. In addition, the CRTA and the CTD received notifications concerning seven RTAs already notified.¹¹¹

3.158. As at 15 October 2021, the total number of RTAs notified to the WTO, and to the GATT before it, and currently in force, amounted to 350 (179 covering goods and services, 169 goods only, and 2 services only). The WTO Secretariat has also identified and verified, through the respective parties, 55 RTAs that are in force, but have not yet been notified to the WTO.¹¹²

3.159. Judging from overall notifications, RTA activity remains strongest in Europe (25% of RTAs in force), with successive EU enlargements, the United Kingdom's new agreements following its withdrawal from the EU and agreements with countries in Eastern Europe and around the Mediterranean basin, as well as RTAs notified by EFTA; this is followed by East Asia (17%) and South America (11%) (Chart 3.17).

Chart 3.17 RTAs in force, by region



Note: RTAs involving countries/territories in two (or more) regions are counted more than once.

Source: WTO Secretariat.

3.160. The WTO Members with the most RTAs in force are the European Union, the United Kingdom, the EFTA States, and Chile, with over 25 RTAs in force each, followed by Singapore, Mexico and Turkey, which have over 20 RTAs in force each. A number of other developing countries also have several RTAs in force, such as the Republic of Korea, Peru, India and Panama.

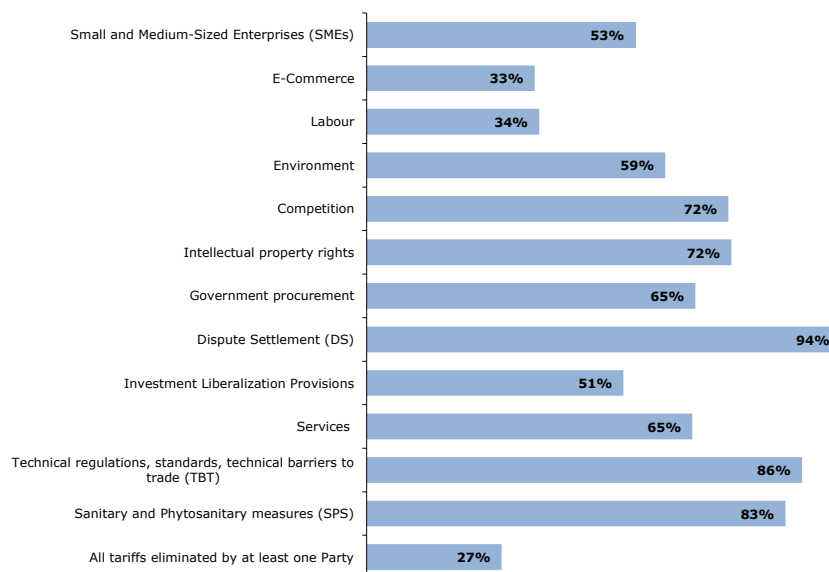
3.161. Over the years RTAs have become more complex, and many currently include provisions that go beyond market access in goods and services. Of 336 RTAs notified to the WTO and currently in force, the vast majority include dispute settlement mechanisms, followed by trade in goods related provisions such as technical regulations, standards, technical barriers to trade and sanitary and phytosanitary measures. Other provisions frequently found in RTAs include intellectual property rights and government procurement. More recent RTAs also include provisions on which there are

¹¹¹ The WTO RTA Database (viewed at: <http://rtais.wto.org>) provides updated information on all RTA notifications submitted by WTO Members.

¹¹² WTO document WT/REG/W/159, 11 June 2021.

few or no WTO rules, including competition, environment, labour, and small and medium-sized enterprises (Chart 3.18).

Chart 3.18 Key provisions in RTAs



Note: Figures are based on 336 RTAs notified to the WTO and currently in force.

Source: WTO Secretariat.

Trade and Environment

3.162. The Committee on Trade and Environment (CTE) continued to focus its discussion on important global multilateral issues around the intersection between trade and environmental policies, in particular on plastics pollution and circular economy; trade and climate change.¹¹³ Members also continued discussions on trade-related aspects of the EU Green Deal, including the plan to establish a Carbon Border Adjustment Mechanism. Other briefings included topics such as the ongoing preparations for COP26, the Agreement on Climate Change, Trade and Sustainability initiative, Fossil Fuels Subsidy Reform as well as Trade and Environment Initiatives by APEC. COVID-19 was also one of the main themes raised this year. Members noted the link between environmental degradation and pandemics; the importance of ensuring a green recovery from COVID-19 and the role of trade policy.

3.163. During the second WTO Trade and Environment Week in November 2020, several Member-driven side events were held in the margins of the CTE. In this context, two new initiatives were launched by groups of like-minded Members: (i) the Structured Discussions on Trade and Environmental Sustainability (TESSD); and (ii) the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (IDP). First, the TESSD aims to identify areas for future work to help the WTO address sustainable development challenges more effectively and to work on possible environmental sustainability "actions and deliverables".¹¹⁴ Second, the IDP seeks to identify opportunities for enhanced trade cooperation within the rules and mechanisms of the WTO to support efforts in other fora.¹¹⁵

3.164. The following box has been contributed by the International Trade Centre (ITC).

¹¹³ Annual Report 2020, WTO document WT/CTE/27, 15 December 2020; WTO document WT/CTE/M/70, 17 March 2021; WTO document WT/CTE/M/71, 16 June 2021.

¹¹⁴ WTO document WT/CTE/W/249/Rev.1, 11 December 2020. TESSD currently counts with 53 co-sponsors (as of 4 October 2021).

¹¹⁵ WTO document WT/CTE/W/245, 4 June 2007. IDP currently counts with 18 co-sponsors (as of 4 October 2021).

Box 3.4 Small businesses that export more likely to adapt to climate change

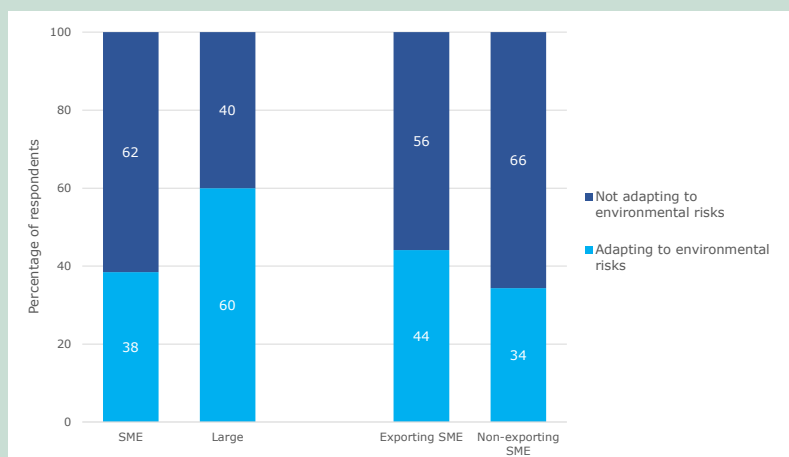
Climate change impacts follow an inequitable path. Small businesses in strongly affected countries tend to have relatively fewer resources, alternatives, and information with which to adapt. The latest International Trade Centre (ITC) data show that, although smaller firms are less likely to adapt to environmental risks than larger ones, exporting increases their propensity to protect themselves from the impacts of a changing climate.

For businesses, adaptation means minimizing the risk of harm from climate change and/or exploiting opportunities arising from it.^a SMEs may design adaptation measures to prepare themselves for specific climate threats, such as building physical barriers to reduce flood damage, and strengthen overall resilience and competitiveness.

The evidence indicates that smaller firms are less likely to take action to reduce the environmental risks they face. Sixty per cent of large firms reported that they had invested in at least one measure to reduce exposure to environmental risks, according to ITC SME Competitiveness Surveys in Africa. In comparison, just 38% of micro, small and medium-sized firms had made such an investment.^b Smaller firms have less capital at their disposal and hence less capacity to invest, even when there is a clear business case for doing so.

The difficulties SMEs face in adapting to climate change seem to lessen, however, once they start exporting. SMEs that export are more likely to adapt to environmental risks than SMEs that do not export, according to ITC survey data.^c This may be explained by the fact that exporting gives small businesses the know-how and financial resources to assess, plan and address environmental risks.

Export status and firm size affect tendency to adapt to environmental change^d



Exporting can help small firms adapt to climate change

It pays to adapt to climate change now, given the enormous impact it will have in coming decades.^e Many stakeholders already are determined to 'build back better'.^f Part of this commitment must be geared towards supporting SMEs to adopt profitable, climate-friendly strategies, so that they can develop a competitive advantage by going green.^g

Because smaller firms often lack the information, skills, financing, and time to dedicate to long-term planning, they tend to respond passively to shocks.^h Moreover, many SMEs in developing countries lack access to the networks which could enable them to access the resources necessary for climate risk management. Larger companies are for their part increasingly seeing climate change as a significant long-term threat to their business models and investing to adapt to these changes.ⁱ

If it is mainly large firms that have the foresight and capital to adapt, only they will prepare adequately for climate change. Smaller companies that wait and try to cope after the event are likely to run down assets, with adverse effects on their competitiveness and survival. This could exacerbate corporate concentration, which research suggests is already on the rise because of the COVID-19 pandemic.^j

Current and potential WTO rules and deep trade agreements can help reconcile trade and climate policies, so they support SME's role in sustainable development. Aid for Trade also has an important role to play. For example, ITC's experience providing technical assistance has demonstrated how it can help SMEs understand how climate change will affect their competitiveness on world markets and plan accordingly.^k

Private sector actors in the multilateral trading system also have an important role to play. Lead firms in global value chains can assist their suppliers to adapt to climate change, particularly in LDCs and small island developing States. Supply chain financing, and export finance, must build on the lessons learnt from COVID-19 to help suppliers cope when crisis hits and invest in greening their businesses in good times.

Greater environmental awareness may provide a golden opportunity to accelerate progress towards the 2030 Agenda for Sustainable Development through trade. Climate change responses should be designed to make the green transition feasible – and profitable – for SMEs, particularly those in hard-hit developing countries. Exporting is one way to boost the resilience of SMEs in the face of climate change. ITC is an

active player in ensuring SMEs leverage their participation in international trade for effective adaptation to climate change.

- a John Agard and E. Lisa F. Schipper, "Annex II - Glossary," in IPCC Assessment Report 5 Working Group 2, The Intergovernmental Panel on Climate Change (Cambridge: Cambridge University Press, 2014), 1757–76. Viewed at: https://archive.ipcc.ch/pdf/assessment-report/ar5/wq2/WGIIAR5-AnnexII_FINAL.pdf.
- b ITC, "SME Competitiveness Outlook 2021: Empowering the Green Recovery" (Geneva: International Trade Centre, June 24, 2021). Viewed at: <https://www.intracen.org/SMEOutlook/>.
- c ITC, "SME Competitiveness Outlook 2021: Empowering the Green Recovery" (Geneva: International Trade Centre, June 24, 2021). Viewed at: <https://www.intracen.org/SMEOutlook/>.
- d ITC, based on ITC SME Competitiveness Surveys in Benin, Botswana and Zambia with 1,359 firms. Data collected in 2018 and 2019. SMEs are defined as firms with less than 100 employees. Exporters include firms that export regularly and those that export in an irregular and intermittent manner. Respondents were asked "In the last three years, did your company invest in any of the following measures to reduce the environmental risks that your company is facing?" Answer options included irrigation systems; water purification systems; flood prevention systems; power generation systems; soil management practices; transportation means; air pollution controls; temperature controls; other measures to reduce environmentally-related risks; none; and do not know. Respondents who chose any of the answer options (besides none and do not know) are defined as "adapting to environmental risks"; those that chose "none", "do not know" or did not choose are defined as "not adapting to environmental risks".
- e For instance, some estimates suggest that investing USD 1.8 trillion globally in adaptation between 2020 and 2030 could generate USD 7.1 trillion in total net benefits Global Commission on Adaptation, "Adapt Now: A Global Call for Leadership on Climate Resilience" (Rotterdam & Washington, DC: Global Center on Adaptation & World Resources Institute, 2019).
- f Peter Bakker and John Elkington, "To Build Back Better, We Must Reinvent Capitalism. Here's How," July 13, 2020, viewed at: <https://www.weforum.org/agenda/2020/07/to-build-back-better-we-must-reinvent-capitalism-heres-how/>; Maria Mendiluce, "How to Build Back Better after COVID-19," World Economic Forum, April 3, 2020, viewed at: <https://www.weforum.org/agenda/2020/04/how-to-build-back-better-after-covid-19/>; OECD, "Building Back Better: A Sustainable, Resilient Recovery after COVID-19," Policy Brief, OECD Policy Responses to Coronavirus (COVID-19) (OECD, September 2020), viewed at: <http://www.oecd.org/coronavirus/policy-responses/responding-to-the-covid-19-and-pandemic-protection-gap-in-insurance-35e74736/>.
- g For more information on ITC's GreenToCompete strategy, see: <https://www.intracen.org/greentocompete/>.
- h Caroline Schaer, "Editorial: Private-Sector Action in Adaptation: Perspectives on the Role of Micro, Small and Medium Size Enterprises," in Private-Sector Action in Adaptation: Perspectives on the Role of Micro, Small and Medium Size Enterprises. (Copenhagen: UNEP DTU, 2018), viewed at: <http://www.unepdtu.org/PUBLICATIONS/Perspective-Series-2018>.
- i AXA Group and UNEP, "Business Unusual: Why the Climate Is Changing the Rules for Our Cities and SMEs" (Paris and Geneva: AXA Group and the United Nations Environment Programme Financial Initiative Principles for Sustainable Insurance Initiative, 2015); Center for Climate and Energy Solutions, "Weathering the Storm: Building Business Resilience to Climate Change" (Arlington: Center for Climate and Energy Solutions, 2013); EBRD, "Transition Report 2019-20: Better Governance, Better Economies" (London: European Bank for Reconstruction and Development, 2019).
- j Nancy L Rose, "Will Competition Be Another COVID-19 Casualty?" (Brookings, 2020), 15, viewed at: https://www.brookings.edu/wp-content/uploads/2020/07/Rose_LO_FINAL.pdf; The Economist, "Survival of the Fittest: Could the Pandemic Leave Markets More Concentrated?," October 10, 2020, viewed at: <https://www.economist.com/special-report/2020/10/08/survival-of-the-fittest>; UNCTAD, "Impact of the COVID-19 Pandemic on Trade and Development" (Geneva: United Nations Conference on Trade and Development, 2020), viewed at: https://unctad.org/system/files/official-document/osq2020d1_en.pdf.
- k ITC. Forthcoming. Becoming a Climate Resilient SME.

