



Trade Policy Review Body

**REPORT OF THE TPRB FROM THE DIRECTOR-GENERAL ON
TRADE-RELATED DEVELOPMENTS**

(MID-OCTOBER 2021 TO MID-MAY 2022)

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EXECUTIVE SUMMARY

1. This WTO Trade Monitoring Report on trade-related developments arrives at a time when the world economy faces severe challenges. As detailed in the previous four Reports, the world continues to fight against the COVID-19 pandemic. At the same time, the war in Ukraine has created a humanitarian crisis of immense proportions and has negatively impacted the world economy, with serious potential implications for many countries around the world, especially with respect to food security.

2. Although the early part of the period covered in this Report (mid-October 2021 to mid-May 2022) provided for some encouraging news for a post-pandemic economic recovery, the Russia-Ukraine war has dealt a severe blow to the outlook for the global economy. Fundamental challenges, such as those related to access to COVID-19 vaccines, diagnostics, and therapeutics, remain at the forefront of the downside risks that the world faces from the COVID-19 pandemic. The war further compounds the pressure on the world economy with trade costs continuing to rise and inflation mounting.

3. Despite the review period ending on 15 May 2022, this Report also makes brief reference to the fact that, on 17 June 2022, WTO Members successfully concluded the 12th Ministerial Conference (MC12) in Geneva. This secured a series of unprecedented multilaterally negotiated outcomes on fisheries subsidies, WTO response to emergencies, including a waiver of certain requirements concerning compulsory licensing for COVID-19 vaccines, food security, and WTO reform. The moratorium on e-commerce customs duties was also extended. This outcome underlines the critical role of the WTO in addressing the world's most pressing issues, especially at a time when global solutions are necessary to respond to the pandemic, tackle environmental challenges, and foster greater socioeconomic inclusion.

4. Building on the success of MC12, WTO Members now have an important collective opportunity to lay the foundation for further progress in the months ahead.

Specific findings

5. The global economic outlook has deteriorated since February as a result of the war in Ukraine, prompting the WTO to downgrade its forecasts for world trade over the next two years. The WTO, in its latest forecast of 12 April 2022, expects merchandise trade volume growth of 3.0% in 2022, down from 4.7% in the previous forecast from last October. Trade is expected to grow by 3.4% in 2023 although such projections heavily depend on how the conflict unfolds.

6. The conflict was not the only factor weighing on trade during the review period. The Omicron wave of COVID-19 saw cases and deaths rise sharply in the first quarter of 2022, adding to the human toll of the pandemic. More recently, stringent lockdowns in China aimed at checking the spread of the disease have again disrupted production and trade at a time when supply pressures appeared to be easing. Lockdowns could lead to renewed shortages of intermediate and final goods, aggravating supply chain problems and adding to inflationary pressures.

7. **Since the outbreak of the COVID-19 pandemic, 436 trade and trade-related measures in the area of goods have been implemented by WTO Members and Observers.** Of these, 288 (66%) were of a trade-facilitating nature and 148 (34%) were trade-restrictive. Export restrictions account for 82% of all COVID-19 trade-restrictive measures. According to the information either identified by the Secretariat or received from delegations and subsequently verified, around 73% (89 out of 122) of export restrictions have been phased out, meaning that as at mid-May 2022, 33 export restrictions were still in place. The estimated trade coverage of the COVID-19 trade-facilitating measures still in place (USD 149.7 billion) is larger than that of trade restrictions (USD 99.8 billion).

8. During the review period, 37 COVID-19 measures on goods were communicated by WTO Members, primarily amendments of existing measures originally implemented in the early stages of the pandemic or termination of others. Similarly, **the flow of new COVID-19-related support measures by WTO Members** to mitigate the social and economic impacts of the pandemic has significantly **decreased** since in the second half of 2021.

9. In the **services sectors**, the Secretariat has recorded 155 COVID-19-related measures introduced by Members and Observers, since the outbreak of the pandemic. Only two new such

measures were reported since mid-October 2021 and five were reported as terminated. This confirms that the number of new COVID-19 trade in services measures has declined drastically since last year.

10. **The war in Ukraine** impacted trade flows significantly during the review period. The Secretariat identified some 71 specific trade and trade-related sanctions imposed by 43 WTO Members and one Observer on the Russian Federation in the area of trade in goods. Seventy-five services trade and trade-related sanctions imposed on the Russian Federation by 39 WTO Members were also identified. In the area of intellectual property, several WTO Members implemented measures and sanctions that might indirectly affect the maintenance and licensing of intellectual property rights (IPRs).

11. **With respect to regular trade measures**, 230 new trade-facilitating and 109 trade-restrictive measures were recorded for WTO Members and Observers. These include 32 export restrictions and 18 import facilitating measures put in place by WTO Members in response to the conflict. The trade coverage of the import-facilitating measures introduced during the review period was estimated at USD 603.2 billion and that of import-restrictive measures stood at USD 23.5 billion. According to the Secretariat's preliminary estimates, and based on the available information, the trade coverage of the export-restrictive measures taken by WTO Members in response to the conflict was estimated at USD 69.6 billion. That of the import-facilitating measures was estimated at USD 38.3 billion.

12. The **stockpile of import restrictions** in force has grown steadily since 2009 – both in value terms and as a percentage of world imports. By mid-May 2022, some 8.9% of global imports continue to be affected by import restrictions implemented since 2009 and which are still in force.

13. **After reaching its highest peak in 2020, the average number of trade remedy initiations was the lowest since 2012.** Trade remedy actions remain an important trade policy tool for WTO Members, accounting for 30% of all non-COVID-19-related trade measures on goods recorded in this Report.

14. The majority of the 93 new **regular measures affecting trade in services** implemented by WTO Members and Observers, were trade-facilitating. More than half of the measures concerned telecommunications, computer and Internet- and other network-enabled services, including a significant number of tax measures, or financial services

15. **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 613 regular SPS notifications submitted by WTO Members and the majority of the 162 emergency measures notified in the same period, related to animal health. WTO Members submitted 125 SPS notifications and communications on 67 SPS measures taken in response to the pandemic. Most of the 1,446 new regular TBT notifications submitted by WTO Members during the review period, indicated the protection of human health or safety as their main objective. WTO Members submitted 213 COVID-19-related TBT notifications to the WTO. These cover a wide range of products, including medicines, medical supplies, and personal protective equipment (PPE).

16. Several of the **trade concerns raised in WTO bodies** during the review period, were new and several had already been raised in previous periods, indicating persistent and unresolved issues. Overall, the review period saw WTO Members continue to use WTO committees to engage trading partners on real or potential areas of trade friction.

17. In the Committee on **Agriculture** (CoA), Members posed 141 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. Global food market developments in the context of the war in Ukraine and the associated implications for food security worldwide dominated discussions of the CoA. During the review period, of the eight export restrictions notified, one was put in place in response to the COVID-19 pandemic and two were directly or indirectly related to the conflict.

18. 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, as well as at streamlining procedural requirements for administrative IP matters.

19. The Report also covers several other important trade-related developments and discussions that took place during the review period, including trade and environment; trade facilitation; regional trade agreements (RTAs); government procurement; electronic commerce; micro, small and medium-sized enterprises (MSMEs); and trade finance.

1 INTRODUCTION

1.1. This WTO Trade Monitoring Report¹ reviews trade and trade-related developments during the period from 16 October 2021 to 15 May 2022.² It is a mid-year preparatory contribution to the annual report by the Director-General provided for in paragraph (g) of the Trade Policy Review Mechanism (TPRM) mandate, which aims to assist the Trade Policy Review Body (TPRB) in undertaking an annual overview of developments in the international trading environment that are having an impact on the multilateral trading system.

1.2. The Report is issued under the sole responsibility of the Director-General of the WTO. It is a factual transparency exercise and has no legal effect on the rights and obligations of WTO Members. It is without prejudice to the negotiating positions of Members 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. It does not seek to establish whether a trade measure is protectionist, and it does not question the right of Members to take certain trade measures (see Box 1.1 below).

1.3. The Trade Monitoring Reports aim to provide transparency on the very latest trends and developments in the implementation of a broad range of trade policy measures and offer an update on the main indicators of the world economy and on the state of global trade. The regular discussions of the Reports among Members in the Trade Policy Review Body provide important input and perspective to the trade monitoring exercise, including on the coverage and analysis of trade-related issues.

1.4. This Report arrives at a time when the world economy faces severe challenges. The world continues to fight against the COVID-19 pandemic with new variants emerging and access to vaccines still lagging in some parts of the world. At the same time, the war in Ukraine has created a humanitarian crisis of immense proportions and has dealt a serious blow to the world economy. Under its trade monitoring mandate, the WTO Secretariat continues to monitor and provide transparency around the wide range of trade-related measures taken in response to these crises.

1.5. 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 website³ 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 WTO website.⁴

1.6. In preparing the Trade Monitoring Reports, the WTO Secretariat requests Members for verification of the trade and trade-related measures identified. In the case of COVID-19 related measures, these were listed on the dedicated COVID-19 page on the WTO website. This transparency initiative has been widely welcomed as providing an important platform for Members to ascertain how others were responding to the pandemic as well as update existing measures, including when these measures were terminated. In its verification requests, the Secretariat also encouraged delegations to notify measures through the relevant WTO committees leading to an important increase in formal notifications.

¹ The previous WTO Trade Monitoring Report presented to the TPRB (WTO document WT/TPR/OV/24, 22 November 2021) covered measures taken over the period from mid-October 2020 to mid-October 2021. The WTO Trade Monitoring Reports have been prepared by the WTO Secretariat since 2009. On 7 July 2022, the WTO Secretariat, together with the Secretariats of the OECD and UNCTAD, issued the G20 Reports on trade and investment measures implemented by G20 economies during the period mid-October 2021 to mid-May 2022 (available on the WTO website).

² Unless otherwise indicated in the relevant section. In addition to the trade policy measures implemented during the period under review and captured by this Report, other actions that impact trade flows may have been taken by WTO Members.

³ WTO, *COVID-19 and World Trade*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

⁴ WTO, *WTO Members' Notifications on COVID-19*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/notifications_e.htm.

1.7. The structure of this Monitoring Report is modified slightly compared to the November 2021 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 in this context. Finally, and if applicable, each Section will address developments in the context of the war in Ukraine.

1.8. Section 2 of the Report provides an overview of recent economic and trade developments as well as the most recent forecasts for world trade growth. Section 3 presents selected trade and trade-related policy trends for the review period. Policy developments in trade in services and trade-related aspects of intellectual property rights (TRIPS) are included in Sections 4 and 5, respectively.

1.9. A separate Addendum to this Report contains Annexes with new regular measures recorded for WTO Members 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).⁵ A dedicated page on the WTO website provides an overview of measures implemented and notifications submitted in the context of the COVID-19 pandemic.⁶

1.10. Information on the measures included in this Report was collected from inputs submitted by WTO Members and Observers, as well as from other official and public sources. Replies to the Director-General's initial request for information on measures taken during the period under review and replies to the requests for verification were received from 77 Members⁷ (Box 1.2), which represents 47.0% of the membership, and covers around 91.3% of world imports.⁸ Two Observers also replied to the request for information. Overall, 93 Members and Observers were covered in the Secretariat's requests for verification of measures with a total of 191 files sent to delegations. Participation in the verification process was uneven, and in many cases the Secretariat received only partial responses and often after the indicated deadline. Where it has not been possible to confirm the information, this is noted in the Annexes.

1.11. As in many areas of WTO work, preparation of this Trade Monitoring Report was complicated by developments in the context of the war in Ukraine. This Report seeks to provide a factual and non-attributive account of developments in the context of the conflict.

1.12. Finally, on 17 June 2022, WTO Members successfully concluded the 12th Ministerial Conference (MC12) in Geneva securing unprecedented multilaterally negotiated outcomes on fisheries subsidies, WTO response to emergencies, including a waiver of certain requirements concerning compulsory licensing for COVID-19 vaccines, food security, and WTO reform. The moratorium on E-commerce customs duties has also been extended. This outcome underlines the critical role of the WTO in addressing the world's most pressing issues, especially at a time when global solutions are necessary to respond to the pandemic, tackle environmental challenges, and foster greater socioeconomic inclusion. These important achievements will be covered in more detail in the end-of-year Trade Monitoring Report.

⁵ WTO, *Trade Monitoring Database*. Viewed at: <http://tmdb.wto.org>.

⁶ WTO, *COVID-19 and World Trade*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

⁷ The European Union and its member States counted separately.

⁸ This figure includes intra-EU trade.

Box 1.1 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 to 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.

Regarding trade remedy actions, it has been highlighted in discussions among 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 WTO Anti-Dumping and SCM Agreements 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 able 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 added transparency and to identify emerging trends in the application of trade policy tools.

With respect to sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) issues covered in the Reports, 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 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 do 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 legitimate policy objectives.

Nothing in this Report prejudices Members' right to take such measures consistent with security exceptions under the relevant WTO Agreements. In the context of the war in Ukraine measures implemented with reference to national security concerns are neither included in the Annexes nor attributed.

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

Source: WTO Secretariat.

Box 1.2 Participation in the Preparation of this Report

Albania	Mali
Argentina	Mauritius
Australia	Mexico
Bahrain, Kingdom of	Myanmar
Bangladesh	Nepal
Belize	New Zealand
Brazil	North Macedonia
Cambodia	Pakistan
Canada	Philippines
Chile	Russian Federation
China	Kingdom of Saudi Arabia
Colombia	Senegal
Costa Rica	Serbia (Observer)
Cuba	Seychelles
Ecuador	Singapore
El Salvador	South Africa
European Union	Sri Lanka
Guatemala	Switzerland
Honduras	Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)
Hong Kong, China	Thailand
India	Türkiye
Indonesia	Ukraine
Iraq (Observer)	United Kingdom
Israel	United States
Japan	Viet Nam
Republic of Korea	
Macao, China	

Source: WTO Secretariat.

2 RECENT ECONOMIC AND TRADE DEVELOPMENTS

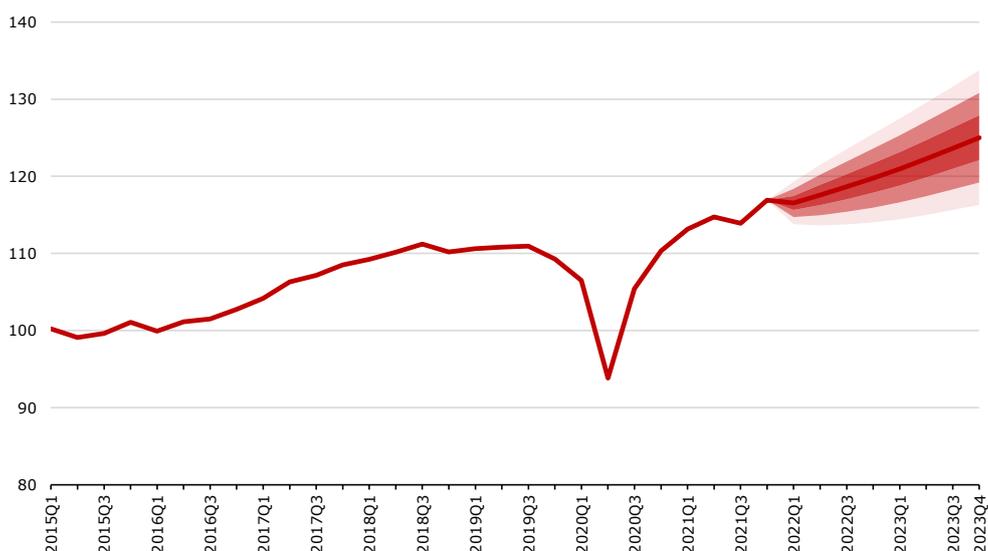
2.1 Overview of trade developments and economic outlook

2.1. The global economic outlook has deteriorated since the start of the conflict between the Russian Federation and Ukraine in late February 2022, prompting the WTO to downgrade its forecasts for world trade over the next two years.¹ The WTO now expects merchandise trade volume growth of 3.0% in 2022, down from 4.7% in the previous forecast from last October. Trade is also expected to grow 3.4% in 2023, but distant projections should be heavily discounted at the moment since outcomes will mostly depend on how the conflict unfolds (Chart 2.1, Table 2.1).

2.2. The WTO also published an in-depth analysis of the implications of the conflict for global trade and development in a Secretariat Note issued on 11 April.² The Note identified countries and regions most likely to be adversely affected by the conflict and explored possible short- and long-term economic impacts under different scenarios. While the Russian Federation and Ukraine have relatively small shares in world trade, they are important suppliers of several essential goods including food, energy, and metals. The combined share of Russian Federation and Ukraine in world merchandise exports was 2.5% in 2019, but they also made up 25% of wheat exports, 15% of barley exports, and 45% of sunflower products exports. The Russian Federation alone accounted for 9.4% of world fuel exports, including a 20% share in natural gas trade.

Chart 2.1 World merchandise trade volume, 2015Q1-2023Q4

(Seasonally-adjusted volume index, 2015=100)



Note: Each shaded region represents a ± 0.5 standard error band around the central forecast.

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

2.3. The war was not the only factor weighing on trade during the review period. The Omicron wave of COVID-19 saw cases and deaths rise sharply in the first quarter of 2022, adding to the human toll of the pandemic. More recently, stringent lockdowns in China aimed at checking the spread of the disease have again disrupted production and trade at a time when supply pressures appeared to be easing. Lockdowns could lead to renewed shortages of intermediate and final goods, aggravating supply chain problems and adding to inflationary pressures.

2.4. The trade forecast is premised on global GDP growth at market exchange rates of 2.8% in 2022 and 3.2% in 2023. With little hard data on the economic impact of the conflict, the WTO relied on simulations to generate reasonable GDP estimates for forecasting purposes. These simulations capture: (i) the direct impact of the conflict in Ukraine, including the widespread destruction of factors of production; (ii) the effects of sanctions on the Russian Federation, including increased

¹ WTO, "Russian Federation-Ukraine conflict puts fragile global trade recovery at risk", 12 April 2022. Viewed at: https://www.wto.org/english/news_e/pres22_e/pr902_e.htm.

² WTO, "WTO Secretariat note examines impact of the crisis in Ukraine on global trade and development", 11 April 2022. Viewed at: https://www.wto.org/english/news_e/news22_e/devel_08apr22_e.htm.

trade and transaction costs; and (iii) slower aggregate demand growth in the rest of the world due to falling business and consumer confidence. The forecast does not consider the potential impact of food export restrictions, nor does it consider the long-run impact of economic decoupling based on geopolitical concerns.

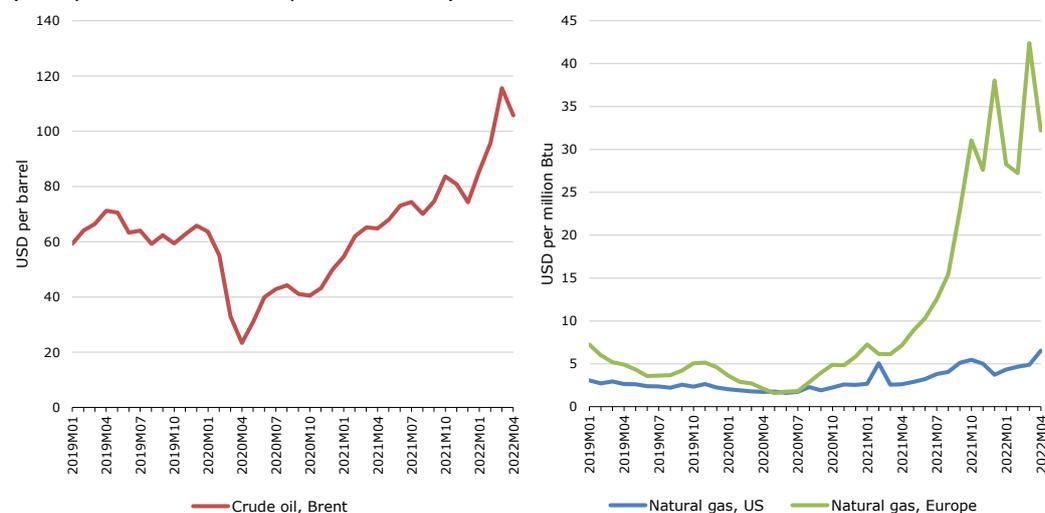
2.5. Merchandise trade volume growth in 2021 came at 9.8%, slightly below existing forecasts (compared to 10.8% last October). The shortfall is partly explained by the emergence of the Delta variant of COVID-19, which contributed to the 0.7% quarter-on-quarter decline in the volume of world merchandise trade by the third quarter last year. To date, around two-thirds of the world's population has received at least one dose of a vaccine, including 80% of eligible people in high-income countries, 82% in upper-middle income countries, 61% in lower-middle-income countries, and just 16% in low-income countries.

2.6. There is an unusually high degree of uncertainty associated with the current forecast due to the unpredictable nature of the conflict and the ongoing threat of the pandemic. Based on estimated confidence intervals, merchandise trade growth in 2022 could be as low as 0.5% or as high as 5.5%, but it could also settle outside this range if underlying macroeconomic conditions change significantly. Risks to the forecast are firmly on the downside, particularly if inflationary expectations become entrenched and Central Banks accelerate the pace of monetary tightening. There is some limited upside potential if the conflict ends soon, but the downside risk of an extended conflict is equally likely.

2.7. Chart 2.2 illustrates recent increases in energy prices, which were already rising before the conflict broke out at the end of February 2022. The benchmark Brent crude oil price stood at USD 105.8 per barrel in April, 63% higher than the same time last year. The April figure was actually down compared to March, when it stood at USD 115.6 per barrel, up 77% year-on-year.

Chart 2.2 Monthly average prices for crude oil and natural gas, January 2019–April 2022

(USD per barrel and USD per million Btu)



Source: World Bank.

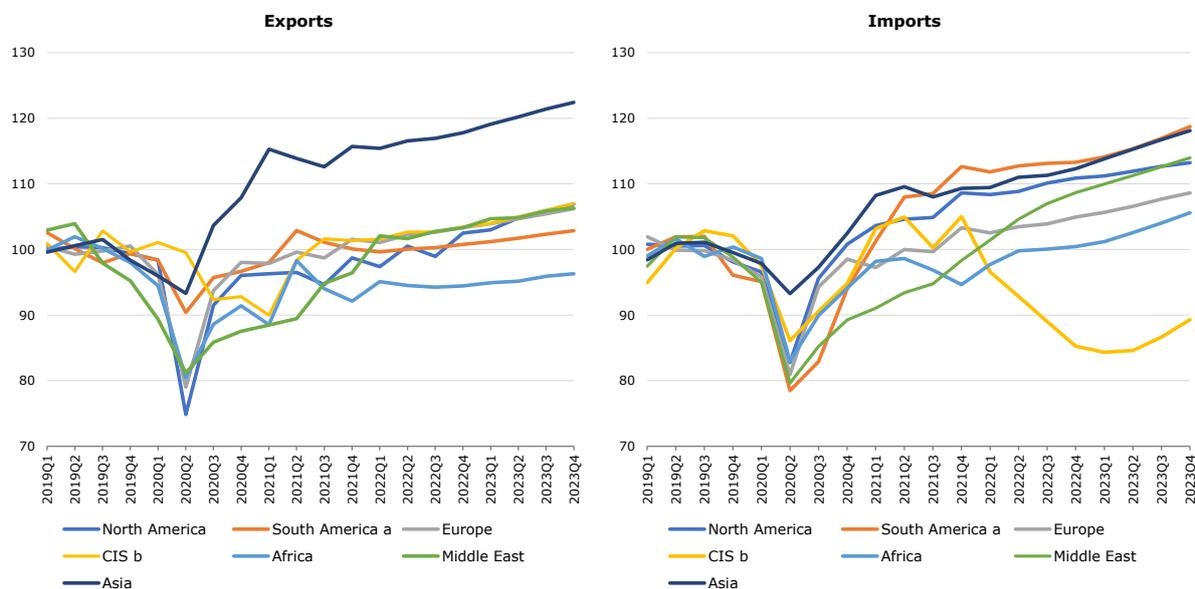
2.8. Unlike oil prices, natural gas prices often diverge strongly across regions due to a distribution infrastructure that is fixed in the short run. In April, the price of natural gas in the United States rose to USD 6.5 per million Btu, up 150% year-on-year. The average natural gas price in Europe actually fell to USD 32.2 per million Btu in April from USD 42.4 per million Btu in March, still extremely high by historical standards. Rising energy prices reduce real incomes, which dampens GDP growth and import demand.

2.9. Chart 2.3 shows the expected quarterly evolution of merchandise trade by region in volume terms from 2019 to 2023. Figures for 2022 and 2023 are projections. Exports from Asia should remain above pre-pandemic levels throughout the forecast period, although setbacks are possible as a result of recent COVID-19 outbreaks. In contrast, African exports should stay weak over the next two years, below their level in 2019. Other regions' exports should finish slightly above their pre-pandemic levels. Export growth in the Commonwealth of Independent States (CIS) is expected to remain positive since the Russian Federation was still able to sell fuel at the time of the forecast.

2.10. Import volumes should continue to grow through the end of 2023 in all regions except the CIS, where a steep decline is anticipated due to sanctions imposed in the wake of the conflict. The magnitude of the slump is difficult to gauge with precision, as outcomes will ultimately depend on whether or how the crisis is resolved.

Chart 2.3 Volume of merchandise exports and imports by region, 2019Q1-2023Q4

(Seasonally adjusted volume indices, 2019 = 100)



a South and Central America and the Caribbean.

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

Source: WTO Secretariat and UNCTAD.

2.11. Many countries are highly dependent on the Russian Federation and Ukraine for food, fuels and other essential goods. This is especially true for the Middle East and Africa, where the Russian Federation and Ukraine are dominant suppliers of wheat and other grains. This dependence is illustrated by Chart 2.4, which shows shares of imports from the Russian Federation and Ukraine in total imports of selected commodities by importing countries.

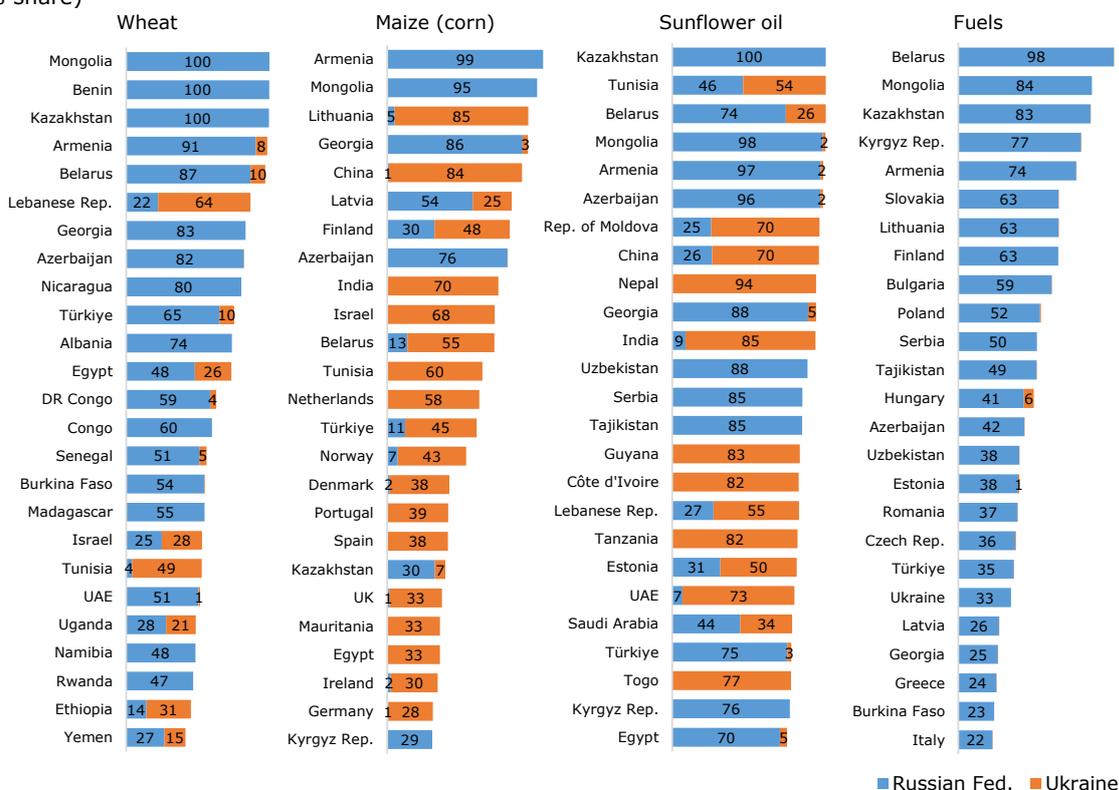
2.12. In 2019, wheat from the Russian Federation and Ukraine accounted for 87% of wheat imports in Lebanon, 73% in Egypt, 56% in Senegal and 49% in Uganda. Ukraine alone supplied 49% of Tunisia's wheat imports and 31% of Ethiopia's. Meanwhile, 100% of imported wheat in Mongolia, Benin, and Kazakhstan was sourced from the Russian Federation. Similarly high levels of import dependence are observed for maize (mostly used for animal feed), sunflower oil, and fuels.

