

## EXECUTIVE SUMMARY

1. This WTO Trade Monitoring Report on trade-related developments arrives during difficult times for global trade. Against a backdrop of geopolitical tensions and more frequent and serious climate change-related crises, there is increasing evidence of inward-looking and unilateral trade policy decisions creating uncertainty for the world economy.

2. During the review period, i.e. from mid-October 2023 to mid-October 2024, the Report shows that the trade covered by new restrictions has increased significantly compared to the last Trade Monitoring Report in November 2023. Even if WTO Members have also continued to introduce wide-ranging measures that liberalize trade, industrial policies and certain other programmes hold the potential to widen existing trade tensions.

3. This Report shows that between mid-October 2023 and mid-October 2024, WTO Members introduced 169 new trade-restrictive and 291 trade-facilitating measures on goods. Most of these measures were import measures. The trade coverage of the trade-restrictive measures was estimated at USD 887.6 billion, up significantly from USD 337.1 billion in the last Report. The trade coverage of the trade-facilitating measures also increased during the review period and was estimated at USD 1,440.4 billion (up from USD 977.2 billion in the last Report). Trade remedy initiations by WTO Members increased during the review period (28.2 per month) compared to the previous review period (16.7). In the area of services, 134 new measures were introduced by WTO Members, most of which were trade-facilitating. Numerous new support measures introduced by governments included climate change-related measures, environmental impact reduction programmes and schemes to support the transition to a low-carbon, more resource-efficient and sustainable economy.

4. The stockpile of import restrictions has grown steadily since 2009. For 2024, the trade covered by import restrictions in force was estimated at USD 2,942 billion, representing 11.8% of world imports. This is up from USD 2,480 billion in the last Report, which was equivalent to 9.9% of world imports.

5. The number of export restrictions by WTO Members has risen since 2020, first in the context of the pandemic and more recently because of the war in Ukraine and the food security crisis. While the review period saw a deceleration in the number of new export restrictions, their trade coverage represented 1.1% of the value of world exports.

6. During the review period several economies announced and implemented trade and trade-related measures citing national security considerations. Preliminary research by the WTO Secretariat suggests that the overall estimated trade coverage of these measures remains limited at around USD 79.6 billion or 0.2% of world trade.

7. Many of the trends identified in this Report constitute challenges to international trade and the wider global economy. At the same time, several of these policy developments represent opportunities for WTO Members to contain and manage trade tensions by collectively updating the WTO rulebook to address contemporary thinking on issues like industrial policy and climate change. Such cooperation would help minimize negative international spillovers from current policies and maximize positive ones.

## Specific findings

8. Falling inflation has allowed central banks in advanced economies to start cutting interest rates, which should boost consumption and investment in the second half of 2024 and in 2025, leading to a **gradual recovery of goods trade**. The volume of world merchandise trade is now expected to grow 2.7% in 2024 and 3.0% in 2025, accompanied by world GDP growth at market exchange rates of 2.7% in both years.

9. The current trade forecast has changed only marginally from the April 2024 forecast at the global level, but there have been some important shifts at the regional level. Specifically, Europe is expected to contribute negatively to trade volume growth on both the export and import sides. Meanwhile, Asia will make a larger-than-expected contribution to exports.

10. The US dollar value of world merchandise trade remained flat in the first half of 2024, rising just a fraction of a percent. Commercial services trade continued to outpace merchandise trade, with a strong 7% year-on-year increase in the first half of 2024. The fastest growing segment of merchandise trade was electronics. Meanwhile, financial services and other business services made the largest contribution to services trade.

11. More and more, the WTO is seeing evidence of **trade fragmentation** linked to geopolitical concerns. Trade is increasingly conducted among like-minded economies, a trend accelerated by the war in Ukraine. At the same time, a broader shift towards regionalization or near-shoring at the global level is not yet in evidence.

12. During the review period, WTO Members introduced **169 new trade-restrictive and 291 trade-facilitating measures on goods**, unrelated to the pandemic. Most of these measures were import measures. The trade coverage of the trade-restrictive measures was estimated at USD 887.6 billion, up from USD 337.1 billion in the last Report. The trade coverage of the trade-facilitating measures was estimated at USD 1,440.4 billion (up from USD 977.2 billion in the last Report).

13. The **stockpile of import restrictions** implemented since 2009 has grown steadily. For 2024, the trade covered by import restrictions in force was estimated at USD 2,942 billion, representing 11.8% of world imports (up from USD 2,480 billion or 9.9% of world imports in the last Report).