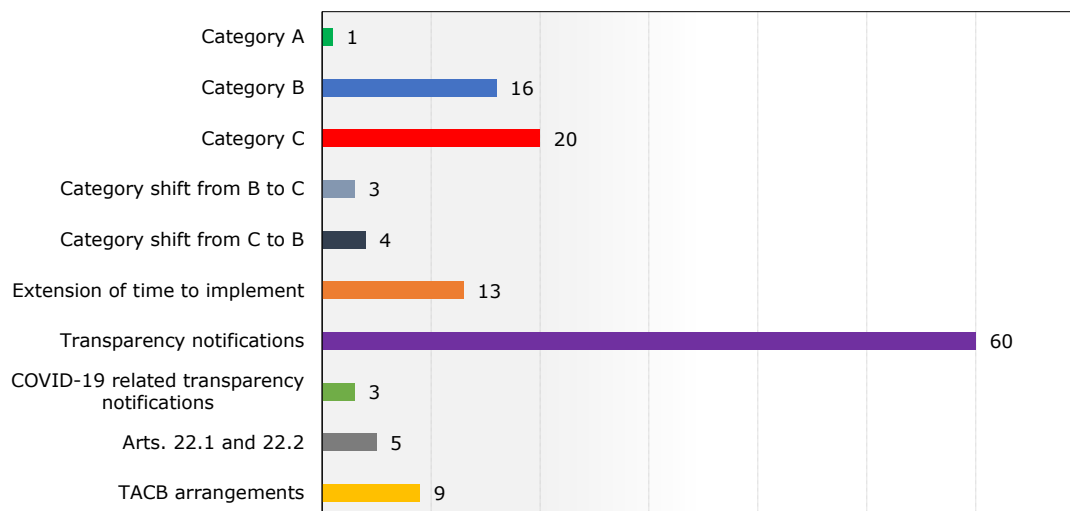
Source: International Trade Centre (ITC).

Trade Facilitation

3.165. The Trade Facilitation Agreement (TFA) entered into force on 22 February 2017, when two-thirds of WTO Members presented their corresponding instruments of acceptance. At the conclusion of the review period, 154 Members had domestically ratified the TFA and deposited their instruments of acceptance to the WTO, which represents 94% of the WTO membership.

3.166. During the review period, 26 Members submitted notifications with their commitments under categories A, B and C as per Chart 3.19 below.

Chart 3.19 Number of WTO Members that presented TFA notifications, 14 October 2020 to 30 September 2021



Source: <https://www.tfadatabase.org>.

3.167. In the reporting period, the WTO's Trade Facilitation Agreement Facility (the Facility, or TFAF) halted the delivery of technical assistance activities at the request of a Member in the WTO Trade Facilitation Committee. Consultations have been convened to review the governance of the Facility and to clarify its relationship with the TF Committee.

3.168. Throughout this period, work has been ongoing to complete the first comprehensive update of the TFAF website since its launch in 2014. In addition to providing strengthened security, this upgrade will allow for the expansion and enhancement of the site's features and functions. The TFAF Annual Report for the year 2020 was published during the review period.¹¹⁶

Trade Financing

3.169. The recovery of trade in many countries has translated into increased demand for import and export finance over the past few months. According to the Berne Union (the association of export credit agencies), the risk appetite for supporting trade transaction has also increased, although trade credit insurers are preparing for an increase in defaults incurred at the height of the pandemic.

3.170. The Asian Development Bank (ADB) estimated that the global trade finance gap had increased from USD 1.5 trillion in 2018 to USD 1.7 trillion in 2020, during the pandemic – despite the fall in world trade in 2020. The trade finance gap, i.e. the amount of trade finance requests that are rejected, affected mainly developing countries. The increased number of rejections of trade finance applications between 2018 and 2020 were linked to the higher risk and uncertainty prevailing during the pandemic. The perception of risk and expectations of losses by lenders *vis-à-vis* borrowers is typically higher during periods of recession. Lending requirements have been tightened. Local banks rejected more applications from local borrowers, because they received less confirmation lines for letters of credit or less funding in foreign exchange from international banks for trade transactions.

3.171. SMEs have been the category of companies most affected by the increase in the rejection rate. According to the ADB, 45% of SME's applications were rejected (against 38% for mid-size companies, and 10% for large companies). When rejected, in two-thirds of the cases companies had to draw on their own funds or resort to informal modes of finance for the transaction to take place. In one-third of the cases, no funding was available. Women-owned SMEs faced considerable difficulties in accessing trade finance—among the women-owned firms surveyed, about 70% of their applications were totally or partially rejected. A significant share of the gap, occurs in Africa, according to the African Development Bank's own trade finance gap study: USD 90 billion, out of a market estimated at USD 415 billion (a 20% market gap) in 2019. The share of SME trade finance

¹¹⁶ Viewed at: <https://www.tfafacility.org/annual-reports>.

applications rejected by banks is also about 45%, similar to the international average. However, trading firms being more likely to be SMEs, this rejection rate translated into a proportionally higher trade finance gap.

Women's Economic Empowerment: Trade Policy Trends in WTO Members

3.172. On 23 September 2020, the 127 proponents of the Buenos Aires Declaration on Trade and Women's Economic Empowerment established the Informal Working Group on Trade and Gender (IWG).¹¹⁷ Members of the IWG work on the basis of four pillars: Experience sharing; Considering the concept and scope for a "gender lens"; Reviewing analytical work undertaken; and Contributing to the Aid for Trade work programme.

3.173. Since January 2021, Members have advanced their technical work acquiring a better understanding of the trade and gender nexus. They focused their work on 12 categories of policy interventions, i.e. 1) Trade exports in the circular economy in support of women's economic activity and livelihood; 2) Data collection leading to informed policies; 3) Assessing the impact of trade, trade policies and trade agreements on women; 4) Promoting female entrepreneurship; 5) Fostering women's participation in the economy; 6) Combating the impacts of COVID-19 on women; 7) Female leadership; 8) Gender chapters and provisions in free trade agreements and regional trade agreements; 9) Applying a gender lens to trade and WTO; 10) Development aid and Aid for Trade targeting women; 11) Standards and gender; and 12) Capacity building.

3.174. In parallel, some WTO Members continue to integrate trade and gender issues in their trade policy review reports. Since 2018, 55% the WTO Members reviewed provided information on their gender-responsive trade policies.¹¹⁸

¹¹⁷ WTO document WT/L/1095/Rev.1, 25 September 2020.

¹¹⁸ In 25 out of 45 reviews carried out between January 2018 to September 2021.

4 POLICY DEVELOPMENTS IN TRADE IN SERVICES

4.1 Regular Measures Affecting Trade in Services

4.1. Some 178 new measures affecting trade in services were introduced by 59 WTO Members and one Observer¹ since mid-October 2020 with more than 40% being horizontal measures, according to the information available to the Secretariat. Approximately half of the measures appear to be trade-facilitating, mostly relating to commercial presence and presence of natural persons. However, many policies appear to be restrictive, mainly referring to foreign investment screening or affecting communication and network-enabling services. Annex 4 of the Addendum to this Report provides more detailed information on these measures.²

Measures affecting supply through multiple modes of supply across various sectors

4.2. China issued the first Negative List effective since 26 August 2021, on Hainan Cross-Border Trade in Services, covering cross-border trade, consumption abroad and movement of natural persons. The list includes 70 special administrative measures (market access, including local presence requirements, and national treatment restrictions) in 11 sectors. Cross-border trade in services not included in the list will be conducted in accordance with corresponding regulations. Angola introduced a new legal framework effective since 20 October 2020 to promote local content in the oil and gas industry, indicating that all companies of the sector must source services provided by companies established in Angola (100% Angolan-owned or firms incorporated in the country).

4.3. In Brazil, a new law on the business environment, effective since August 2021, facilitates the establishment and operations of companies by introducing changes to guidelines and procedures for entrepreneurs and legal entities, and to the law on the public registry of companies. Changes include the automatic granting of business licences for medium-risk activities, the removal of the residency requirement for foreign administrators, the lifting of foreign investment restrictions in certain sectors, or the ending of the requirement that a local address is provided for establishment. The law also standardizes the payment of international trade fees and simplifies procedures related to international trade in services.

4.4. On 2 November 2020, Indonesia enacted a new Law regarding Job Creation (Omnibus Law), which simplifies licence processes and harmonizes various laws and regulations in various sectors, including postal, telecommunication, health, maritime, transport, energy and related services. A new regulation effective since 4 March 2021, liberalized foreign ownership limits in several sectors: ICT, e-commerce, distribution, transportation, energy, construction and health services sectors. Changes were introduced by another regulation effective since 25 May 2021, indicating a maximum foreign ownership of 49% on courier services and removing postal services from the list of restricted activities. However, e-commerce of many products is now reserved for cooperatives and SMEs, limiting the ability of foreign investors to engage in such activities. A "grandfather clause" provides exemptions for investments which were made and approved as determined in their respective business licences prior to the release of the two regulations.

Measures affecting supply through commercial presence across various sectors

4.5. Since mid-October 2020, Members introduced changes to their policies affecting the supply of services through commercial presence (Mode 3). While some of those appear to liberalize foreign investment, others introduced additional restrictions.

4.6. For example, China released the new catalogue effective since 27 January 2021, of industries where foreign investment is encouraged, covering new activities such as ICT, e-commerce, retail services and online services (education, health or office services) sectors. China also issued the 2020 version of its market access negative list, effective since 10 December 2020, which includes the list of prohibited or restricted activities. Notably, restrictions on the establishment of financial holding companies were added to the list. In the United Arab Emirates (UAE), significant amendments were

¹ Sudan.

² The inclusion of any measure in the Annex does not imply any judgement by the WTO Secretariat on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in the Annex implies any judgement, either direct or indirect, on the consistency of any measure with the provisions of any WTO agreement.

made to the law on commercial companies, effective since 2 January 2021. Unless specific restrictions are created, the amendments stipulate 100% foreign ownership allowed in companies in the UAE, and the nationality requirement for the majority of the board of directors was lifted. It is no longer required to have a UAE national or local company as a registered agent in case of onshore branching in an Emirate.

