
EXECUTIVE SUMMARY

1. This WTO Trade Monitoring Report on trade-related developments arrives with multiple crises affecting the global economy. Inflation and large external debts in many countries, the war in Ukraine, climate change, high food and energy prices, as well as persistent pandemic-related ramifications, are all impacting the global economic environment. The recent outbreak of hostilities in parts of the Middle East is also adding to the uncertainty for the global economy.
2. The findings of this Report, as further detailed below, reveal that between mid-October 2022 and mid-October 2023, WTO Members introduced more trade-facilitating than trade-restrictive measures on goods, unrelated to the pandemic. Most of the facilitation happened on the import side while most restrictions took place on the export side. In the area of services trade, the trend was also mostly towards further liberalization. New general economic support measures by governments, including various environmental impact reduction programmes, were also introduced. Overall, implementation of new COVID-19 trade-related measures slowed significantly.
3. The number of export restrictions by WTO Members has risen significantly since 2020, first in the context of the pandemic and more recently because of the war in Ukraine and the food security crisis.
4. World trade growth continued to slow, as high inflation and rising interest rates weighed on trade and output in advanced economies, and as property market strains prevented a stronger post-pandemic recovery in China. World merchandise trade volume growth is expected to slow to 0.8% in 2023 (down from the previous estimate of 1.7%), before picking up to 3.3% in 2024.
5. Preparations for the WTO's 13th Ministerial Conference in February 2024 are entering their final phase with the recent Senior Officials Meeting in Geneva providing an important opportunity to build further momentum. In this context, WTO Members must work collectively towards ensuring a successful and substantive outcome at MC13, reinvigorating the multilateral trading system and boosting the world economy.

Specific findings

6. This Report is set against a backdrop of continued **slow growth in world trade**. The volume of world merchandise trade was down 0.5% year-on-year in the first half of 2023 as high inflation and rising interest rates weighed on trade and output in advanced economies, and as property market strains prevented a stronger post-pandemic recovery in China. The WTO's latest forecast (on 5 October 2023) estimated merchandise trade volume growth of 0.8% in 2023 (down from the previous estimate of 1.7%) and 3.3% in 2024 (nearly unchanged from 3.2% previously). Risks to the forecast include a sharper-than-expected slowing of the Chinese economy, resurgent inflation in advanced economies and rising geopolitical tensions. The above forecast was made before the outbreak of hostilities in the Middle East. A widening Middle East crisis could exacerbate the downside risks to the October forecast.
7. The US dollar value of merchandise trade was down 5% year-on-year, partly because of falling global commodity prices, but this was balanced by an 8% rise in commercial services trade due to increased spending on travel, goods-related services, and other commercial services. There are signs that trade is reorienting along geopolitical lines, including a decline in the share of parts and components in world trade and increasing trade between politically like-minded countries. However, evidence of a broad trend towards de-globalization remains scant. The WTO will continue to monitor the incoming data for further proof of possible fragmentation.
8. Recent crises, including the COVID-19 pandemic, the war in Ukraine, rising geopolitical tensions and events related to climate change have caused disruption of **global supply chains**. Economies have increasingly looked for ways to develop resilience and diversify their trading networks.
9. The pace of implementation of new **export restrictions** by WTO Members has increased significantly since 2020. Although some of these have been rolled back, as of mid-October 2023, 75 export restrictions on food, feed and fertilizers were still in place globally, in addition to 20 COVID-19-related export restrictions.

10. During the review period, WTO Members introduced **more trade-facilitating (303) than trade-restrictive (193) measures on goods, unrelated to the pandemic**. Most of the trade-facilitating measures were on the import side, while most restrictions were on the export side. For the third time since the beginning of the Trade Monitoring Exercise, the number of new export restrictions (99 or 51% of all) outpaced that of import restrictions (93 or 48%). The trade coverage of the trade-facilitating measures was estimated at USD 977.2 billion (down from USD 1,160.5 billion in the last annual report), and that of the trade-restrictive measures at USD 337.1 billion (up from USD 278.0 billion in the last report).

11. The **stockpile of import restrictions** implemented since 2009 shows little meaningful roll-back. For 2023, the trade covered by import restrictions in force was estimated at USD 2,480 billion, representing almost one tenth of total world imports.

