

WTO Trade Monitoring: Latest Trends

The Trade Monitoring Update series is a WTO Secretariat initiative to provide regular, factual, and concise insights into issues of interest in the context of the WTO Trade Monitoring Exercise. The Updates are produced under the WTO Secretariat's own responsibility and do not reflect the views or positions of any WTO Member.

The WTO Trade Monitoring Exercise is a factual, non-legal exercise that provides transparency regarding new trade and trade policy-related measures. Following recommendations made at the 7th TPRM Appraisal of the Trade Policy Review Mechanism in 2023, the Trade Monitoring Reports will adopt an annual cycle on a trial basis from 2024. Once a year, normally in December, the Trade Policy Review Body meets to review the Director-General's Trade Monitoring Report.¹ The meeting provides delegations with an opportunity to undertake an interactive peer review at the WTO Headquarters in Geneva.

About the WTO Trade Monitoring

Since 2009, the WTO Trade Monitoring Reports have provided Members with regular updates on trade and trade-related developments. Initially conceived to provide the WTO Director-General with regular briefings on the trade implications of the Global Financial Crisis (GFC), the WTO Trade Monitoring effort under the Trade Policy Review Mechanism quickly became a close collaborative exercise with WTO Members and Observers. At the core of this stakeholder relationship sits the verification process which ensures that any Member or Observer can verify, adjust, or rectify the description and coverage of its own trade or trade-related measures before publication.

The Trade Monitoring Reports aim to shed light on the latest trends in the implementation of a broad range of policy measures that impact the flow of trade and to provide an update on the state of the global trading environment. They cover trade measures implemented in the areas of goods, services, and intellectual property. The Reports also provide up-to-date accounts on a range of other issues, including trade remedies, agriculture, SPS, TBT and environment.

The following Update is a preliminary stocktake of measures implemented between mid-October 2023 and mid-May 2024 as communicated by WTO Members and Observers or identified by the WTO Secretariat². The annual Trade Monitoring Report which covers the period from mid-October 2023 to mid-October 2024 will be circulated in November and will be preceded by the usual request for information from the Director-General as well as the opportunity for delegations to verify all information.

Executive Summary

This Update provides an overview of selected trade and trade-related policy developments in the area of goods during the period from mid-October 2023 to mid-May 2024. It arrives at a time when the global economy faces risk and uncertainty, in particular because of active armed conflicts, broader geopolitical tensions, pressure of global economic fragmentation and the impacts of climate change.

During the review period, WTO Members introduced more tradefacilitating (169) than traderestricting (99) measures on goods. This is an important signal of Members' commitment to keep trade flowing despite the current geopolitical uncertainty. Most of the measures were on the import side. The introduction of new export restrictions declined significantly during the review period and, reversing a trend observed between 2021 and 2023, new import restrictions outpaced the number of new export restrictions.

The review period revealed significant new activity in terms of economic support measures. The provision of subsidies as part of industrial policy is increasing rapidly, especially in areas related to or referencing renewable and non-renewable energy sources, climate change and national security.

WTO Members introduced 205 trade remedy actions (172 initiations and 33 terminations), accounting for 43.3% of all goods' trade-related measures recorded.

¹ This is contained in the WTO document series WT/TPR/OV

² Trends highlighted in this Update are based on all measures identified during the review period. These measures have been submitted for verification by Members and Observers.

The stockpile of import restrictions in force has grown steadily since 2009 – in value terms and as a percentage of world imports. For 2024, the trade covered by import restrictions in force was estimated at USD 2,272 billion, representing 9.7% of total world imports.

In the services sectors, most new measures introduced by WTO Members were trade-facilitating, either liberalizing or moving towards an improved regulatory framework. WTO Members also continued to fine-tune their intellectual property (IP) regimes during the review period. The implementation of new COVID-19 trade-related measures on goods, services, IP, and general economic support by WTO Members continued to decline.

World trade is expected to pick up gradually over the next two years. According to the WTO's most recent forecast of 10 April 2024, the volume of world merchandise trade is expected to increase by 2.6% in 2024. The outlook for commercial services trade is also positive, especially for digitally delivered services trade.