4.7. Viet Nam released the list of activities for which foreign investment is permitted from 26 March 2021, but under certain conditions. These cover 58 specific items such as finance, communication services, advertising, education, various professional services, health, logistics and one item allowing authorities to issue pilot mechanisms on business lines considered as new (i.e. not existing at the date of issuance of the decree). The list of activities where foreign investment is prohibited notably includes press, opinion polling, waste collection from households, security and investigation services, public postal services and tourism services (except tourism services for international tourists). On 3 June 2021 Fiji introduced a new act on investment, which removes the requirement to apply for a Foreign Investor Registration Certificate but enables the government to establish a list of reserved and restricted activities. The act also introduces a screening process, whereas foreign investment can be prohibited to protect national security interests.

4.8. Oman issued the list of prohibited activities for foreign investors, to promote local products and entrepreneurship. Sudan (Observer) published a new law on investment, effective since 11 April 2021, requiring foreign investors to deposit at least USD 250,000 to obtain a licence. It also enables the establishment of a list of sectors and activities not available to foreign investors.

4.9. Revised or new procedures pertaining to investment screening were adopted in several Members. In China, new measures effective since 18 January 2021, authorize the review by the Foreign Investment Security Review Working Mechanism of foreign investments in certain sectors linked to security issues, and in important sectors such as transportation services, energy, financial services or in the area of digital trade. Also, a new law, effective since 1 December 2020, establishes the country's export supervision regime, which applies to "controlled items" that may cover services related to the maintenance of national security and also affects third parties that provide services to export operators concerned by the new law. Another new measure authorizes competent authorities to issue an injunction allowing Chinese citizens, legal entities and organizations not to recognize, implement or comply with foreign measures or laws that are designed to bar economic, trade and related activities between China and other countries.

4.10. Canada updated on 24 March 2021 its guidelines on the National Security Review of Investments, increasing the scope of examination to sectors involving sensitive personal data, investment by foreign state-owned investors or private investors closely tied to enterprises influenced by foreign governments. In the United Kingdom, a new law adopted on 29 April 2021 introduced, *inter alia*, mandatory notification obligations for transactions in data-related infrastructures, artificial intelligence, communications and transport. Japan updated on 7 July the list of businesses subject to the requirement of submitting prior notification concerning inward direct investment under the Foreign Exchange and Foreign Trade Act. Certain services sectors related to critical minerals (including rare earth) were added to the list of core business sectors.

4.11. Australia reformed the act and regulations pertaining to the review of foreign investment to improve and update the operation of the framework across national security, compliance monitoring and enforcement, and integrity as well as, streamlining requirements and making technical changes to improve the operation of the law. All proposed investments by foreign persons into Australia that raise national security concerns can be reviewed, including compulsory review of proposed acquisitions of a direct interest (usually 10% or more) in a national security business. New Zealand removed the approval requirement of investments that do not affect control, except in strategically important businesses.

4.12. A number of European Union member States revised their FDI policies since mid-October 2020 to introduce more scrutiny in certain investment projects. For example, Denmark established its foreign investment screening process, effective from 1 July 2021, requiring foreign investors to obtain prior approval for the acquisition of at least 10% equity or voting rights or equivalent control rights in existing companies, greenfield investments or special financial agreements giving significant influence over critical businesses. The sectors covered include, *inter alia*, IT security for classified information, critical infrastructures, and other critical technologies. An investment considered as a threat to national security or to the public order may be reviewed for up to five years after the

investment was made. Measures introduced by some EU member States (e.g. Germany and Malta) also include the review of investments in connection to activities affecting security or public order in other EU member States.

4.13. In the United States, a new rule, effective since 15 October 2020, modifies the criteria for mandatory declarations for certain foreign investment transactions involving a US business that produces, designs, tests, manufactures, fabricates or develops one or more "critical technologies". The measure removes the previous analysis and nexus to the North American Industry Classification System (NAICS) codes and replaces it with an analysis of export control authorization requirements.

Measures related to communication services, e-commerce and digitally enabled services

4.14. Several Members adopted new measures in relation to communications services, e-commerce and Internet- and other network-enabled services. In particular, during the review period a number of new measures adopted relate to digital services taxes. For example, in Mexico, a new decree, effective since 1 January 2021, addressed income tax and VAT treatment of digital services and transactions performed on online platforms. The withholding tax should be levied on the total amount of income without VAT that individuals receive or cash-in: 2.1% for ground/land passenger transport services and the delivery of goods, 4% for lodging/accommodation services, and 1% for the transfer of goods and the provision of services.

4.15. In Spain, from 16 January 2021, certain digital services are subject to 3% indirect tax applicable to revenues (excluding VAT) in which users' participation is required. Companies are subject to the tax if their global annual net revenues are above EUR 750 million and Spanish annual taxable income subject to the tax is above EUR 3 million. The tax applies regardless of the tax residence of the digital service provider. India enacted on 28 March 2021 the Finance Act 2021, amending certain provisions related to the 2% equalization levy for e-commerce operators introduced in April 2020. According to the 2021 Act, the levy will apply to foreign e-commerce operators for the sales of goods or the provision of services in India (whether on own-account or as intermediary in the transaction), except for those sales or provision by a person resident in India or by the Indian permanent establishment of a non-resident in India.

4.16. A number of Members introduced new or revised policies for Internet- and other network-enabled services, communication services, and more particularly pertaining to cross-border data flows. For instance, China passed new laws covering data security and the protection of personal information, as well as a new regulation relating to the 2016 Cyber Security Law. The new regulation provides a definition of Critical Information Infrastructure (CII), clarifies the responsibility of relevant authorities involved in the regulation of CII, and spells out the duties and liabilities of CII operators. The cross-border transfer of important data collected and generated by CII operators within China may be transferred overseas subject to a security assessment. Besides CII operators, non-CII operators may also be required to store personal information collected or produced through their activities in China and be obliged to pass security assessments for cross-border transfers of the information.

4.17. India issued new guidelines on 15 February 2021, seeking to eliminate prior approvals, licences and other restrictions on the collection, generation, preparation, dissemination, storage, publication, updating and/or digitization of geospatial data and maps in India. The guidelines restrict cross-border transfer of geospatial data. Such data must be stored and processed only in India, even if are licensed to a foreign company by an authorized Indian entity. Panama adopted a new law, effective on 29 March 2021, that restricts the transfer of personal data abroad unless the recipient country or company complies with data protection standards defined in the law.

4.18. United States signed an executive order on 9 June 2021 that repeals and supersedes three prior executive orders aimed at prohibiting transactions with TikTok and WeChat and eight other software applications. The order enables United States to take measures to protect sensitive data, develop standards for identifying software applications that may pose unacceptable risks and further develop plans to protect sensitive personal data against potential threats posed by certain connected software applications.

4.19. The Russian Federation signed a law on 1 July 2021 imposing certain requirements on foreign companies that target Russian Internet audiences. Companies with a daily audience in the

Russian Federation of more than 500,000 users are required to establish a representative office, a branch, or a legal entity in the country. India adopted the Intermediary Guidelines and Digital Media Ethics Code, which establish a new regulatory category. Significant social media intermediaries will be identified based on the number of registered users. Chief compliance officers and related positions of these intermediaries as well as, over-the-top service providers and news media content providers, must be employees resident in India.

4.20. Finally, some Members adopted new measures in the telecommunications sector, such as Kenya, where the minimum Kenyan equity participation requirement was increased from 20% to 30% in all licensed companies in the sector, with a requirement to comply within three years for existing licensed operators (ICT Policy Guidelines published on 9 April 2021). The Republic of Korea enacted and implemented amendments to the Telecommunications Business Act, including a requirement on foreign telecom services suppliers to, *inter alia*, appoint a local representative.

4.21. Cuba introduced on 17 August 2021 a new law aiming at improving and increasing the coherence of the regulatory framework in the telecommunication sector by encouraging technological convergence and pushing for the extension of broadband networks. The new law also regulates the use of spectrum and defines the universal telecommunication services that must be provided by operators to all citizens. On 13 July 2021, the telecommunication authority of Nepal made the sharing of telecommunications infrastructure compulsory. It provided a list of 18 types of sharable passive infrastructure and regulated maximum sharing price thresholds.

Financial services

4.22. Important policy changes took place during the review period in the financial services sector. These included measures relating to forms of entry permitted and relaxation of foreign equity limits, as well as some new restrictive measures. For example, Kazakhstan amended the relevant laws to allow foreign banks, insurance (and reinsurance) organizations and insurance brokers to open direct branches under certain conditions. In February 2021, the United Kingdom Financial Conduct Authority (FCA) issued new measures that set out the Authority's approach to the authorization and supervision of international firms and the circumstances in which they may need to establish a UK subsidiary rather than a branch.

4.23. In the insurance subsector, the Russian Federation allows the establishment of branches of foreign insurers and reinsurers from 22 August 2021 and in India, since 19 August 2021, up to 74% foreign shareholding is permitted under the "Automatic Route" (49% previously). On 12 November 2020, the China Banking and Insurance Regulatory Commission (CBIRC) issued a Notice on Matters Related to Insurance Fund Financial Equity Investment, which removes restrictions on financial equity investment of insurance funds. Since 1 February 2021, only licensed insurance institutions can engage in Internet-insurance business. Therefore, such activities can no longer be conducted via a third-party platform.

4.24. On 26 January 2021, the Central Bank of Myanmar issued new rules for Non-Banking Financial Institutions (NBFI) operations in Myanmar, such as conducting finance company business, leasing business or factoring business, which are defined in the Financial Institutions Law. The rules cover NBFI registration and the prohibition of deposit acceptance by these entities, and they open the possibility for 100% foreign ownership. From 1 July 2021, Indonesia relaxed the foreign ownership and voting rights limits for payment services providers. For payment service providers of non-bank institutions, the maximum share of foreign ownership is 85% and the maximum share of foreign ownership with voting rights is 49%. Since 1 January 2021, the National Payments Corporation of India (NPCI) has limited to a maximum of 30% the market share of foreign electronic payment service suppliers processing online payments made through India's United Payment Interface (owned and operated by NPCI).

Other services sectors

4.25. Members also adopted measures in other sectors. For example, in the education sector, China introduced a measure in effect since 1 September 2021, which forbids private foreign-invested enterprises and social organizations controlled by foreign parties to supply compulsory education services. Furthermore, since 24 July 2021, foreign investment in "subject-based" training institutions is prohibited, whether through mergers or acquisitions, trustee arrangements, franchising, or

through a "variable interest entity" (VIE). All online "subject-based" training institutions are now subject to government approval.

4.26. With respect to health services, Thailand legalized the telemedicine business in private medical facilities as of 2 February 2021. The telemedicine service must be separated from and additional to the healthcare operator's existing services. Stand-alone healthcare applications can no longer provide services without being under the supervision of such a facility. Since June 2021 the United Arab Emirates allows cross-border transfer of health-related data, including for telemedicine services, under certain conditions.

4.27. Regarding transport, Brazil published a new decree on 12 April 2021, on public calls regarding the use of port facilities in organized ports and introduces temporary use contracts. In the tourism sector, Costa Rica authorized since 23 April 2021 foreign-flagged vessels and their crew to engage in transport, diving, recreation and other touristic activities within Costa Rican waters. It also allows the hiring of national crew members to carry out these practices.

Measures affecting supply through the movement of natural persons

4.28. Various Members introduced new measures affecting the supply of services through the movement of natural persons, most of them being trade-facilitating. For example, Australia prioritized since 7 July 2021, the processing of skilled visa applications for temporary shortages and for temporary work. The Kingdom of Saudi Arabia introduced in April 2021 a new short-term work visa (the Temporary Work Visit Visa (TWVV)) that provides foreign nationals with a multiple-entry visa valid for one year and allows them to work for up to six months in that one-year period. In Singapore, a new work pass was introduced for qualified foreign nationals in technology roles.

4.29. However, some new measures appeared to be trade restrictive. For instance, in Cameroon, since June 2021 employment of nationals is prioritized in public-private partnership investment projects, and certain positions across all industries are reserved for nationals (e.g. human resources manager, legal affairs manager, accountant). In Angola, a new law obliges investors in free trade zones to give preference to the employment of Angolans. Seychelles modified in February 2021 the provisions of the Gainful Occupation Permit (GOP), calling for stricter enforcement of labour market testing. In the Philippines, a new measure requires companies applying for or renewing Alien Employment Permits to prove that the job vacancy was published in a general circulation newspaper for at least 15 days before the application is submitted and an affidavit stating that no applications were received, or no Filipino applicant was considered for the position.