2.13. The Russian Federation and Ukraine are also pivotal suppliers of key production inputs, including palladium, neon, steel, and fertilizer. Reduced supplies of these could disrupt manufacturing and reduce crop yields around the world. Even if countries do not import goods directly from the Russian Federation or Ukraine, many will still end up paying more as overall reduced supplies drive up commodity prices.

2.14. Despite such dominance of the Russian Federation and Ukraine in these markets, alternative suppliers exist that could fill gaps in certain markets. However, adaptation takes time, and short-term supply disruptions could force poor countries to choose between paying high prices or doing without these products. The supply situation in these markets will need to be monitored closely in the coming weeks and months, particularly in light of the risk of a food emergency.

Chart 2.4 Share of imports from the Russian Federation and Ukraine in total imports of selected commodities, 2019

(% share)



Source: WTO Secretariat calculations based on UN Comtrade database.

2.15. Forecasts for merchandise trade volume and real GDP at market exchange rates are summarized in Table 2.1. Annual data may differ slightly from quarterly figures for reasons of statistical methodology, but both show similar trajectories for trade. If the forecast for 2022 is realized, merchandise exports will grow 3.4% in North America, 2.9% in Europe, 4.9% in the CIS, 1.4% in Africa, and 11.0% in the Middle East. Weak export growth in Asia (2.0%) and stagnation in South America (-0.3%) may be explained by relatively strong performances in the previous year.

2.16. Merchandise import volumes in 2022 should increase by 3.9% in North America, 4.8% in South America, 3.7% in Europe, 2.5% in Africa, 11.7% in the Middle East and 2.0% in Asia. The CIS region is expected to see a steep 12% decline in imports, mostly due to the sanctions imposed on the Russian Federation.

Table 2.1 Merchandise trade volume and real GDP, 2018-2023^a

(Annual % change)

	2018	2019	2020	2021	2022 ^a	2023 ^a
Volume of world merchandise trade^b	3.0	0.2	-5.0	9.8	3.0	3.4
Exports						
North America	3.8	0.3	-8.8	6.3	3.4	5.3
South America ^c	-0.9	-1.2	-4.6	6.8	-0.3	1.8
Europe	1.8	0.6	-7.8	7.9	2.9	2.7
CIS ^d	4.0	-0.3	-1.2	1.4	4.9	2.8
Africa	3.1	-0.3	-7.5	5.1	1.4	1.1
Middle East	4.6	-1.9	-9.3	7.3	11.0	2.9
Asia	3.7	0.9	0.5	13.8	2.0	3.5
Imports						
North America	5.1	-0.6	-6.1	12.6	3.9	2.5

	2018	2019	2020	2021	2022 ^a	2023 ^a
South America ^c	4.8	-1.7	-11.2	25.8	4.8	3.1
Europe	1.9	0.3	-7.3	8.1	3.7	3.3
CIS ^d	4.0	8.3	-5.5	10.7	-12.0	-5.2
Africa	5.4	3.0	-11.8	4.2	2.5	3.9
Middle East	-4.1	5.2	-9.8	5.3	11.7	6.2
Asia	5.0	-0.4	-1.0	11.1	2.0	4.5
World GDP at market exchange rates	3.2	2.5	-3.4	5.7	2.8	3.2
North America	2.8	2.1	-3.8	5.5	2.9	2.1
South America ^c	0.4	-0.5	-6.8	6.3	1.9	2.7
Europe	2.0	1.7	-5.9	5.8	2.3	2.5
CIS ^d	3.1	2.4	-2.5	4.6	-7.9	-0.1
Africa	3.2	3.0	-2.5	4.6	3.2	3.9
Middle East	0.9	0.4	-4.5	2.8	3.4	3.8
Asia	4.9	4.0	-0.9	6.1	3.8	4.7
Memo: Least developed countries (LDCs)						
Volume of merchandise exports	5.1	-0.2	-2.1	4.9	3.5	3.8
Volume of merchandise imports	5.0	2.7	-11.3	9.5	6.6	8.9
Real GDP at market exchange rates	4.6	5.0	0.5	1.3	3.7	5.8

a Figures for 2022 and 2023 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.

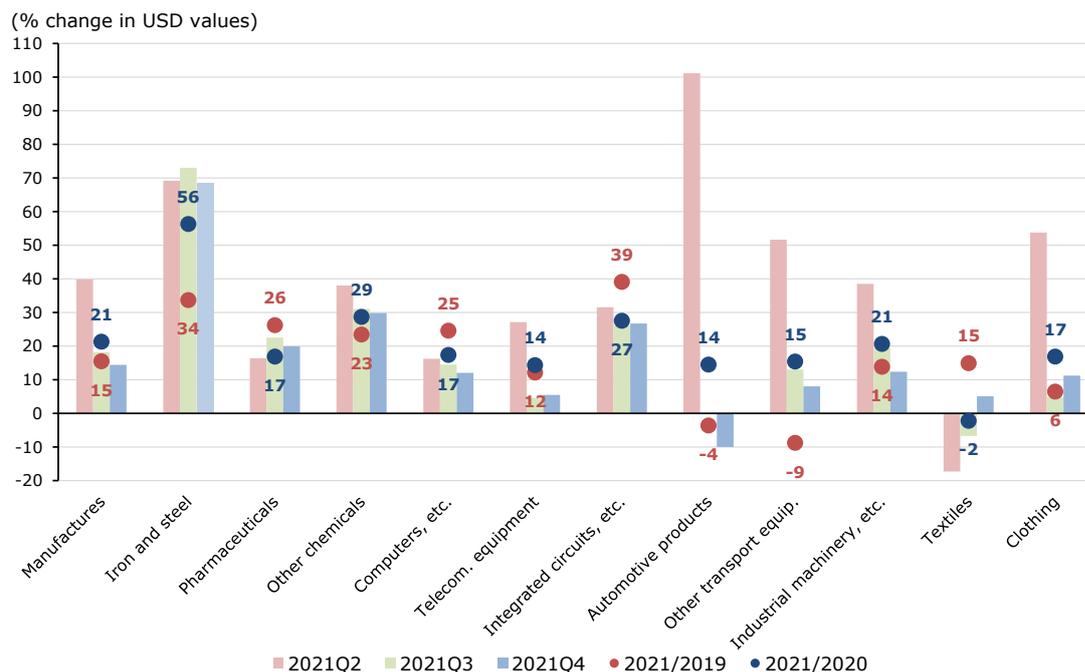
Note: These projections incorporate mixed-data sampling (MIDAS) techniques for selected countries to take advantage of higher-frequency data such as container throughput and financial risk indices.

Source: WTO Secretariat for trade, consensus estimates for GDP.

2.2 Trade developments

2.17. Merchandise trade values grew faster than trade volumes in the second half of 2021 due to rising export and import prices as inflation became a global phenomenon. In Q3 and Q4, merchandise trade, as measured by the average of exports and imports, was up nearly 24% year-on-year in USD terms while seasonally adjusted merchandise trade volumes were up just 7.0%. Higher prices for primary commodities accounted for much of the difference, but not all. Over the same period, WTO monthly export and import price indices for manufactured goods jumped 8.6% on average. This may serve as a reasonable proxy for global inflation, excluding food and energy. The dollar value of world trade in fuels and mining products rose 81% in the second half of last year while agricultural products increased by 17% and manufactured goods rose by 14%.

2.18. Chart 2.5 below shows estimated year-on-year and 24-month growth rates for selected categories of manufactured goods in 2021. Quarterly developments show steady year-on-year growth in certain products (iron and steel, chemicals, integrated circuits) and weaker growth in others (clothing, machinery). Trade values for pharmaceuticals, computers and integrated circuits were actually higher in 2021 than they were before the pandemic, probably due to strong demand for COVID-19 vaccines and devices to facilitate remote working. In contrast, trade in automotive products was up 14% year-on-year in 2021, but down 4% compared to 2019.

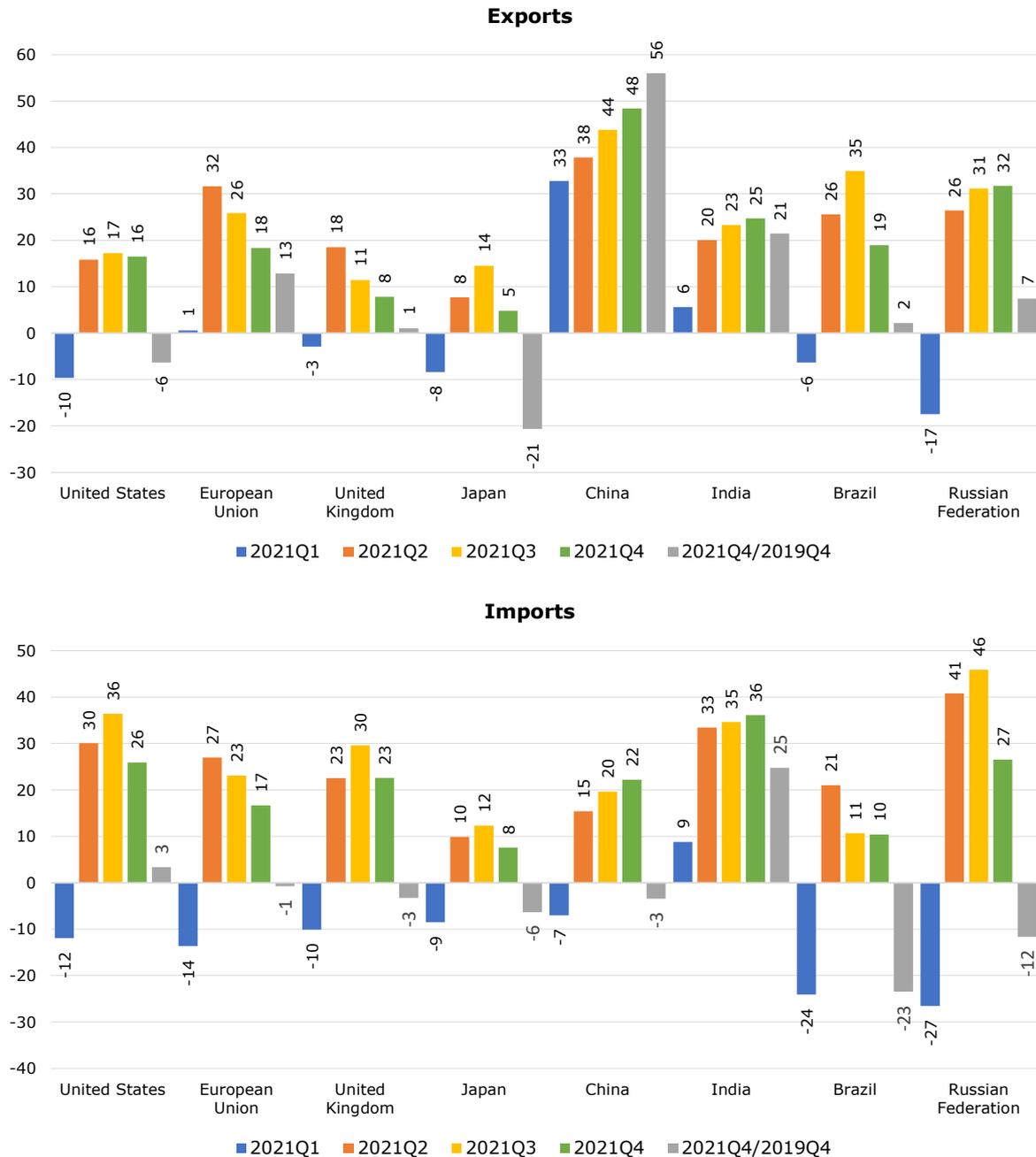
Chart 2.5 Year-on-year growth in manufactured goods trade, 2021

Source: WTO Secretariat estimates based on partner statistics.

2.19. Although aggregate statistics on world commercial services trade in the fourth quarter of 2021 have not been released yet, data for the largest traders are available. These are illustrated by Chart 2.6, which shows year-on-year growth in the USD value of commercial services exports and imports. All countries recorded positive year-on-year growth in the value of exports and imports in Q3 and Q4, including a 48% rise in exports of China in Q4. It is worth noting that the value of services exports in the fourth quarter of 2021 was down 6% in the United States and 21% in Japan compared to the same period in 2019. Meanwhile, services imports of Brazil and the Russian Federation did not recover their pre-pandemic levels last year, with declines of 23% and 12% respectively between 2019Q4 and 2021Q4.

Chart 2.6 Commercial services exports and imports of selected economies, 2021Q1-2021Q4

(% change in current USD values)



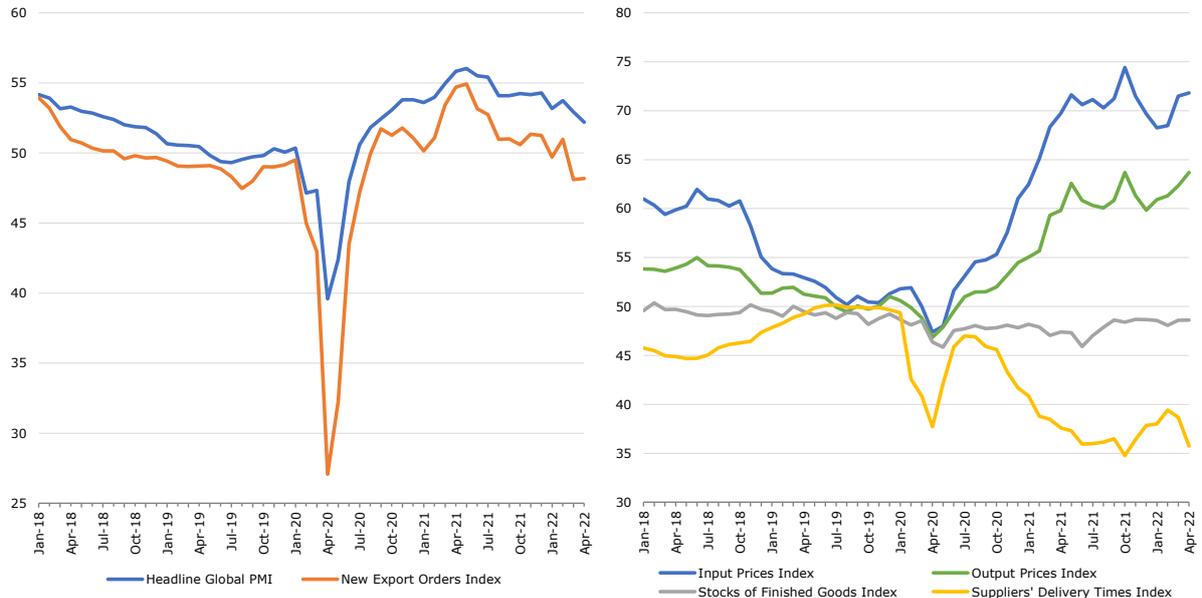
Source: WTO and UNCTAD.

2.3 Trade-related indicators

2.20. Certain trade-related indicators may provide clues as to the state of world trade and global supply chains in the aftermath of the conflict. One such indicator is the Global Purchasing Managers Index (PMI) from S&P Global (Chart 2.7). Index values greater than 50 denote expansion while values less than 50 indicate contraction. An exception to this rule is the Suppliers' Delivery Times Index, where more negative values indicate longer delivery times. The headline PMI continued to signal growth in April, with a value of 52.2. However, the highly predictive New Export Orders component suggested that trade might contract, with values of 48.2 in April and 48.1 in March, down from 51.0 in February. Renewed strains in supply chains are evident in the chart, as input and output prices rose and delivery times increased, thus erasing earlier gains.

Chart 2.7 Global Manufacturing Purchasing Managers Index, January 2018-April 2022

(Diffusion index, base=50)



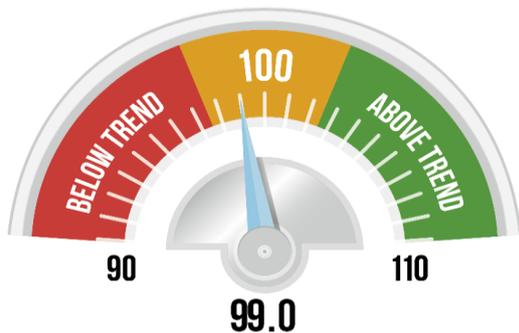
Source: S&P Global.

2.21. New export orders is one of six component indices in the WTO's Goods Trade Barometer, a composite leading indicator for world trade with a baseline value of 100 (Chart 2.8). As with the PMI, values above the baseline indicate expansion while values below point to contraction. In the latest release on 23 May, the trade barometer index remained flat and slightly below trend at 99.0. This result scales back optimism from the previous release in February, which suggested that trade could have been approaching an inflection point with stronger growth expected in the future. The anticipated upturn may have been interrupted by the war as well as COVID-19 lockdowns in China. The barometer probably would have risen above trend if it had not been weighed down by weak results in container shipping and air freight.

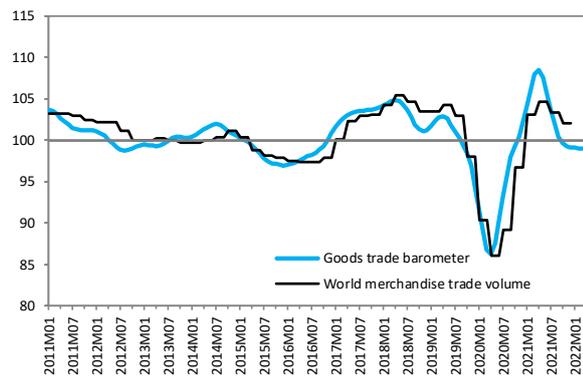
Chart 2.8 WTO's Goods Trade Barometer

Goods trade barometer

Index value, March 2022 = 99.0



Index history, trend = 100



Source: WTO Secretariat.

3 TRADE AND TRADE-RELATED POLICY DEVELOPMENTS

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 2021 to mid-May 2022. It is divided into three parts. The first part looks at regular, i.e. non-COVID-related measures implemented during the review period, including calculations on trade coverage. 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. The third part, in Section 3.1.3, provides an overview of trade-related developments in the context of the war in Ukraine.

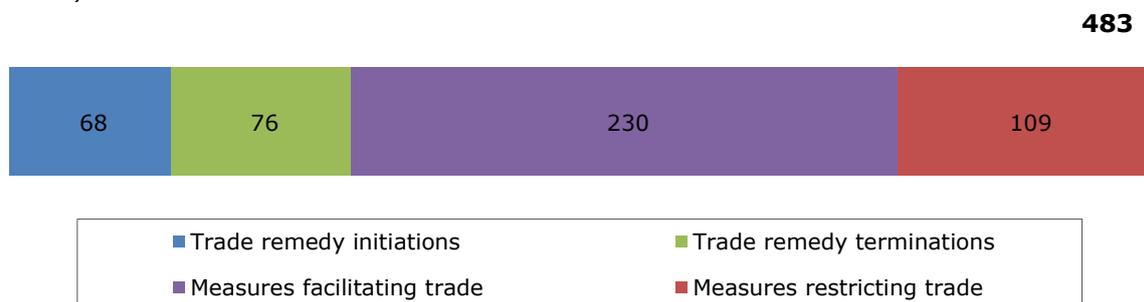
3.2. A separate Addendum¹ to this Report contains Annexes 1, 2 and 3 on recorded trade and trade-related measures taken by WTO Members and Observers from 16 October 2021 to 15 May 2022, in the area of trade in goods. This separate Addendum lists new regular (non-COVID-19-related) measures recorded during the review period.

3.1.1 Regular trade measures

3.3. A total of 483 trade measures were recorded for WTO Members and Observers during the review period (Chart 3.1).² This figure includes measures facilitating trade, trade remedy measures and other trade and trade-related measures, i.e. those that can be considered trade restrictive measures. Chart 3.2 below illustrates the trade coverage³ of the measures recorded for WTO Members and Observers during the review period.

Chart 3.1 Overview of measures, mid October 2021 to mid May 2022

(Number)



Source: WTO Secretariat.

Chart 3.2 Trade coverage of measures, mid-October 2021 to mid-May 2022

(USD billion)



Source: WTO Secretariat.

¹ WTO document WT/TPR/OV/W/16/Add.1, 13 July 2022.

² 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.

³ The trade coverage does not include trade for measures that have been implemented and terminated within the review period. Trade coverage estimates for the review period were based on 2020 data.

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, 230 new trade-facilitating measures were recorded for WTO Members and Observers.⁴ This represents 48% of the total number of measures recorded.

Table 3.1 Measures facilitating trade (Annex 1)

Type of measure	2014	2015	2016	2017	2018	2019	2020	2021	Mid-Oct 20 to mid-Oct 21 (WT/TPR/OV/24)	Mid-Oct 21 to mid-May22 (7 months)
Import	181	205	148	113	144	100	96	136	109	208
- Tariff	150	154	112	93	119	85	84	112	98	185
- Customs procedures	17	30	27	17	15	2	3	6	5	5
- Tax	2	5	4	3	6	5	8	8	5	3
- QRs	11	5	1	0	3	1	1	8	1	12
- Other	1	11	4	0	1	7	0	2	0	3
Export	9	40	32	24	18	14	7	15	13	22
- Duties	3	18	5	1	6	10	5	10	11	7
- QRs	3	3	1	2	0	1	1	4	2	12
- Other	3	19	26	21	12	3	1	1	0	3
Other	1	4	3	0	0	1	1	2	2	0
Total	191	249	182	137	162	115	104	153	124	230
<i>Average per month</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>12.8</i>	<i>10.3</i>	<i>32.9</i>

Note: Revisions of the data reflect changes undertaken in the TMDB to fine-tune and update the available information.

Source: WTO Secretariat.

3.5. Table 3.1 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 or simplification of import and export quantitative restrictions. The Table includes eighteen import-facilitating measures put in place in response to the war in Ukraine. The monthly average of almost thirty-three trade-facilitating measures recorded for the period is the highest recorded since 2012.

3.6. The trade coverage of the import-facilitating measures introduced during the review period was estimated at USD 603.2 billion, i.e. 3.4% of the value of world merchandise imports. This share is the fourth-highest reported for this type of measures since October 2012 (Table 3.2 and Chart 3.3).

3.7. Of the estimated USD 603.2 billion trade coverage of the import-facilitating measures, USD 38.3 billion, i.e. 0.2 % of the value of world imports, covers import-facilitating measures put in place in response to the conflict between the Russian Federation and Ukraine. This represents 6% of the total trade coverage of the import-facilitating measures.

3.8. The HS Chapters within which most of the trade-facilitating measures were taken, in terms of trade coverage, include mineral fuels and oils (HS 27) (18.4%), electrical machinery and parts thereof (HS 85) (15.3%), machinery and mechanical appliances (HS 84) (12.3%), and organic chemicals (HS 29) (10.1%).

⁴ This figure also includes measures taken in response to the conflict and terminations of restrictive measures that were implemented during the review period.

Table 3.2 Share of trade covered by trade-facilitating measures

(%)

	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	Mid-Oct 21 to mid-May 22
Share in total world imports	1.51	1.07	1.68	2.80	3.88	2.74	3.42

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.

Source: WTO Secretariat.

Trade remedy actions

3.9. During the period under review, 144 trade remedy actions were recorded for WTO Members and Observers (Annex 2 of the Addendum), accounting for 30% 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 9.7 per month (Table 3.3 and Chart 3.4), the lowest since 2012. The monthly average of 10.9 trade remedy terminations recorded is also the lowest recorded since 2012.

Table 3.3 Trade remedy actions (Annex 2)

Type of Measure	2014	2015	2016	2017	2018	2019	2020	2021	Mid-Oct 20 to mid-Oct 21 (WT/TPR/OV/24)	Mid-Oct 21 to mid-May 22 (7 months)
Initiations	304	277	343	298	273	281	433	208	234	68
- AD	236	229	298	249	202	215	355	181	201	58
- CVD	45	31	34	41	55	36	56	18	23	7
- SG	23	17	11	8	16	30	22	9	10	3

Type of Measure	2014	2015	2016	2017	2018	2019	2020	2021	Mid-Oct 20 to mid-Oct 21 (WT/TPR/OV/24)	Mid-Oct 21 to mid-May 22 (7 months)
<i>Average per month</i>	25.3	23.1	28.6	24.8	22.8	23.4	36.1	17.3	19.5	9.7
Terminations	220	212	171	157	225	183	213	297	199	76
- AD	185	167	141	128	201	166	182	253	175	68
- CVD	23	25	15	12	24	7	12	23	12	6
- SG ^a	12	20	15	17	0	10	19	21	12	2
<i>Average per month</i>	<i>18.3</i>	<i>17.7</i>	<i>14.3</i>	<i>13.1</i>	<i>18.8</i>	<i>15.3</i>	<i>17.8</i>	<i>24.8</i>	<i>16.6</i>	<i>10.9</i>

Note: The information on trade remedy actions for 2014 to 2021 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. 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.

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.

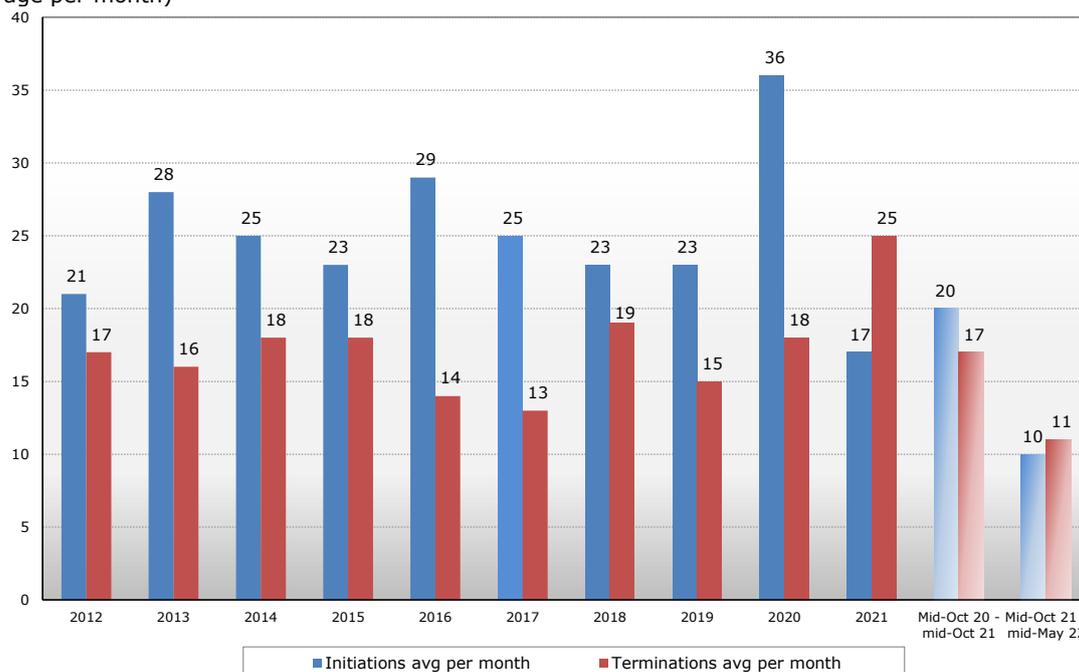
Source: WTO Secretariat.

3.10. The trade coverage of all trade remedy investigations initiated during the review period was USD 4.3 billion, i.e., 0.02% of the value of world merchandise imports, the lowest registered since 2013 (Table 3.4). For terminations, the trade coverage was valued at USD 2.5 billion (0.01% of the value of world merchandise imports).

3.11. Trade remedy actions taken during the review period, in terms of trade coverage, included initiations of investigations on miscellaneous chemical products (HS 38) (15.4%), other made-up textile articles; worn clothing (HS 63) (13.4%), ceramic products (HS 69) (11.2%), and plastics and articles thereof (HS 39) (8.3%).

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	Mid-Oct 21 to mid-May 22
Share in total world imports	0.20	0.17	0.55	0.48	0.53	0.24	0.36	0.15	0.02

Source: WTO Secretariat and UN Comtrade database.

Other trade and trade-related measures

3.12. Annex 3 of the Addendum to this Report lists measures that may be considered to have a trade-restrictive effect. A total of 109 new trade-restrictive measures were recorded for WTO Members and Observers, mostly imposition of quantitative restrictions, especially on exports, followed by increases of import tariffs. The 66 restrictive measures on exports accounted for 61% of all trade restrictions recorded during the review period and included mainly the imposition of quantitative restrictions, followed by increases of export duties. This also includes 32 export-restrictive measures put in place in response to the war in Ukraine. The monthly average of 15.6 trade-restrictive measures is the highest since 2015 (Table 3.5).

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

Type of measure	2014	2015	2016	2017	2018	2019	2020	2021	Mid-Oct20 to mid-Oct21 (WT/TPR/OV/24)	Mid-Oct21 to mid-May22 (7 months)
Import	132	166	98	84	114	77	72	75	57	43
- Tariff	83	106	63	47	70	46	40	36	23	27
- Customs procedures	19	32	16	19	6	6	10	21	17	3
- Tax	8	10	6	9	13	6	6	5	6	0
- QRs	7	12	12	7	16	14	10	11	8	12
- Other	15	6	1	2	9	5	6	2	3	1
Export	26	44	20	18	18	19	27	66	41	66
- Duties	12	13	6	4	9	7	4	13	13	7
- QRs	8	7	10	8	4	3	11	28	21	49
- Other	6	24	4	6	5	9	12	25	7	10
Other	12	13	11	14	0	2	0	5	5	0
- Local content	11	13	7	12	0	1	0	4	4	0
- Other	1	0	4	2	0	1	0	1	1	0
Total	170	223	129	116	132	98	99	146	103	109
<i>Average per month</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>12.2</i>	<i>8.6</i>	<i>15.6</i>

Note: Revisions of the data reflect changes undertaken in the TMDB to fine-tune and update the available information.