Specific findings

1.1 Merchandise trade volume and outlook

World trade is expected to pick up gradually over the next two years following a larger than expected decline in 2023 driven by the lingering effects of high energy prices and inflation. According to the WTO's most recent forecast of 10 April 2024, the volume of world merchandise trade is expected to increase by 2.6% in 2024 and 3.3% in 2025 following a 1.2% contraction in 2023. The outlook for commercial services trade is also positive, especially for digitally delivered services trade, the value of which rose 51% between 2019 and 2023.

The global economy continued to recover gradually during the review period. Output expanded at a moderate pace in the world's leading economies in the first quarter. Annualized quarterly GDP growth in the United States slowed to 1.3% in Q1 of 2024 from 3.4% in Q4 of 2023 but remained positive. GDP growth in the euro area picked up to 1.3% in Q1 of 2024 from 0.0% in Q4 of 2023, while growth in China accelerated to 6.6% from 4.9%. Lower inflation in advanced economies should allow central banks to cut interest rates over time, which should boost consumption and import demand.

Preliminary statistics for the first quarter of 2024 showed world merchandise trade volume picking up. Trade as measured by the average of exports and imports was up 1.0% in Q1 of 2024 compared to the previous quarter, which is equivalent to 3.9% on an annualized basis. This growth is broadly in line with the WTO's current trade forecast. European exports and imports remained weak, while trade in other regions grew more strongly. Overall, trade has been remarkably resilient despite rising global trade tensions.

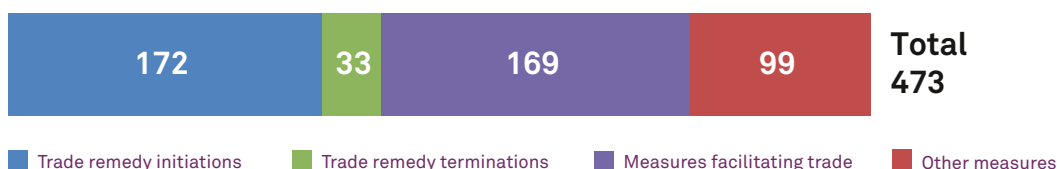
1.2 Overview of trade measures on goods

This Update provides an overview of selected trade and trade-related policy developments in the area of goods during the period from mid-October 2023 to mid-May 2024. It is divided into three parts, following the usual categorisation of trade measures on goods in the Annexes of the Trade Monitoring Reports, i.e., (Annex i) – Measures Facilitating Trade, (Annex ii) Trade Remedies and (Annex iii) – Other Trade and Trade-Related Measures.³

Developments related to food, feed and fertilizer trade are presented in Box 1 and developments related to COVID19-related trade measures in Box 2 below.⁴

A total of 473 trade measures on goods were recorded for WTO Members and Observers during the review period (Chart 1). This figure includes measures facilitating trade, trade remedy measures and other trade and trade-related measures. Chart 2 illustrates the trade coverage⁵ of the measures recorded for WTO Members and Observers during the review period.

Chart 1 Number of measures introduced between mid-October 2023 and mid-May 2024



Source: WTO Secretariat.

³ By its title, Annex (iii) recognises the occasional difficulty to unambiguously ascertain that certain trade measures are restrictive, i.e., restraining trade flows. Annex (iii) remains the repository of measures that are not trade-facilitating and that are not trade remedies. Measures recorded in Annex (iii) may have been introduced in response to actions taken by trading partners. These Annexes do not include SPS and TBT measures.

⁴ COVID-19 related measures are not included in the trade coverage calculations and are not counted towards the aggregate numbers of this overview.

⁵ The trade coverage is an estimate of annual imports/exports of the products concerned from economies affected by the measures introduced during the review period. 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 2022 merchandise trade.