Air Services Agreements

4.30. Table 4.1 presents information on air services agreements (ASAs) concluded or amended during the period under review. These include both new ASAs and revisions of existing ones. As far as can be assessed from available sources, the majority of these ASAs provides for improved access conditions than was previously the case. The air transport sector is under continued severe strain because of the COVID-19 pandemic and this appears to have generally resulted in a fall in the number of ASAs concluded during the reporting period.

4.31. As part of the strategies for COVID-19 response and aviation recovery, at the end of 2020 the Latin American Civil Aviation Commission (LACAC) concluded a new multilateral agreement to liberalize air cargo services in the region. The agreement came into effect immediately among its 10 signatories, and establishes expanded traffic rights, namely "seventh freedom" traffic rights, permitting airlines from one LACAC Member State to provide all-cargo services between two other signatory States without restrictions on routes and capacity. The agreement will remain in effect for one year, until 31 December 2021, and may be extended for a further year, at the discretion of LACAC States.

Table 4.1 Air Transport Agreements³ concluded or amended between October 2020 and October 2021

Parties		Date of signature	Source
Israel	United Arab Emirates	20.10.2020	https://www.businesstravelnews.com/Global/UAE-Israel-Sign-Agreements-for-Direct-Air-Service-Visa-Exemptions
Ukraine	Thailand	22.10.2020	https://www.ukrinform.net/rubric-politics/3121605-cabinet-of-ministers-endorses-amendments-to-air-service-agreement-with-thailand.html
Bangladesh	Austria	19.10.2020	https://thepolicytimes.com/flight-operation-between-dhaka-and-vienna/
Cambodia	Hungary	3.11.2020	http://www.xinhuanet.com/english/2020-11/04/c_139490188.htm
United Kingdom	United States	17.11.2020	https://www.cityam.com/uk-and-us-sign-aviation-agreement-to-protect-vital-travel-links/
Rwanda	Brazil	18.11.2020	https://www.newtimes.co.rw/news/rwanda-ratifies-5-bilateral-deals-expand-aerospace-network
Rwanda	Democratic Republic of Congo	18.11.2020	https://www.newtimes.co.rw/news/rwanda-ratifies-5-bilateral-deals-expand-aerospace-network
Rwanda	Namibia	18.11.2020	https://www.newtimes.co.rw/news/rwanda-ratifies-5-bilateral-deals-expand-aerospace-network
Rwanda	Somalia	18.11.2020	https://www.newtimes.co.rw/news/rwanda-ratifies-5-bilateral-deals-expand-aerospace-network
Rwanda	Tunisia	18.11.2020	https://www.newtimes.co.rw/news/rwanda-ratifies-5-bilateral-deals-expand-aerospace-network
Rwanda	Republic of Korea	27.11.2020	https://www.newtimes.co.rw/news/rwanda-korea-sign-deal-open-air-space
Guyana	Suriname	7.12.2020	https://menafn.com/1101258838/Guyana-Suriname-open-air-agreement-to-expand-connectivity
India	Philippines	23.12.2020	https://www.cnbctv18.com/aviation/cabinet-approves-signing-of-revised-bilateral-air-service-agreements-with-afghanistan-philippines-7811431.htm
India	Afghanistan	23.12.2020	https://www.cnbctv18.com/aviation/cabinet-approves-signing-of-revised-bilateral-air-service-agreements-with-afghanistan-philippines-7811431.htm
Brazil, Chile, Dominican Republic, Ecuador, Guatemala, Panama, Paraguay, Peru, Uruguay and Bolivarian Republic of Venezuela	Latin-American Civil Aviation Commission (LACAC) air cargo liberalization agreement	24.12.2020 (until 31.12.21)	https://www.atn.aero/#/article.html?id=78616
Republic of Korea	Georgia	4.02.2021	http://www.koreaherald.com/view.php?ud=20210205000273
State of Kuwait	Luxembourg	26.03.2021	https://www.kuna.net.kw/ArticleDetails.aspx?id=2967911&language=en
European Union	ASEAN	02.06.2021	https://www.atn.aero/#/article.html?id=80318htmlfile%5CShell%5COpen%5CCommand
Morocco	Israel	11.08.2021	https://www.aljazeera.com/news/2021/8/11/israel-and-morocco-sign-three-deals-on-historic-visit
Maldives	Turkey	02.09.2021	https://raajje.mv/105984

Source: WTO Secretariat.

³ The term "Air Transport Agreements" is used here to refer to Air Services Agreements, Memoranda of Understanding, Exchange of Notes, and other such relevant instruments.

4.2 COVID-19-Related Measures Affecting Trade in Services

4.32. Since the outbreak of the pandemic, the Secretariat collected information on 153 COVID-19-related measures affecting trade in services put in place by WTO Members and Observers.⁴ Out of these, 29 measures were implemented during the review period, a significant decrease compared to the number recorded in the early stages of the pandemic when governments were seeking to address and mitigate the economic, social and health consequences of the COVID-19 pandemic. The steep decline in the number of new measures confirms the downward trend already witnessed from the third quarter of 2020.

4.33. Most of the COVID-19-related measures appear to be trade-facilitating, including measures providing (or reintroducing) flexibility for transport services suppliers to ensure that supply chains are not disrupted, facilitating entry processes for business travellers or essential personnel in the transport sector, or providing flexibilities for the financial services sector. However, a number of measures are trade-restrictive, for instance those increasing the scope of foreign investment screening.

4.34. Since mid-October 2020, five COVID-19-related measures affecting trade in services taken by three Members were reported as terminated. Canada confirmed the termination on 6 April 2021 of two financial support measures initiated in March 2020. Australia removed on 1 January 2021 the temporary changes to the foreign investment review framework that were designed to safeguard its national interest during the COVID-19 pandemic. Finally, the two air transport measures reported earlier this year by the Kingdom of Saudi Arabia are no longer valid. Consequently, 138 of the reported measures affecting trade in services that were taken in response to the pandemic and its subsequent waves are still in force.

4.35. The full list of services measures taken in response to the COVID-19 pandemic since the beginning of the COVID-19 pandemic is available on the WTO website.⁵

⁴ Implemented by 18 WTO Members and 1 Observer (Iraq).

⁵ WTO, *COVID-19: Measures affecting trade in services*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/trade_related_services_measure_e.htm.

5 POLICY DEVELOPMENTS IN TRADE AND INTELLECTUAL PROPERTY

5.1. During the review period, WTO Members continued to fine-tune their intellectual property (IP) domestic frameworks, as shown by the communications to the trade monitoring exercise and the notifications to the TRIPS Council. Members continued to implement specific IP measures aimed at facilitating the development and dissemination of COVID-19-related health technologies, as well as at streamlining procedural requirements for administrative IP matters in the face of lockdowns.

Acceptance of the Protocol Amending the TRIPS Agreement

5.2. During the review period, two Members deposited their respective instruments of acceptance of the Protocol Amending the TRIPS Agreement¹: Gambia, on 20 October 2020; and Antigua and Barbuda, on 12 May 2021. On 1 January 2021, the United Kingdom confirmed its continued acceptance of the Protocol. To date, 133 Members are bound by the amended TRIPS Agreement, which incorporates an additional flexibility to address public health needs of countries with limited or no domestic capacity to produce pharmaceuticals. The mechanism provides for a secure legal pathway that allows potential exporting Members to grant special compulsory licences exclusively for the production and export of generic medicines to the importing country or countries.

IP-related international, bilateral, and regional trade agreements

5.3. During the review period, the following international instruments entered into force in the Kingdom of Saudi Arabia: the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure and to the Strasbourg Agreement Concerning the International Patent Classification, on 16 October 2020; the Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks and the Locarno Agreement Establishing an International Classification for Industrial Designs, on 3 December 2020; and the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, on 22 July 2021. Switzerland acceded to the Beijing Treaty on Audio-visual Performances and the Marrakesh Treaty, in September 2021.

5.4. The Protocol to the Eurasian Patent Convention on the Protection of Industrial Designs of September 1994 entered into force on 11 April 2021 for the Russian Federation; and the Eurasian Regional System for Registration of Industrial Designs established under the Protocol was launched on 1 June 2021. Furthermore, the Treaty on Trademarks, Service Marks and Appellations of Origin of the Eurasian Economic Union (EAEU), entered into force for all member States of the EAEU, on 26 April 2021. The Council of the Eurasian Economic Commission adopted Decision No. 53 on "Instructions to the Treaty Detailing the Respective Procedures", on 18 May 2021.

5.5. Members continued to negotiate reciprocal trade agreements that contain substantive IP provisions. Currently, 76% of the RTAs in force and notified to the WTO contain specific IP provisions, increasingly developing the interconnection between IP and trade in goods and services, and the links of the IP system to other normative areas, such as investment, e-commerce, and competition policy. The Regional Comprehensive Economic Partnership (RCEP) Agreement was signed, in November 2020;² the new Free Trade Agreement between the European Free Trade Association and Turkey entered into force in October 2021 and replaced the 1991 agreement.³

5.6. On the bilateral front, the IP offices of the Kingdom of Saudi Arabia (SAPI) and China (CNIPA) signed a Cooperation Agreement on Patent Prosecution Highway, on 30 October 2020. Mexico and the United Kingdom signed an Agreement on the Mutual Recognition and Protection of Designations for Spirit Drinks, on 3 November 2020.⁴ The Saudi Authority for IP (SAPI) launched a Collaborative Patent Search Pilot Program with the Korean Intellectual Property Office (KIPO).⁵

¹ WTO document WT/L/641, 8 December 2005.

² The RCEP contains a comprehensive IP chapter, building on the TRIPS Agreement, the CPTPP, the Republic of Korea-United States FTA (KORUS), and the ASEAN+1 FTA.

³ Submission by Norway to the WTO Trade Monitoring Report.

⁴ Submission by Mexico to the WTO Trade Monitoring Report.

⁵ Submission by the Kingdom of Saudi Arabia to the WTO Trade Monitoring Report.

National IP-related strategies

5.7. In December 2020, Albania launched its Cross-cutting Strategy Against Organized Crime and Serious Crimes 2021-2025 and the Action Plan 2021-2022. It is also implementing its National Strategy for Integrated Border Management and Action Plan 2021-2027.⁶

Developments in domestic legislation and administration of IPRs

5.8. Domestically, WTO Members and Observers are working to streamline IP into their economies. The relationship between IP and trade continued to develop and diversify, as Members continued to modernize and fine-tune their IP legislation and administration (Table 5.1).

Table 5.1 Domestic legislation and administrative developments

Member	Measure
Albania	The Council of Ministers issued Decision No. 199 "On determining the special conditions of licensing, accompanying documents, procedures for reviewing or revoking the license, application fees and annual quotas of licenses for commercial activities of cultural assets", on 31 March 2021.
Australia	Public consultations on: (i) geographical indications in the framework of the negotiations of a Free Trade Agreement with the European Union took place in October-November 2020; and (ii) on indigenous knowledge in the IP System, from February to May 2021. The Designs Amendment Bill 2020 was passed by Parliament, on 30 August 2021, received Royal Assent on 10 September 2021 and most measures will enter into force on 10 March 2022.
Azerbaijan	Resolution No. 104 of the Cabinet of Ministers established the Technology Commercialization and Transfer Center on 22 April 2021.
China	The National Intellectual Property Administration issued the Decision on Amending the Guidelines for Patent Examination (Announcement No. 391), entered into force on 15 January 2021. The Decision of the Standing Committee of the National People's Congress on Amendments to the Patent Law of the People's Republic of China became effective on 1 June 2021.
Colombia	Decree 360-2021 strengthens the enforcement of IPRs by requiring IP holders to submit their complete coordinates to customs authorities to facilitate communication, entered into force on 7 April 2021.
Indonesia	The Regulations on the Procedures for Trade Mark Application, Patent Application and Compulsory Licenses were amended entered into force on 3 February 2021. The Ministry of Finance Regulation No. 67/PMK.02/2021 sets the types and prices (in Swiss Francs) for non-tax state revenue for applications for registration and extensions based on the Madrid Protocol, entered into force on 17 June 2021.
Mexico	The new Federal Law of Industrial Property Protection amended, consolidated, and supplemented prior legal instruments, it entered into force on 5 November 2020.
Philippines	The Revised Rules of Procedure on Administrative Enforcement of Intellectual (IP) Rights brought electronic, digital or online channels under the authority of the IP Office; and entered into force 3 March 2021.
Norway	The Customs and Goods Act provides IPR right-holders the possibility to submit electronic requests for the intervention of customs authorities in cases of infringement, without obtaining a court decision; and entered into force 1 October 2021.
Russian Federation	Federal Law No. 262-FZ authorized certified scientific and educational organizations to undertake preliminary search and assessment of patentability for inventions and utility models; and entered into force on 1 August 2021.
Saudi Arabia, Kingdom of	SAPI issued the Rules for Licensing IP Agents, which entered into force on 19 November 2020. SAPI expanded the scope of the optional Copyright Registration to architectural works; it entered into force on 28 December 2020. The competencies of the Ministry of Commerce regarding trademark enforcement were transferred to SAPI, as of 15 August 2021.
Singapore	The patent regime was enhanced by introducing a process for considering third-party observations during the examination of patent applications; and a re-examination of granted patents, as of 1 October 2021.
Thailand	The IP Department of the Ministry of Commerce issued the notices on Accelerated Issuance of Trademark First Action; Accelerated Consideration on the Request of Trademark Renewal; and the New Version of Patent and Petty Patent Certificates, in April 2021.