Source: WTO Secretariat.

3.13. The trade coverage of the trade-restrictive measures affecting imports implemented during the review period was estimated at USD 23.5 billion, i.e., 0.1% of the value of world merchandise imports (Table 3.6). This represents the second-lowest value recorded since October 2012 (Chart 3.5).

3.14. The trade-restrictive measures recorded during the review period cover a wide range of products. The main sectors affected (HS Chapters), in terms of trade coverage, were iron and steel (HS 72) (39.5%), aluminium and articles thereof (HS 76) (23.9%), articles of iron and steel (HS 73) (10.2%), and mineral fuel and oils (HS 27) (6.7%).

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

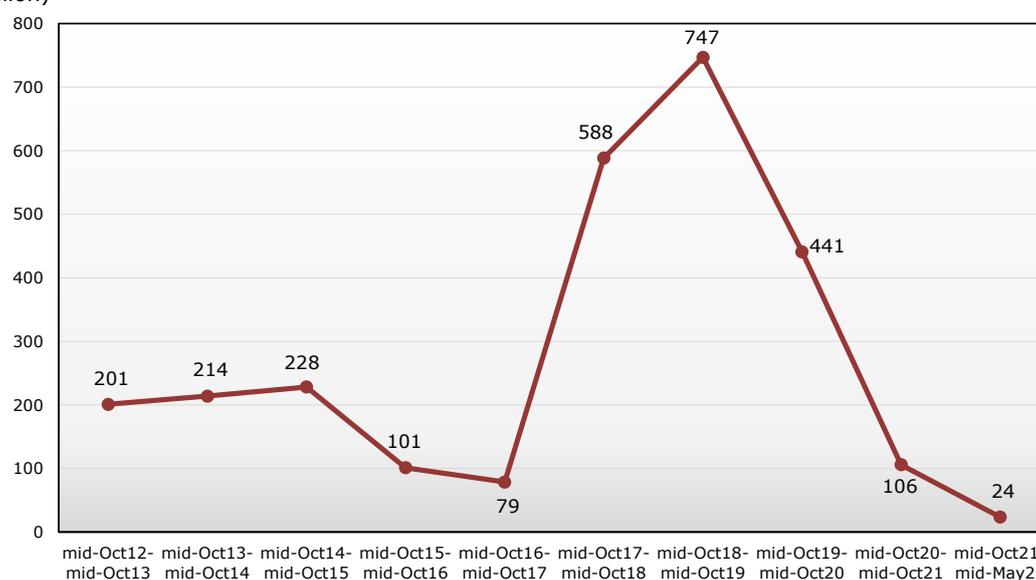
(%)

	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	Mid-Oct 21 to mid-May 22
Share in total world imports	1.17	1.23	0.62	0.50	3.33	3.84	2.40	0.60	0.13

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.

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 conditioned by the availability of termination dates of the import-restrictive measures and of the HS codes of products covered.⁵

3.16. Table 3.7 and Chart 3.6 show that the stockpile of import restrictions in force has grown steadily (and in fact 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 various tariff increases introduced as part of bilateral trade tensions. Global imports decreased substantially in 2020 compared to 2019. The decline was also reflected in total imports and in the value of the import restrictions in force. Global trade grew again in 2021, due to rising export and import prices as inflation became a global phenomenon. At the end of 2021, it is estimated that some 8.9% of global imports continue to be affected by import restrictions implemented since 2009 and which are still in force. The trade coverage for terminations of import restrictions remains negligible.

⁵ Only import measures where HS codes were available are included in the calculation.

Table 3.7 Cumulative trade coverage of import-restrictive measures since 2010 to 2021

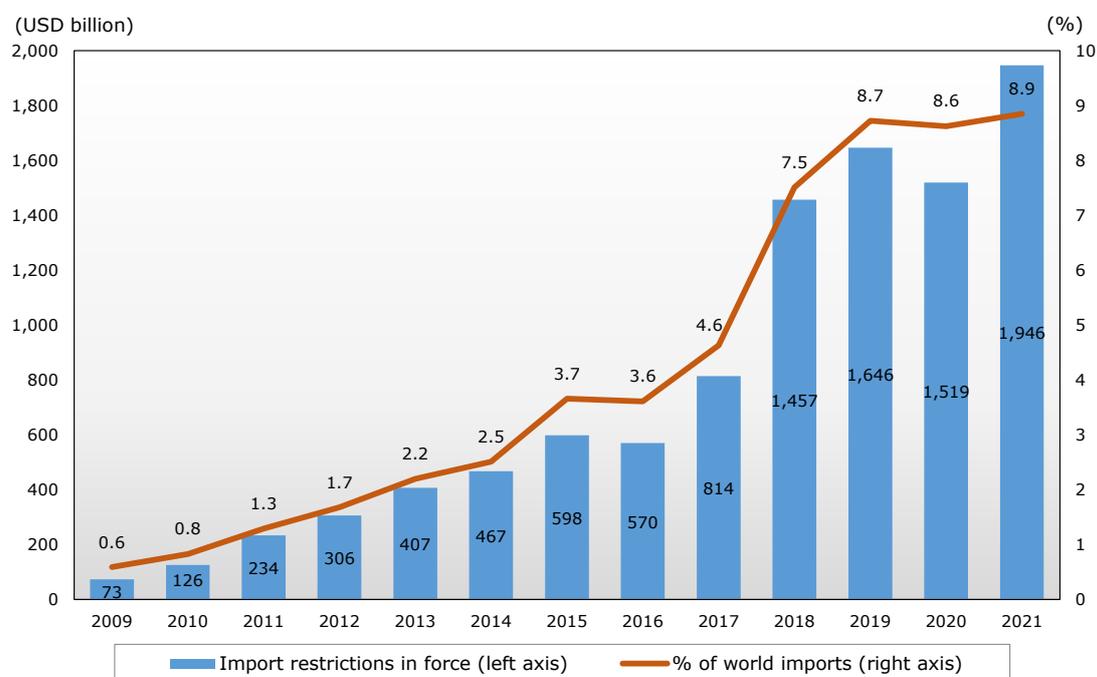
(USD billion, unless otherwise indicated)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ^a
Total imports (world)	18,109	18,193	18,483	18,654	16,360	15,812	17,587	19,402	18,883	17,625	22,001
Total import restrictions in force	234	306	407	467	598	570	814	1,457	1,646	1,519	1,946
Share in world imports (%)	1.29	1.68	2.20	2.51	3.66	3.61	4.63	7.51	8.72	8.62	8.85
Total import restrictions terminated	15.43	59.41	37.15	34.05	1.51	38.09	3.88	5.45	13.12	n.a.	n.a.
Share in world imports (%)	0.09	0.33	0.20	0.18	0.01	0.24	0.02	0.03	0.07	n.a.	n.a.

n.a. Not applicable.

a Provisional data for 2021.

Source: WTO calculations, based on UN Comtrade database.

Chart 3.6 Cumulative trade coverage of import-restrictive measures on goods since 2009 to 2021

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.

3.1.2 COVID-19 trade and trade-related measures

3.17. During the review period 37 COVID-19 measures on goods were communicated and verified by 19 Members.⁶ Of these, 34 COVID-19 measures were implemented during the review period and 3 referred to 2020. Most of the 37 COVID-19 measures targeted imports (28 or 76%). The remaining measures targeted exports (9 or 24%). Of these, 11 (30%) measures were temporary in nature and have been already terminated.

⁶ Australia, Bangladesh, Belize, Brazil, Canada, Costa Rica, El Salvador, Honduras, India, Kazakhstan, Mali, Mauritius, Myanmar, Nepal, Philippines, Kingdom of Saudi Arabia, Chinese Taipei, Thailand and United Kingdom.

3.18. Overall, since the outbreak of the pandemic, 436 trade and trade-related measures in the area of goods have been implemented by WTO Members and Observers (Table 3.8)⁷, of which 288 (66%) were of a trade-facilitating nature and 148 (34%) were trade-restrictive. Of these, 63 (22%) trade-facilitating and 100 (68%) trade-restrictive measures have been phased out, according to information received by the Secretariat (Chart 3.7).

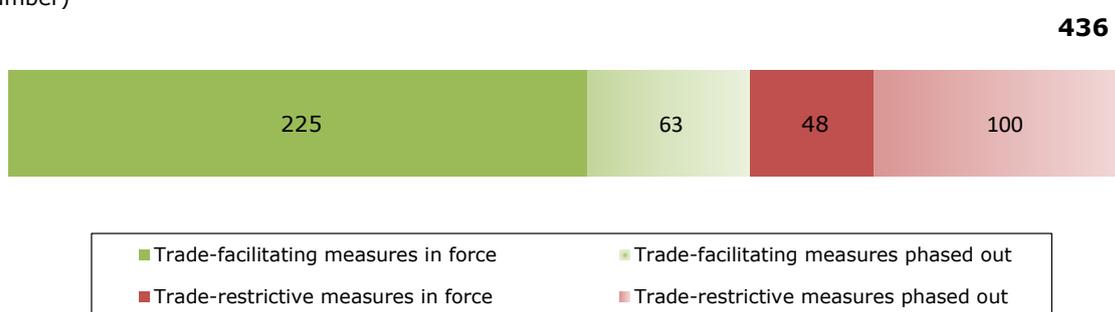
Table 3.8 COVID-19 trade and trade-related measures since the outbreak

	Facilitating	Phased out	Restrictive	Phased out	Total
Import	178	53	19	5	197
Export	93	7	122	89	215
Other	17	3	7	4	24
Total	288	63	148	100	436

Source: WTO Secretariat.

Chart 3.7 COVID-19 trade and trade related measures on goods, by mid-May 2022

(Number)



Source: WTO Secretariat.

3.19. The reduction or elimination of import tariffs and import taxes make up almost 60% of trade-facilitating measures taken since the beginning of the pandemic. Certain WTO Members and 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. At the same time, several trade-facilitating measures have been rolled back to pre-pandemic higher tariff levels.

3.20. About 82% of all COVID-19 trade-restrictive measures are export-related. The roll-back of trade-restrictive measures taken in the early stages of the pandemic continued during the review period, especially on the export side. With respect to export restrictions, 89 out of 122 export restrictive measures have been phased out since the beginning of the pandemic (Table 3.8). As at mid-May 2022, 33 export restrictions were still in place, of which 19 appear to be maintained by G20 economies.

3.21. 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 360.5 billion, and the trade coverage of trade-restrictive measures was estimated at USD 211.8 billion.⁸ Members and Observers have continued repealing trade-facilitating and trade-restrictive measures implemented in response to the pandemic. The trade coverage of the COVID-19 trade-restrictive measures repealed since the beginning of the pandemic was estimated at USD 112.0 billion and that of trade-facilitating measures at USD 210.8 billion (Chart 3.8).⁹

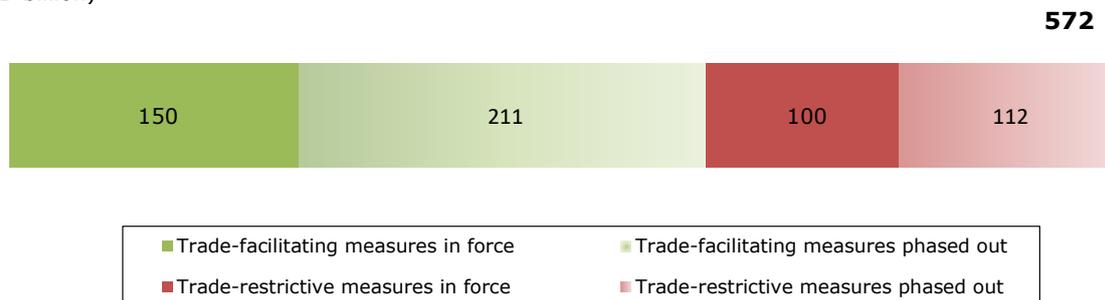
⁷ Measures implemented in the context of the pandemic up until mid-October 2021 can be viewed at: https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

⁸ 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.

⁹ See footnote 19.

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

(USD billion)



Note: Values are rounded.

Source: WTO Secretariat.

3.1.3 Developments in the context of the war in Ukraine

3.22. The onset of the war in Ukraine, occurring roughly in the middle of the review period covered by this Trade Monitoring Report, was arguably a key development that impacted the world economy and trade flows during this period.

3.23. In the weeks and months following the start of the conflict, hundreds of sanctions¹⁰ were imposed on the Russian Federation. Sanctions were also imposed on Belarus. The overwhelming majority of these measures were not specifically trade-related, and applied to financial, military, civil aviation, and energy sectors, as well as to specific entities and individuals. Significantly, sanctions were generally announced and implemented with reference to security considerations. Any coverage of, or reference to, these sanctions in this Report do not question the right of WTO Members to take such measures. Several countermeasures were implemented by the Russian Federation in response to these sanctions.

3.24. In the immediate aftermath of the onset of the conflict, many delegations enquired about how the Secretariat would cover conflict-related developments, particularly to provide transparency around trade and trade-related measures taken in the context of, or in response to, the conflict. In a communication sent to delegations on 24 March, Members were invited to provide such information on a voluntary basis. This was in line with the approach taken in response to the COVID-19 pandemic.

3.25. During the verification process, specific trade-related measures taken in the context of the conflict were sent to those Members for whom information on sanctions or other trade-related measures had been identified from various public sources. Verification of these measures were sought to ensure that the information was based on accurate and official sources.¹¹

3.26. The following attempts to provide a factual overview of developments with respect to trade and trade-related measures implemented in the context of the conflict.

Trade Sanctions

3.27. During the review period, and since 24 February 2022, the Secretariat identified some 71 specific trade and trade-related sanctions imposed by 43 WTO Members¹² and one Observer on the Russian Federation, in trade in goods. These measures do not include individual travel bans or asset freezes. Overviews of developments in the context of services and intellectual property are included in Sections 4 and 5 of this Report.

¹⁰ Please see the reference to several trackers, including Peterson Institute for International Economics (viewed at: <https://www.piie.com/blogs/realtime-economic-issues-watch/russias-war-ukraine-sanctions-timeline>) and Ashurst (viewed at: <https://www.ashurst.com/en/news-and-insights/hubs/sanctions-tracker/>).

¹¹ Several Members expressed concerns about the listing of sanctions in the Report. The WTO Secretariat reiterated that trade-related sanctions would not be listed and that no attribution of these would be made in the Report.

¹² Counting the European Union and its members separately.

3.28. The trade and trade-related sanctions on goods covered import and export measures, including broad measures such as the revocation by some of the MFN status of the Russian Federation. Others included tariff increases on imports from the Russian Federation and other product- or sector-specific restrictions. Import measures involved restrictions on energy, metals, chemicals, and fertilizers, while export restrictions included dual-use technologies, information technology and luxury products.

Other trade and trade-related measures in response to the war in Ukraine

3.29. The Secretariat has identified 32 export-restrictive measures in the area of trade in goods put in place by 13 WTO Members¹³ and 4 Observers¹⁴ in response to the conflict between the Russian Federation and Ukraine. Five of these were temporary measures which have subsequently been terminated.

3.30. Export-restrictive measures included quotas, temporary bans or technical and administrative requirements limiting exports (or re-exports) of a wide range of agricultural commodities such as wheat, cereals, sunflower seeds and sunflower oil, palm oil, as well as other vegetable oils, soybean products, pasta, lentils, sugar, flour, fruits, and vegetables. Agricultural export restrictions also affected farm animals and animal feed. Other products subject to export restrictions included various fuel products and fertilizers.

3.31. The Secretariat has identified 18 import-facilitating measures put in place by 38 WTO Members¹⁵ and 2 Observers¹⁶ during the review period in response to the conflict. Import measures included the reduction and/or elimination of import tariffs and other duties as well as removal of import quotas on various agricultural commodities (including wheat, rice, flour, edible oils, margarine, pasta, sugar, cereals, and meats) and on fuel products. Some Members suspended tariffs on all imports from Ukraine.

3.32. According to the Secretariat's preliminary estimates, and based on the available information, the trade coverage of the export-restrictive measures taken by Members and Observers in response to the conflict was estimated at USD 69.6 billion. The trade coverage of import facilitating measures put in place in response to the conflict was estimated at USD 38.3 billion. It is difficult to precisely estimate the trade coverage of these measures given the lack of many HS codes and the absence of accurate information on the implementation dates and official sources.

3.33. General economic support measures related to the conflict are covered in Section 3.7 of this Report.

3.2 Trade remedies

3.34. This Section provides an assessment of trends in trade-remedy actions over three periods: 2019, 2020 and 2021.

Anti-dumping measures¹⁷

3.35. Between 2019 and 2020, global anti-dumping initiations increased from 215 to 355, and then decreased to 181 in 2021. Table 3.9 provides information on which Members initiated anti-dumping investigations and applied measures over the three periods.

3.36. 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 applied. Over the three periods, a total of 536 anti-dumping measures were applied. As it can take up to 18 months for an anti-dumping investigation to be concluded, the

¹³ Argentina, Burkina Faso, Egypt, Hungary, India, Indonesia, Kazakhstan, Kyrgyz Republic, Republic of Moldova, North Macedonia, Russian Federation, Türkiye and Ukraine.

¹⁴ Algeria, Azerbaijan, Lebanon and Serbia.

¹⁵ Australia, Bangladesh, Brazil, Colombia, Egypt, European Union, Republic of Korea, South Africa, Türkiye, Ukraine and United Kingdom. Counting the European Union and its members separately.

¹⁶ Iraq and Serbia.

¹⁷ 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.

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	2019		2020		2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Argentina	17	13	6	11	15	10
Australia	7	12	18	0	6	8
Bahrain, Kingdom of; Kuwait, State of; Oman; Qatar; Saudi Arabia, Kingdom of; United Arab Emirates ^a	2	2	1	2	9	1
Brazil	1	6	9	0	11	6
Canada	6	8	24	5	6	20
Chile	0	1	2	0	0	0
China	14	12	4	9	0	20
Colombia	0	0	4	0	0	3
Dominican Republic	0	0	0	1	0	0
Egypt	6	1	10	2	0	11
European Union ^b	11	4	12	8	10	11
Ghana	1	0	0	1	0	0
India	59	13	92	12	29	49
Indonesia	6	1	2	0	0	0
Israel	0	3	0	0	0	0
Japan	1	0	1	1	2	1
Republic of Korea	5	2	3	1	7	3
Madagascar	1	0	0	0	0	0
Malaysia	7	6	11	6	1	3
Mexico	6	8	7	4	4	6
Morocco	0	1	3	0	0	1
New Zealand	0	0	4	0	2	1
Pakistan	6	4	3	4	9	5
Peru	1	0	3	0	0	2
Philippines	0	0	0	0	1	0
Russian Federation ^c	4	2	4	5	2	4
South Africa ^d	0	0	4	3	13	0
Chinese Taipei	0	2	5	0	0	5
Thailand	2	0	13	1	3	12
Türkiye	2	0	3	2	9	1
Ukraine	8	9	6	9	12	2
United Kingdom ^e	n.a. ^f	n.a. ^f	0	0	1	0
United States	33	33	89	21	24	82
Uruguay	0	0	1	0	0	0
Viet Nam	9	3	11	6	5	9
Total	215	146	355	114	181	276

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 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 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, continues to be applicable to and in the United Kingdom. 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.

3.37. 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. The number of initiations decreased significantly to 181 in 2021.

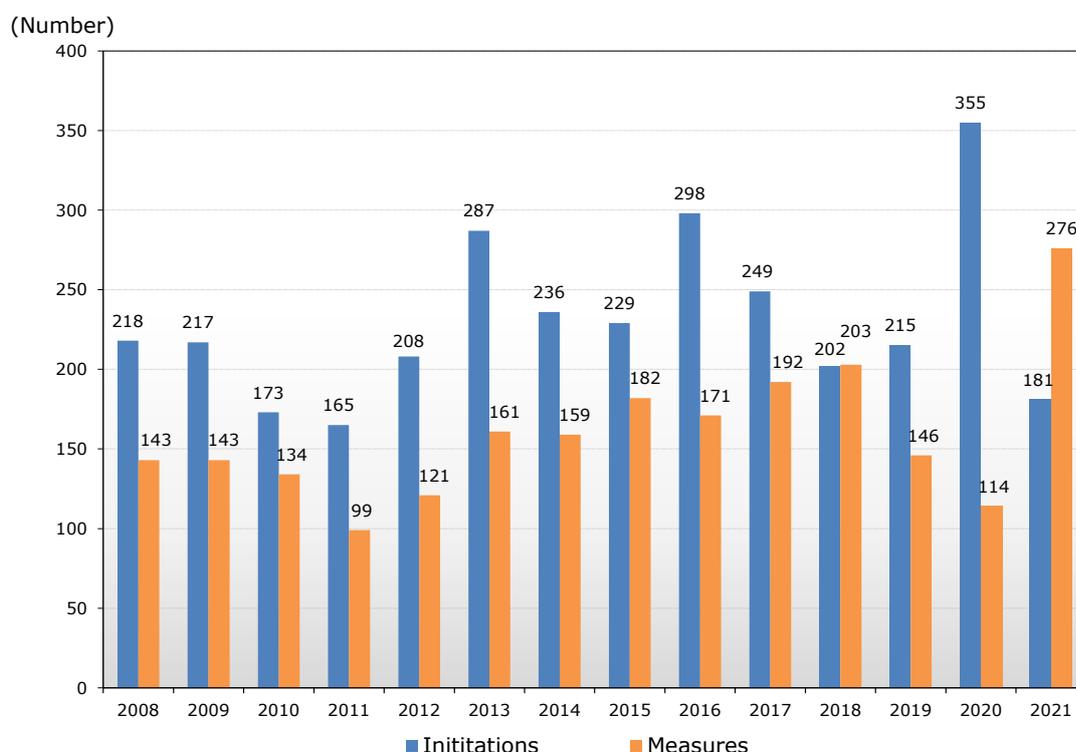
3.38. There was little change in terms of the products affected by anti-dumping investigations initiated during the three periods examined, with the majority of initiations focused on products in the metals, chemicals, plastics and rubber sectors.

3.39. In terms of countries or customs territories affected by new anti-dumping investigations, 36 exporting Members were affected during the first period, while 64 were affected during the second period and 47 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.

3.40. As of 16 May 2022, only two Members had notified anti-dumping actions referring to the COVID-19 pandemic. In this regard, both Brazil and Argentina suspended anti-dumping duties on syringes.

3.41. In addition, as of 16 May 2022 no Member has notified any anti-dumping action in the context of the war in Ukraine.

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



Source: WTO Secretariat.

Countervailing measures

3.42. 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	2019		2020		2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Australia	0	1	7	0	1	2
Brazil	0	1	0	0	2	0
Canada	3	0	4	1	1	4
China	1	0	4	2	0	1
Colombia	1	0	0	1	0	0
European Union ^a	5	3	3	3	3	1
India	9	5	7	4	0	2
Chinese Taipei	0	5	0	0	0	0

Reporting Member	2019		2020		2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
United States	17	20	30	13	11	30
Viet Nam	0	0	1	0	0	1
Total	36	35	56	24	18	41

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

Source: WTO Secretariat.

3.43. 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.

3.44. Chart 3.10, reflecting annual figures on countervailing initiations of investigations and measures applied between 2008 and 2021. It shows an upward trend in countervailing initiations from 2015 to 2020, notwithstanding some fluctuation in 2019. Following its peak in 2020, the number of countervailing initiations decreased to the lowest that has been observed since 2009.

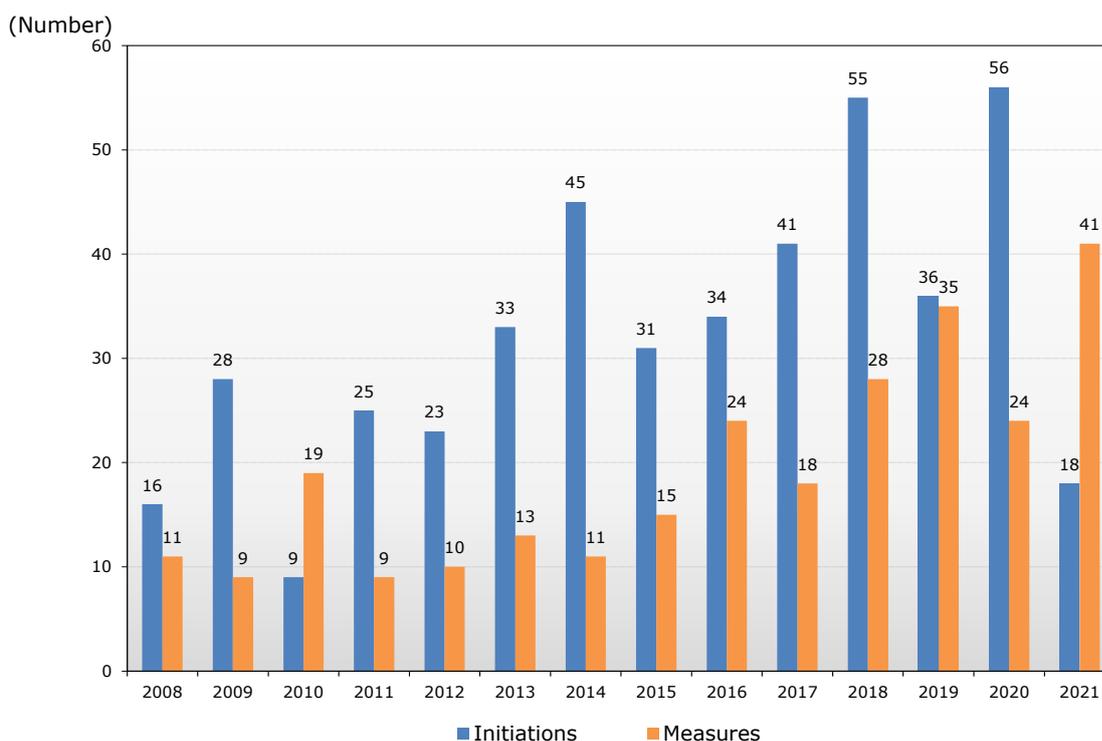
3.45. In 2021, seven exporting countries or customs territories were affected by new countervailing investigations. China was the most frequent subject of investigations (36), accounting for 33% of all investigations during the three periods. India (10), the second most frequent subject, accounted for 9% of initiations, followed by Vietnam (9) which accounted for 8% of the total.

3.46. Concerning the products affected by countervailing investigations, metals accounted for the largest share of the initiations reported over the three reporting periods followed by chemicals, glass and stone products.

3.47. As of 16 May 2022, no Member had notified any countervailing duty action referring to the COVID-19 pandemic.

3.48. In addition, as of 16 May 2022 no Member has notified any countervailing duty action in the context of the war in Ukraine.

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



Source: WTO Secretariat.

Safeguard measures

3.49. Safeguard measures are temporary measures applied in response to increased imports of goods that are causing serious injury, and are applied on products from all sources, i.e. all exporting countries/customs territories.¹⁸ 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. Table 3.11 shows the Members that initiated investigations and applied measures in the review period.

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

(Number)

Reporting Member	2019		2020		2021	
	Initiations	Measures	Initiations	Measures	Initiations	Measures
Bahrain, Kingdom of; Kuwait, State of; Oman; Qatar; Saudi Arabia, Kingdom of; United Arab Emirates ^a	1	1	0	0	0	0
Canada	0	1	0	0	0	0
Colombia	1	0	0	0	0	0
Costa Rica	1	0	0	1	0	0
Ecuador	1	0	0	0	0	0
Egypt	1	1	1	0	0	1
European Union ^b	0	1	0	0	0	0
Guatemala	1	0	0	0	0	0
India	3	0	0	0	0	0
Indonesia	5	1	4	5	0	4
Jordan	1	0	0	0	0	0
Madagascar	4	2	0	1	0	0
Malaysia	0	0	1	0	0	0
Morocco	2	1	0	2	1	0
Panama	1	0	0	0	0	0
Peru	0	0	1	0	1	0
Philippines	2	1	5	0	0	0
Russian Federation ^c	2	1	0	0	0	0
South Africa ^d	1	1	2	1	0	1
Thailand	0	0	1	0	0	0
Tunisia	0	0	0	0	1	0
Türkiye	0	1	2	1	1	1
Ukraine	3	0	4	1	5	2
United States	0	0	1	0	0	0
Total	30	12	22	12	9	9

- 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 EAEU on behalf of all of its members, i.e. Armenia, Kyrgyz Republic, Kazakhstan (which became a WTO Member on 30 November 2015), and Belarus (non-WTO Member) collectively.
- d Notified by South Africa, but investigations are initiated at the level of SACU, i.e. also in respect of Botswana, Eswatini, Lesotho, and Namibia.

Source: WTO Secretariat.