Chart 2 Trade coverage of import and export measures introduced between mid-October 2023 and mid-May 2024 in USD billion



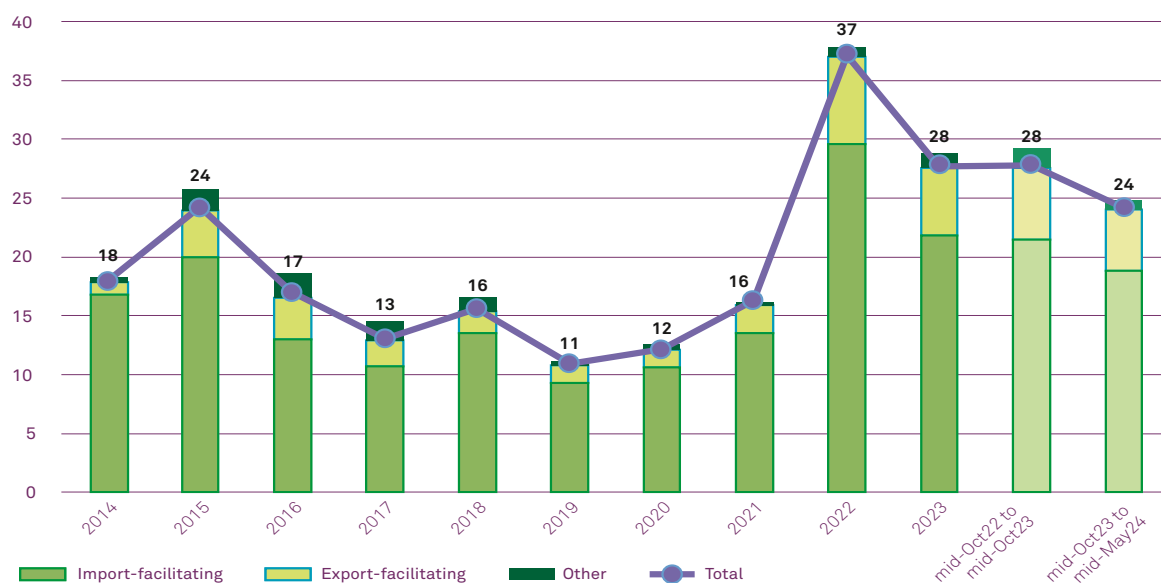
Note: Values are rounded.

Source: WTO Secretariat.

Measures facilitating trade

During the review period, 169 new trade-facilitating measures were recorded for WTO Members and Observers, accounting for a monthly average of 24.1 measures (Chart 3). This represents 35.7% of the total number of measures recorded. Most of the trade-facilitating measures were on the import side. The reduction or elimination of import tariffs made up the bulk of trade-facilitating measures, followed by the elimination or relaxation of import and export quantitative restrictions (QRs).

Chart 3 Average number of trade-facilitating measures on goods implemented per month by type, from 2014 to mid-May 2024