14. The introduction of new **export restrictions** has increased since 2020, first in the context of the pandemic and then because of the war in Ukraine and the food security crisis. This review period saw a deceleration in the introduction of new export restrictions (with 53 new measures compared to the annual average of more than 110 measures recorded between 2021 and 2023). While fewer export restrictions were introduced, their trade coverage was estimated at USD 276.7 billion, representing 1.1% of the value of world merchandise exports (up from USD 159.1 billion or 0.7% of world exports, in the last Report).

15. The number of export restrictions on food, feed and fertilizers put in place since the outbreak of the war in Ukraine and that are still in place has decreased to 70 according to available information. The trade coverage of those export restrictions was estimated at USD 11.8 billion (down from USD 29.6 billion in the last Report).

16. The average number of **trade remedy** initiations by WTO Members was 28.2 per month during the review period, up from 16.7 in the previous period. This marks the end of the slowdown observed since 2021 in the number of initiations of trade remedy investigations. The monthly average of trade remedy terminations recorded for this period was 9.3, the lowest average recorded since 2015. Trade remedy actions, especially anti-dumping measures, continue to be a central trade policy tool for WTO Members, accounting for 49.5% of trade measures on goods recorded in this Report.

17. **In the services sectors**, WTO Members introduced 134 new measures affecting trade in services were identified, slightly more than the 123 reported in the last Report. A third of these measures introduced could be considered restrictive. More than half of the measures were horizontal policies affecting mode 3 (commercial presence) and mode 4 (movement of natural persons). The remaining measures related to financial services, communications and IT-enabled services and several affected various other services sectors, including distribution, education, health-related, transport tourism, and some selected business services.

18. The review period saw an increase in the introduction of new **general and economic support measures** by WTO Members, echoing findings by the OECD and the IMF of a rise in industrial policies by governments to support strategic industries and sectors. It is difficult to evaluate the impact of these support measures on international trade and competition. Most of these measures mentioned the environment, energy, and agriculture.

19. Over the past 12 months, 3 new **COVID-19 trade-related measures** and 15 terminations of existing measures by WTO Members were recorded on goods. Most of the 461 COVID-19 trade-related measures on goods introduced by WTO Members and Observers since the outbreak of the pandemic, were trade-facilitating (256 or 55.5%). WTO Members continued to phase out the

pandemic-related measures, especially restrictions. As of mid-October 2024, 86.8% of COVID-19 trade restrictions had been repealed, leaving 15 export restrictions and 10 import restrictions in place. The trade coverage of the pandemic-related trade restrictions still in place was estimated at USD 9.7 billion (down from USD 15.6 billion in the previous Report).

20. 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) and to discuss and often resolve their specific trade concerns (STCs) non-litigiously. Food safety was the most frequent objective identified in the regular SPS notifications submitted by WTO Members. Discussions at the SPS Committee continue to advance the work on the MC12 SPS Declaration on Responding to Modern SPS Challenges. Most of the 68 STCs raised in the SPS Committee concerned food safety and animal health/animal diseases. WTO Members have submitted 133 SPS notifications and communications on measures taken in response to the pandemic.

21. 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 main objective. A total of 194 STCs were discussed during the review period in the TBT Committee. WTO Members have submitted 237 TBT notifications in response to the pandemic since 2020 and referred to the COVID-19 pandemic in 55 STCs.

22. The number of **trade concerns raised** in WTO Committees and bodies continued to increase, in some cases sharply. During the review period, WTO Committees continued to provide forums for addressing trade concerns and allowing trading partners to engage on real or potential areas of friction. Trade-related concerns in the context of trade and industrial policy featured prominently in discussions across committees in the WTO.

23. **In the Committee on Agriculture (CoA)**, Members continued to discuss their agricultural policies, within the Committee's Q&A-based review process. Members posed 642 questions on specific implementation matters (SIMs), individual notifications, notification compliance and outcomes achieved in agricultural negotiations. Most of these (84% of questions on notifications and 47% on SIMs) concerned domestic support policies. The war in Ukraine featured prominently in the CoA's discussions. Pursuant to the mandate in paragraph 8 of the Ministerial Declaration on the Emergency Response to Food Insecurity, the CoA adopted at a special meeting the report and recommendations of the work programme targeting the food security concerns of Least-Developed and Net Food-Importing Developing Members.

24. WTO Members continued to fine-tune **their intellectual property (IP)** regimes. During the review period, WTO Members actively engaged in the discussions held during formal and informal meetings of the TRIPS Council, particularly regarding the possible extension of the MC12 TRIPS Decision on COVID-19 Vaccines to diagnostics and therapeutics and the restart of the Review of the Implementation of the TRIPS Agreement.

25. This Report also provides important updates on several other important trade-related developments and discussions, including **fisheries subsidies; e-commerce; Aid for Trade; government procurement; dispute settlement; trade and development; trade facilitation; trade finance; micro, small and medium-sized enterprises (MSMEs); regional trade agreements (RTAs) and trade and environment.**