⁶ Submission by Albania for the WTO Trade Monitoring Report.

Member	Measure
Ukraine	The Resolution of the Cabinet of Ministers No. 1315 "On amending certain Resolutions of the Cabinet of Ministers of Ukraine on intellectual property" authorized the National IP Institute to register copyrights and agreements relating to authors' rights over their works; and entered into force on 23 December 2020. The Law No. 1667-IX "On stimulating the development of the digital economy in Ukraine" amended the Law "On copyright and related rights" in terms of use of the copyright protection mark, allocation of property rights to the service work and copyright royalties for the creation and use of the service work; and entered into force on 14 August 2021.

Note: The Table contains communications by Members and Observers to the WTO Trade Monitoring Report.

Source: WTO Secretariat.

COVID-19-related measures

5.9. Members implemented several IP measures in response to the pandemic. They range from measures aimed at promoting innovation or facilitating access with respect to COVID-19-related health technologies to measures that streamline procedural requirements or establish online procedures to facilitate IP rights management for applicants, right holders and other stakeholders. The Secretariat maintains an indicative list of measures online.⁷

TRIPS Council

5.10. During the review period, the TRIPS Council met formally on five occasions, (14-15 October, 10 December 2020, 10-11 March 2021, 30 April 2021; and 8-9 June 2021) and held several informal open-ended meetings and consultations by the Chairperson.

5.11. At the October 2020, March and June 2021 meetings, the Council discussed the proposal by India and South Africa to waive parts of the TRIPS Agreement during the pandemic⁸ and the proposal by the LDC Group to extend the transition period beyond 1 July 2021.⁹ The Council also considered the European Union's Communication on "Urgent Trade Policy Responses to the COVID-19 Crisis – Intellectual Property" and the proposed "Draft General Council Declaration on the TRIPS Agreement and Public Health and the Circumstances of the Pandemic".¹⁰ It also reviewed Members' annual reports on incentives for technology transfer and technical cooperation activities. At the three meetings, Members continued to share information and best practices on domestic policies to boost MSMEs' intellectual property and competitiveness in green technologies; as well as IP financing, funding, and investment.¹¹

5.12. Since mid-October 2020, 16 Members¹² have notified legislative measures under Article 63.2. The United Kingdom submitted 75 notifications that charted the evolution over two decades in relation to trademarks and designs. The Kingdom of Saudi Arabia submitted its responses to the illustrative list of questions on Article 27.3(b).¹³

TRIPS-related Discussions in Trade Policy Reviews

5.13. The Trade Policy Reviews of Thailand; Indonesia; Macao, China; India; Nicaragua; Myanmar; the Kingdom of Saudi Arabia; Mongolia; Qatar; Tonga; Viet Nam; the Kyrgyz Republic; Argentina; Singapore and the Republic of Korea took place. During these reviews, Members actively engaged and discussed a wide range of specific IP issues with a bearing on trade policy.

⁷ Viewed at: https://www.wto.org/english/tratop_e/covid19_e/trade_related_ip_measure_e.htm.

⁸ WTO document IP/C/W/669, 2 October 2020 and addenda.

⁹ WTO document IP/C/W/668, 1 October 2020.

¹⁰ WTO documents IP/C/W/680, 4 June 2021; and IP/C/W/681, 18 June 2021 respectively.

¹¹ WTO documents IP/C/W/667, 9 September 2020; IP/C/W/675, 26 February 2021; and IP/C/W/679, 27 May 2021.

¹² Albania, Central African Republic, Croatia, European Union, Israel, Italy, Japan, Republic of Korea, New Zealand, Kingdom of Saudi Arabia, Slovenia, Sweden, Chinese Taipei, Ukraine, United Kingdom and Viet Nam.

¹³ WTO document IP/C/R/BT/SAU/1, 21 January 2021.

6 TRANSPARENCY OF TRADE POLICIES

Notifications and Surveillance in WTO Councils and Committees¹

6.1. This Section provides a factual overview of the compliance and timeliness of Members' notifications to the WTO. Notifications are the primary instrument for ensuring transparency in the multilateral trading system. They are submitted by each Member and reviewed by the relevant bodies of the WTO. The importance attached by WTO Members to this issue explains the very elaborate system of notifications and cross-notifications put in place under the terms of most agreements. Transparency in trade and in trade policy-making is fundamental for allowing trade policy makers and economic agents to make informed decisions, and markets to operate more efficiently.

6.2. The overview of the compliance and timeliness of Members' notifications to the WTO illustrates that, with a few exceptions, compliance with notification requirements of the various WTO Agreements remains very uneven. Although there have been significant efforts by some delegations to bring the overall record of their notifications further up to date, the general sense is that progress on this front remains too slow. The lack of compliance with notification obligations across WTO bodies is problematic because it undermines individual agreements and, more generally, the operation of the multilateral trading system. There are several reasons for low compliance with notification requirements, and an important one relates to the lack of capacity of many WTO Members, despite the continued efforts by the WTO Secretariat and the Committees. This lack of capacity, and the other reasons behind the poor compliance, must be addressed collectively by the WTO membership.

Anti-Dumping

6.3. Pursuant to Article 16.4 of the Agreement on the Implementation of Article VI of GATT 1994 (the Anti-Dumping Agreement), all Members are required to submit to the Committee on Anti-Dumping Practices, on a semi-annual basis, reports of any anti-dumping actions taken within the preceding six months, using an agreed standard form. Members that have not taken antidumping actions during a given six-month period are required to submit a simple nil notification. Members that have not established an authority competent to conduct anti-dumping investigations have the option to make a one-time notification indicating that fact, which remains valid unless and until they establish an investigating authority, in lieu of submitting nil notifications every six months.

6.4. Fifty-nine Members² submitted semi-annual reports, either of anti-dumping actions taken, or of no actions having been taken, during the six-month period January-June 2021. To date, 51 Members have submitted one-time nil notifications. The remaining 27 Members failed to submit semi-annual reports in respect of anti-dumping actions during the period January-June 2021. Few of these non-notifiers are likely to have taken antidumping actions as they have never notified the establishment of an investigating authority.

Subsidies and Countervailing Measures

6.5. The trends in the status of compliance with the obligation to notify subsidies to the Committee on Subsidies and Countervailing Measures under Article 25.1 during the period 1995-2021 are shown in Table 6.1. Subsidy notifications are required every two years, and Members were required to submit their 2021 new and full subsidy notifications by 30 June 2021.

6.6. The share of Members that notified subsidies remained between 30% and 50% between 1995 and 2021. The share of Members that made a "nil" notification fell significantly over the same period. Excluding 1995, the share of Members making the required notifications did not exceed 70%, and generally hovered around 60%. Conversely, the share of Members not making any notification registered a substantial increase since 1995, from 25% to 68%, albeit with some intervening fluctuations.

¹ Notifications in the SPS and TBT Committees are dealt with in Sections 3.3 and 3.4 of this Report.

² The European Union is counted as one (27 member States).

Table 6.1 Status of subsidy notifications

New and full subsidy notification (due on 30 June of the years shown)	1995	1998	2001	2003	2005	2007	2009	2011	2013	2015	2017	2019	2021
	% share of total												
Members that notified subsidies	50	39	44	45	47	48	48	47	49	48	46	46	30
Members that made a "nil" notification	25	16	15	14	13	11	17	20	18	17	13	7	2
Sub-total of notifying Members	75	55	59	59	60	59	65	67	67	65	59	53	32
Members that did not make any notification	25	45	41	41	40	41	35	33	33	35	41	47	68

Note: Status as at 8 October 2021. Values are rounded.

Source: WTO Secretariat.

6.7. Pursuant to Article 25.11 of the Agreement on Subsidies and Countervailing Measures, all Members are required to submit to the Committee on Subsidies and Countervailing Measures, on a semi-annual basis, reports of any countervailing actions taken within the preceding six months, using an agreed standard form. Members that have not taken countervailing actions during a given six-month period are required to submit a simple nil notification. Members that have not established an authority competent to conduct countervailing duty investigations have the option to make a one-time notification indicating that fact, which remains valid unless and until they establish an investigating authority, in lieu of submitting nil notifications every six months.

6.8. Forty-three Members³ submitted semi-annual reports, either of countervailing actions taken, or of no actions having been taken, during the six-month period January-June 2021. To date, 45 Members have submitted one-time nil notifications. The remaining 49 Members failed to submit semi-annual reports in respect of countervailing actions during the period January-June 2021. Few, if any, of these non-notifiers are likely to have taken countervailing actions as they have never notified the establishment of an investigating authority.

Safeguards Notifications

6.9. Unlike the Anti-Dumping Agreement or the Agreement on Subsidies and Countervailing Measures, the Agreement on Safeguards (SG) does not oblige Members to submit semi-annual reports. On the other hand, the Agreement on Safeguards obliges Members to notify individual SG actions, such as initiations of investigation or impositions of measure. The number of notifications regarding initiations and impositions are explained in Section 3.2 of this Report. In addition, pursuant to Article 12.6 of the Agreement on Safeguards, all Members are obliged to notify to the Committee on Safeguards their laws, regulations and administrative procedures relating to safeguard measures. As of 7 October 2021, 73 Members⁴ had notified their legislations, while 47 Members had notified that they had no such legislation. Eighteen Members had not made such a notification.

State Trading Enterprises

6.10. The Working Party on State Trading Enterprises reviews notifications of state trading enterprises on behalf of the CTG. Since 2004, these notifications have been due every two years. Table 6.2 presents notifications received for the years in which a new and full notification was due.

Table 6.2 Status of new and full STE notifications (due on 30 June of the year shown)

Year	1995	1998	2001	2004	2006	2008	2010	2012	2014	2016	2018	2020
Number of Members that have notified	65	65	72	64	63	66	66	61	64	67	52	41

Note: Status as at 5 October 2021. The European Union and its member States provide a single notification and are therefore counted as one in this table. During the relevant notification periods, the United Kingdom was a member State of the European Union.

Source: WTO Secretariat.

³ The European Union is counted as one (27 member States).

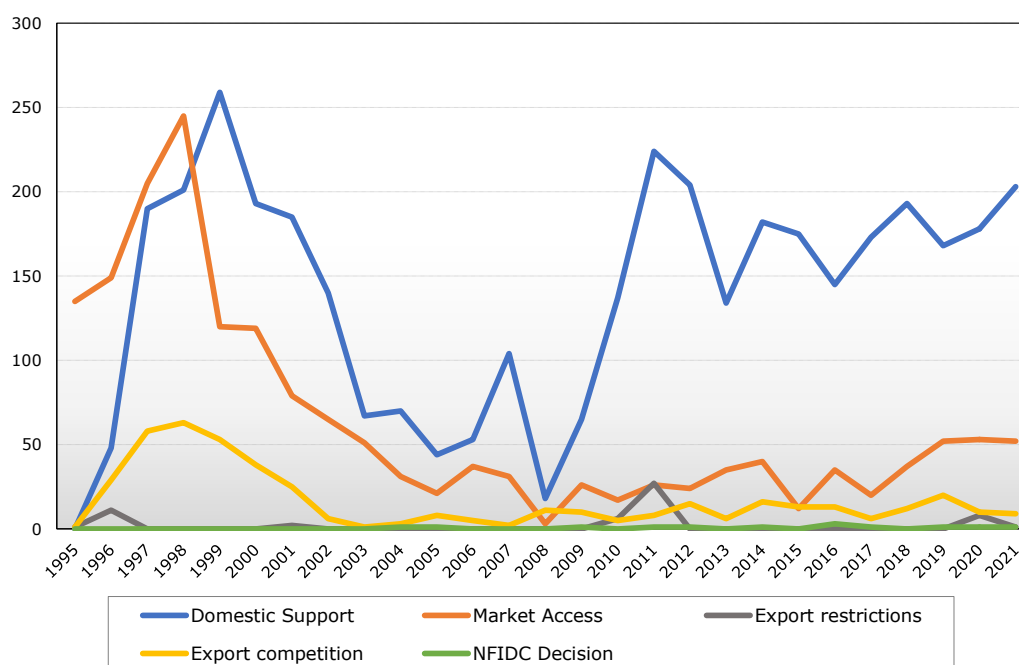
⁴ The European Union is counted as one (27 member States).