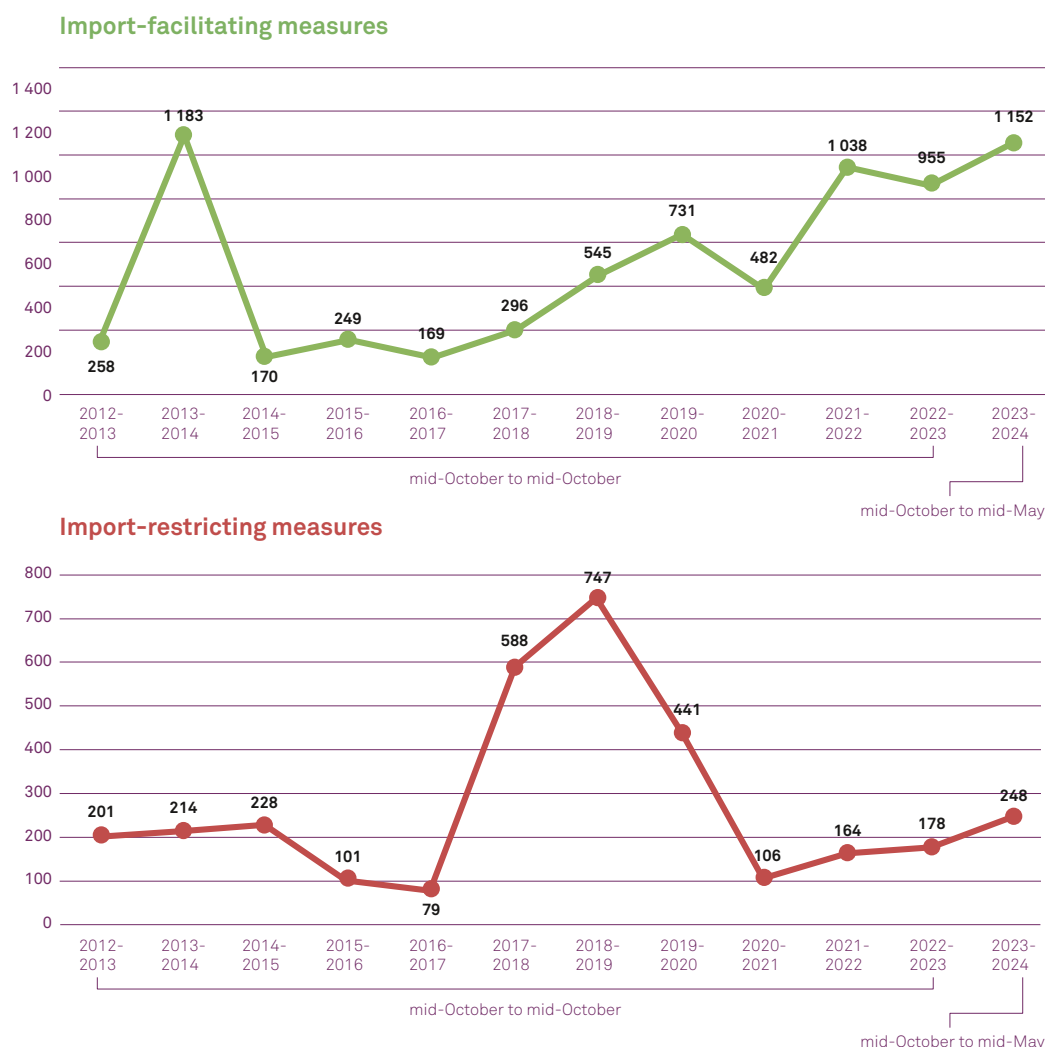


Note: Values are rounded. Revised data reflect changes undertaken in the TMDb to fine-tune and update the available information. Other refers to measures, including administrative changes, that may affect both imports and exports.

Source: WTO Secretariat.

The trade coverage of the import-facilitating measures introduced during the review period was estimated at USD 1,152.2 billion (up from USD 955.0 billion in the last annual report), i.e., 4.6% of the value of world merchandise imports (Chart 4).

Chart 4 Trade coverage of new import-facilitating and import-restricting measures in each reporting period (not cumulative) in 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.

The trade coverage of the export-facilitating measures introduced during the review period was estimated at USD 66.8 billion (up from USD 22.2 billion in last report), i.e., 0.3% of the value of world merchandise exports.

Overall, the trade coverage of the trade-facilitating measures (import and export) introduced during the review period was estimated at USD 1,219.0 billion (up from USD 977.2 billion in the last report).