12. The average number of **trade remedy initiations** by WTO Members was 12.1 per month during the review period, down from its highest peak so far in 2020 (36.1 initiations per month). The monthly average of trade remedy terminations during the same period was 8.3, the lowest average since 2012. Trade remedy actions, especially anti-dumping measures, remain an important trade policy tool for many WTO Members, accounting for 33% of all non-COVID-19-related trade measures on goods recorded in this Report.

13. **In the services sectors**, 123 new measures were introduced by WTO Members, a sharp decline compared to the last two years. Most of these measures were trade-facilitating, either liberalizing or moving towards an improved regulatory framework. Half of these were horizontal policies affecting trade for many services sectors and/or multiple modes of supply. About 30% of measures related to communications and Internet- and other network-enabled services, and 15% to financial services. About 20% of measures affected various services sectors, such as business, health-related, tourism and recreational, and transport services.

14. The review period saw a significant increase in the number of new **general economic support measures** by WTO Members. These included environmental impact reduction programmes, renewable-energy production schemes, support for energy efficiency and decarbonization and for clean- and renewable-energy projects. Other measures included various support programmes for the agricultural sector, tourism, aviation, and transport.

15. The implementation of new **COVID-19 trade-related measures** by WTO Members decelerated further during the review period. These measures included extensions, renewals, or terminations of measures. In the services sectors, no new COVID-19-related measures were reported. The number of new COVID-19-related support measures by WTO Members and Observers fell sharply.

16. Since the outbreak of the pandemic, 458 trade and trade-related measures in goods have been implemented by WTO Members and Observers. Most of these were trade-facilitating (255 or 56%), while the rest could be considered trade-restrictive (203 or 44%). Members continued to phase out the pandemic-related measures, especially restrictive ones. As of mid-October 2023, 84.7% of the COVID-19-related trade restrictions had been repealed, leaving 20 export restrictions and 9 import restrictions in place. The trade coverage of the pandemic-related trade restrictions still in place was estimated at USD 15.6 billion (down from USD 134.6 billion in the previous annual report). In the area of services, 156 COVID-19-related measures have been introduced since the beginning of the pandemic, most of which are still in place (22 have been terminated, and 3 partially).

17. 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 regular SPS notifications submitted by WTO Members during the review period. Most new STCs raised in the SPS Committee concerned animal health/animal diseases and food safety. Since 1995, 55% of all STCs raised in the SPS Committee have been reported as resolved or partially resolved. Overall, WTO Members have submitted 133 SPS notifications and communications on measures taken in response to the pandemic.

18. Most of the new regular TBT notifications submitted by WTO Members during the review period indicated the protection of human health or safety as their principal objective. A total of 223 STCs were discussed during the review period. Overall, WTO Members have submitted 229 COVID-19-related TBT notifications to the WTO. Members have made references to the COVID-19 pandemic in 55 STCs.

19. The number of **trade concerns raised** in WTO Committees and bodies has been increasing yearly, in some cases sharply. During the review period, WTO Members continued to use WTO bodies to address their trade concerns and engage trading partners on real or potential areas of friction.

20. **In the Committee on Agriculture (CoA)**, Members posed 677 questions on specific implementation matters (SIMs), individual notifications, overdue notifications, and in relation to the follow-up to the Nairobi Decision on Export Competition. Most of these (82% of questions and 56% of SIMs) focused on domestic support notifications. Pursuant to the mandate in paragraph 8 of the Ministerial Declaration on the Emergency Response to Food Insecurity, the CoA approved a work programme to consider food security concerns of least developed countries (LDCs) and net-food-importing developing countries (NFIDCs).

21. WTO Members continued to fine-tune **their intellectual property (IP)** regimes. Although many pandemic-related IP measures have been phased out, some Members have formalized online procedures created during lockdowns. During the review period, WTO Members discussed the possible extension of the MC12 TRIPS Decision on COVID-19 Vaccines to diagnostics and therapeutics and shared national experiences and best practices on IP and innovation.

22. Discussions on **global environmental issues**, including the circular economy and plastics pollution, trade and climate change, and biodiversity intensified at the WTO. During the review period, some WTO Members continued their work through other platforms, including the Fossil Fuel Subsidy Reform, the Trade and Environmental Sustainability Structured Discussions, and the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade.

23. This Report also covers several other important trade-related developments and discussions that took place during the review period, including **fisheries subsidies; e-commerce; Aid for Trade; government procurement; dispute settlement; trade facilitation; trade finance; micro, small and medium-sized enterprises (MSMEs); regional trade agreements (RTAs) and trade and gender.**