Agriculture

6.11. The CoA continued its review of the implementation of Members' commitments under the AoA, primarily based on notifications submitted by Members. Twelve distinct notification requirements are applicable in the domain of agriculture, covering market access, domestic support, export subsidies, export prohibitions or restrictions, and the follow-up to the Marrakesh Net Food-Importing Developing Countries (NFIDC) Decision. The applicability of a notification requirement to a Member is largely dependent on its specific commitments under the AoA. Of the 12 notification requirements, 5 are "regular" or "annual" notification requirements: (i) imports under tariff and other quotas (MA:2); (ii) special safeguards (MA:5); (iii) domestic support (DS:1); (iv) export subsidies (ES:1); and (v) total exports (ES:2).⁵

6.12. More than 5,900 questions were raised in connection with individual notifications under the CoA review process in the period 1995-2021. Throughout the years, most of these questions focused on domestic support notifications (DS:1 and DS:2), followed by questions concerning market access, in particular TRQs (MA:1 and MA:2). Specifically, since 2010, the prevalence of questions concerning domestic support notifications has been considerably high, representing between 70% and 80% of all questions raised in the CoA concerning individual notifications (Chart 6.1).

Chart 6.1 Questions raised on individual notifications, per topic, per year, 1995-2021



Source: WTO Secretariat.

6.13. From 15 October 2020 to 15 October 2021, Members submitted 344 notifications (including addenda and corrigenda). A total of 287 questions were posed concerning individual notifications at the CoA meetings that took place during this period. In line with the historical trend, most of the questions related to domestic support notifications (75%), with notifications from India, the European Union, the United States and Viet Nam being subject to an extensive review based on multiple questions from other Members. A total of 16 questions addressed overdue notifications from Australia, Brazil, Canada, China, the European Union, India, Pakistan, the Kingdom of Saudi Arabia, South Africa, Thailand and the United States.

⁵ Annual notifications are required to be submitted no later than a certain number of days following the end of the year in question, in accordance with the deadlines set out in the Committee's Notification Requirements and Formats, WTO document G/AG/2, 30 June 1995.

Quantitative Restrictions (QRs)

6.14. The notification of QRs to the Market Access Committee is an obligation established by the 2012 Decision on Notification Procedures for Quantitative Restrictions (WTO document G/L/59/Rev.1, 3 July 2012). The Decision requires Members, every two years, to notify the WTO Secretariat of the QRs they have in force, as well as any changes in the interim. As of 4 October 2021, a total of 58 Members (counting the EU 27 as one) had submitted QR notifications and 79 Members had never submitted a notification since the requirement was established in 2012.⁶ The number of notifications for each biennial period is provided in Table 6.3.

6.15. As of 4 October 2021, 34 Members (counting the EU 27 as one), had submitted multiple notifications under the QR Decision informing of the introduction, modification or removal of temporary export prohibitions and restrictions as a result of the COVID-19 pandemic.⁷ In terms of the continued application of these measures, while some Members have notified the extension of the temporary measures, and others have notified either the complete or partial elimination of the temporary export restrictions or have confirmed the expiration of the measures, most Members have not notified additional information since their first QR notification. According to the Secretariat report "Summary of notified export restrictions and trade facilitating measures relating to the COVID-19 Pandemic"⁸ approximately 11 additional Members provided information on 17 additional measures to the Trade Monitoring Report as a result of the COVID-19 but did not notify these measures under the QR Decision as of the date of this report.

Table 6.3 Notification procedures for QRs

No.	Notification requirement	Total number of notifications received as at 12 October 2020, by biennial period
1	QRs in force (regular notification) ^a	2012-14: 29 notifications from 23 Members 2014-16: 33 notifications from 30 Members 2016-18: 31 notifications from 31 Members 2018-20: 87 notifications from 49 Members 2020-22: 63 notifications from 39 Members
2	Changes to the QRs maintained (<i>ad hoc</i>), or introduction of new QRs	2012-14: 2 Members notified changes to existing QRs 2014-16: 3 Members notified changes to existing QRs 2016-18: 1 Member notified changes to existing QRs 2018-20: 17 Members notified changes to existing QRs, most of which related to measures introduced as a result of the COVID-19 pandemic 2020-2022: 13 Members notified changes to existing QRs, most of which related to measures introduced as a result of the COVID-19 pandemic
3	QRs maintained by other Members (reverse notification)	No Member submitted this type of notification
4	Non-tariff measures maintained by other Members (reverse notification)	No Member submitted this type of notification

a Some of these notifications contain information only on COVID-19 measures. See Annex table in WTO document G/MA/QR/11, 5 October 2021.

Source: WTO Secretariat.

Import Licensing

6.16. Notification requirements in the area of import licensing procedures result from the WTO Agreement on Import Licensing Procedures. They are complemented by the "Procedures for

⁶ WTO document G/MA/QR/11, 5 October 2021.

⁷ WTO document G/MA/W/157/Rev.3, 5 October 2021.

⁸ WTO document G/MA/W/168/Rev.1, 6 October 2021.

Notification and Review under the Agreement on Import Licensing Procedures" adopted by the Committee on Import Licensing in 1995 (G/LIC/3) and the "Understanding on Procedures for the Review of Notifications submitted under the Agreement on Import Licensing Procedures" adopted on 23 October 1996 (G/LIC/4). The notification requirements are described in Table 6.4.

Table 6.4 Notification procedures for import licensing

No.	Notification requirement	Established in	Type	Notification category
1	Submission of full texts of relevant laws and regulations and any changes thereto	Article 8.2(b) of the Agreement; WTO document G/LIC/3, 7 November 1995	One-off and <i>ad hoc</i>	N/1 N/2
2	Sources in which information concerning import licensing procedures are published	Article 1.4(a) of the Agreement; WTO document G/LIC/3, 7 November 1995	One-off and <i>ad hoc</i>	N/1 N/2
3	New import licensing procedures and changes to existing procedures	Articles 5.1-5.4 of the Agreement	<i>Ad hoc</i>	N/2
4	Reply to the Questionnaire on Import Licensing Procedures	Article 7.3 of the Agreement; WTO document G/LIC/3, 7 November 1995	Annual, by 30 September each year	N/3

Source: WTO Secretariat.

6.17. The N/1 notification requires a WTO Member to notify all relevant laws and regulations with regard to import licensing procedures, as well as identify the source/publications containing such information. It contains both a one-off element (notification of existing laws and regulations and source/publications) and an *ad hoc* element (changes to laws and regulations thereafter). In theory, a WTO Member should have at least one N/1 submission, providing its laws and regulations on import licensing or indicating that its government does not maintain any import licensing regime.

6.18. The N/2 notification is an obligation for Members to notify new licensing laws/procedures or changes made to existing laws/procedures. It is *ad hoc* in nature, and only due when specific circumstances occur. A new notification form (for notification under Articles 5.1-5.4) was agreed at the Import Licensing Committee meeting held on 4 April 2019 for Members to use on a voluntary basis.⁹ WTO Members may use and are effectively using this notification form for all notifications under Articles 1.4(a), 8.2(b) and 5.1-5.4 (N/1 and N/2).¹⁰ The N/3 notification requires Members to reply to a Questionnaire describing all import licensing procedures in place by 30 September every year.

6.19. As at 8 October 2021, 13 Members had not yet submitted any notification under any provision of the Agreement since joining the WTO. Twenty-three Members had not submitted any notifications regarding import licensing related laws or regulations and eight Members never replied to the Annual Questionnaire under Article 7.3. During the review period, as at 8 October 2021, 121 new notifications under the Agreement on Import Licensing were received and circulated by the Secretariat.¹¹ The Committee reviewed 83 N/2 notifications relating to the institution of new import licensing procedures or changes in these procedures from 16 Members and 38 N/3 notifications from 29 Members. No COVID-19-related notification was received by the Committee on Import Licensing during the review period.

Rules of Origin

6.20. As of mid-October 2021, a total of 114 WTO Members¹² submitted a notification on non-preferential rules of origin under Article 5 of the Agreement on Rules of Origin. 52 Members informed the Committee that they implement non-preferential origin requirements, while 62 other Members notified that they do not. Document G/RO/W/206 contains a detailed report on notifications received or outstanding. As noted in previous reports, however, the majority of these notifications were made in 1995-96 and some are known to contain outdated or incomplete information. A group of Members

⁹ WTO document G/LIC/28, 1 May 2019.

¹⁰ See footnote 1 to document G/LIC/28, 1 May 2019.

¹¹ The European Union and its member States are counted as one.

¹² The European Union and its member States are counted as one.

have proposed to update and standardize the information available by adopting a new notification template. This proposal is still being discussed in the Committee.¹³

6.21. In relation to non-reciprocal preferences for LDCs, all WTO Members except three have notified their LDC-specific origin requirements. In addition, the Ministerial Decision also requires preference-granting Members to notify their preferential tariffs and import statistics from LDCs. Compliance with these obligations has been slowly improving but many gaps remain, in particular concerning preferential imports under LDC preferential schemes. Document G/RO/W/163/Rev.9 provides a detailed overview of the information gaps.

Customs Valuation

6.22. Notifications in the area of customs valuation stem not only from the Agreement on Customs Valuation itself, but also from a number of Decisions that have been adopted by the Committee on Customs Valuation. There are five main notification requirements.

6.23. Article 22 of the Agreement on Customs Valuation and a Decision of the Committee contained in WTO document G/VAL/5, 13 October 1995, require the submission of the complete texts of national legislation (laws, regulations, etc.) that deal with customs valuation, as well as any changes to such laws and regulations. During the period under review, 10 Members provided notifications regarding their customs valuation legislation, bringing the total number of Members that have made this notification up to 111. Members must also provide answers to the "Checklist of Issues" provided for in the Annex to document G/VAL/5. Nine Members submitted notifications containing this checklist, for a total of 76 Members that have complied with this notification requirement.

6.24. Members are also required to notify to the Committee the date of application of the Decision on the treatment of interest charges in the customs value of imported goods.¹⁴ Fifty-four Members have already provided this date to the Committee, with five Members having done so since mid-October 2020. Finally, Members that apply paragraph 2 of the Decision on the valuation of carrier media bearing software for data processing equipment¹⁵ must also notify the Committee of their practice. Six Members made such notification during the period under review, bringing the total to 50 Members.

Preshipment Inspection

6.25. Article 5 of the Agreement on Preshipment Inspection (PSI) provides that Members shall submit to the Secretariat copies of the laws and regulations under which they put the Agreement into force, as well as copies of any other laws and regulations relating to PSI. Changes in such laws and regulations shall also be notified immediately after their publication. Since the last report, five Members have submitted notifications relating to PSI, bringing the total number of Members that have made such a notification to 115.

Integrated Database (IDB)

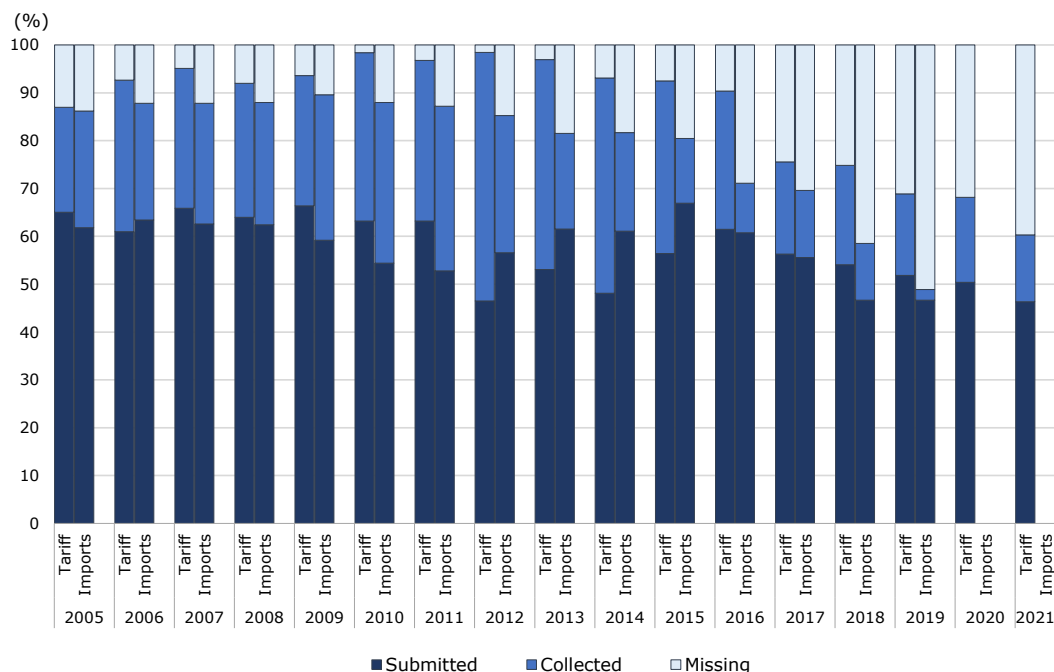
6.26. Market access transparency is anchored on reliable and updated information. The IDB relies on Members' officially approved data on tariffs and imports and other market access information like applied internal taxes and other duties and charges.