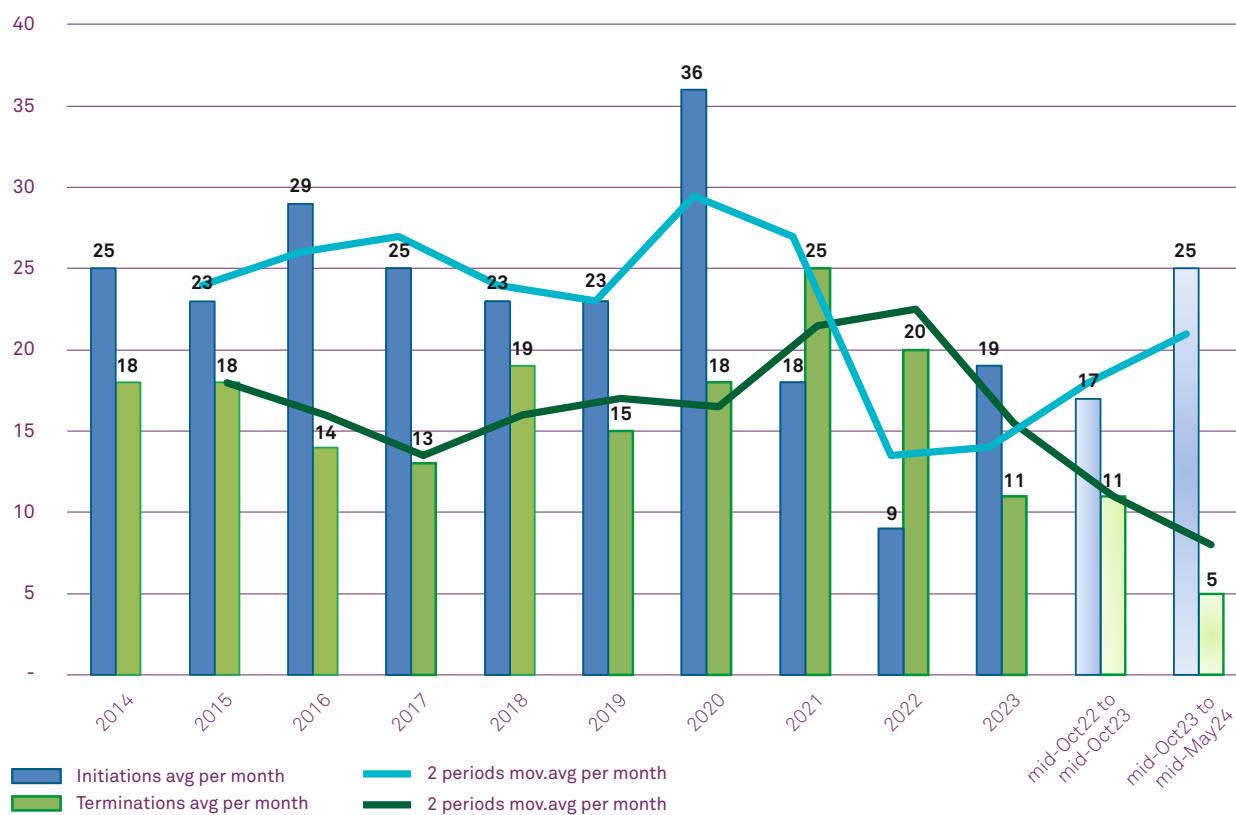
Trade remedy actions

During the review period, 205 trade remedy actions (172 initiations and 33 terminations) were recorded for WTO Members, accounting for 43.3% of all trade-related measures recorded. Anti-dumping continued to be the most frequent trade remedy action, accounting for 70.3 % of all initiations and 93.9 % of all terminations.

After reaching its highest peak so far in 2020, the average monthly number of trade remedy initiations has decreased in recent years. It did, however, increase during the current review period (24.6). Almost 90% of these investigations were initiated by G20 economies. The monthly average of trade remedy terminations recorded during the review period was 4.7, the lowest since 2014 (Chart 5).

The trade coverage of all trade remedy investigations initiated during the review period was USD 56.1 billion (up from USD 24.6 billion in last annual report), i.e., 0.2% of the value of world merchandise imports. For terminations, the trade coverage was valued at USD 2.5 billion (down from USD 15.5 billion in the last report), i.e., 0.01% of the value of world merchandise imports.

Chart 5 Average number of trade remedy initiations and terminations per month, from 2014 to mid-May 2024



Note: Values are rounded.
Source: WTO Secretariat.

Other trade and trade-related measures

Other trade and trade-related measures include those measures that are neither trade-facilitating nor trade remedies. These measures may generally be considered restrain trade.⁶ A total of 99 new such measures were recorded for WTO Members and Observers during the review period (20.9% of all measures recorded), accounting for an average of 14.1 measures implemented per month (Chart 6).