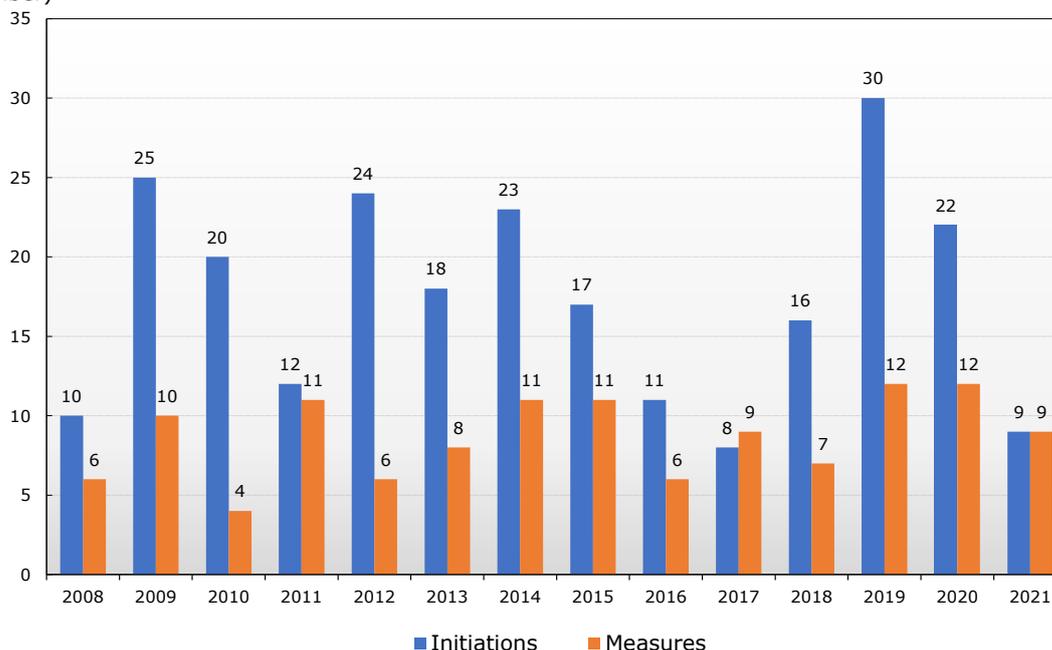
3.50. Chart 3.11 shows the trend of initiations of safeguard investigations side by side with the trend of application of measures on a calendar-year basis for 2008-2021. Both the number of safeguard investigations initiated and the measures applied is nine in 2021.¹⁹ This means that the figure of initiations fell by 60%, while the figure of applications fell by 25%. That said, the level of actions related to safeguards – that is, number of notifications of actions other than new initiations and applications -- is still high. For example, there were 8 notifications of proposed suspension of concessions by exporting Members aimed at the imposing Member in 2021. In addition, during the same period, there were 7 notifications of initiation of a review to decide whether or not to extend an existing measure.

¹⁸ With the exception of exporting Members covered by the special and differential treatment provided for developing countries in Article 9.1 of the Safeguards Agreement.

¹⁹ 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.

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

(Number)



Note: 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.

3.51. In terms of products affected by safeguard initiations, metals accounted for most of initiations throughout the review period.

3.52. In the course of the discussion that took place in the October 2021 and April 2022 Committee on Safeguards meetings, while some Members referred to the economic impact of the COVID-19 pandemic no Member had notified any safeguard action explaining that the measure was taken in response to the COVID-19 pandemic.

3.53. In addition, as of 16 May 2022 no Member has notified any safeguard action in the context of the war in Ukraine.

3.3 Sanitary and phytosanitary (SPS) measures²⁰

3.54. This Section covers SPS transparency-related matters, including specific trade concerns discussed in SPS Committee meetings, for the period from 1 October 2021 to 31 March 2022. In addition, new SPS measures taken in response to the COVID-19 pandemic are reported in a separate section covering the period from 1 February 2020 to 1 May 2022. The last Section refers to the impact of the war in Ukraine in the work of the SPS Committee.

3.55. Under the SPS Agreement, WTO Members are obliged to provide an advance notice of intention to introduce new or modified SPS measures²¹, or to notify immediately when emergency measures are imposed. The main objective of complying with SPS notification obligations is to inform other Members about new or changed regulations that may significantly affect international trade. Therefore, an increased number of notifications does not automatically imply greater use of protectionist measures, but rather enhanced transparency regarding food safety and animal and plant health measures, most of which are, presumably, legitimate health-protection measures.

²⁰ Information presented in this Section was retrieved from the SPS Information Management System (SPS IMS: <http://spsims.wto.org>). For more information, see also annual reports in WTO documents G/SPS/GEN/804/Rev.12, 28 February 2022 and G/SPS/GEN/204/Rev.20, 28 February 2022.

²¹ Transparency obligations are contained in Article 7 and Annex B of the SPS Agreement.

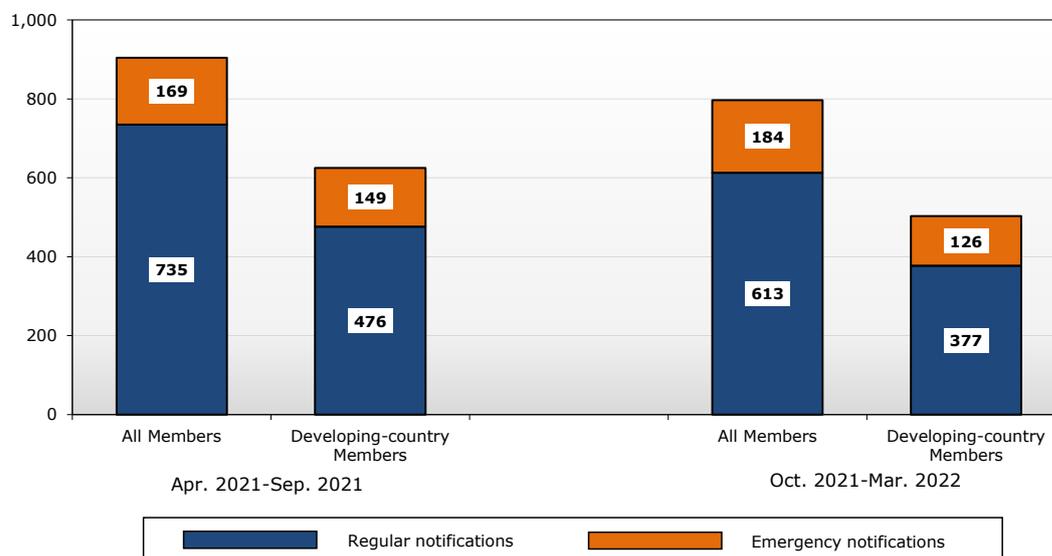
3.56. In the period from 1 October 2021 to 31 March 2022, 797 SPS notifications (regular and emergency, including addenda) were submitted²² to the WTO, a 12% decrease compared with the previous six-month period (904 notifications from 1 April to 30 September 2021). The share of notifications from developing-country Members, accounting for 63% (503 notifications) of the total number, was slightly lower than the 69% (625 notifications) corresponding to the previous six-month period (Chart 3.12).

3.57. During the review period, WTO Members submitted 613 regular SPS notifications (including addenda), 62% (377 notifications) of which were submitted by developing-country Members. Compared with the previous six-month period, the total number of regular notifications decreased by 17%, while those submitted by developing-country Members decreased by 21%.

3.58. The total number of emergency notifications (including addenda) increased by 9% in the current review period (184 compared with 169 during the previous six-month period). However, while the proportion of all emergency notifications (including addenda) submitted by developing-country Members remained high, constituting 68% of the total, emergency notifications decreased 15% compared with the previous six-month period). These high percentages are consistent with the general trend of most emergency measures being notified by developing-country Members, perhaps because they have less extensive SPS regulatory systems compared with those of developed-country Members. Consequently, when facing emergency challenges, developing-country Members are more likely than developed-country Members to introduce new regulations or change existing ones.

3.59. Many Members follow the recommendation to notify SPS measures even when they are based on a relevant international standard²³, as this substantially increases transparency. In this context, of the 431 regular notifications (excluding addenda) submitted from 1 October 2021 to 31 March 2022, 55% indicated that at least one international standard, guideline or recommendation was applicable to the notified measure (Chart 3.13). Of these, about 83% indicated that the proposed measure was in conformity with the applicable international standard.

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

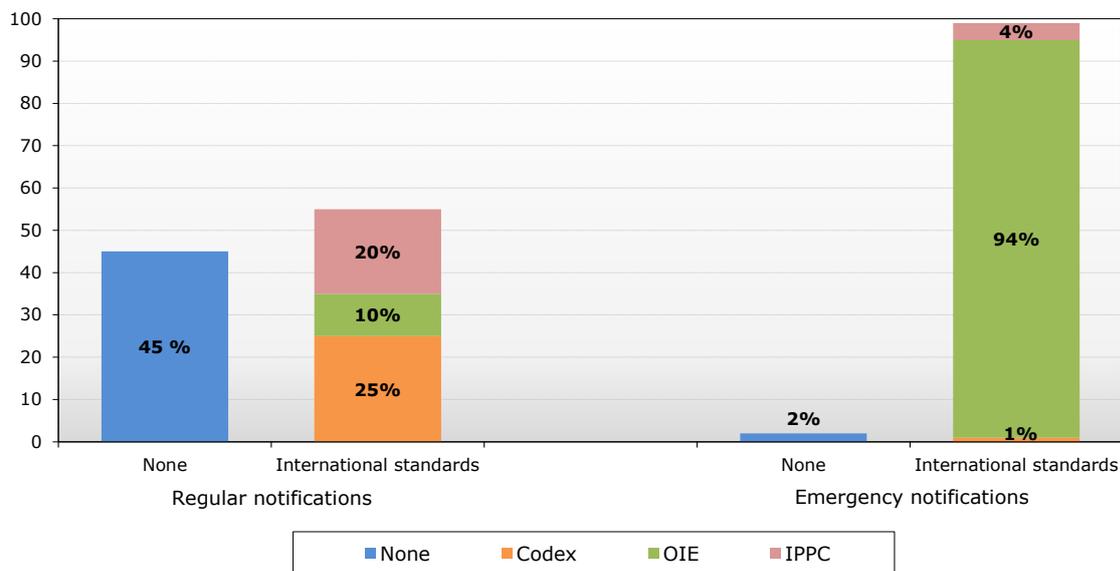


Source: WTO Secretariat.

²² For this Report, "submission" refers to the date of circulation.

²³ WTO document G/SPS/7/Rev.4, 4 June 2018, para. 2.3.

Chart 3.13 Regular and emergency SPS notifications (excluding addenda) and international standards



Note: Codex Alimentarius (Codex), World Organisation for Animal Health (OIE) and International Plant Protection Convention (IPPC).

Source: WTO Secretariat.

3.60. International standards often provide useful guidance regarding measures to address disease outbreaks and other emergency situations. Indeed, 158 out of 162 (about 98%) emergency notifications (excluding addenda) submitted during the review period indicated that an international standard, guideline or recommendation was applicable to the notified measure (Chart 3.16). All, but one indicated that the measure was in conformity with the applicable international standard.

3.61. Of the 431 regular notifications (excluding addenda) submitted during the review period, the majority (64%) were related to food safety.²⁴ The remainder related to plant protection and animal health and, to a lesser extent, the protection of humans from animal diseases or plant pests, and the protection of the Member's territory from other damage from pests. Regular notifications usually contain more than one objective.

3.62. Of the 162 emergency measures (excluding addenda) notified in the same period, the majority (93%) 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 also contain more than one objective.

3.63. The WTO Secretariat prepares annual transparency reports containing detailed information on the implementation of the transparency provisions of the SPS Agreement.²⁵

3.64. While there is no formal provision for "counter notification", concerns regarding the failure to notify an SPS measure, or regarding a notified measure, can be raised as a specific trade concern (STC) at any of the regular meetings of the SPS Committee each year.

3.65. Although most capital-based delegates were not able to travel to Geneva due to COVID-19 restrictions, the margins of the SPS Committee meetings²⁶ still provided important opportunities for

²⁴ 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 damage from pests. Members are required to identify the purpose of the measure in their notifications. It is common for more than one objective to be identified for a measure.

²⁵ Information available in the latest revision of WTO document G/SPS/GEN/804/Rev.14, 28 February 2022.

²⁶ The November 2021 and March 2022 meetings were held in person, and Members were also able to participate remotely via a virtual conferencing platform (WTO documents JOB/SPS/17, 15 October 2021, and JOB/SPS/19, 4 March 2022).

delegations to discuss and resolve concerns bilaterally. For example, during the review period, China withdrew three STCs: (i) concerns regarding EU detection of bitter ginseng alkaloids in honey; (ii) Thailand's suspension of imports of live poultry, pigs, and their carcasses and (iii) Brazil's frequent adjustments of technical regulations affecting fishery trade, which had been included in the proposed agenda for the March 2022 meeting²⁷, because bilateral progress was made.

3.66. In the SPS Committee meetings of 3-5 November 2021 and 23-25 March 2022, 17 STCs were raised for the first time (Table 3.12), and 41 previously raised STCs were discussed again. Twenty-seven previously raised STCs were raised in both meetings.²⁸ Of these, three addressed persistent problems that have been discussed 15 times or more (Table 3.13). Additionally, five of the seven STCs raised for the first time in November 2021 were raised again in March 2022.²⁹

Table 3.12 New STCs raised in the SPS Committee meetings November 2021 or March 2022 meetings

ID	New STCs
526	EU delays in authorizing imports of Samgyetang (Korean ginseng chicken soup) - raised by the Republic of Korea
527	Delays in Thailand's approval procedures for animal products - raised by the Russian Federation.
528	Peru's undue delays in the authorization of dairy product enterprises - raised by Panama.
529	Qatar's new import rules for dairy products - raised by the European Union.
530	Bolivia's import restrictions on agricultural and livestock products - raised by Peru.
531	China's import restrictions on fishery products - raised by Mexico.
532	China's import suspension of fresh fruits - raised by Chinese Taipei.
533	EU restrictions on spice imports and other food products due to European Commission Implementing Regulation (EU) 2021/2246 of 15 December 2021 - raised by India.
534	EU import tolerances for certain pesticides to achieve environmental outcomes in third countries - raised by Australia.
535	EU restrictions on the importation of collagen for human consumption - raised by China.
536	EU residue limits of ethylene oxide and dichloroethanol - raised by China.
537	Indonesia's draft regulation on heavy metals contaminants in processed food - Concerns by China.
538	Chinese Taipei's new procedure for the recognition of infectious animal disease-free status of a foreign country - raised by the European Union.
539	Thailand's sanitary requirements on "wet blue" leather imports - raised by Brazil.
540	Russian Federation's SPS notification G/SPS/N/RUS/241 regarding eleven new quarantine pests - raised by India.
541	Russian Federation's phytosanitary certificate requirements for groundnut and sesame seeds - raised by India.
542	US undue delays in opening its citrus market - raised by Brazil.

Source: WTO Secretariat.

Table 3.13 Previously raised SPS STCs discussed in the November 2021 or March 2022 meetings, raised 15 times or more^a

STC	Title of the STC	Member(s) responding	Member(s) raising the concern (total number of Members supporting)	First date raised (times subsequently raised)	Primary objective
193	General import restrictions due to Bovine Spongiform Encephalopathy (BSE)	Several Members, including China	European Union, United States (3 Members)	01/06/2004 (43 times)	Animal health
382	European Union legislation on endocrine disruptors	European Union	Argentina, China, Dominican Republic, Ecuador, Guatemala, India, Panama, Paraguay, United States (39 Members)	25/03/2014 (21 times)	Food safety
406	China's import restrictions due to highly pathogenic avian influenza	China	European Union, United States	16/03/2016 (15 times)	Animal health

a Further information on the STCs previously raised during the review period is available in the [ePing SPS&TBT platform](#). Viewed at: <https://tradeconcerns.wto.org/en/stcs?searchParameterDomainIds=2>.

Source: WTO Secretariat.

²⁷ WTO document JOB/SPS/19, 4 March 2022.

²⁸ The 27 STCs that were raised in both meetings are [193](#), [382](#), [392](#), [406](#), [413](#), [431](#), [439](#), [441](#), [446](#), [448](#), [466](#), [471](#), [484](#), [485](#), [486](#), [487](#), [489](#), [497](#), [498](#), [501](#), [503](#), [504](#), [512](#), [516](#), [519](#), [521](#) and [524](#).

²⁹ These were STCs [526](#), [527](#), [529](#), [530](#) and [532](#).

3.67. Of the 17 STCs raised for the first time in the 2 SPS Committee meetings, 5 concerned food safety, 5 concerned measures covering plant health, 5 related to other types of concerns³⁰ and 2 covered animal health. Regarding the 41 previously raised STCs during the review period, 15 concerned measures covering food safety, 10 (24%) concerned animal health, 4 related to plant health and 12 covered other types of concerns. Of the 59 STCs raised or discussed during the review period, 19 concerned measures covering food safety, 13 covered animal health, 9 concerned plant health and 18 related to other types of concerns.

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

3.69. The WTO Secretariat prepares annual reports containing detailed information on STCs discussed in the SPS Committee. Since 1995, 50% of all STCs raised in the Committee have been reported as resolved or partially resolved.³¹ In November 2021, Mexico reported on the resolution of STC 515 regarding Panama's authorization of Federal Inspection Types establishments.

COVID-19-related SPS measures (1 February 2020³²-1 May 2022)

3.70. The SPS Agreement requires Members to base SPS-related trade measures on international standards, guidelines, and recommendations, specifically those developed by the FAO/WHO Codex Alimentarius Commission (Codex) for food safety, the World Organisation for Animal Health (OIE)³³ for animal health and zoonoses and the International Plant Protection Convention (IPPC) for plant health. The three standard-setting bodies and the 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. Following the outbreak of the pandemic, some Members believed they had to act quickly to ensure appropriate health protection. 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 of time.

3.71. Between 1 February 2020 and 1 May 2022, 31 Members (counting the European Union as one) notified 67 SPS measures related to the COVID-19 pandemic. The most recent SPS COVID-19-related document was received on 11 April 2022. Twenty-seven measures were notified as regular notifications. Additionally, 26 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. Twenty measures were notified as emergency measures. Additionally, 10 emergency addenda were notified, seven lifting (or partially lifting) temporary restrictions previously imposed and 3 extending the validity of temporary trade-facilitating measures. Nine Members submitted their measures through an information communication (GEN document), and one additional GEN document³⁴ was submitted by 40 Members. Overall, 27% of notifications on COVID-19 were SPS measures.³⁵ Submitted documents are displayed by month and trade effect in Chart 3.14.

3.72. Two COVID-19-related STCs were raised in the November 2021 and/or March 2022 SPS Committee meetings.³⁶

³⁰ These concerns include control, inspection and approval procedures, and administrative measures.

³¹ Information is available in the latest revision of the annual report on STCs (WTO document G/SPS/GEN/204/Rev.22, 28 February 2022).

³² The first COVID-19-related notifications were received in February 2020.

³³ Since renamed the World Animal Health Organization (WAHO).

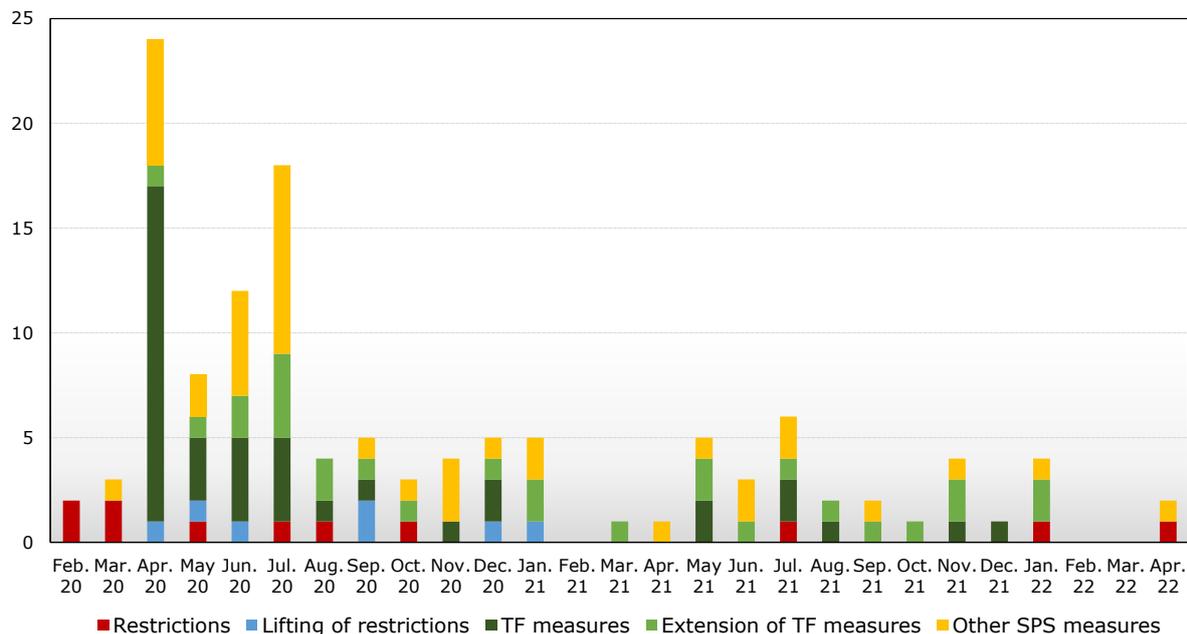
³⁴ WTO document G/SPS/GEN/1778/Rev.5, 14 January 2021 (also circulated as WTO document G/TBT/GEN/296/Rev.5, 14 January 2021).

³⁵ WTO, *COVID-19 and World Trade*. Viewed at:

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

³⁶ STCs [487](#) and [506](#).

Chart 3.14 Number of submitted SPS documents related to COVID-19, by date and trade effect, 1 February 2020 to 1 May 2022



Note: TF measures = trade facilitating measures.

Source: WTO Secretariat.

3.73. Initially, these measures mainly related to restrictions on animal imports and/or transit from affected areas (some of these measures were subsequently lifted) and increased certification requirements. While some restrictions were still imposed at a later stage, most notifications and communications submitted since the beginning of April 2020 relate to measures taken to facilitate trade, by allowing temporary flexibility for control authorities to use electronic versions of veterinary and/or phytosanitary certificates, since the COVID-19 situation has made the transmission of original paper certificates problematic. Overall, about two-thirds of the 59 notifications (excluding addenda) and communications submitted were measures considered to be trade-facilitating.

Developments in the context of the war in Ukraine

3.74. At the March 2022 SPS Committee meeting, Ukraine and several other Members (Australia, Canada, the European Union, Japan, the Republic of Korea, New Zealand, Norway, Paraguay, Switzerland, Chinese Taipei, the United Kingdom and the United States) condemned "the Russian military aggression in Ukraine", with several Members noting that it violated international law, the UN Charter, and the values on which the WTO is predicated. The Russian Federation noted that restrictive actions taken by several Members have led to damage to the global economy and the multilateral trading system and underlined that the WTO is not the platform to discuss this issue.³⁷

3.75. In addition, the planned meeting of the Committee's Working Group on Approval Procedures was postponed due to the inability of some Members to participate in small group meetings involving the Russian Federation.

³⁷ WTO document G/SPS/R/105 "Summary of the meeting of 23-25 March 2022", 18 May 2022.

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 new [ePing SPS&TBT platform](#) available in beta version since March 2022, is an integrated online tool that assists stakeholders in finding notifications of relevance to their trade and thus contributing to avoid and address potential trade barriers.

The [ePing SPS&TBT platform](#) helps users (governments, economic operators, and civil society) browse SPS or TBT notifications and trade concerns raised by Members in the WTO SPS and TBT Committees using parameters such as product, notifying Member and objective. Additionally, information on enquiry points and notification authorities can be located in the new Platform. Registered users can also sign up to receive daily or weekly email alerts and to follow notifications on products and/or markets of interest and reach out to national and international counterparts. This 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.

3.4 Technical Barriers to Trade (TBT)

Notifications submitted to the TBT Committee during the review period

3.76. 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.

3.77. From 1 October 2021 to 1 May 2022 (the review period), WTO Members submitted 1,446 new regular notifications of TBT measures.³⁸ Members which notified the most measures during the review period - 62% of all new regular notifications – were from Uganda (136), Rwanda (126), Brazil (108), Tanzania (106), Kenya (100), Burundi (79), United States (74), Republic of Korea (70), China (50) and European Union (47).

3.78. The majority of the 1,446 new regular TBT notifications received during the review period, indicated the protection of human health or safety as their main objective. The remaining notifications related to quality requirements, consumer information, labelling, prevention of deceptive practices and consumer protection, reducing trade barriers and facilitating trade and protection of the environment.

3.79. A total of 763 follow up-notifications (i.e. addenda, corrigenda, or supplements) were submitted during the review period. The continuing and frequent use by Members of follow-up notifications is a positive development, as it increases transparency and predictability across the measures' regulatory lifecycle.

Measures discussed in the TBT Committee (STCs)

3.80. The TBT Committee is used as a forum for discussing trade issues related to specific TBT measures (technical regulations, standards, or conformity assessment procedures) maintained by other Members. These specific trade concerns (STCs) normally relate to proposed draft measures notified to the TBT Committee or to the implementation of existing measures. Issues can range from requests for additional information and clarification to questions on the consistency of measures with TBT Agreement disciplines.

3.81. A total of 169 (45 new and 124 previously raised) STCs were discussed during the two Committee meetings that fell within the review period: 89 (25 new and 64 previously raised) at the 10-12 November 2021 meeting, and 80 (20 new and 60 previously raised) at the 8-11 March 2022 meeting.

³⁸ WTO TBT information Management System. Viewed at: [ePing SPS&TBT platform](#). These numbers concern only regular notifications (in which the original draft measure is submitted) and do not include follow-up notifications.

3.82. As depicted in Table 3.14, the 45 new STCs concerned TBT measures by the European Union (9), the United States (6), India (5), Indonesia (3), Canada (2), the Republic of Korea (2), Sri Lanka (2), Belgium, Brazil, Chile, China, Egypt, France, Guatemala, Japan, Malaysia, Mongolia, Pakistan, Kingdom of Saudi Arabia, South Africa, Spain, United Kingdom, Viet Nam (1 each). The measures covered regulations on a range of products (e.g. artificial intelligence systems, information and communication devices, solar modules, household goods, electrical appliances, spices, vehicles, alcoholic beverages, mineral oils, cannabis and cannabis-based products, palm oil, plastic, food products, etc.), and dealt with a variety of issues (e.g. labelling and packaging, conformity assessment procedures, remote factory audits, technical regulation or specifications, life cycle assessment, halal certification, and energy efficiency).