6.27. Chart 6.2 presents the completeness of tariff and import notifications to the IDB, by number of notifications directly submitted by Members or collected by the Secretariat.

¹³ WTO document G/RO/W/182/Rev.3, 24 February 2020.

¹⁴ GATT document VAL/6/Rev.1, 1 October 1984.

¹⁵ GATT document VAL/8, 10 October 1984.

Chart 6.2 Completeness^a of IDB tariff and import notifications, 2005-21

Note: Notifications of imports for 2020 and 2021 are not yet due.

a The completeness of notifications is calculated on the basis of the number of Members' schedules (i.e. European Union member States are included in the European Union schedule, and Lichtenstein in Switzerland's). Information provided by the European Union on the period since 1 January 2021 covers its current 27 Member States. For the period until 31 December 2020, tariff information provided by the European Union also covers the United Kingdom.

Source: WTO Secretariat, as of 20 September 2021.

6.28. As of 20 September 2021, the coverage of IDB notifications was, on average, 83% for tariffs and 76% for import statistics, showing a minimal increase compared to the last annual overview. In 2021, the number of notifications of current tariff data which were due by 31 March 2021 was the highest ever and 60.3% of 2021 tariffs are now available. On import statistics, the latest outstanding year is 2019 for which 35% were received by the due date and 49% are already notified. Further, in 2021, of the 82 tariff submissions received, 60 of them (73%) included preferential tariffs.

6.29. Nonetheless, the IDB coverage varies among Members. As shown in Table 6.5, 49 Members (36%) have complete tariff information, and 42 Members (or 31%) have complete import statistics in the IDB. The table also shows high percentages of Members with at least 6 years of outstanding notifications - 29% for tariffs and 36% for imports.

Table 6.5 Completeness^a of notifications among Members

Number of years with outstanding data	Tariffs (up to 2021)		Imports (up to 2019)	
	No. of Members	%	No. of Members	%
None (complete data)	49	36	42	31
1-2 years	18	13	22	16
3-5 years	29	21	22	16
6 or more years	40	29	49	36
Total number of Members' schedules	136	100	135	100
<i>Memo: With at least one year of outstanding data</i>	87	64	93	69

a The completeness of notifications is calculated on the basis of the number of Members' schedules (i.e. European Union member States are included in the European Union schedule, and Lichtenstein in Switzerland's). Information provided by the European Union on the period since 1 January 2021 covers its current 27 Member States. For the period until 31 December 2020, tariff information provided by the European Union also covers the United Kingdom.

Source: WTO Secretariat.

6.30. The IDB data are also used to calculate the statistics published in the World Tariff Profiles (WTP), a yearly compendium of comprehensive market access indicators.

Balance-of-Payments Restrictions

6.31. Notification obligations in relation to restrictions to safeguard a country's balance of payments stem from Articles XII and XVIII of the GATT 1994 and the Understanding on Balance-of-Payments (BOP) Provisions (described in Table 6.6).

Table 6.6 Notification procedures for BOPs restrictions

Legal source	Notification requirement	Type
GATT Article XII:4(a)	Any Member applying new restrictions or raising the general level of restrictions by a substantial intensification of the measures applied under this Article shall immediately after instituting or intensifying such restrictions (or, in circumstances in which prior consultation is practicable, before doing so) consult with Members as to the nature of its BOP difficulties, alternative corrective measures which may be available, and the possible effect of the restrictions on the economies of other Members.	<i>Ad hoc</i> , followed by annual consultations
GATT Article XVIII:12(a)		<i>Ad hoc</i> , followed by biennial consultations
Understanding on BOP Provisions, para. 9	A Member shall notify to the General Council the introduction of, or any changes in, the application of restrictive import measures taken for BOP purposes, as well as any modifications in time-schedules for the removal of such measures as announced under paragraph 1. Significant changes shall be notified to the General Council prior to, or not later than, 30 days after their announcement.	<i>Ad hoc</i> , followed by a yearly consolidated notification

Source: WTO Secretariat.

6.32. The last BOP consultations were completed in July 2017 and no Member has notified the Secretariat of the imposition of measures for BOP purposes since then.

Services

6.33. From mid-October 2020 to mid-October 2021, 39 new notifications were made under various GATS provisions, and a further three concerned changes to previously submitted notifications (Chart 6.3).

6.34. Out of the new notifications submitted, 13 were made under GATS Article III:3, by nine Members. This Article requires Members to notify to the Council for Trade in Services, at least annually, of any regulatory changes that significantly affect trade in services covered by its specific commitments. During the reporting period 2020-2021, fewer notifications were submitted under Article III:3 than in the preceding years.

6.35. During the reporting period, 24 agreements concerning economic integration in services were notified under GATS Article V:7, involving 81 Members.¹⁶ These agreements were referred to the Committee on Regional Trade Agreements for consideration. After several years, during which the number of Economic Integration Agreements notified pursuant to Article V:7 witnessed a relative slowdown, the number of notifications increased substantially during the reporting period and is the highest ever recorded.¹⁷

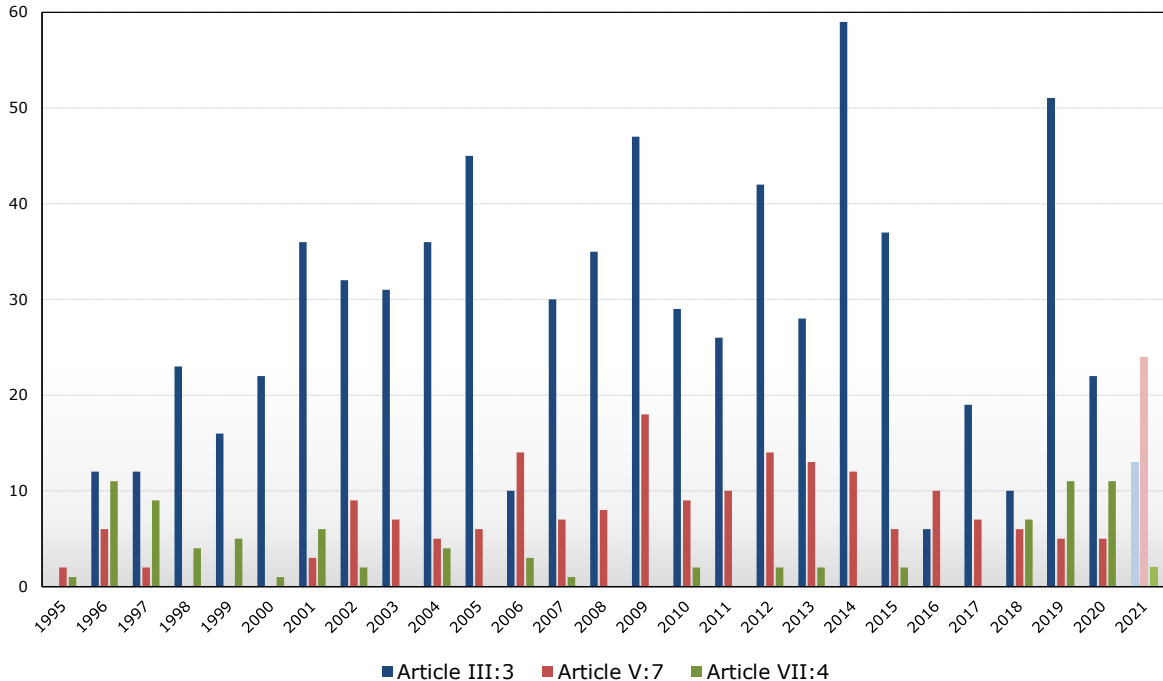
6.36. During the reporting period, two notifications were made under GATS Article VII:4, involving three Members. This Article requires Members to notify to the Council for Trade in Services any new or existing mutual recognition agreements or arrangements. The number of notifications submitted

¹⁶ The 27 member States of the European Union are counted individually.

¹⁷ 19 out of the 24 Economic Integration Agreements were notified by the United Kingdom and its trading partners following the end of the transition period under the Withdrawal Agreement between the European Union and the United Kingdom on 31 December 2020.

pursuant to Article VII:4 increased markedly in 2018-2020 in comparison to the previous two decades. However, 2021 has not witnessed a continuance of this trend.

Chart 6.3 Notifications pursuant to GATS Articles III:3, V:7 and VII:4, 1995-2021



Note: 2021 data cover up to 15 September 2021. Changes to previously submitted notifications are not counted. Figures on Article V:7 include agreements of the EC/EU with its future member States and EU-enlargement agreements.¹⁸

Source: WTO Secretariat.

6.37. No notifications were received under other GATS provisions during this period.

6.38. Between mid-October 2020 and mid-October 2021, the Council for Trade in Services has not been notified of services-related measures taken in response to the COVID-19 pandemic. In the previous reporting period, one notification was made under GATS Article III:3 with regards to the COVID-19 pandemic.¹⁹

Preferential Trade Arrangements

6.39. Under the Transparency Mechanism for Preferential Trade Arrangements (PTAs), which was established in December 2010²⁰, newly notified PTAs are to be considered in dedicated sessions of the Committee on Trade and Development (CTD), on the basis of Secretariat-prepared factual presentations. Since the establishment of the Transparency Mechanism, 12 PTAs have been notified to the WTO. Three of these have been considered by the CTD in dedicated sessions²¹, while for several others the notifying Members have yet to provide the Secretariat with the information required for the preparation of the factual presentations. The CTD Chair provides an update at each

¹⁸ On 1 December 2009, the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community (done at Lisbon, 13 December 2007) entered into force. On 29 November 2009, the WTO received a Verbal Note (WTO document WT/L/779, 30 November 2009) from the Council of the European Union and the Commission of the European Communities stating that, by virtue of the Treaty of Lisbon, as of 1 December 2009, the European Union replaced and succeeded the European Community.

¹⁹ Measures related to the COVID-19 pandemic affecting trade in services can be found in Section 4.2.

²⁰ WTO document WT/L/806, 16 December 2010.

²¹ A fourth PTA, which concerns Thailand's duty-free treatment for LDCs, is scheduled for consideration at the upcoming dedicated session of the CTD in November 2021.

meeting of the CTD's dedicated session regarding the PTAs that are to be considered and urges the notifying Members to provide the data and information as soon as possible.

6.40. The Transparency Mechanism for PTAs also stipulates that an electronic database on individual PTAs is to be maintained by the Secretariat. The Database on PTAs²² currently contains information on 36 PTAs. Table 6.7 provides an overview of the PTAs included in the database, which is updated primarily on the basis of information provided by the Members implementing PTAs.