Table 3.14 New STCs raised in the November 2021 and March 2022 TBT Committee meetings

New STCs
Chile: Efficiency analysis and/or test protocol for electrical products (ID 704) (raised by Republic of Korea)
European Union: Draft Commission Delegated Regulation amending, for the purposes of its adaptation to technical and scientific progress, Regulation (EC) No 1272/2008 of the European Parliament and of the Council on classification, labelling and packaging of substances and mixtures (ID 705) (raised by Chinese Taipei)
China: National Standard of the P.R.C., Lithium Ion Cells and Batteries Used in Portable Electronic Equipments -Safety Technical Specification (ID 706) (raised by the Republic of Korea)
Viet Nam: Draft National Technical Regulation on the fifth level of gaseous pollutants emissions for new assembled, manufactured and imported automobiles (ID 707) (raised by Thailand)
European Union: Draft Commission Regulation laying down ecodesign requirements for light sources and separate control gears pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulation (EC) No. 244/2009, (EC) No. 245/2009 and (EU) No. 1194/2012 (ID 708) (raised by the Republic of Korea)
United States: Energy Conservation Program: Test Procedures for Residential and Commercial Clothes Washers (ID 709) (raised by China)
India: Important Instruction regarding Voluntary Star Labelling Programme for UHD (4K, 8K) Televisions (ID 710) (raised by the Republic of Korea)
Sri Lanka: National Environmental (Plastic Material Identification Standards) Regulations No. 01 of 2021 (ID 711) (raised by United States)
Brazil: MAPA Ordinance No. 208, 26 February 2021 – revision of the Decree No. 6.87 of 4 June 2009 on the standardisation, classification, registration, inspection, production and supervision of alcoholic beverages (ID 712) (raised by the European Union)
Belgium: Draft law introducing additional security measures for the provision of mobile 5G services (ID 713) (raised by China)
United States: Protecting Against National Security Threats to the Communications Supply Chain through the Equipment Authorization Program and the Competitive Bidding Program (ID 714) (raised by China)
Pakistan: Safety of amusement rides and amusement devices (ID 715) (raised by the United States)
United States: Energy Conservation Program: Test Procedure for Metal Halide Lamp Fixtures (ID 716) (raised by China)
India: Chemical Fibers and Yarns: PSY, IDY, FDY, POY, PSF, and SMF for use in Cement-Based Matrix (Quality Control) Orders, 2020 (ID 717) (raised by the Republic of Korea)
Egypt: Halal Certification Measure, based on Egyptian Standard ES 4249/2014 General Requirements for Halal Food According to Islamic Sharia (ID 718) (raised by Canada, European Union and United States)
India: Plastic Waste Management (Amendment) Rules, 2021 (ID 719) (raised by the Republic of Korea)
Sri Lanka: Imports (Standardization and Quality Control) Regulations 2017 (ID 720) (raised by Indonesia)
Guatemala: Technical Standard 84-2021 for the Sanitary Registration of Repellent Products for External Use in Humans and Spatial Repellent Products (ID 721) (raised by Mexico)
Canada: Regulatory requirements for the import and marketing of cannabis and cannabis based products for medicinal use (ID 722) (raised by Colombia)
France: Loi n° 2020-105: Anti-Waste Law for a Circular Economy (AGEC Law) (ID 723) (raised by the Republic of Korea)
Indonesia: Government Regulation 28 of 2021 – Implementing Regulation (for the Manufacturing/Industry Sector) to Law No. 11 of 2020 the "Job Creation Act" (ID 724) (raised by European Union and United States)
Republic of Korea: Proposal for revision of the implementation rules and operation notification of the electrical appliances and consumer goods safety control act (ID 725) (raised by China)
United States: Energy efficiency requirements for general service lamps (GSL) (ID 726) (raised by China)
Spain: Amendment of Royal Decree 1521/1984 by the Secretariat for Fisheries of Spain (ID 727) (raised by Chile)
Indonesia: Import quota and SNI certification requirements (ID 728) (raised by China)
Malaysia: Guideline for Approval of Electrical Equipment (Electricity Regulation 1994) Information Booklet 2018 Edition (GP/ST/N0.14/2017) (ID 729) (raised by the Republic of Korea)
Mongolia: Draft Law on controlling the circulation of alcohol beverages, and fight against alcoholism (ID 730) (raised by Mexico)

New STCs
United States: Energy conservation program: test procedure for circulator pumps (ID 731) (raised by China)
Kingdom of Saudi Arabia: Corporate average fuel economy standard (SAUDI CAFE) for all light duty vehicles (ID 732) (raised by China)
South Africa: Regulations relating to the composition, production and labelling of wine and spirits intended for sale in the Republic of South Africa (ID 733) (raised by Mexico)
European Union: Specific test procedures and technical requirements for the type-approval of motor vehicles with regard to their event data recorder and for the type-approval of those systems as separate technical units (ID 734) (raised by China)
Canada: Pest control products regulations (ultraviolet radiation-emitting devices and ozone-generating devices) (ID 735) (raised by China)
European Union: Proposal for a regulation of the European Parliament and the Council laying down harmonised rules on artificial intelligence (Artificial intelligence act) and amending certain union legislative acts (ID 736) (raised by China)
United States: Secure equipment act of 2021 (ID 737) (raised by China)
European Union: Regulations affecting spices (Regulation number EU 2021/2246, dated 15 December 2021) (ID 738) (raised by India)
European Union: Implementation of access regulation regarding collagen for human consumption (ID 739) (raised by China)
United Kingdom: EC marking certificate for export of home textile items (ID 740) (raised by India)
European Union: Commission implementing decision (EU) 2017/1357 on a restriction of Standard EN 60335-2-9-2003+A 13-2010 (ID 741) (raised by China)
India: Approved models and manufacturers of solar photovoltaic modules order, 2019 (ID 742) (raised by China)
European Union: Regulation (EU) 2022/30 on network protection, safeguards for the protection of personal data and privacy and protection from fraud (ID 743) (raised by China)
Republic of Korea: Regulation for supporting low carbon solar module product (ID 744) (raised by China)
European Union: Regulation (EU) 2019/320 on caller location in emergency communications from mobile devices (ID 745) (raised by China)
Indonesia: Remote factory audit for air conditioners (ID 746) (raised by Thailand)
Japan: Inspection system for sports goods and toys and non-acceptance of test reports from Indian test houses (ID 747) (raised by India)
India: Import Policy of Air Conditioners with Refrigerants (ID 748) (raised by Thailand)

Source: WTO Secretariat.

3.83. Overall, the number of new and previously raised STCs has been increasing every year. This trend suggests an increasing use of the TBT Committee as a forum for Members to raise and resolve trade concerns non-litigiously. In 2021, for example, Members reviewed 257 STCs, including 64 new concerns, which was the highest number on record since 1995.³⁹ With two TBT Committee meetings scheduled to take place later this year, this trend will likely continue in 2022.

3.84. During the November 2021 and March 2022 TBT Committee meetings, 13 persistent STCs – i.e. those previously raised STCs more than 16 times in Committee meetings – were discussed (Table 3.15).

Table 3.15 Persistent STCs raised between 1 October 2021 and 1 May 2022

Persistent STCs
India: Pneumatic tyres and tubes for automotive vehicles (ID 133) raised <u>39 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 on-going revision and the Multi-Level Protection Scheme (MLPS) (ID 294) raised <u>34 times</u> since 2011
Russian Federation: Draft Technical Regulation on Alcohol Drinks Safety (published on 24 October 2011) (ID 332) raised <u>30 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>29 times</u> since 2012
European Union: Hazard-based approach to plant protection products and setting of import tolerances (ID 393) raised <u>27 times</u> since 2013
India: Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012 (ID 367) raised <u>27 times</u> since 2013

³⁹ For more details on TBT notifications, STCs and trends from 2021, see *Twenty-Seventh Annual Review of the Implementation and Operation of the TBT Agreement*, (WTO document G/TBT/47, 2 March 2022); and WTO (2022), *Technical Barriers to Trade: 10 Key Results from 2021*.

Persistent STCs
China: Regulations for the Supervision and Administration of Medical Devices (Order No. 650 of the State Council) (ID 428) raised <u>24 times</u> since 2014
China: Registration Fees for Drugs and Medical Device Products (ID 466) raised <u>21 times</u> since 2015
Indonesia: Halal Product Assurance Law No. 33 of 2014 and its implementing regulations (ID 502) raised <u>19 times</u> since 2016
Egypt: Manufacturer Registration System (Decree No. 43/2016 and Decree No. 992/2015) (ID 505) raised <u>18 times</u> since 2016
Russian Federation: Rules of cement certification (ID 497) raised <u>18 times</u> since 2016
India: Draft Food Safety and Standards (Alcoholic Beverages Standards) Regulations, 2015 (ID 494) raised <u>18 times</u> since 2016
India: Mandatory Certification for Steel Products (ID 224) raised <u>17 times</u> since 2009

Source: WTO Secretariat.

COVID-19-related TBT notifications and discussions at TBT Committee

3.85. Since the beginning of the pandemic, 45% of all notifications submitted by WTO Members in response to COVID-19 were under the TBT Agreement.⁴⁰ As at 21 April 2022, 34 WTO Members submitted 213 COVID-19-related TBT notifications to the WTO. These notifications mostly dealt with extraordinary and temporary streamlining of certification and related procedures, and the introduction of new regulatory requirements for medical goods. In addition, Members made references to the COVID-19 pandemic in 54 STCs in the TBT Committee. The vast majority of these STCs were not linked to COVID-19-related notifications or medical goods; rather, they addressed the significant impacts of the pandemic on Members' economies.

3.86. More than 60% of these notifications were submitted under the emergency/urgent notification provisions of the TBT Agreement.⁴¹ Under these provisions, WTO Members can adopt measures immediately without first notifying the measure in draft form or providing the usual 60-day comment period (or allowing the usual 6-month transition period prior to entry into force). The majority (about 66%) of these notifications cover regulations on medical goods, such as personal protective equipment (PPE), pharmaceutical products, medical devices, other medical supplies and other products.⁴²

3.87. In the context of the Ninth Triennial Review of the TBT Agreement, Members agreed to examine and compile best practices for future pandemic preparedness, including streamlining conformity assessment procedures during pandemics, and enhancing international regulatory cooperation so as to facilitate trade in select essential medical goods like vaccines.⁴³

Developments in the context of the war in Ukraine

3.88. At the TBT Committee meeting of 8-11 March 2022, Ukraine and several other Members (Argentina, Australia, Canada, European Union, Japan, Republic of Korea, New Zealand, Paraguay, Switzerland, Türkiye, United Kingdom, and United States) expressed their strong opposition to the war in Ukraine, with several Members noting that it violated international law and the UN Charter. The Russian Federation called on Members to refrain from interventions on issues and events which are outside the scope of the TBT Committee and the WTO itself.⁴⁴

3.89. In April and May 2022, Lithuania submitted various notifications to the TBT Committee on construction products that, according to Lithuania, "were adopted in view of the fact that the Russian Federation was carrying out a military attack on Ukraine" and Belarus' "involvement in the attack."⁴⁵ These Lithuanian notifications concern modifications to previously notified regulatory measures on specifications for construction products that had entered into force between 2018 and January 2022.

⁴⁰ TBT notifications are classified as COVID-19-related if they contain the terms "coronavirus", "COVID", "SARS-COV-2" or "nCoV". These COVID-19-related notifications include not only regular notifications but also follow-up notifications (addenda to previous regular notifications).

⁴¹ TBT Agreement, Articles 2.10.1 and 5.7.1.

⁴² The "pharmaceutical products" category includes, for example, vaccines, antibiotics and vitamins. The "medical devices" category includes, for example, lung ventilator equipment, ultraviolet radiation-emitting devices and vital signs monitors. The "PPE" category includes, for example, face masks and surgical gloves. The "other medical supplies" category includes, for example, gauzes, hand sanitizers and flocked swabs. The "other" category includes, for example, food, footwear and office machines.

⁴³ WTO document G/TBT/46, 17 November 2021, para. 8.4.

⁴⁴ WTO document G/TBT/M/86 (forthcoming).

⁴⁵ Belarus is not a WTO Member. Information on Belarus' WTO accession process can be found here: https://www.wto.org/english/thewto_e/acc_e/blr_e/a1_belarus_e.htm.

More specifically, these new measures intend to temporarily allow construction products which are not covered by EU harmonized technical specifications ("non-harmonized construction products"), to nonetheless be placed on the Lithuanian market without being certified by a body established in Lithuania, provided that they comply with certain special certification requirements. At the same time, and in light of war in Ukraine, Lithuania "suspended validity of certificates of constancy of performance of construction products, certificates of conformity of (internal) production control of construction products" so as "to ensure that [Russia and Belarus] are not directly or indirectly financed by the Republic of Lithuania and the European Union".⁴⁶

3.5 Trade concerns raised in other WTO bodies⁴⁷

3.90. During the review period, several 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 2021 and mid-May 2022.⁴⁸ 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.

3.91. At the 15 December 2021 Special meeting of the *General Council (GC)*⁴⁹, trade concerns were raised under "Other Business" by the European Union regarding the shipments of goods to China originating in Lithuania. At the 9-10 May 2022 GC meeting⁵⁰, trade concerns were raised on trade-disruptive practices of certain Members and their implications for the WTO (raised by the Russian Federation).⁵¹

3.92. During the review period, the *Council for Trade in Goods (CTG)* met twice, on 1-2 November 2021 and on 21-22 April 2022. Thirty-seven trade concerns, including five new, were raised at the CTG 1-2 November 2021 meeting⁵² (Table 3.16).

Table 3.16 Trade concerns raised at the CTG meeting of 1-2 November 2021

Trade concern	Member(s) raising the concern
Angola – Import Restricting Practices	Russian Federation
Australia – Discriminatory Market Access Prohibition on 5G Equipment	China
China – Administrative Measures for Registration of Overseas Producers of Imported Foods	United States
China – Cosmetics Supervision and Administration Regulations (CSAR)	Australia, European Union, Japan, and United States
China – Export Control Law	European Union and Japan
China – Implementation of Trade Disruptive and Restrictive Measures	Australia
China – Subsidy Transparency and China's Publication and Inquiry Point Obligations under China's Protocol of Accession	Australia, European Union, United Kingdom, and United States
Egypt – Manufacturer Registration System	European Union
European Union – Carbon Border Adjustment Mechanism (European Green Deal of December 2019)	China and Russian Federation
European Union – Implementation of Non-Tariff Barriers on Agricultural Products	Argentina, Australia, Brazil, Canada, Colombia, Costa Rica, Ecuador, Jamaica, Panama, Paraguay, United States, and Uruguay

⁴⁶ WTO documents G/TBT/N/LTU/44, 19 April 2022; G/TBT/N/LTU/45, 19 April 2022; G/TBT/N/LTU/45/Add.1, 19 May 2022; G/TBT/N/LTU/46/Rev.1 (submitted on 12 May 2022 as a revision of the original notification circulated on 19 April as G/TBT/N/LTU/46) and G/TBT/N/LTU/46/Rev.1/Add.1, 19 May 2022.

⁴⁷ 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.

⁴⁸ 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.

⁴⁹ WTO document WT/GC/M/195, 15 December 2021.

⁵⁰ WTO document WT/GC/M/198, forthcoming

⁵¹ WTO document WT/GC/245, 16 March 2022.

⁵² WTO document G/C/M/141, 28 February 2022.

Trade concern	Member(s) raising the concern
European Union – Proposed Modification of TRQ Commitments: Systemic Concerns	Brazil, China, and 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) 2017/2321 and Regulation (EU) 2018/825	China and 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
European Union – The European Green Deal	Russian Federation
India – Import Policy on Tyres	European Union, Indonesia, and Chinese Taipei
India – Import Restriction on Air Conditioners	Japan
India – Indian Standards and Import Restriction in the Automotive Sector (Quality Control Orders): Wheel Rims, Safety Glass, Helmets	Indonesia
India – Mandatory Certification for Steel Products	Japan
India – Order Related to Requirement of Non-GM Cum GM Free Certificate Accompanied with Imported Food Consignment	United States
India – Plain Copier Paper Quality Order 2020	Indonesia
India – Restrictions on Imports of Certain Pulses	Australia, Canada, European Union, Russian Federation, and United States
Indonesia – Import and Export Restricting Policies and Practices	European Union, Japan, New Zealand, and United States
Indonesia – Import Substitution Programme	European Union
Kingdom of Saudi Arabia – Saber Conformity Assessment Online Platform/Saleem Product Safety Program	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, Switzerland, and United States
Mexico – Conformity Assessment Procedure for Cheese Under Mexican Official Standard NOM-223-SCFI/SAGARPA-2018	United States
Mongolia – Measures Applied with Respect to Certain Agricultural Products	Russian Federation
Panama – Onions and Potatoes Harvest Life and Sprouting Requirements	United States
Russian Federation – Trade Restricting Practices	European Union and United States
Sri Lanka – Import Ban on Palm Oil	Indonesia
Sri Lanka – Import Ban on Various Products	Australia and European Union
United Kingdom – Draft Goods Schedule and Proposed UK TRQ Commitments: Systemic Concerns	Brazil, China, Russian Federation, and 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.

3.93. At the 21-22 April 2022⁵³ CTG meeting, 41 trade concerns were raised as per Table 3.17.

Table 3.17 Trade concerns raised at CTG meeting of 21-22 April 2022

Trade concern	Member(s) raising the concern
Australia – Discriminatory Market Access Prohibition on 5G Equipment	China
Australia, Canada, European Union, Japan, New Zealand, Switzerland, United Kingdom, and the United States – Unilateral Trade Restrictive Measures Against Russia	Russian Federation
China – Administrative Measures for Registration of Overseas Producers of Imported Foods	Indonesia and United States
China – Cosmetics Supervision and Administration Regulations (CSAR)	Australia, European Union, Japan, and United States
China – Export Control Law	Japan

⁵³ WTO document G/C/M/142, forthcoming.

Trade concern	Member(s) raising the concern
China – Implementation of Trade Disruptive and Restrictive Measures	Australia
Ecuador – Import Restrictions on Grapes and Onions	Peru
European Union – Belgium's Draft Law Introducing Additional Security Measures for the Provision of Mobile 5G Services	China
European Union – Carbon Border Adjustment Mechanism	China and Russian Federation
European Union – Countervailing Duties (CVD) on Stainless Steel Cold-Rolled Flat (SSCR)	Indonesia
European Union – European Green Deal (Carbon Border Adjustment Mechanism and Deforestation Free Commodities)	Indonesia
European Union – Implementation of Non-Tariff Barriers on Agricultural Products (G/C/W/767/Rev.1)	Australia, Brazil, Canada, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Panama, Paraguay, Peru, United States, and Uruguay
European Union – Proposed Modification of TRQ Commitments: Systemic Concerns	China and Uruguay
European Union – Quality Schemes for Agricultural Products and Foodstuffs-the Registration of Certain Terms of Cheese as Geographical Indications	New Zealand and Uruguay
European Union – Regulation EC No. 1272/2008 (CLP Regulation)	Russian Federation
European Union – Regulation (EU) 2017/2321 and Regulation (EU) 2018/825	Russian Federation
European Union – Sweden's Discriminatory Market Access Prohibition on 5G Equipment	China
European Union –European Green Deal	Russian Federation
India – Import Policy on Tyres	European Union, Indonesia, Chinese Taipei, and Thailand
India – Import Restriction on Air Conditioners	Japan and Thailand
India – Order Related to Requirement of Non-GM Cum GM Free Certificate Accompanied with Imported Food Consignment	United States
India – Plain Copier Paper Quality Order 2020	Indonesia
India – Restrictions on Imports of Certain Pulses	Australia, Canada, European Union and the United States
Indonesia – Import and Export Restricting Policies and Practices	European Union, Japan, New Zealand, and United States
Indonesia – Import Substitution Programme	European Union
Kingdom of Saudi Arabia – SABER Conformity Assessment Online Platform/Saleem Product Safety Program	United States
Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, the State of Kuwait, Oman, and Qatar – Selective Tax on Certain Imported Products	Switzerland and United States
Mexico – Conformity Assessment Procedure for Cheese Under Mexican Official Standard Nom-223-Scfi/Sagarpa-2018	United States
Nepal – Import Ban on Energy Drinks	Thailand
Nigeria – Restrictive Policies on Agricultural Products	Brazil
Panama – Onions and Potatoes Harvest Life and Sprouting	United States
Panama – Undue Delays and Export Restrictions on Agricultural and Hydrobiological Products	Peru
Philippines – Special Safeguard on Instant Coffee	Indonesia
Plurinational State of Bolivia – Export Restrictions on Agricultural and Hydrobiological Products	Peru
Sri Lanka – Import Ban on Various Products	Australia and Thailand
United Kingdom – Draft Goods Schedule and Proposed UK TRQ Commitments: Systemic Concerns	China and Uruguay
United Kingdom – Environmental Act: Forestry Commodities	Indonesia
United States – Discriminatory Quantitative Restriction on Steel and/or Aluminium Imports	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.

3.94. During the CTG 21-22 April meeting, Ukraine raised concerns about Russian Federation's military actions, stating that some of which were targeting Ukraine's agricultural production capacity thus jeopardizing food security and risking a world food crisis. The Russian Federation raised concerns about unilateral measures introduced by Australia, Canada, European Union, Japan, New Zealand, Switzerland, United Kingdom and United States aimed at attacking the Russian Federation's economy as a result of its special military operation in Ukraine.

3.95. Concerns were raised by a number of Members on the direct impact of the Russian Federation's military action in Ukraine, which had prevented Ukraine's exports and also on the Russian Federation's measures to restrict its exports of fertilizers and other commodities, such as sugar, sunflower oil, wheat, meslin, rye, barley, corn, sunflower seeds, and rapeseed seeds (raised by Australia, Canada, European Union, Japan, Republic of Korea, New Zealand, Norway, Switzerland, United Kingdom, United States, and Ukraine).

3.96. At the 30-31 March 2022 meeting of the *Committee on Market Access (CMA)*⁵⁴, 18 trade concerns were raised as per Table 3.18.

Table 3.18 Trade concerns raised at the CMA meeting of 30-31 March 2022

Measure implemented by	Member(s) raising the concern
Angola – Import Restriction Practices	European Union and United States
Canada – Restrictions on the Commercial Importation of Cannabis and Cannabis Products for Medical Use	Colombia
China – Trade Disruptive and Restrictive Measures	Australia
European Union - Carbon Border Adjustment Mechanism (CBAM)	Indonesia, Russian Federation
Kingdom of Saudi Arabia, Kingdom of Bahrain, United Arab Emirates, State of Kuwait, Oman, and Qatar - Selective Tax on Certain Imported Products	European Union, Switzerland, United States
India – Import Policies on Tyres	European Union, Indonesia, Chinese Taipei, Thailand
India – Import Restriction on Air Conditioners	Japan, Thailand
India - Plain Copier Paper Quality Order 2020	Indonesia
India – Quantitative Restrictions on Imports of Certain Pulses	Australia, Canada, European Union, United States
Indonesia - Import Substitution Programme	European Union
Indonesia – Customs Duties on Certain Telecommunication Products	United States, European Union
Mexico – Import Quota on Glyphosate	United States
Nepal - Import Ban on Energy Drinks	Thailand
Peru – Tax Treatment of Pisco	United Kingdom
Sri Lanka – Import Ban on Various Products	Australia, European Union, Thailand
Sri Lanka – Import Ban on Palm Oil	Indonesia
Philippines – Special Safeguard on Instant Coffee	Indonesia
United States – Discriminatory Quantitative Restriction on Steel and/or Aluminium Imports	China

Source: WTO Secretariat.

3.97. At the CMA March 2022 meeting, Ukraine made reference to its notification⁵⁵ of export restrictions on certain agricultural products which were necessary to ensure national food security. They noted that these measures were implemented as a result of the Russian Federation's actions. Ukraine denounced the detrimental effects that the war had on international trade in food products. Thirteen Members (United Kingdom, United States, Paraguay, New Zealand, Japan, Korea, Norway, Türkiye, the European Union, Chinese Taipei, Australia, Switzerland, and Canada) expressed support for Ukraine and noted the consequences of the Russian Federation's actions on global trade in goods. The Russian Federation stressed that the reasons for disruptions of global supply chains were the unilateral trade restricting measures introduced by Members, which were in direct violation of WTO rules. During that meeting, the Committee reviewed the quantitative restrictions (QR) notifications from 16 Members. One notification from the United States related to import and export prohibitions against the Russian Federation on the ground of national security.⁵⁶

3.98. At the 8 April 2022 meeting of the *Committee on Import Licensing (CIL)*⁵⁷, new and persistent trade concerns were raised as per Table 3.19.

Table 3.19 Trade concerns raised at the CIL meeting of 8 April 2022

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

⁵⁴ WTO document G/MA/M/76, forthcoming.

⁵⁵ WTO document G/MA/QR/N/UKR/5/Add.2, 25 March 2022.

⁵⁶ G/MA/QR/N/USA/5/Add.3, 21 March 2022.

⁵⁷ WTO document G/LIC/M/54, forthcoming.

Measures implemented by	Member(s) raising the concern
Egypt - Import Licensing Requirements for Certain Agricultural and Processed Products	European Union
India - Quantitative Restrictions on Certain Pulses	Canada
India - Importation of Pneumatic Tyres	European Union, Indonesia, Chinese Taipei, Thailand
Indonesia - Import Restrictions: Compulsory Registration by Importers of Steel Products	Japan
Indonesia - Import Licensing Regime for Certain Textile Products	European Union and Japan
Indonesia - Import Restrictions on Air Conditioners	European Union and Japan
Thailand - Importation of Feed Wheat	European Union

Source: WTO Secretariat.

3.99. At the 6 April 2022 meeting of the *Committee of Participants on the Expansion of Trade in Information Technology Products* (ITA Committee)⁵⁸ an implementation issue was reiterated 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).

3.100. At the 15-16 March 2022 meeting of the *Committee on Agriculture* (CoA)⁵⁹, 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 141 questions were discussed on individual notifications (78 questions), Article 18.6 matters (58 questions covering 47 SIMs), and overdue notifications (5 questions). Additional details regarding these questions and concerns can be found in Section 3.6 of this Report.

3.101. At the meetings of the *Committee on Anti-Dumping Practices*⁶⁰ on 27 October 2021 and 27 April 2022, 33 concerns were raised as per Table 3.20.

Table 3.20 Concerns raised on anti-dumping practices

Measure(s) implemented by	Member(s) raising the concern
Argentina - Initiation - polymer profiles of vinyl chloride of the types used in the manufacture of openings or enclosures	Türkiye
Argentina - Initiation - tiles of glass whether or not on a backing, for mosaics or similar decorative purposes	Türkiye
Brazil - Investigation - liquid caustic soda	United States
Canada - Investigation - preliminary and final determinations - concrete reinforcing bars	Egypt and Russian Federation
China - Antidumping measures - Poultry	Brazil
China - Final determination and continued imposition of AD measures - unbleached sack paper	Japan
China - Final determination and continued imposition of AD measures - Grain oriented flat rolled electrical steel	Japan
Egypt - Antidumping measure - prestressed concrete steel strands	Tunisia
European Union - Initiation - corrosion resistant steel products	Türkiye
European Union - Initiation - ceramic tiles	Türkiye
European Union - Initiation - certain iron or steel fasteners	China
European Union - Initiation - aluminum road wheels	Morocco
European Union - Reopening of investigation - certain woven and/or stitched glass fibre fabrics	Egypt
India - Continued imposition of antidumping measures - hot-rolled flat products of alloy and non-alloy steel, and cold rolled/cold reduced flat products of iron or non-alloy steel.	Japan
India - Antidumping measures - electrogalvanized steel	Japan
Korea, Republic of - Final determination and continued imposition of AD duties based on the 4th sunset review - stainless steel bar	Japan

⁵⁸ WTO document G/IT/M/76, forthcoming.

⁵⁹ Questions raised under the review process in the CoA meetings on 15-16 March 2022 are available in WTO document G/AG/W/217 and G/AG/W/217/Corr.1. 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/>.

⁶⁰ Minutes G/ADP/M/60, 17 December 2021 and G/ADP/M/61, forthcoming.

Measure(s) implemented by	Member(s) raising the concern
Korea, Republic of – Expiry review – Butyl glycol ether	United States
Mexico – Initiation – type I and type H steel beams	United Kingdom
Morocco – Initiation – galvanized wire	Türkiye
Philippines – Sunset review and extension of measures – wheat flour	Türkiye
South Africa – Preliminary determination and imposition of provisional measures – Frozen bone-in portions of fowls of the species <i>Gallus Domesticus</i>	European Union
South Africa – Preliminary determination and imposition of provisional measures – Frozen bone-in portions of fowls of the species <i>Gallus Domesticus</i>	Brazil
South Africa – Investigation – uncooked pasta	Egypt
South Africa – Initiation – frozen potato chips	European Union
Thailand – Final determination and continued imposition of AD duties – flat hot rolled steel in coils and not in coils	Japan
Thailand – Antidumping investigation – hot-rolled steel coil	Egypt
Ukraine – Initiation – certain articles of asphalt or of similar material	Russian Federation
Ukraine – Initiation – aluminium ladders	European Union
United Kingdom – Transitional review – cold-rolled flat steel products	Russian Federation
United States – Investigation – raw honey	Ukraine
United States – Administrative review – Glycine	Japan
United States – Review of Russian Federation's market economy status – urea ammonium nitrate solutions	Russian Federation
United States – Antidumping measures – hot-rolled steel flat products	Türkiye

Source: WTO Secretariat.

3.102. Other issues and concerns were raised on: (i) Ukraine's undermined ability to fulfil its rights and obligations with respect to AD investigations both initiated by itself or by other Members due to the conflict between the Russian Federation and Ukraine (raised by Ukraine); (ii) the length of the United States antidumping measures – prolonged measures (raised by China and Japan); (iii) sunset reviews conducted by the European Union leading to continued imposition of prolonged antidumping measures (raised by China); (iv) European Union's Regulation (EU) 2017/2321 and Regulation (EU) 2018/825 (Russian Federation and supported by China); (v) Overall importance of prompt notifications for transparency purposes (raised by the United States); and (vi) Transitional reviews and continued application by the United Kingdom of the European Union's antidumping measures conducted after Brexit (raised by China and the Russian Federation).

3.103. At the meetings of the *Committee on Subsidies and Countervailing Measures* on 26 October 2021 and 26 April 2022⁶¹ 17 concerns were raised on subsidies as per Table 3.21.

Table 3.21 Trade concerns raised at the Committee on Subsidies and Countervailing Measures

Measure(s) implemented by	Member(s) raising the concern
China – Countervailing duty investigation – n-Propanol (NPA)	United States
European Union – Anti-circumvention proceedings – Glass fibre fabrics	Egypt and Morocco
European Union – Final countervailing measures – Stainless steel cold rolled flat products	Indonesia
India – Countervailing duty investigation – Aluminium primary foundry alloy ingot	Malaysia
India – Countervailing duty investigation – Copper tubes and pipes	Malaysia
India – Countervailing duty investigation – Saturated fatty alcohols	Malaysia
United Kingdom – Countervailing duty investigation – Ironing boards	Türkiye
United Kingdom – Countervailing duty investigation – Optical fibre cables	China
United States – Countervailing duty investigation – Phosphate fertilizers	Russian Federation
United States – Countervailing duty investigation & final measures – Seamless carbon and alloy steel standard, line, and pressure pipe	Russian Federation

⁶¹ WTO documents G/SCM/M/117, 4 March 2022 and G/SCM/M/119, forthcoming.

Measure(s) implemented by	Member(s) raising the concern
United States - Countervailing duty investigation & imposition of provisional measures and preliminary determinations - Urea ammonium nitrate solutions	Russian Federation
United States - Preliminary findings and Provisional measures – Granular polytetrafluoroethylene resin	Russian Federation
United States - Initiation of countervailing duty investigation – Oil country tubular goods	Russian Federation
United States - Countervailing duty measures – Phosphate fertilizers	Morocco
United States - Preliminary or final determinations on "currency undervaluation" in countervailing duty investigations on Twist ties; Chassis; Pentafluoroethane; Mobile access equipment; and Walk-behind snow throwers	China
United States - Expiry reviews - Cold-rolled and hot-rolled steel sheets	Brazil
United States - Expiry review – Iron construction castings	Brazil

Source: WTO Secretariat.