Table 6.7 PTAs of WTO Members

WTO Member	Number of PTAs	Name or description of PTA
Armenia	1	Generalized System of Preferences
Australia	2	Generalized System of Preferences
Canada	2	South Pacific Regional Trade and Economic Cooperation Agreement ^a Generalized System of Preferences Commonwealth Caribbean Countries Tariff
Chile	1	Duty-free treatment for LDCs
China	1	Duty-free treatment for LDCs
European Union	4	Generalized System of Preferences Trade preferences for countries of the Western Balkans Trade preferences for Pakistan ^b Trade preferences for the Republic of Moldova ^c
Iceland	1	Generalized System of Preferences
India	1	Duty-Free Tariff Preference Scheme for LDCs
Japan	1	Generalized System of Preferences
Kazakhstan	1	Generalized System of Preferences
Republic of Korea	1	Preferential Tariff for LDCs
Kyrgyz Republic	2	Duty-free treatment for LDCs ^d Generalized System of Preferences
Montenegro	1	Duty-free treatment for LDCs
Morocco	1	Duty-free treatment for African LDCs
New Zealand	2	Generalized System of Preferences South Pacific Regional Trade and Economic Cooperation Agreement ^a
Norway	1	Generalized System of Preferences
Russian Federation	2	Generalized System of Preferences (1.1.2010-10.10.2016) ^d Generalized System of Preferences (as of 10.10.2016)
Switzerland	1	Generalized System of Preferences
Chinese Taipei	1	Duty-free treatment for LDCs
Tajikistan	1	Duty-free treatment for LDCs
Thailand	1	Duty-free treatment for LDCs ^e
Turkey	1	Generalized System of Preferences
United Kingdom	1	Generalized System of Preferences
United States	6	African Growth and Opportunity Act Andean Trade Preference Act ^f Caribbean Basin Economic Recovery Act Former Trust Territory of the Pacific Islands Generalized System of Preferences Trade preferences for Nepal

a Australia and New Zealand both provide preferences under this PTA.

b The preferences granted under this PTA expired on 31 December 2013.

c The preferences granted under this PTA expired on 31 December 2015.

d The preferences granted under this PTA expired on 10 October 2016.

e The preferences granted under this PTA expired on 31 December 2020.

f The preferences granted under this PTA expired on 31 July 2013.

Source: Database on PTAs.

Government Procurement

6.41. To ensure the transparency and predictability of its Parties' procurement regimes, the Agreement on Government Procurement sets out notification obligations for its Parties in five areas: (i) national implementing legislation on government procurement; (ii) procurement thresholds in national currencies; (iii) statistics on procurement activities; (iv) modifications to schedules of

²² Viewed at: <http://ptadb.wto.org>.

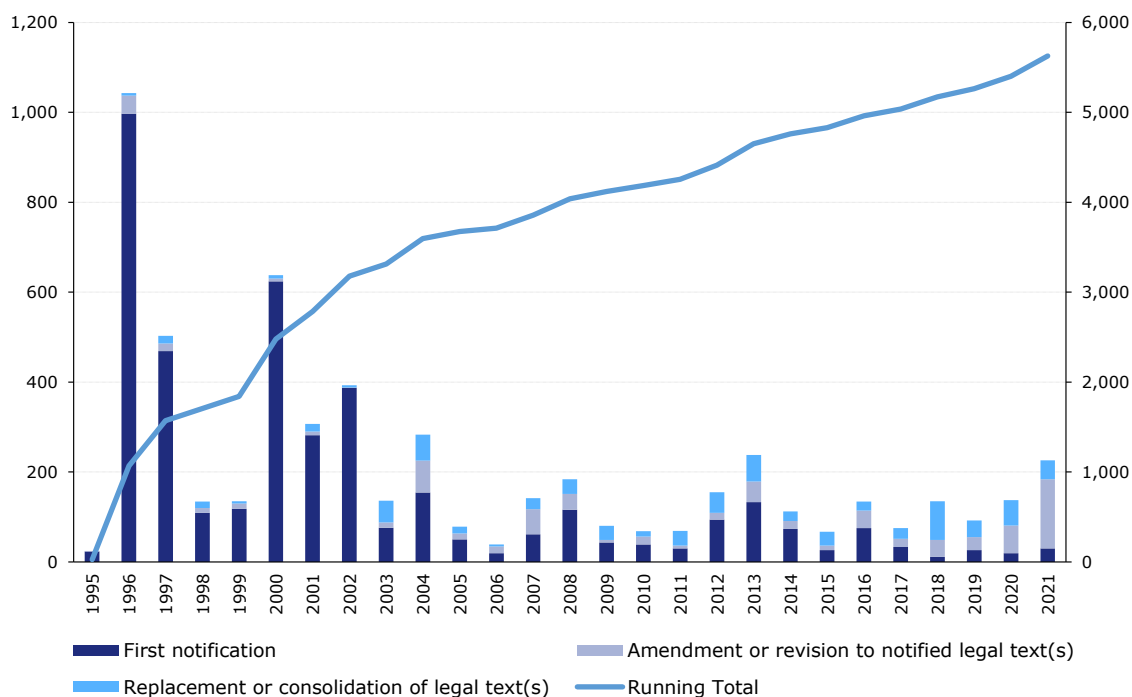
commitments; and (v) media for the publication of procurement-related information. Various notifications were made during the reporting period under these requirements.

Transparency of TRIPS

6.42. The TRIPS Agreement requires WTO Members to notify to the Council for TRIPS their IP laws and regulations (Article 63.2); to establish and notify contact points in their administrations for the purposes of cooperation with each other, aimed at the elimination of trade in infringing goods; and to notify the Council if they wish to use certain options under the Agreement relating to substantive obligations.

6.43. Chart 6.4 shows the laws and regulations notified from 1995 to 30 September 2021. Notifications peaked in 1996, when developed-country Members notified existing laws or amendments that implemented the TRIPS Agreement. From 2000 onwards, notifications predominately came from developing-country Members and recently acceded Members. The most recent rise in notifications reflects diverse approaches by Members in updating their IP regimes in response to the changing economic, technological and social dimensions of IP, as well as the launch of e-TRIPS in 2019. The e-TRIPS System consists of: the Submission System that enables Members to easily submit TRIPS notifications, review materials, and reports; and the companion Gateway which is an online information portal that allows users to search the full range of TRIPS information managed by the Secretariat.²³

Chart 6.4 Notified laws and regulations under TRIPS Article 63.2 from 1995 to 30 September 2021



Source: WTO Secretariat. e-TRIPS.

6.44. The cumulative total of laws and regulations notified until 30 September 2021 was 5,627 legal texts. They represent a wide range of national means of adapting and applying TRIPS standards, according to national priorities and wider policy frameworks. There are significant gaps in the coverage of more recent laws and legislative amendments, as several Members have not updated their initial notifications for well over a decade.

6.45. Transparency obligations also refer to final judicial decisions and administrative rulings of a general application on the subject matter of the TRIPS Agreement, as well as to agreements between

²³ Viewed at: e-trips.wto.org. The Secretariat provides regular training sessions and updates to Members.

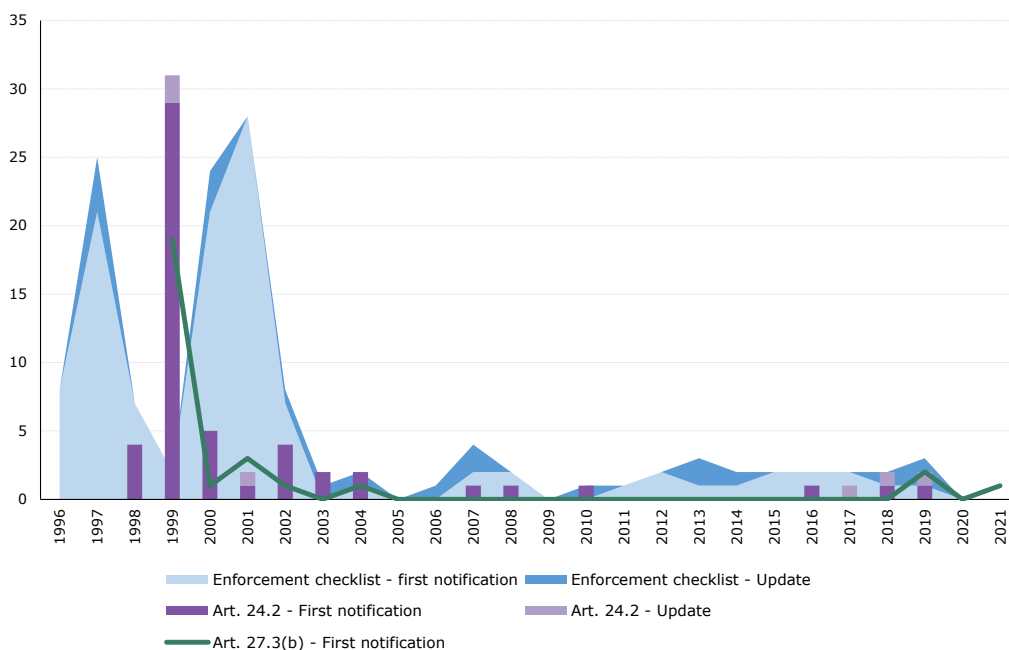
governments or governmental agencies, as provided for by Article 63.1. So far, very few Members have shared such information with the TRIPS Council.²⁴

6.46. Following the recommendation made by the TRIPS Council in March 2010²⁵, WTO Members agreed to share information on, and notify bilateral agreements, related to the protection of geographical indications to which they are a party. The records indicate that few Members have shared or notified such agreements to the TRIPS Council, despite the conclusion of several such agreements.

TRIPS Checklists

6.47. The TRIPS Council agreed that to enable transparency on enforcement of IP Rights (i.e. Part III of the TRIPS Agreement) Members should provide responses to an illustrative list of questions on their domestic systems, termed the Checklist on Enforcement.²⁶ Similarly, questionnaires were agreed to implement the Agreement's built-in reviews under Article 24.2 on geographical indications;²⁷ and Article 27.3(b) on biotech patenting and plant variety protection.²⁸ The information therein can have direct bearing on trade policy considerations and aspects of the global economy: for instance, the Checklist on Enforcement reports in detail on border measures. Chart 6.5 shows the Checklists on Enforcement; geographical indications; and biotech patenting and plant variety protection submitted from 1996 until 30 September 2021.

Chart 6.5 Checklist on enforcement; geographical indications; and biotech patenting and plant variety protection from 1996 to 30 September 2021



Source: WTO Secretariat. e-TRIPS.

6.48. During the review period, the Kingdom of Saudi Arabia submitted its responses to the illustrative list of questions on Article 27.3(b).²⁹ There were no submissions of responses to the other two Checklists. Since 1996, 112 Members have submitted their Checklists on Enforcement, and 16 of those have submitted revisions; the Checklist on Geographical Indications has been submitted by

²⁴ See for example: WTO documents IP/N/1/PHL/2, 27 July 2001; IP/N/1/GBR/1, 9 April 1996; and IP/N/1/HKG/3, 21 January 2003.

²⁵ Paras. 73 and 74 of WTO document IP/C/M/62, 1 June 2010.

²⁶ WTO document IP/C/5, 30 November 1995; and responses circulated in the IP/N/6/* series of documents.

²⁷ WTO document IP/C/13, 14 May 1998 and its Addendum; and responses circulated in the IP/C/W/117/* series of documents.

²⁸ See checklist in WTO documents IP/C/W/122, 22 December 1998; IP/C/W/273, 5 June 2001 and its Rev.1; and responses circulated in the IP/C/W/125/* series of documents.

²⁹ WTO document IP/C/R/BT/SAU/1, 21 January 2021.

only 37 Members³⁰, of which 6 notified updates; and the Checklist on Biotech Patenting and Plant Variety Protection has been submitted by 28 Members,³¹ and only one has provided an update. Several Members have never provided a Checklist, and many have not updated their reports for over 20 years.

Technical Cooperation and Technology Transfer

6.49. The TRIPS Council also agreed that developed Members should provide information on technical cooperation; and, on transfer of technology incentives for the benefit of LDCs. The resulting reports are circulated and reviewed by the TRIPS Council. They provide detailed information on measures taken to implement the provisions of the TRIPS Agreement at the national level.

³⁰ Australia; Bulgaria; Canada; Colombia; Croatia; Cuba; Czech Republic; Ecuador; El Salvador; Estonia; European Union; Honduras; Hong Kong, China; Hungary; Iceland; Japan; Republic of Korea; Liechtenstein; Lithuania; Mexico; Republic of Moldova; Montenegro; Morocco; New Zealand; Norway; Peru; Poland; Romania; Slovak Republic; Slovenia; Switzerland; Chinese Taipei; Turkey; Ukraine; United States; Uruguay; and the Bolivarian Republic of Venezuela.

³¹ Australia; Bulgaria; Canada; Czech Republic; Estonia; European Union; Hong Kong, China; Hungary; Iceland; Japan; Republic of Korea; Lithuania; Mexico; Republic of Moldova; Morocco; New Zealand; Norway; Poland; Romania; Kingdom of Saudi Arabia; Slovak Republic; Slovenia; South Africa; Switzerland; Thailand; Ukraine; United States; and Zambia.