3.104. Additional concerns were raised on: (i) the undermining of Ukraine's ability to fulfil its rights and obligations under the SCM Agreement due to the war (raised by Ukraine); (ii) disruptions in international trade caused by unilateral measures adopted against the Russian Federation and subsidies by the European Union to energy-intensive sectors (raised by the Russian Federation); (iii) elimination of export subsidies by the Members that received extensions under Article 27.4 of the SCM Agreement; (iv) low and declining level of compliance with the notification and transparency obligations in the SCM Agreement; (v) requests for information pursuant to Article 25.8 and 25.9 (proposal on procedures from the United States); (vi) subsidies and overcapacity (raised by Australia, Canada, the European Union, Japan, United Kingdom, and United States); (vii) request for information on certain alleged subsidy programmes in the steel sector in China (raised by European Union and United States); (viii) request for information on certain alleged subsidy programmes in the United States (raised by China); (ix) countervailing duty regulation of the United States regarding the assessment of currency undervaluation in CVD cases (raised by China); (x) use of adverse facts available by the United States in various CVD investigations (raised by China); (xi) transitional reviews and continued application by the United Kingdom of the European Union's CVD measures conducted after Brexit (raised by China); (xii) countervailing duty investigations by the European Union regarding the so-called transnational subsidies (raised by China); (xiii) increased trade protectionism through application of countervailing measures (raised by China); (xiv) subsidy transparency and China's publication and inquiry point obligations under China's protocol of accession (raised by Australia, Canada, European Union, Japan, the United Kingdom, and United States); (xv) proposed amendment to procedures for review of new and full subsidy notifications (raised by Australia, Canada, European Union, Japan, New Zealand, Chinese Taipei, United Kingdom, and United States).

3.105. At the meetings of the *Committee on Safeguards* held on 25 October 2021⁶² and on 25 April 2022⁶³, 23 concerns were raised on specific safeguard actions as per Table 3.22.

Table 3.22 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	China, Japan, Russian Federation, Brazil, India, Switzerland, Türkiye, Republic of Korea
India - Investigation on solar cells	Japan
Indonesia - Investigation on carpets and other textile floor coverings	Japan
Indonesia - Investigation on articles of apparel and clothing accessories	Japan, European Union
Indonesia - Investigation on cigarette paper	European Union
Madagascar - Investigation on pasta	Mauritius
Morocco - Investigation on wire rods and reinforcing bars	European Union
Morocco - Investigation on lighting columns	European Union, Türkiye

⁶² WTO document G/SG/M/59, 21 February 2022.

⁶³ WTO document G/SG/M/60 (forthcoming).

Measure implemented by	Member(s) raising the concern
Morocco - Investigation on coated wood board	European Union
Peru - Investigation on clothing	Brazil, Indonesia
Philippines - Investigation on motor vehicles	Japan
Philippines - Investigation on high-density polyethylene and linear low-density polyethylene pellets and granules	Brazil
South Africa - Investigation on screws fully threaded with hexagon heads made of steel	European Union
Türkiye - Investigation on polyester staple fibre	European Union, Egypt
Türkiye - Investigation on grinding balls and similar articles for mills	European Union
Türkiye - Investigation on yarn of nylon or other polyamides	Indonesia, European Union
Ukraine - Investigation on fresh cut roses	Ecuador, Colombia
Ukraine - Investigation on sodium hypochlorite	European Union
Ukraine - Investigation on PVC profile	European Union
United Kingdom - Investigation on certain steel products	China, Japan, Türkiye, Russian Federation, Brazil, Switzerland, Republic of Korea, India
United States - Investigation on crystalline silicon photovoltaic cells	Japan, Singapore, Malaysia

Source: WTO Secretariat.

3.106. Additional concerns were raised at the 25 April 2022 meeting on: (i) Ukraine's ability to conduct safeguard investigations, with certain deadlines in ongoing proceedings already lapsed without the respective actions having taken place, and many more deadlines were likely to be missed in the future (raised by Ukraine); (ii) disruptions in international trade caused by unilateral measures adopted against the Russian Federation (raised by the Russian Federation); (iii) WTO-inconsistency of the latest modification of the safeguard measure on certain steel products by the European Union (see also the table above) adjusting the tariff rate quota to reflect the fact that it had banned the imports of steel products originating in the Russian Federation and Belarus (raised by the Russian Federation); (iv) WTO-inconsistency of the latest notification of the safeguard measure on certain steel products by the United Kingdom (see also the table above) informing that it has initiated a process to review the safeguard measure in light of the trade measures it has imposed on imports from the Russian Federation and Belarus (raised by the Russian Federation).

3.107. At the meetings of the *Trade-Related Investment Measures (TRIMs) Committee* on 12 October 2021 and 23 March 2022⁶⁴, new or returning issues were raised, as per Table 3.23.

Table 3.23 Concerns raised at the TRIMs Committee

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

b WTO document G/TRIMS/Q/IDN/9, 28 September 2021.

c WTO document G/TRIMS/Q/IDN/10, 28 September 2021.

d WTO document G/TRIMS/Q/IND/1, 28 September 2021.

e 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; G/TRIMS/Q/RUS/10, 2 September 2020; and G/TRIMS/Q/RUS/11, 22 March 2022.

Source: WTO Secretariat.

⁶⁴ WTO documents G/TRIMS/M/50, 2 December 2021 and TRIMS/M/51, 25 April 2022.

3.108. At the meeting of the *Working Party on State Trade Enterprises* (STEs) of 13 May 2022⁶⁵, trade concerns were raised on: (i) information described as "not available" in the recent STE notification of China (raised by the United States); (ii) the nature of the activities of Malaysia's STE Padiberas Nasional Berhad relating to the importation of rice (raised by the European Union); (iii) Australia's decision to continue maintaining a monopoly for the export of rice from the state of New South Wales (raised by the European Union); (iv) whether India should also notify Vijaya Dairy, located in the State of Telangana, as an STE (raised by the European Union); (v) India's decision not to identify any STE for pulses in its notifications submitted in 2019 (raised by Australia); (vi) the continued non-notification of STEs by the Russian Federation (raised by European Union, United Kingdom and United States); (vii) and the low level of compliance with notification obligations (raised by European Union, Japan, United Kingdom and United States).

3.109. At the meetings of the *Council for Trade in Services* (CTS) held on 22 October 2021⁶⁶ and 11 March 2022⁶⁷, 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 United States regarding Chinese service suppliers (raised by China); (iv) measures of India regarding Chinese services and service suppliers (raised by China); (v) measures by the Kingdom of Saudi Arabia on localisation of customer services (raised by the United States). At the October meeting, concerns were also repeated about measures of the Russian Federation requiring software pre-installation (raised by the United States), and, at that occasion, the European Union also raised a concern about a measure of the Russian Federation related to Russian software.

3.110. At the meeting of the *Committee on Trade and Development* (CTD) held on 10 November 2021⁶⁸, the delegation of Chad, on behalf of the LDC Group, noted that the COVID-19 pandemic had caused LDCs' exports of goods and services in 2020 to decline by more than the exports of the rest of the world. This export decrease had left LDCs with very few options in terms of the budgetary requirements needed for economic stimulus. At the CTD meeting of 25 March 2022⁶⁹, several delegations expressed concern with the economic, trade and humanitarian impact of the war in Ukraine. Discussion took place on a communication from India and South Africa titled "Global Electronic Commerce for Inclusive Development"⁷⁰, which states, *inter alia*, that the digital divide between developed and developing countries is a matter of considerable concern, and that the existing e-commerce moratorium on electronic transmissions limits the ability of developing countries to impose tariffs on the growing imports of electronic transmissions.

3.111. At the meeting of the CTD's Dedicated Session on Small Economies of 19 October 2021⁷¹, several members of the SVE Group pointed to the negative impact of the COVID-19 pandemic on small economies. The Committee agreed to a draft text, submitted by the SVE Group, for a Ministerial Decision at MC12 on the Work Programme on Small Economies which, *inter alia*, calls for work to be undertaken on "integrating small economies into the post COVID-19 economy: effects of the pandemic, challenges and opportunities". At the meeting of the Dedicated Session held on 20 May 2022⁷², the Committee agreed to a proposed outline, submitted by the SVE Group, of a background document to be prepared by the Secretariat on this topic.⁷³

3.112. The above Section provides evidence of the numerous trade concerns raised in the various WTO bodies between mid-October 2021 and mid-May 2022. For most of the review period, WTO Committees and Councils continued to hold meetings in hybrid format due to COVID-19 restrictions. At many of these meetings, reference was also made to the war in Ukraine in various statements under several agenda items. 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. The decision to raise a trade concern is systemically important because it brings added transparency. In addition, it demonstrates that Members are utilizing the WTO Committees

⁶⁵ WTO document G/STR/M/40 forthcoming.

⁶⁶ WTO document S/C/M/147, 19 November 2021.

⁶⁷ WTO document S/C/M/148, 14 April 2022.

⁶⁸ WTO document WT/COMTD/M/116, 15 December 2021.

⁶⁹ WTO document WT/COMTD/M/117 (forthcoming).

⁷⁰ WTO document WT/COMTD/W/264, 9 November 2021.

⁷¹ WTO document WT/COMTD/SE/M/42, 24 November 2021.

⁷² WTO document WT/COMTD/SE/M/43 (forthcoming).

⁷³ WTO document WT/COMTD/SE/W/44, 22 April 2022.

to engage trading partners on real or potential areas of trade friction or, as has been witness during the latter part of the review period, more general issues of concern.

3.113. As has been reiterated in previous Reports, a source of concern remains the repetition and non-resolution of the same trade concerns and issues in various WTO bodies. The Secretariat will continue to closely monitor developments in this area.

3.6 Policy developments in agriculture

3.114. 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 and on matters raised under Article 18.6 of the AoA (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. Additionally, the CoA takes up other matters, including the follow-up to the Marrakesh Decision on Least-developed and Net Food-Importing Developing countries (NFIDCs). Since 2020, the Committee has also hosted discussions on "COVID-19 and Agriculture" to collectively review the impact of the pandemic on global agriculture and food systems and to monitor governments' policy responses to address its effects and aftershocks.

3.115. During the period under review, the CoA held one regular meeting, on 15-16 March 2022 (100th CoA meeting). In that meeting, Members posed 141 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 43% of those related to domestic support policies and 30% on policies affecting market access. Around 15% of SIMs concerned matters related to export prohibitions and restrictions on foodstuffs and the remaining 12% of SIMs related to matters under the export competition pillar and other issues. Rising global food prices in the background of the ongoing COVID-19 pandemic, the war in Ukraine and the associated food security implications especially for the Least-developed and Net Food-Importing Developing countries (NFIDCs) formed part of the debate at the March 2022 meeting.

3.116. In total, 15 Members raised 58 questions on 47 SIMs in the March 2022 meeting.⁷⁴ 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.

3.117. Out of the 47 SIMs raised in the CoA during the period under review, 23 were discussed for the first time. Of these, around 43% related to domestic support programmes, 22% to market access issues, 22% concerned policies prohibiting or restricting exports of foodstuffs, and the remaining 13% concerned export competition and other issues.

3.118. In the domestic support pillar, Members sought clarification on support policies targeting specific sectors or products, including dairy (India's dairy Sahakar scheme), livestock (Canada's herd management and drought assistance programme and Canada's support to the pork industry), vegetables (Canada's support to Prince Edward Island potato producers), and biofuels (United States subsidies for biofuels from agricultural products). There were also questions raised on domestic support policies with a wider sectoral scope applied by five Members (Canada's support for the Next Gen Agriculture Mentorship programme, European Union's agricultural policies funded by national resources, India's increased budget for subsidy support for the use of fertilizers by farmers, the United States' Market Facilitation Programme, and Russian Federation's compensation to farmers).

3.119. SIMs in the area of market access targeted measures that restricted, or had the potential to restrict, trade in agricultural products, including coffee (Philippine's SSG application on instant coffee), rice (Malaysia's rice import system), and mung beans (India's mung beans import restrictions). Two SIMs related to potential market access implications of specific policies related to environmental objectives (Australia's ethanol tax and the UK's forest risk commodities provisions).

3.120. Five SIMs related to measures restricting or prohibiting exports of agricultural products, including palm oil (Indonesia's palm oil export restrictions), cereals (Guyana's prohibition of rice exports and Argentina's export restrictions of wheat), and multiple agricultural products

⁷⁴ Argentina, Australia, Brazil, Canada, European Union, India, Indonesia, Japan, New Zealand, Paraguay, Russian Federation, Thailand, United Kingdom, United States and Uruguay.

(Kazakhstan's quantitative export restrictions on agricultural products and Türkiye's export restrictions on agricultural products).

3.121. Three SIMs sought further information and clarification on policies that potentially subsidized exports of agricultural products (Oman's Vision 2020 plan, Türkiye's freight support and the United States partnership to ease port congestion and restore disrupted shipping services to US growing agricultural commodities).

3.122. A total of 24 SIMs that were discussed during the period under review were a follow-up to matters raised in previous Committee meetings. Some of these matters have been raised multiple times in the CoA. For example, there are five SIMs that have been raised between 9 and 19 times in different CoA meetings attracting as many as 65 questions (Canada's new milk ingredient class- raised 19 times, Canada's dairy policies- raised 18 times, India's pulses policies- raised 16 times, Mongolia's quota regime for importation- raised 13 times, and India's skim milk powder export subsidies- raised 9 times). Similarly, matters related to Canada's review of its TRQ system, Canada's compensation for farmers after trade concessions, EU's environmental policies, India's public stockpiling, and Nigeria's import prohibitions on certain agricultural products and use of reference prices for customs valuation purposes have figured in the Committee's agenda on seven different occasions. Other agricultural policies of Angola, Argentina, China, Cote d'Ivoire, European Union, Russian Federation, South Africa, and the United States were also the subject of repeated concerns under Article 18.6.

3.123. All 47 SIMs (new and repeated), including questions, answers and follow-up comments can be accessed through the Agriculture Information Management System (AG IMS).⁷⁵

3.124. Regarding steps taken by Members to implement the December 2015 Nairobi Ministerial Decision on Export Competition, out of the 16 Members with positive export subsidy commitment levels in their schedules at the time of adoption of the Decision, 13 have had their revised export subsidy schedules certified (Australia, Brazil, Colombia, Iceland, Indonesia, Israel, Mexico, Norway, South Africa, Switzerland, Türkiye, the United States and Uruguay); two (Canada and the European Union) circulated their draft revised schedules, which are pending for certification; and one Member still has to circulate its revised draft schedule (the Bolivarian Republic of Venezuela).

COVID-19 pandemic

3.125. At a special meeting of the Committee on Agriculture held on 18 June 2020, Members agreed to include "COVID-19 and Agriculture" as a standing item on the agenda of future CoA meetings and to also invite Observer International Organizations to contribute to the debate. The March 2022 meeting included discussions under this agenda item and provided Members with an opportunity to engage in a holistic discussion on the pandemic and the serious disruptions it has caused to the food and agriculture systems globally. Members monitored COVID-19 agricultural measures taken in response to the pandemic, including based on *ad hoc* reports. During the period under review no *ad hoc* reports were submitted by Members. A compilation of previous *ad hoc* reports of COVID-19 agricultural measures submitted to the CoA can be found under G/AG/W/209/Rev.1. Members also used the standard review process of the CoA to raise matters related to the COVID-19 governmental policy responses in the agricultural sector.

3.126. Observer International Organizations contributed to discussions under the agenda item on COVID-19 and agriculture. The OECD⁷⁶, the World Food Programme (WFP)⁷⁷, and the Food and Agriculture organization of the United Nations (FAO)⁷⁸ submitted reports to the CoA meeting outlining their work, and analysis, in relation to the pandemic. The OECD stated in its report that the onset of the COVID-19 pandemic in early 2020 had led to containment measures that resulted in a profound economic shock. However, the OECD also reported that governments had moved swiftly to keep agricultural supply chains functioning, including by designating agriculture and food as an essential sector and implementing nearly 800 measures across 54 countries in response to the pandemic. These policies had been generally successful in maintaining the overall functioning of food supply chains, albeit within an overall structure of agricultural support programmes that showed little change. The FAO underscored that global hunger had already worsened in 2020 under the COVID-19 pandemic, with estimates ranging from 70 to 161 million more people facing hunger. The

⁷⁵ By selecting the function "Search Q&A Submitted Since 1995" on the AG IMS (<http://agims.wto.org/>) and inputting meeting number 100 in the search criteria.

⁷⁶ WTO document G/AG/GEN/194, 3 March 2022.

⁷⁷ WTO document G/AG/GEN/195, 3 March 2022.

⁷⁸ WTO document G/AG/GEN/199/Rev.1, 14 March 2022.

FAO also noted, however, that the efforts of governments and other agricultural stakeholders worldwide to keep agricultural markets open and agri-food trade flowing smoothly had contributed to remarkably resilient agricultural commodity markets. The WFP in its report stated that global and national economies were still grappling with the downfall resulting from the COVID-19 pandemic. The WFP highlighted that high food prices and low household purchasing power were major economic concerns for further increasing acute food insecurity. In parallel, the costs to deliver assistance by the WFP had increased due to higher procurement and shipping prices. In this regard, the WFP welcomed any measure adopted by WTO Members to facilitate smooth movement of WFP's humanitarian food assistance and referred to the commitment made by over 80 WTO Members in January 2021 not to impose export restrictions on foodstuffs purchased for non-commercial humanitarian purposes by the WFP.

Developments in the context of the war in Ukraine

3.127. Global food market developments in the the context of the war in Ukraine and the associated implications for food security worldwide dominated the discussions on the annual follow-up to the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least developed and net food-importing developing countries (the NFIDC Decision) conducted at the March 2022 meeting of the Committee. Observer International Organizations also contributed to the debate. FAO's report⁷⁹ provided a detailed overview of the current global market situation and international price trends for major food commodities. The report stated that the FAO Food Price Index (FFPI) averaged 140.7 points in February 2022 representing a new all-time high (in nominal terms). FAO's report highlighted that the conflict had the potential to exacerbate a situation of already rising international food prices, by disrupting grain supplies from a key source of imports for many NFIDCs.

3.128. The International Grains Council (IGC) in its report⁸⁰ on the global grains and oilseeds market stated that IGC Grains and Oilseeds Index (GOI) spiked by 13%, touching its highest in its 22-year history, as the war in Ukraine sparked massive gains across grain and oilseed markets fuelling concerns about potential food security risks, especially in import-dependent countries in Near East Asia and Africa. Concerns on rising international food prices, growing food import bills and the resulting food security challenges for least-developed and net-food importing developing countries were also expressed by the FAO. Strong calls were made to keep food supply chains open, be transparent, and to resist from adopting measures which could further aggravate global food security challenges.

Export restrictions

3.129. Some of the measures put in place by Members in response to the COVID-19 pandemic and the conflict included restriction or prohibition on exports of 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. Based on the agreed notification requirements and formats established by the Committee on Agriculture, 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 which is a net-food exporter of the specific foodstuff concerned.

3.130. In the period under review, there were eight ER:1 notifications submitted to the CoA, of these one notification from Kazakhstan was attributed to the COVID-19 pandemic covering sunflower seeds and oil⁸¹; and two notified measures respectively from the European Union covering cereals⁸²

⁷⁹ WTO document G/AG/GEN/198 and corrigendum, 11 and 14 March 2022.

⁸⁰ WTO document G/AG/GEN/197/Add.1, 23 March 2022.

⁸¹ WTO document G/AG/N/KAZ/15, 27 April 2022.

⁸² WTO document G/AG/N/EU/77, 13 April 2022.

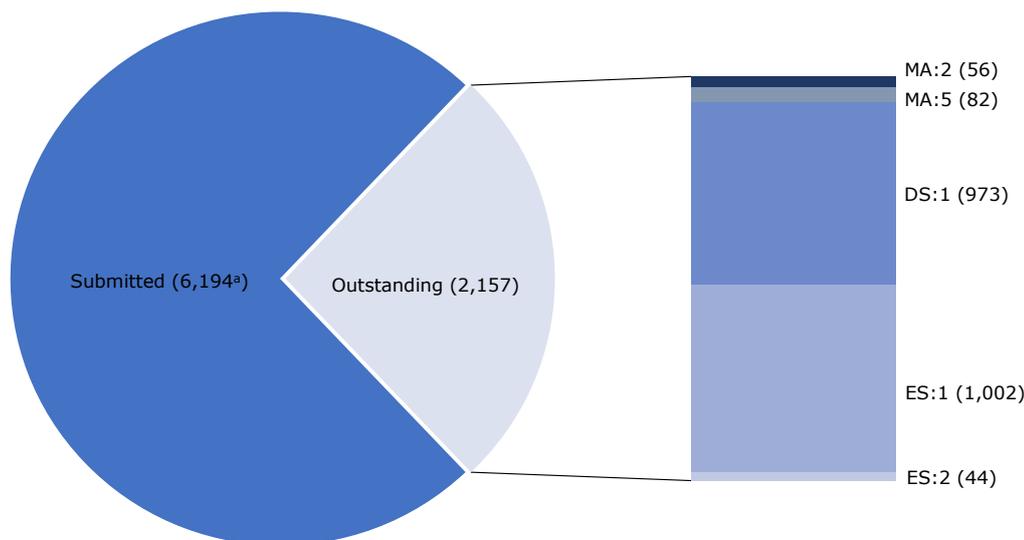
and Kazakhstan on wheat and meslin, wheat or meslin flour⁸³, were attributed to the disruption of grain supplies from the Black Sea region.

Transparency of trade policies in agriculture

3.131. The CoA continued its review of the implementation of Members' commitments under the AoA primarily on the basis of notifications submitted by Members. Twelve distinct notification requirements are applicable in the domain of agriculture, covering the following areas: 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. Out of the 12 notification requirements, the following 5 are "regular" or "annual" notification requirements: (i) imports under tariff and other quotas (MA:2); (ii) special SGs (MA:5); (iii) domestic support (DS:1); (iv) export subsidies (ES:1); and (v) total exports (ES:2).⁸⁴

3.132. At each meeting, the Committee reviews Members' compliance with their notification requirements under the AoA based on a background document prepared by the Secretariat. The latest revision⁸⁵ considered by the CoA at its March 2022 meeting showed that for the period 1995-2020, there were a total of 2,157 outstanding regular notifications which represented around 26% of expected notifications.⁸⁶ Out of the five annual notification requirements, Domestic Support (DS:1) and Export Subsidy (ES:1) notifications have the highest number of outstanding notifications with 35% (973 notifications) and 32% (1,002 notifications) of notifications pending, respectively (Chart 3.15).

Chart 3.15 Outstanding notifications per type of notification requirement, 1995-2022



a This number represents the count of reported years and does not necessarily match the number of notifications submitted since some notifications covered more than one year.

Source: WTO document G/AG/GEN/86/Rev.44, 2 March 2022.

3.133. More than 6,000 questions were raised in connection with individual notifications under the CoA review process in the period 1995-2022 (up until 15 May 2022). 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,

⁸³ WTO document G/AG/N/KAZ/19, 27 April 2022.

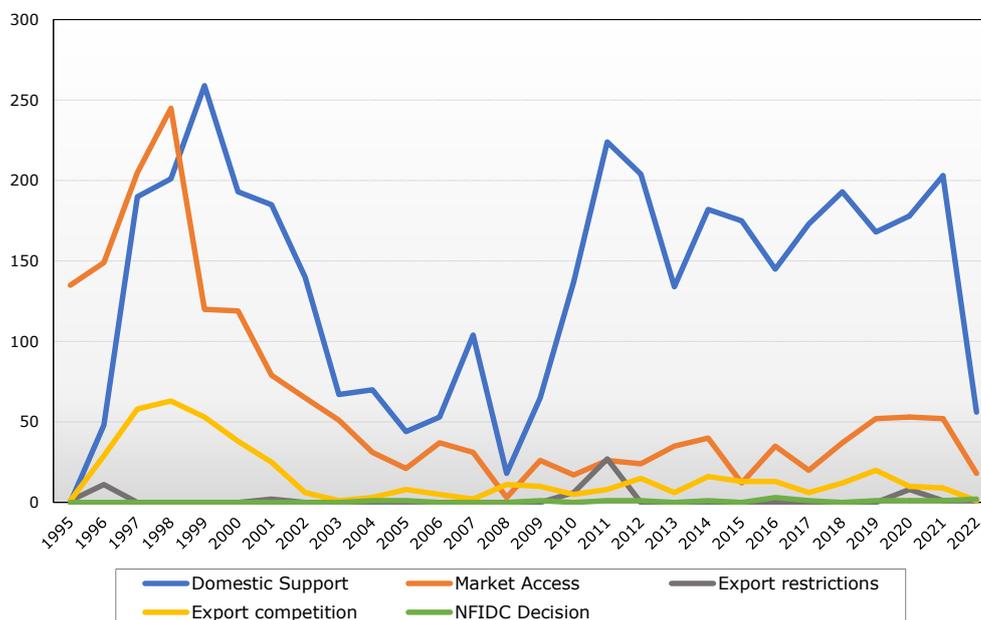
⁸⁴ Annual notifications are required to be submitted no later than a certain number of days following the end of the year in question, in accordance with the deadlines set out in the Committee's Notification Requirements and Formats in G/AG/2.

⁸⁵ WTO document G/AG/GEN/86/Rev.44, 2 March 2022.

⁸⁶ "Ad hoc" notification obligations applicable only upon maintenance of a specific measure (e.g. Table ER:1 required upon the application of export restrictions) as well as the annual notifications where it was not possible to determine *a priori* whether the concerned notification requirement would be applicable (e.g. Table NF:1 applicable to donor Members only) are excluded.

representing between 70% and 80% of all the questions raised in the CoA concerning individual notifications (Chart 3.16).

Chart 3.16 Questions raised on individual notifications, per topic per year, 1995-2022



Source: WTO Secretariat.

3.134. From 15 October 2021 to 15 May 2021, Members submitted 187 notifications (including addenda and corrigenda). A total of 78 questions were posed concerning individual notifications at the CoA meeting that took place during this period. In line with the historical trend, most of the questions related to domestic support notifications (71%), with the notifications from Israel, India, Indonesia and the United States being subject to an extensive review based on multiple questions from other Members. A total of 5 questions addressed overdue notifications from Canada, the European Union, Morocco and Türkiye.

3.135. The following box provides some perspectives on global food security issues.

Box 3.2 Global food security – some perspectives

The Black Sea region is of tremendous importance to global food security. In the 1990s, following the break-up of the Soviet Union, the region was a net importer of grain. Today, the Russian Federation and Ukraine account for 12% of the total calories traded in international markets. They are amongst the top five global exporters of many cereals and oilseeds, including wheat, barley, sunflower, and maize. Likewise, many importing countries strongly depend on the Black Sea region for their food security. North Africa and the Middle East import over 50% of their cereal needs from the two countries. Ukraine is also an important supplier of maize to the European Union and China. Fertilizer is an equally important area of international trade and is vital to global food security, with the Russian Federation accounting for 15% of global trade in nitrogenous fertilizer and 17% of trade in potash. Belarus accounts for an additional 16% of trade in potash. The impact of the conflict in the Black Sea region therefore poses serious risks to global food security.^a

The consequences of the conflict between the Russian Federation and Ukraine, as with every recent crisis, has been a wave of trade restrictive measures (at least initially), higher food prices, and higher freight costs. At the G7 Extraordinary Meeting of Agricultural Ministers of 11 March 2022 in Berlin^b, the G7 called on all countries to keep their food and agricultural markets open and to guard against any unjustified restrictive measures on exports. Immediately following the onset of the war, Ukraine too applied certain food export restrictions. The G7 declared that it recognized the extreme circumstances behind the export restrictions of Ukraine, and the vital importance of preserving the availability of food in the country.

The ongoing conflict, has resulted in, several food export bans, export licensing requirements, and compulsory domestic sales requirements that have come into force across a range of different countries and continents (from Moldova to Lebanon and Indonesia, by way of example). It has also seen movements in strategic food and fertilizer reserves, either to boost them or to order their release.

The total amount of exports affected by trade restrictions currently represent about 17% of total calories traded in the world, demonstrating the serious risk posed to global food security. Five agricultural products that account for almost 90% of imported calories are currently affected by the export restrictions: wheat

(31% of total imported calories affected), palm oil (29%), corn (12%), sunflower oil (11%) and soybean oil (6%).^c In fact, the Agriculture Market Information System (AMIS) has stated that export restrictions are of increasing concern and that they are expected to "further exacerbate price volatility and jeopardize global supplies."^d

Worsening an already challenging post-COVID outlook, the conflict has led global wheat prices to rise to a 10-year high. Wheat is now trading at USD 523/tonne, and the world is witnessing a surge in wheat future contracts of over 50%. Egypt, the world's largest wheat importing country could see a rise in its food import bill from USD 3 billion to USD 6 billion soon.^e A situation which the Egyptian government is trying to mitigate with various precautionary measures. Just recently, the World Food Programme (WFP) informed the WTO of the dramatic impact of the current situation on its cost of doing business, indicating that its procurement costs have now risen by 30% relative to 2019.^f

While fertilizer prices were already high, the war in Ukraine has pushed prices up further, potentially affecting food output in different parts of the world beyond 2022. Export restrictions and licensing requirements for fertilizer were implemented in the Republic of Korea, China, the Kyrgyz Republic, the Russian Federation, and Ukraine, and have contributed to higher fertilizer and food prices globally. These export restrictions are having serious impacts on several vulnerable countries: Mongolia has seen 98% of its fertilizer supply restricted, Nicaragua 80%, Ecuador 74%, Cote d'Ivoire 63%, Cameroon 60%, and Azerbaijan 43%, among others.^g

In a Joint Statement issued on 12 April of this year, the heads of the WTO, World Bank Group, and the IMF called "on the international community to urgently support vulnerable countries through coordinated actions ranging from provision of emergency food supplies, financial support, increased agricultural production, and open trade."^h The United Nations Secretary General also established the Global Crisis Response Group (GCRG)ⁱ to help decision makers develop solutions, strategies and recommendations to help all countries, weather the crisis. The WTO Secretariat has been an active participant in the food and fertilizer workstreams of the GCRG. Preliminary analysis of the Group suggests that as many as 1.7 billion people in 107 economies are exposed to at least one of three risks – food, energy, and finance due to the conflict.

On 13 April of this year, the GCRG issued Brief No. 1, Global Impact of War in Ukraine on Food, Energy and Finance Systems^j, urging countries to keep their food markets open and to cease trade restrictions and export bans to maintain international trade in food and fertilizers and domestic and global demand. The Brief made two recommendations specific to the WTO. It urged WTO Members to consider strengthening the obligation to provide advance notice prior to imposing export restrictions on food, so that importing countries have more time to adjust; and to consider exempting the purchases of food by WFP for humanitarian assistance from food export restrictions with immediate effect as of MC12.

a Viewed at: <https://www.ifpri.org/blog/bad-worse-how-export-restrictions-exacerbate-global-food-security>.

b Viewed at: <https://www.fas.usda.gov/sites/default/files/2022-03/g7-extraordinary-meeting-statement.pdf>.

c Viewed at: <https://www.ifpri.org/blog/bad-worse-how-export-restrictions-exacerbate-global-food-security>.

d Viewed at: <http://www.amis-outlook.org/amis-monitoring/monthly-report/en/#.YnvGFoxBxPY>.

e Viewed at: <https://www.ifpri.org/blog/russia-ukraine-crisis-poses-serious-food-security-threat-egypt><http://www.amis-outlook.org/amis-monitoring/monthly-report/en/#.YnvGFoxBxPY>.

f WTO document G/AG/GEN/195, 3 March 2022 "COVID-19 and Agriculture", Submission by the WFP.

g Viewed at: <https://www.ifpri.org/blog/high-fertilizer-prices-contribute-rising-global-food-security-concerns>.

h Viewed at: <https://www.worldbank.org/en/news/statement/2022/04/13/joint-statement-the-heads-of-the-world-bank-group-imf-wfp-and-wto-call-for-urgent-coordinated-action-on-food-security>.

i Viewed at: <https://news.un.org/pages/global-crisis-response-group/>.

j Viewed at: <https://news.un.org/pages/wp-content/uploads/2022/04/UN-GCRG-Brief-1.pdf>.

Source: WTO Secretariat.

3.7 General economic support

3.136. At the 9 December 2021 TPRB meeting dedicated to discussing the Director-General's Annual Overview of Developments in the International Trading Environment⁸⁷, WTO Members engaged in a comprehensive and constructive exchange of views. Introducing her Report to the meeting, the Director-General underlined the value of the Trade Monitoring exercise, a multilateral and cross-cutting transparency exercise. In the context of trade responses to the COVID-19 pandemic, several delegations expressed their strong support for the WTO Trade Monitoring exercise as a platform for transparency and predictability.

3.137. 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

⁸⁷ WTO document WT/TPR/OV/24, 22 November 2021.

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.

3.138. Recent TPRB meetings have 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. Several Members welcomed the online COVID-19 support measures list⁸⁸ 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)

3.139. In response to Director-General's 7 March 2022 request for information for this Trade Monitoring Report, 35 WTO Members (Bangladesh; Brazil; Colombia; Costa Rica; European Union⁸⁹; Hong-Kong, China; India and Türkiye) volunteered information on 22 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.

3.140. During the review period, regular support measures communicated by WTO Members and those identified by the Secretariat, included several measures to support farmers and the agricultural sector, including incentives to strengthening sustainable development and natural-based elements or technologies that increase agricultural productivity. Other measures included draw-back regimes and assistance to exporting businesses, including reductions or cancelation of fees in customs statements to empowering local industries' exports and credit guarantee schemes. Some 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. Other measures included green incentives, such as aid schemes relating to renewable sources of energy or transition funds to the automotive sector aiming zero emissions automotive supply chains and increased production of electric vehicles.

3.141. Several of these economic support 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

3.142. In response to Director-General's 7 March 2022 request for information 43 Members⁹⁰ volunteered some additional 59 COVID-19-related support measures to the Secretariat.

3.143. Since the beginning of the pandemic, at least 1,727 COVID-19-related economic support measures have been put in place by 112 Members and 7 Observers.⁹¹ Of these, as at 30 May 2022, 1,083 (63%) 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.

3.144. 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. The COVID-19-related support measures came in 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

⁸⁸ WTO, *COVID-19: Support Measures*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/trade_related_support_measures_e.htm.

⁸⁹ Counting the EU (27) and its members separately.

⁹⁰ Albania; Australia; Bangladesh; Belize; European Union (counting the EU (27) and its members separately); Honduras; Hong Kong, China; Indonesia; Korea, Republic of; Myanmar; Nepal; Philippines; Kingdom of Saudi Arabia; Thailand; Türkiye; and United Kingdom.

⁹¹ Azerbaijan, Belarus, Equatorial Guinea, Ethiopia, Iraq, Lebanon and Serbia.

put in place by governments in response to the COVID-19 pandemic included measures implemented by Central Banks.

3.145. COVID-19-related support measures generally appear to be temporary in nature. Although the vast majority of measures were implemented in 2020, more than 400 were announced or implemented in 2021 and more than 80 in 2022. Some of the measures implemented in the early stages of the pandemic were extended in 2021 and some in 2022, but overall, the flow of new COVID-19-related support measures has slowed significantly since in the second half of 2021. Some of these measures formed 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 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.

3.146. 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 473 bilateral and multilateral assistance⁹² measures that were received during the review period by 122 Members and Observers to address the COVID-19 crisis. Half of those related to vaccination roll outs and bilateral vaccine donations while 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.

Development in the context of the war in Ukraine

3.147. The Secretariat has identified, since 24 February 2022, a large and growing number of support measures announced or put in place by Members in response to the conflict between the Russian Federation and Ukraine aimed at cushioning the economic blow from rising fuel and raw material prices, and food shortages.

3.148. Several support measures consisted of specific funds or support packages to ensure food reserves for food security purposes, to support food production in the agricultural sector, to encourage farmers to plant additional crops, to mitigate rising food prices and soaring input costs and to help farmers overcome an acute liquidity crisis caused by high inflation and rising energy prices. Some programs granted additional flexibility to farmers in terms of tax deadlines or provided sector specific state-guaranteed loans and subsidies. Support packages were put in place to help farmers and businesses reduce the burden of high fuel and energy prices. Finally, subsidies on fertilisers often featured as part of broader food security programs.

3.149. The conflict-related economic support measures identified so far, range from modest, but very targeted programs from around USD 1 million, to more than USD 500 million support programs of a broader nature. Compared to the COVID-19-related support measures, the conflict-related support measures are few and their overall monetary value relatively modest. This is an area which will require further monitoring in the context of a longer conflict and its negative effects on world food markets. In addition, growing inflationary pressures will likely put this sort of support further under scrutiny.

3.150. The above subsections have captured activities in regular, COVID-19-related and conflict-related economic support measures for the period between mid-October 2021 and mid-May 2022. Governments around the world have faced multiple crises during the review period, with the COVID-19 pandemic, the war in Ukraine, growing inflation and food shortages. Certainly, the economic support provided to address the social and economic impacts of the pandemic was major and unprecedented, in terms of number and variety of support measures. Although some of the COVID-19 support measures implemented in the early stages of the pandemic were extended in 2021 and 2022, overall, the flow of new COVID-19-related support measures has slowed significantly since in the second half of 2021.

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

3.8 Other selected trade policy developments

3.151. The following Section provides a brief overview of the other selected trade policy issues where important developments took place during the review period.

3.152. On 17 June, WTO Members successfully concluded the 12th Ministerial Conference (MC12) in Geneva with negotiated outcomes on a series of key trade initiatives which contains unprecedented decisions on fisheries subsidies, WTO response to health emergencies, including a patent waiver for COVID-19 vaccines, food security, and WTO reform. These and other issues addressed at MC12 will be covered in more detail in the end-year Trade Monitoring Reports. All documents related to the outcome of MC12 can be found on the WTO website.⁹³

Discussions at the General Council of developments in relation to COVID-19 and to the war in Ukraine

3.153. The General Council has seen WTO Members engage on COVID-19-related matters on several occasions during the review period. Delegations have also referred to the conflict between the Russian Federation and Ukraine as part of their statements under various other agenda items at regular meetings of the General Council – including on 24 February and on 9-10 May 2022, as well as at the special meeting of the General Council on 31 March 2022.⁹⁴

3.154. At the 22-23 November 2021, 23-24 February, and 9-10 May 2022 General Council meetings⁹⁵, the TRIPS Council Chair reported on the discussions on the proposed waiver on some TRIPS provisions by India, South Africa and other co-sponsors⁹⁶ in relation to the prevention, containment or treatment of COVID-19. At the May meeting, the TRIPS Council Chair noted that, on 3 May, a communication containing the outcome of informal discussions between a group of Ministers had been circulated for discussion in the TRIPS Council.⁹⁷

3.155. At the 22-23 November 2021 General Council meeting, the General Council Chair-appointed Facilitator delivered his final report on the multilateral process on the WTO response to the pandemic. Subsequently, the General Council Chair continued to facilitate the discussions among Members and reported on this work at the 23-24 February General Council meeting. The Facilitator provided a further update to the General Council meeting on 9-10 May. After the May General Council meeting, WTO documents JOB/GC/304, JOB/GC/305 and JOB/GC/306 were circulated on 13 May 2022.

3.156. At the 9-10 May 2022 General Council meeting⁹⁸, Brazil introduced its communication on Intellectual Property, Transfer of Technology and Capacity Building for COVID-19 and Beyond.⁹⁹

3.157. At the same meeting the United Kingdom, on behalf of the co-sponsors¹⁰⁰, made a statement on Open and Predictable Trade in Agricultural and Food Products.¹⁰¹ Under this item several delegations made reference to the conflict between the Russian Federation and Ukraine. At the same meeting, the Russian Federation presented its communication and made a statement on the Trade-Disruptive Practices of Certain Members and their Implications for the WTO.¹⁰² During the discussion, the following communications were also referred to by their respective co-sponsors: Joint statement on aggression by the Russian Federation against Ukraine with the support of Belarus¹⁰³; Joint

⁹³ WTO Ministerial Conference, MC12:

https://www.wto.org/english/thewto_e/minist_e/mc12_e/documents_e.htm.

⁹⁴ WTO documents WT/GC/M/196, 4 May 2022; WT/GC/M/198, forthcoming; and WT/GC/M/197, 5 May 2022.

⁹⁵ WTO documents WT/GC/M/194, 14 February 2022; WT/GC/M/196, 4 May 2022; and WT/GC/M/198, forthcoming.

⁹⁶ The co-sponsors of WTO document IP/C/W/669/Rev.1 and its addenda are the African Group, Argentina, Plurinational State of Bolivia, Egypt, Eswatini, Fiji, India, Indonesia, Jordan, Kenya, the LDC Group, Malaysia, Maldives, Mozambique, Mongolia, Namibia, Pakistan, South Africa, Vanuatu, Bolivarian Republic of Venezuela and Zimbabwe.

⁹⁷ WTO document IP/C/W/688, 3 May 2022.

⁹⁸ WTO document WT/GC/M/198, forthcoming.

⁹⁹ WTO document WT/GC/W/845, 28 April 2022.

¹⁰⁰ Albania; Australia; Canada; Chile; Costa Rica; European Union; Georgia; Iceland; Israel; Japan; Republic of Korea; Liechtenstein; Mexico; Republic of Moldova; Montenegro; New Zealand; North Macedonia; Norway; Paraguay; Singapore; Switzerland; Chinese Taipei; Ukraine; United Kingdom and United States.

¹⁰¹ WTO document WT/GC/248, 6 May 2022.

¹⁰² WTO document WT/GC/245, 16 March 2022.

¹⁰³ WTO document WT/GC/244, 15 March 2022.

statement regarding the application from Belarus for accession to the WTO¹⁰⁴; and a communication from the Russian Federation.¹⁰⁵

3.158. The MC12 Ministerial Declaration on the WTO Response to the COVID-19 pandemic and preparedness for future pandemics can be found in WTO document WT/MIN(22)/W/13, 10 June 2022.

Trade Facilitation

3.159. 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, 155 Members had domestically ratified the TFA and deposited their instruments of acceptance to the WTO, i.e. 94.5% of the WTO membership.

3.160. During the review period, 6 Members submitted notifications with their commitments under categories A, B and C. In the reporting period, the WTO's Trade Facilitation Agreement Facility (the Facility, or TFAF) ended the moratorium (imposed in October 2020) on the delivery of its technical assistance activities. This was enabled by the introduction of new transparency measures to support Members' visibility of technical assistance requests in October 2021. The new approach was formalised in March 2022 by the adoption in the WTO Committee on Trade Facilitation of a new governance framework, establishing, *inter alia*, the relationship between the committee and the Facility.¹⁰⁶ Since technical assistance activities restarted, four activities were requested by developing and LDC Members. These activities were delivered during the review period. In the same period the TFAF has administered one project preparation grant and launched applications for three more.

Trade and environment

3.161. The Committee on Trade and Environment (CTE) continued to focus its discussion on global multilateral issues around the intersection between trade and environmental policies, on circular economy and plastics and; trade and climate change.¹⁰⁷ Members also continued discussions on trade-related aspects of the EU Green Deal, including the plan to establish a Carbon Border Adjustment Mechanism and the proposal for new rules to curb EU-driven deforestation. Other briefings included topics such as the preparations for and results of COP26, the Agreement on Climate Change, Trade and Sustainability initiative, Fossil Fuels Subsidy Reform as well as sustainable supply chains. COVID-19 was a continuous theme raised by Members this year as well. 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.

3.162. The co-sponsors of the three environmental initiatives — the Trade and Environmental Sustainability Structured Discussions (TESSD¹⁰⁸), the Informal Dialogue on Plastics Pollution and Sustainable Plastics Trade (IDP¹⁰⁹), and Fossil Fuel Subsidy Reform (FFSR) — launched their respective Ministerial Statements at a joint event on 15 December 2021. Their shared objective is to put environmental concerns at the heart of future trade discussions, examining how trade and the WTO can play a constructive role in addressing climate change and environmental degradation. Based on its Ministerial Statement, the TESSD adopted a Work Plan for 2022, under which work is advanced in plenary meetings as well as informal working groups on (i) trade-related climate measures; (ii) environmental goods and services; (iii) circular economy and circularity; and (iv) subsidies. The IDP also adopted its 2022 Plan in February, organizing discussions in three workstreams to advance work on addressing plastics pollution through enhanced trade cooperation; (i) crosscutting issues; (ii) promoting trade to tackle plastic pollution; and (iii) circularity and reduction to tackle plastic pollution.

¹⁰⁴ WTO document WT/GC/246, 24 March 2022.

¹⁰⁵ WTO document WT/GC/247, 6 April 2022.

¹⁰⁶ WTO document [G/TFA/3](#), 5 April 2022.

¹⁰⁷ Annual Report 2021, WTO document WT/CTE/28/Rev.1, 22 November 2021; WTO document WT/CTE/M/73 (on the October 2021 CTE Meeting), 21 January 2022; WTO document WT/CTE/M/74 (on the February 2022 CTE Meeting), forthcoming.

¹⁰⁸ A dedicated webpage for the TESSD, viewed at:

https://www.wto.org/english/tratop_e/tessd_e/xtessd_e/tessd_e.htm

¹⁰⁹ A dedicated webpage for the IDP, viewed at:

https://www.wto.org/english/tratop_e/ppesp_e/xppesp_e/ppesp_e.htm

Regional trade agreements (RTAs)

3.163. During the review period, WTO Members notified eight RTAs (12 notifications) as compared to 51 RTAs (75 notifications) during the previous period mostly concluded by the United Kingdom following its withdrawal from the EU. Of these RTAs, six RTAs provided for trade liberalization in both goods and services and were notified under GATT Article XXIV and GATS Article V and two related to trade in goods only and were notified under GATT Article XXIV. In addition, the CRTA and the CTD received notifications of changes concerning five RTAs already notified.¹¹⁰

3.164. As at 15 May 2022, the total number of RTAs notified to the WTO, and to the GATT before it, and currently in force, amounted to 355 (185 covering goods and services, 168 goods only, and 2 services only). The WTO Secretariat has also identified and verified, through the respective parties, 59 RTAs that are in force, but have not yet been notified to the WTO.¹¹¹

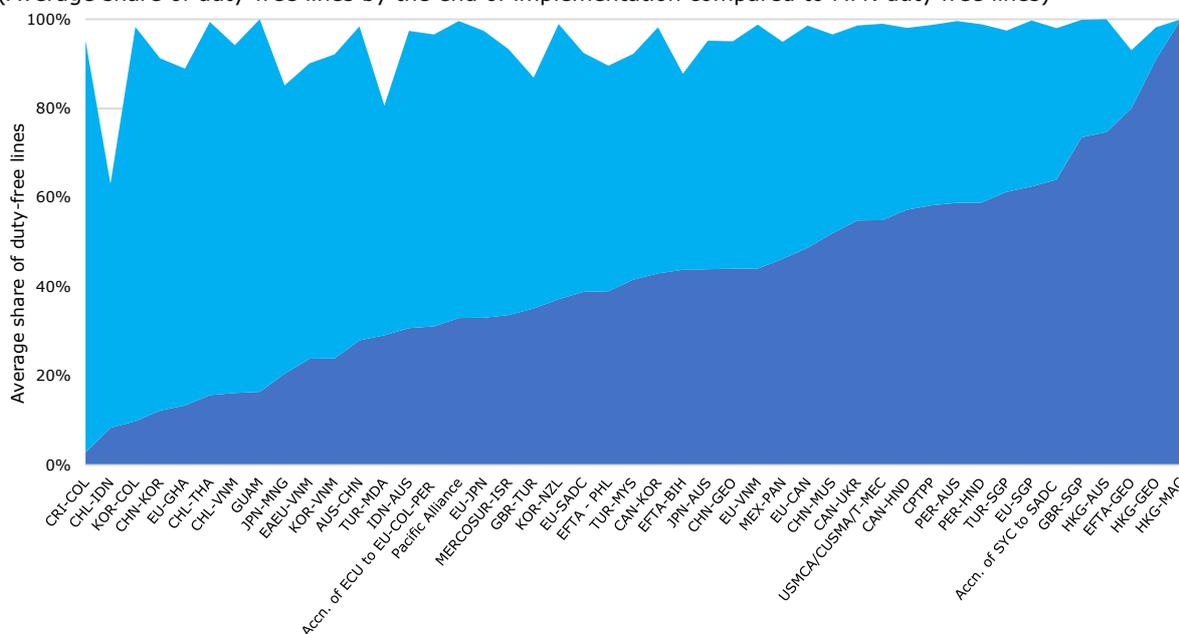
3.165. Based on notifications, RTA activity remains strongest in Europe (26% of RTAs in force), with successive EU enlargements, United Kingdom's new agreements following its withdrawal from the EU and agreements with countries in Eastern Europe and around the Mediterranean basin, as well as RTAs notified by EFTA; this is followed by East Asia (16%) and South America (11%).

3.166. WTO Members with most RTAs in force are the European Union, United Kingdom, EFTA States, and Chile, with over 30 RTAs in force each, followed by Singapore, Türkiye, Mexico, and Peru, with more than 20 RTAs in force each. Other developing countries also have several RTAs in force, such as India, Panama, and Republic of Korea.

3.167. Improved market access has been one of the key objectives of RTAs, initially in trade in goods and more recently in trade in services. Regarding trade in goods, Chart 3.17 shows the additional liberalization commitments that Members have made in their RTAs notified to the WTO since 2015, once fully implemented. While implementation periods may be long, in some cases over 25 years, RTAs notified during this period commit to liberalize between 65% and 100% of tariffs between RTA partners at the end of implementation of these RTAs.

Chart 3.17 Additional tariff liberalization commitments in RTAs

(Average share of duty-free lines by the end of implementation compared to MFN duty free lines)



Note: Agreements notified between 2015 and 2021 excluding Agreements under the Enabling clause and Customs union. Updated up to the 102nd CRTA session as of March 2022.

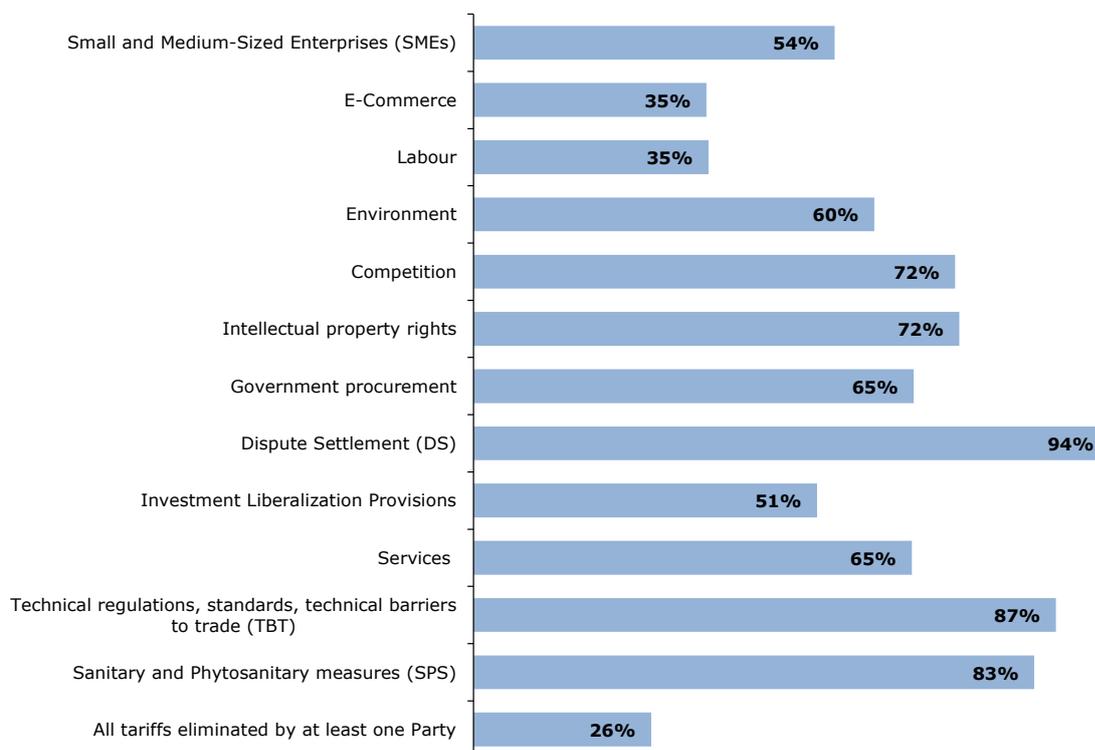
Source: WTO RTA database.

¹¹⁰ The WTO RTA Database (viewed at: <http://rtais.wto.org>) provides updated information on all RTA notifications submitted by WTO Members.

¹¹¹ WTO document WT/REG/W/165, 18 March 2022.

3.168. Over the years, RTAs have become more complex, and many currently include provisions that go beyond market access in goods and services. Of 341 RTAs (out of 355) 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 SPS measures. Other provisions include intellectual property rights and government procurement. More recent RTAs also include provisions in areas with few or no WTO rules, such as competition, environment, labour, and SMEs (Chart 3.18).

Chart 3.18 Key provisions in RTAs



Note: Figures are based on 341 (out of 355) RTAs notified to the WTO and currently in force.

Source: WTO Secretariat.

Government procurement

3.169. The plurilateral WTO Agreement on Government Procurement 2012 (GPA 2012) is an important instrument for keeping GPA Parties' government procurement markets open and safeguarding good governance in their government procurement markets. Currently, the Agreement has 21 Parties, covering 48 WTO Members.¹¹² Thirty-five WTO Members/Observers and four International Organizations participate as Observers in the Committee on Government Procurement (CGP). In late 2021, the Kingdom of Bahrain announced at the WTO that it would seriously consider the possibility of joining the GPA 2012, subject to conformity with national legislation and practices. Significant progress was also made on the GPA 2012 accession of Brazil, the first Latin American economy to have initiated this process.

Trade finance

3.170. Trade financing has been sensitive to the environmental, public health, global security challenges facing the world economy). Access to trade finance by many low-income countries has become more difficult since the beginning of the pandemic as international banks withdrew their credit and confirmation lines, and sovereign ratings deteriorated. Multilateral development banks (MDBs) have had to step in to facilitate the flow of essential food and medical supplies to the poorest countries. The cumulated amount of trade transactions supported in 2020 and 2021 is estimated to

¹¹² The European Union and its 27 member States are covered by the Agreement as one Party.

be in the order of USD 30-35 billion a year, higher than during the global financial crisis (USD 20 billion a year).

3.171. Although the risk appetite of international lenders improved for middle-income countries with the recovery of trade in 2021, MDBs continued to face an excess demand for trade finance facilitation (guaranteeing the payment risk) in low-income countries, particularly from countries which have not seen their sovereign rating improve, countries experiencing high and/or growing macroeconomic vulnerabilities, and net food importing poor countries in the face of an increasing food and energy bill. While financial sanctions arising from the war in Ukraine have to a large extent excluded trade in food products, practical difficulties in processing payments of suppliers, resulting from cautious behaviour by financial operators, have been reported to affect commercial clients as well as the World Food Program.

Fisheries subsidies

3.172. In line with the mandate in Target 14.6 of the Sustainable Development Goals and from MC11, work continued 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. With MC12 then scheduled to begin on 30 November 2021, the negotiations in the fall of 2021 were focused on improving the draft text that had been discussed at a meeting of the Trade Negotiations Committee held in virtual format at Ministerial level on 15 July. Based on proposals and suggestions from Members and following intensive discussions in the Negotiating Group on Rules, a revised version of the draft text was distributed to Members on 8 November.¹¹³ This text was also the subject of further negotiation, and a draft Agreement on Fisheries Subsidies was sent to Ministers on 24 November¹¹⁴ with the expectation that at MC12 they would engage on the basis of this draft, resolve outstanding issues and reach agreement. However, restrictions on travel to address developments in the COVID-19 pandemic meant that the Conference was again postponed. Nevertheless, work continued in the spring of 2022. The Chair engaged in an intensive and focused round of negotiations in different formats with the objective of resolving the remaining issues in advance of MC12. The agreement on fisheries subsidies was reached at MC12. The text can be found in WTO document WT/MIN(22)/33, WT/L/1144, 22 June 2022.

Electronic commerce

3.173. Discussions on electronic commerce are continuing under two parallel tracks – multilaterally under the General Council and its relevant subsidiary bodies, and under the Joint Statement Initiative (JSI) on Electronic Commerce. In both settings, delegations are reiterating the important role of e-commerce in supporting economic recovery in the context of COVID-19 and the need to address development-related challenges, including the digital divide.

3.174. At the multilateral level, discussions on the Work Programme and on the moratorium on customs duties on electronic transmissions have been intensifying. The Work Programme was discussed extensively at the General Council meetings in November 2021 and February 2022. Members continued to discuss several submissions, including a submission in the General Council on the need for clarity on the scope and impact of the moratorium as well as a submission in the Committee on Trade and Development on global electronic commerce for inclusive development. In the Council for Trade in Services, Members continue to share national experiences and initiatives.

3.175. In preparation for MC12, prior to its postponement, the Chair of the General Council conducted consultations on a possible draft Ministerial Decision. A group of Members led by Switzerland presented a draft Ministerial Decision calling for the continuation of the Work Programme and the extension of the moratorium until MC13. A second draft submitted by India, South Africa and Indonesia contains some preambular text and language on the reinvigoration and extension of the Work Programme. The MC12 Decision on the e-commerce moratorium and Work Programme can be found in WTO document WT/MIN(22)/32, WT/L/1143, 22 June 2022.

3.176. In the context of the JSI on e-commerce, participants had achieved convergence on seven articles at the end of 2021, namely online consumer protection; electronic signatures and authentication; unsolicited commercial electronic messages (spam); open government data; electronic contracts; transparency; and paperless trading. Participants are continuing their negotiations in 2022 based on the September 2021 Consolidated text, which categorizes proposals

¹¹³ WTO document TN/RL/W/276/Rev.2, 8 November 2021.

¹¹⁴ WTO document WT/MIN(21)/W/5, 24 November 2021.

under six broad themes: enabling e-commerce; openness and e-commerce; trust and e-commerce; cross-cutting issues; telecommunications; and market access. Small groups on customs duties; source code; open Internet access; electronic invoicing; electronic transactions frameworks and cybersecurity are ongoing. At a press conference held on 14 December 2021, the co-convenors (Australia, Japan and Singapore) issued a joint statement acknowledging the progress made thus far in the negotiations and highlighting the need for continued engagement to secure convergence on the majority of remaining issues by the end of 2022. On 13 June 2022, during the MC12, the same co-convenors issued another joint statement reaffirming their commitment to the timely conclusion of e-commerce negotiations, and, together with Switzerland, launched the E-commerce Capacity Building Framework to strengthen digital inclusion and to help developing and least developed countries harness the opportunities of digital trade.

Micro, small and medium-sized enterprises (MSMEs)

3.177. The MSME Informal Working Group (MSME Group) that now includes 94 WTO Members, has continued to focus on the preparation for MC12 and the implementation of the December 2020 package.¹¹⁵ A MSME Group Declaration for MC12 was finalised and cleared in September 2021. The Draft Final Declaration, which takes stock of the progress achieved since the Group's establishment and paves the way for future work, has been officially endorsed by 100 WTO Members and Observers.¹¹⁶

3.178. The Group's Trade4MSMEs platform, launched in December 2021, is an online resource aggregating trade information for MSMEs and policymakers, including trade guides and databases. Additionally, the Group recognized four winners from its Digital Champions for Small Businesses initiative joint with the ICC and ITC in December 2021. The MSME Group, ICC and ITC all intend to continue this initiative with new themes announced annually on MSME Day.

3.179. Other work by the MSME Group is proceeding on the basis of proposals and presentations by Members on a variety of topics including trade-related finance, MSMEs and sustainability, and cyber readiness. External presenters delivered information to the MSME group on these topics and the MSME Group continued to receive briefings on MSME-related work and discussions in other WTO committees, including on MSMEs and the Trade Facilitation Agreement (TFA), updates on the implementation of the 2019 IDB decision from the Market Access Committee, and MSMEs and technical barriers to trade from the TBT Committee.

¹¹⁵ WTO document INF/MSME/4/Rev.2, 6 October 2021.

¹¹⁶ WTO document INF/MSME/W/36/Rev.1, forthcoming.

4 POLICY DEVELOPMENT IN TRADE IN SERVICES

Regular measures affecting trade in services

4.1. Members and Observers introduced several new measures affecting trade in services between mid-October 2021 and mid-May 2022. The majority of the 93 measures implemented by 49 Members and 2 Observers, were trade-facilitating but some were trade-restrictive. More than half of the measures concern telecommunication, computer and Internet- and other network- enabled services (including a significant number of tax measures), or financial services. Annex 4 provides additional information on the trade in services measures identified during the review period.

Measures affecting supply through commercial presence across various sectors

4.2. On 2 March 2022, the Philippines made changes to the Foreign Investments Act, allowing foreign investors to fully own small and medium-sized businesses, except in sectors where foreign ownership is prohibited or limited by the Philippine Constitution or existing laws. The minimum paid-in equity capital threshold of USD 200,000 to medium-sized enterprise is removed. The act also permits the reduction of the minimum capital requirement to USD 100,000 for foreign investors under the condition that at least 15 local workers are hired, that they transfer technology, or are endorsed as a start-up or start-up enabler. In addition, an amendment to the Public Services Act, allows full foreign ownership in firms supplying telecommunication, logistics, railways or domestic shipping services (previously limited to 40%). From 8 April 2022, Tunisia abolished 25 authorization requirements related to economic activities in several sectors including entertainment, tourism transport, financial services, construction and renewable energy services. The amendments are aimed at streamlining procedures to facilitate investment.

4.3. On 19 November 2021, Moldova adopted a new measure regulating the screening of investment in a number of sectors. Approval from the Council for Promotion of Investment Projects of National Importance is required before any investment is made in relevant sectors, which include transportation, exploitation of artificial intelligence, cybersecurity, air traffic services, television broadcasts, audio-visual services, supply of networks and fixed or mobile electronic communication services and supply of services in national ports. The law also allows the government to determine the assets it deems important for the security of the state and which will require approval.

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

4.4. Many Members adopted new measures in relation to the communications sector, Internet- and other network-enabled services, or computer services. In China, the government issued the New Measures for Cybersecurity Review, effective since 15 February 2022. It amends the measures released on 10 July 2021. A cybersecurity review will be conducted for Critical Information Infrastructure (CII) operators that purchase network products and services which affect or may affect national security, as well as network platform operators that conduct data processing activity which affects or may affect national security or that hold personal information of more than one million users and plan to list their shares overseas.

4.5. Some Members introduced new legislation enabling the establishment of taxes on e-commerce transactions. For example, in Cambodia, as of 1 April 2022, a 10% VAT will be applicable to all non-resident firms selling to Cambodia through business to consumer e-commerce. For business-to-business e-commerce, a Cambodia registered buyer is required to pay 10% VAT through a reverse charge mechanism, regardless of whether the non-resident supplier is VAT registered. In Kazakhstan, from 1 January 2022, digital sales of goods and services by foreign entities to private individuals in Kazakhstan will be subject to 12% VAT. Foreign suppliers will be obliged to register in Kazakhstan. Nigeria will require, from 1 January 2022, digital-services suppliers to register and collect a 7.5% VAT from their Nigerian customers. In addition, a 6% tax on the turnover of non-resident companies providing certain digital services to Nigerian consumers will be levied.

4.6. A number of countries introduced measures regulating the use of personal data cross-border data flows. For example, the Kingdom of Saudi Arabia issued a new law requesting that foreign companies that process personal data of Saudi residents appoint a local representative, licensed for that purpose. Transfers of data outside of the Kingdom of Saudi Arabia may be made for limited purposes specified in the law, or for "other purposes" to be set out in forthcoming regulations. Approval by the authorities must always be obtained to transfer personal data abroad. Rwanda adopted a new law on data protection, effective 15 October 2021, which sets out requirements for controllers and processors in the jurisdiction as well as, for those without local presence if they

process personal data of individuals located in the country. It establishes conditions on cross-border transfer and storage of data abroad. Those without a local presence have to designate a representative in Rwanda.

4.7. In India, a new measure allows full foreign ownership under the automatic route in the telecommunication services sector, instead of a maximum of 49% foreign ownership in the past. However, an entity from a country that shares a land border with India, or where the beneficial owner of an investment into India is from such country, can still only invest under the government route. The Russian Federation issued a new decree clarifying aspects of the Onshoring Law of July 2021 (Federal Law on Activities of Foreign Persons in the Information and Telecommunication Network Internet in the Territory of the Russian Federation), which required foreign Internet companies to establish a local presence. The Decree stipulates that the Onshoring Law would apply to hosting providers and other persons that host web services used by Russians if they: process data about users residing in Russian Federation; receive payments from Russian persons; or put online information resources used by persons residing in the Russian Federation.

4.8. Several governments adopted new measures affecting the supply of audiovisual services. For example, in Azerbaijan, an Observer, a new law enacted on 8 February 2022 limits to citizens permanently residing in the county the ownership of media outlets that primarily cater to a local audience. In Switzerland, a new measure adopted on 15 May 2022 requires that from 1 January 2024 European- or Swiss-produced content represent at least 30% of offerings of streaming services in the country. It also proposes that platforms invest up to 4% of their revenue from Switzerland in Swiss films and series over a 4-year cycle (also applicable to foreign television channels with broadcast advertising aimed at a Swiss public).

Financial services

4.9. In the insurance services sector, Ukraine adopted on 18 November 2021 a new law which redesigns and modernizes the insurance framework, in line with EU Directive 2009/138/EC and the Insurance Core Principles of the International Association of Insurance Supervisors. The new law authorizes cross-border supply of certain insurance services (e.g. aircraft or vessel insurance, freight and all reinsurance). Also, all classes of insurance and reinsurance can now be supplied by either subsidiaries or branches of foreign insurers, but the conditions on branching have been revised, providing in particular for a reduction of minimal solvency capital requirements for a branch offering life insurance from EUR 10 million to approximately EUR 1.5 million. The new law will be effective on 1 January 2024.

4.10. In China, a notice was issued that removes access conditions for overseas insurance brokerage companies to set up insurance brokerage companies and allows foreign insurance groups to set up insurance professional intermediaries. India now allows foreign investment up to 20% in Life Insurance Corporation of India (LIC), India's state-owned, and largest, insurance company. Until this amendment, foreign institutional investors were allowed to hold up to 74% of private insurance companies and up to 20% of State-owned banks but were not permitted to own shares in LIC. The amendment allows foreign pension funds, insurance companies and mutual funds to participate in LIC's initial public offering.

4.11. Certain policy changes also occurred in banking services. In Nepal, from 16 March 2022, only foreign banks or financial institutions with an "investment grade" rating can operate a branch office, subject to approval. Branches are only allowed to engage in wholesale banking transactions related to deposit-taking, loans, credit, and certain other financial services. In addition, the new policy prohibits overseas institutions' representative offices from any kind of banking transactions in Nepal. Representative offices can only engage in liaising with the Nepali customers, research activities, providing information on products and services, promoting services, and liaising between the foreign bank's clients and other offices. China adopted new Measures for the Supervision and Administration of the Directors, Supervisors, Senior Executives, and Practitioners of Securities Fund Operating Institutions (effective since 1 April 2022), which removes restrictions on the proportion of overseas personnel serving as senior executives in operating institutions, amongst other things.

4.12. In the Philippines, a new measure, effective since 20 January 2022, expands the coverage of entities which can engage in Foreign Currency Deposit Units to include Islamic banks and digital banks, with the relaxing of certain conditions. Since October 2021 the Reserve Bank of India allows multinational banks operating in India to store a limited set of data in offshore servers (e.g. name and address of client, some know-your-customer details along with selected transaction particulars like date and amount, name of beneficiary, and reference number). In Thailand, as of 1 April 2022,

all digital asset operators will be prohibited to supply services that support or facilitate the use of digital assets for the payment for goods or services. Prohibited services include advertising or soliciting, create payment tools or providing related digital asset services.

Other services sectors

4.13. Trade in other services sectors was affected by the introduction of some new measures during the review period. From 21 January 2021, Philippines eased the entry rules for foreign retailers by lowering the paid-up capital requirement, as well as removing certain prequalification requirements (e.g. USD 200 million net worth requirement, minimum 5 branches, and 5-year retail track record). The prequalification process with the Board of Investment was also removed, allowing foreign enterprises to proceed directly to the Securities and Exchange Commission or Securities and Exchange Commission (DTI). However, the reciprocity requirement in the country of origin of the supplier is maintained.

4.14. In Brazil, since 10 January 2022, cabotage rules were relaxed in the maritime transport services sector. Brazilian Navigation Companies are now allowed to bareboat charter foreign vessels for cabotage transport without the need for proof of tonnage. Initially, chartering will be limited to one vessel. After a 4-year transition period, such chartering will be unlimited. Authorisation will not be required for chartering of foreign vessels when replacing other vessels undergoing restoration. For time charter of foreign vessels, the number of movements will be unlimited. For vessels flying the Brazilian flag, the Act maintains the requirement that at least two-thirds of crew members, including the vessel's captain and chief engineer, must be Brazilian nationals. In the area of health-related services, the Brazilian Federal Council of Medicine (CFM) approved a new regulation establishing rules for the practice of telemedicine, which is only allowed for service providers established or located in the national territory.

Measures affecting supply through the movement of natural persons

4.15. During the period under review, several Members introduced new measures that facilitate the supply of services through the presence of natural persons. For example, Chile introduced a new consular short-term authorisation allowing business travellers multiple entries for up to 90 days per year for a 10-year period. In Israel, authorities amended the existing procedure concerning Short-Term Employment Authorization (SEA) B-1 Work Visa, increasing the duration of stay from 45 days to up to 90 days in a calendar year (applicable to citizens of countries who have visa agreements with Israel). New Zealand introduced a new temporary work visa (Accredited Employer Work Visa) that simplifies the visa application process and streamlines labour market tests for higher-paid jobs.

4.16. Some Members also introduced visas permitting natural persons to relocate and work remotely. These types of measures, initially implemented as a response to the COVID-19 pandemic, have been more widely implemented during the review period (Box 4.1).

Box 4.1 Remote working visas

First introduced in many Members in response to the COVID-19 pandemic, "remote working visas" are now being adopted more widely. Also known as "digital nomad visas" or "virtual working permits", they provide foreigners with a temporary stay permit that allows them to work remotely. Eligibility for remote working visas is usually limited to full-time, skilled and highly paid employees of foreign companies as well as independent professionals meeting similar requirements. These individuals' family members are generally also granted resident permits. The permit holders and their dependants are not permitted to be employed, or to provide services, in the destination country.

Members having instituted such visas over the reporting period include Brazil, Greece, Hungary, Italy, Romania and Sri Lanka.

Source: WTO Secretariat.

Air services agreements

4.17. 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, these ASAs provides for improved access conditions compared to previously. The air transport sector continues to be under strain as a result of the

COVID-19 pandemic, and this appears to have resulted in a fall in the number of ASAs concluded during the reporting period.

Table 4.1 Air Transport Agreements^a concluded or amended between October 2021 and May 2022

Parties		Date of signature	Source
European Union	Ukraine	12.10.2021	Air Transport News (atn.aero)
European Union	Qatar	18.10.2021	Air Transport News (atn.aero)
Brazil	Bahrain, Kingdom of	10.2021	Brazil enacts air services agreement with Bahrain MENAFN.COM
Tanzania	Belgium	05.11.2021	https://allafrica.com/stories/202111050092.html
Armenia	European Union	15.11.2021	Armenia, EU to sign Common Aviation Area Agreement – Public Radio of Armenia (armradio.am)
Dominican Republic	United Arab Emirates	22.11.2021	Dominican Republic's air services agreement with Dubai will boost tourism (dominantoday.com)
Oman	European Union	1.12.2021	Oman, EU ink Comprehensive Air Transport agreement - Times of Oman
Iceland	Ukraine	3.12.2021	Air Services Agreement Signed With Ukraine (icelandreview.com)
Colombia	Guyana	8.12.2021	Guyana signs Air Services Agreement with Colombia – News Room Guyana
Guyana	Netherlands	8.12.2021	Greater travel between Guyana, Netherlands possible as agreement inked – News Room Guyana
Belize	Kenya	9.12.2021	Belize signs 13th air service agreement at ICAN 2021 in Colombia (breakingbelizenews.com)
Belize	Oman	9.12.2021	Belize signs 13th air service agreement at ICAN 2021 in Colombia (breakingbelizenews.com)
Belize	Latvia	9.12.2021	Belize signs 13th air service agreement at ICAN 2021 in Colombia (breakingbelizenews.com)
Belize	Argentina	9.12.2021	Belize signs 13th air service agreement at ICAN 2021 in Colombia (breakingbelizenews.com)
Belize	Chile	9.12.2021	Belize signs 13th air service agreement at ICAN 2021 in Colombia (breakingbelizenews.com)
Belize	Rwanda	9.12.2021	Belize signs 13th air service agreement at ICAN 2021 in Colombia (breakingbelizenews.com)
Belize	Switzerland	9.12.2021	Belize signs 13th air service agreement at ICAN 2021 in Colombia (breakingbelizenews.com)
Belize	Colombia	9.12.2021	Belize signs 13th air service agreement at ICAN 2021 in Colombia (breakingbelizenews.com)
United States	Ecuador	10.12.2021	US And Ecuador Finalize Open Skies Agreement - Simple Flying
Colombia	United Arab Emirates	10.12.2021	Emirates And Etihad Set To Fly To Colombia - Simple Flying
Qatar	Jordan	15.03.2022	Qatar, Jordan sign air services agreement (trade-arabia.com)
Philippines	Morocco	18.03.2022	PH, Morocco revitalize ties; ink air services deal, 2 others Philippine News Agency (pna.gov.ph)
Antigua and Barbuda	France	15.04.2022	Antigua and Barbuda Sign Air Service Agreement with France - The St Kitts Nevis Observer

a 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.

Source: WTO Secretariat.

COVID-19-related measures affecting trade in services¹

4.18. Since the outbreak of the pandemic, the Secretariat collected information on 155 COVID-19-related measures affecting trade in services introduced by Members and Observers. Only

¹ The information in this Section was compiled by the WTO Secretariat and is an informal situation report and an attempt to provide transparency with respect to measures affecting trade in services taken in the context of the COVID-19 crisis. It does not pass judgment on or question the right of WTO Members to take such actions. The Secretariat has not sought to determine or indicate whether such measures have trade-restrictive or trade-facilitating effects. The information is not exhaustive and does not include information on general support measures relating to services. Further, the objective is not to list all COVID-19-related measures taken by governments around the world to limit movement, nor all the measures taken to ease the impact of border restrictions or other limits on movement.

two new such measures were reported since mid-October 2021² and five were reported as terminated, of which one, partially.³ This confirms that the number of new services-trade COVID-19 related measures has drastically fallen in the past year.

4.19. Many measures that were introduced in 2020 were still in force at the time of writing of this Report, with some being extended, such as France (extension of temporary FDI screening threshold by one year, until the end of 2022), Italy (foreign investment screening measures extended until 31 December 2022, and banks and non-bank intermediaries expected to operate above Pillar 2 Guidance from 1 January 2023) and New Zealand (maintaining the international air connectivity scheme until 31 March 2023). The United Kingdom reintroduced the temporary relaxation of the enforcement of some aspects of the drivers' hours rules from 9 April to 8 May 2022. Australia expanded an existing measure. From 16 March 2022, persons working in critical sectors⁴, who have their substantive temporary visa expiring, can apply for a temporary activity visa and therefore extend their stay.⁵

4.20. The full list of measures compiled since the beginning of the COVID-19 pandemic is available on the WTO website.⁶

Development in the context of the war in Ukraine⁷

4.21. Some 75 service and trade in services-related sanctions taken by 39 WTO Members in the context of the war in Ukraine were identified during the review period. Approximately 20% of these sanctions concern transport services (air, road or maritime). For instance, these include various aviation prohibitions as well as restrictions on docking in ports. Almost 40% of the sanctions include restrictions on providing certain services, including professional services and financial services. For example, several sanctions include the prohibition to provide credit rating services. Other sanctions include investment screening measures, as well as outward investment and visa restrictions. In response, the Russian Federation has adopted some countermeasures which mostly concern investment and visa restrictions. A few countermeasures also concern financial and air transport services. The Secretariat will continue to monitor developments on measures affecting trade in services taken in response to the crisis.

² Philippines introduced measures affecting banking and other financial services and Slovenia adopted a series of measures affecting the supply of health services.

³ Estonia terminated the financial services measure concerning the systemic risk buffer on 5 December 2021. Bulgaria ended the deferral and settlement of repayments to banks and other financial institutions on 31 December 2021. In the context of the package of measures aimed at preserving the stability of the banking system and strengthening its flexibility, the Bulgarian National Bank discontinued the measure on the limit of banks' foreign exposures as of 1 April 2022. It also now requires that banks intending to distribute dividends, buy back shares or implement other distributions, including from the 2021 profit, to present distribution plans, which will be subject to review. In the Czech Republic, the countercyclical capital buffer rate is no longer set as part of the covid-19 measures. Switzerland terminated on 26 January 2022 the measure requesting that the countercyclical capital buffer be reduced. Costa Rica repealed temporary COVID-19 migration measures in the process of reopening borders.

⁴ Agriculture and food processing; health, aged and disability care; childcare, to which were added in the expanded provisions some tourism and related services and transport services.

⁵ The length of stay will be granted for 12 months for Commonwealth Aged Care sector and key sectors (aged care, agriculture, childcare, disability care, food processing, health care and tourism and hospitality) and 6 months for any other sector. See Migration (LIN 22/046: COVID-19 Pandemic event for Subclass 408 (Temporary Activity) visa and visa application charge for Temporary Activity (Class GG) visa) Instrument 2022; available at <https://www.legislation.gov.au/Details/F2022L00316>.

⁶ Viewed at: https://www.wto.org/english/tratop_e/covid19_e/trade_related_services_measure_e.htm.

⁷ The information in this Section was compiled by the WTO Secretariat and is an informal situation report and an attempt to provide a summary with respect to measures affecting trade in services taken in the context of the conflict (whether on the supply of services in the Member or by the Member). It does not pass judgment on or question the right of WTO Members to take such actions. The Secretariat has not sought to determine or indicate whether the measures have trade-restrictive or trade-facilitating effects. The information is not exhaustive and does not include information on general support measures relating to services. The compilation excludes measures only aimed at designated persons and entities.

5 POLICY DEVELOPMENTS IN TRADE IN 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 to facilitate the development and dissemination of COVID-19-related health technologies, as well as at streamlining procedural requirements for administrative IP matters. Members adopted the Ministerial Decision on the Agreement on Trade-related Aspects of Intellectual Property Rights can be found in WTO document WT/MIN(22)/W/15/Rev.2, 17 June 2022.

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: Ecuador, on 8 March 2022; and Maldives, on 20 April 2022. To date, 136 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.²

IP-related international, regional and bilateral agreements

5.3. During the review period, the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled entered into force for China, on 5 May 2022.

5.4. The Treaty of Nairobi came into force for the Kingdom of Saudi Arabia, on 8 November 2021. The Declaration by which the Kingdom of Saudi Arabia avails itself of the faculties provided for in Articles II and III of the Appendix to the Berne Convention for the 10-year period that will expire on 10 October 2024 was deposited on 11 January 2022.³

5.5. At the regional level, the amendments to the Patent Law of the Cooperation Council for the Arab States of the Gulf entered into force on 9 March 2022.⁴

5.6. On the bilateral front, the IP office of the Kingdom of Saudi Arabia (SAPI) designated the China National Intellectual Property Administration (CNIPA) and the United States Patent and Trademarks Office (USPTO) as International Searching Authority (ISA) and International Preliminary Examining Authority (IPEA), as per the Patent Cooperation Treaty (PCT).⁵

National IP-related strategies

5.7. In November 2021, Colombia approved its National IP Policy, which recognizes IP as a tool to foster creativity and innovation, transfer of knowledge and increasing productivity; and will be implemented between 2022 and 2031.⁶

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).

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

² The complete list of Members that have accepted the Protocol Amending the TRIPS Agreement is available on: https://www.wto.org/english/tratop_e/trips_e/amendment_e.htm

³ Communication by the Kingdom of Saudi Arabia to the Trade Monitoring Report; and https://wipolex.wipo.int/en/treaties/ShowResults?search_what=C&treaty_id=22

⁴ Communication by the Kingdom of Saudi Arabia to the Trade Monitoring Report; and <https://www.ncar.gov.sa/Documents/Details?Id=pWcjGCAyTJf1LvdTYyb%2BgQ%3D%3D>

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

⁶ Communication by Colombia for the WTO Trade Monitoring Report; and <https://colaboracion.dnp.gov.co/CDT/Conpes/Econ%C3%B3micos/4062.pdf>

Table 5.1 Domestic legislation and administrative developments

Member	Measure
Australia	The Industrial Property Act 2019, whereby "industrial property right" includes a patent, a utility model, a layout-design, a breeder's right, an industrial design, a mark, a trade name and a geographical indication, entered into force on 22 January 2022
Latvia	Amendments to Cabinet Regulations No. 723 on the Price List of Paid Services of the Patent Office, exempted patent holders from fees for the extension of time limits, renewal of rights or continuation of proceedings, upon presenting evidence of having been affected by COVID-19 restrictions and consequently not being able to meet the required deadlines. The amendment was in force from 11 October to 31 December 2021
Myanmar	Launch of awareness campaign for MSMEs regarding trademark registrations took place on 25 February 2022
Philippines	The process for copyright registration, transfer, assignment, exclusive license and mortgage, and resale rights registration has been streamlined, as of 20 October 2021. The issuance of Patent eCert for inventions, utility models and industrial designs was established on 1 March 2022. The electronic Service of Orders and Notices for <i>inter partes</i> cases started delivering orders and notices on 14 May 2022
Saudi Arabia, Kingdom of	The Regulation of Voluntary Copyright Registration was amended to include artistic works and applied arts; photographic works; schematic works and topographic sculptural works. It entered into force on 24 November 2021
Singapore	The Copyright Act 2021 repealed and replaced the previous Copyright Act 1987, overhauling the domestic copyright regime to address how the creation, distribution and use of content has changed. It entered into force on 21 November 2021
Slovenia	Collective copyright management organizations were allowed to donate part of the royalties collected during 2020 to pay extraordinary aid to their members, as of 31 December 2020
Thailand	The specification of plant as a new plant variety protection under Plant variety Protection Act was enacted on 26 October 2021. The Research and Innovation Utilization Promotion Act entered into force on 7 May 2022
Türkiye	The Copyright Law was amended to reflect the European Union Information Society Directive 2001/29/EC to cover all works, performances, phonograms, productions and broadcasts. It entered into force on 25 December 2021
Ukraine	Law No. 2174-IX was enacted to protect intellectual property interests of stakeholders during the martial law regime and includes provisions on maintenance, proper use and enforcement. It entered into force on 13 April 2022

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

Source: WTO Secretariat.

COVID-19-related Measures

5.9. Since the beginning of the pandemic, Members implemented several IP measures, which range from those 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 13-14 October, 29 November, and 16 December 2021; as well as 22 February, 9-10 March, 3, 6, 16 and 19 May 2022; and held several informal open-ended meetings and consultations by the Chairperson.

5.11. During these meetings, the Council discussed the proposal by India and South Africa to waive parts of the TRIPS Agreement during the pandemic⁸; as well as 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".⁹ In March 2022, a Workshop on Technology Transfer took place back-to-back with the formal meeting of the TRIPS Council, where Members concluded the review of the annual reports on incentives for technology transfer and technical cooperation activities and took note of the Secretariat Report on Notifications and Other Information Flows.¹⁰ Members continued to share information and best practices to bring more female creators and inventors, as well as other

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

¹⁰ WTO document IP/C/W/687, 1 March 2022.

under-represented groups, into the IP ecosystem¹¹; and, on domestic policies to boost innovation and microfinance.¹² At MC12, Ministerial Decision was adopted the waiver of certain requirements concerning compulsory licensing for COVID-19 vaccines. The text can be found in WTO document WT/MIN(22)/30, WT/L/1141, 22 June 2022.

5.12. During the review period, 14 WTO Members submitted 47 notifications to the TRIPS Council, under Article 63.2 of the TRIPS Agreement.¹³ The United Arab Emirates, Brazil and Hungary notified and updated their contact points for IP enforcement under Article 69. Switzerland notified updated responses to the Checklist of Issues on Enforcement.

TRIPS-related discussions in Trade Policy Reviews

5.13. The Trade Policy Reviews of China, the Russian Federation, Mauritius, Oman, Kingdom of Bahrain, Tajikistan, Georgia, Panama, Guyana, United Arab Emirates, Pakistan, Switzerland-Liechtenstein and New Zealand took place. During these reviews, Members actively engaged and discussed a wide range of specific IP issues with a bearing on trade policy.

Development in the context of the war in Ukraine

5.14. Since February 2022, several Members have implemented financial measures that might indirectly affect the maintenance and licensing of intellectual property rights (IPRs).¹⁴ When financial sanctions are applied to designated nationals (e.g. legal or natural persons), all economic assets, including IP rights, are frozen or affected.¹⁵ Some Members have adjusted their measures to exclude transactions related to IPRs.¹⁶ Additionally, various national and regional IP offices have taken measures, which are mostly relevant for the maintenance of IP rights held by Ukrainian nationals, or those affected by the crisis.¹⁷

5.15. The Russian Federation enacted Decree No. 299¹⁸, which grants the option to use an invention, utility model or industrial design without the IP right holder's consent at short notice and for proportional compensation of 0.5%. This measure is of horizontal nature and is applicable to Russian and non-Russian nationals from countries committing "unfriendly" actions against Russian legal entities and individuals or patent owners having such countries as a place of registration, a principal place of business activities or a principal place of receiving revenues.¹⁹ Decree No. 322 instructs Russian nationals to make payments for the use of IP to foreign right holders by transferring funds in rubles to a special O-type bank account opened in the name of the foreign IP right holder.²⁰

¹¹ WTO document IP/C/W/685, 1 October 2021.

¹² WTO document IP/C/W/686, 25 February 2022.

¹³ Australia, Brazil, Croatia, Guatemala, Japan, Montenegro, the Russian Federation, the Kingdom of Saudi Arabia, Switzerland, Trinidad and Tobago, Ukraine, the United Arab Emirates, the United Kingdom and the United States of America.

¹⁴ See, for example: <https://www.legislation.gov.au/Details/F2021C00330>.

¹⁵ Viewed at: <https://www.mondaq.com/unitedstates/export-controls-trade-investment-sanctions/308040/implications-of-us-sanctions-program-on-intellectual-property-owners> and https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/faqs-sanctions-russia-ipr_en.pdf.

¹⁶ Viewed at: https://home.treasury.gov/system/files/126/russia_gl31.pdf.

¹⁷ As seen, for example, in: <https://euipo.europa.eu/ohimportal/en/news/-/action/view/9237969> and <https://www.worldtrademarkreview.com/article/live-updates-ip-offices-respond-and-implement-measures-in-wake-of-invasion-of-ukraine>.

¹⁸ Viewed at: <http://publication.pravo.gov.ru/Document/View/0001202203070005>.

¹⁹ See official list at: <http://publication.pravo.gov.ru/Document/View/0001202203070001>.

²⁰ Viewed at: <https://www.managingip.com/article/b1y9vbn25rmp23/this-week-in-ip-russia-restricts-ip-payments-to-unfriendly-states-ukipo-chief-to-leave>.