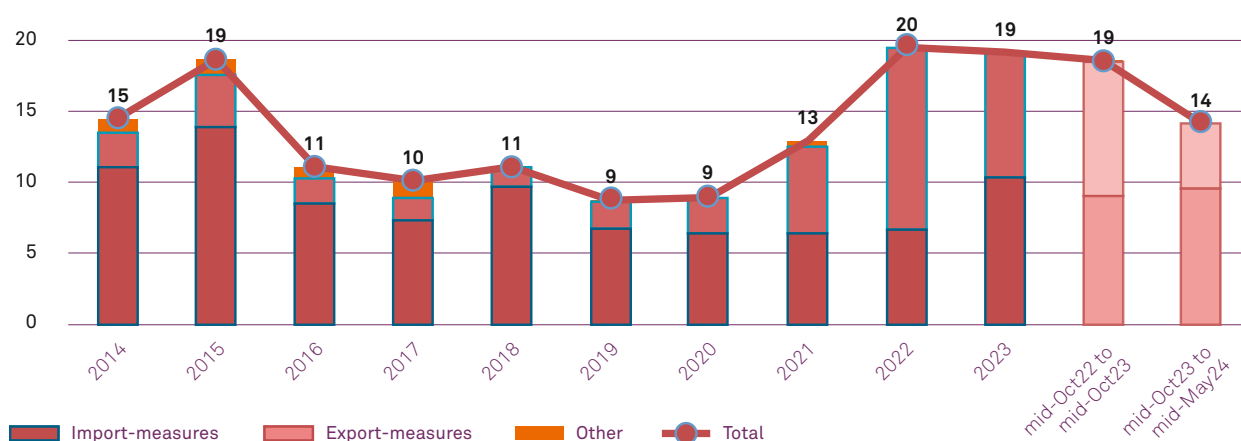
Most of these measures were import measures (67.7%), mainly increases of import tariffs, followed by impositions of QRs and stricter customs procedures. Import restrictions (67) outpaced the number of export restrictions (32) during the review period, reversing the trend observed between 2021 and 2023.

The trade coverage of other measures affecting imports implemented during the review period was estimated at USD 247.9 billion (up from USD 178.0 billion in last annual report), i.e., 1.0% of the value of world merchandise imports (Chart 4). The trade coverage of other measures affecting exports implemented during the review period was estimated at USD 185.7 billion (up from USD 159.1 billion in last annual report), i.e., 0.7% of the value of world merchandise exports.

Overall, the trade coverage of other trade and trade related measures (import and export) implemented during the review period was estimated at USD 433.6 billion (up from USD 337.1 billion in the last annual report).

⁶ The characterisation of a trade measure as restrictive often should be considered with additional care and nuance. For instance, some measures may have been introduced in direct response to actions taken by others. Some delegations argue that it is important to take a more holistic view of the reasons behind the implementation of certain trade measures.

Chart 6 Average number of other trade and trade-related measures implemented per month by type, from 2014 to mid-May 2024



Note: Values are rounded. Revised data reflect changes undertaken in the TMDb to fine-tune and update the available information. Other refers to measures, including administrative changes, that may affect both imports and exports.
Source: WTO Secretariat.

Stockpile of import-restrictive measures

The stockpile of import restrictions in force has grown steadily since 2009 – in value terms and as a percentage of world imports. For 2023, the trade covered by import restrictions in force was estimated at USD 2,229 billion⁷, representing 9.5% of total world imports. For 2024⁸, the trade covered by import restrictions was estimated at USD 2,272 billion or 9.7% of total imports.

The following Box provides an overview of the latest developments in the context of trade measures on food, feed and fertilizers implemented since late February 2022.

BOX 1 Developments on food, feed, and fertilizer trade

WTO Trade Monitoring has tracked trade measures applied on agricultural products in response to the outbreak of the war in Ukraine on 24 February 2022. Initially, and as covered in the Trade Monitoring Reports, the war was the dominant reason for introducing export and import-related trade measures on food, feed, and fertilizers. Recently, it has become more complex to directly link such measures to the war in Ukraine. A variety of climate-change-related events have, directly or indirectly, triggered an increase of some trade measures, particularly export restrictions. Other factors, including inflationary pressures and supply uncertainty, have also likely contributed to the rise of export restrictions.

Export restrictions on food, feed, and fertilizers

Since late February 2022, the WTO Secretariat has identified 140 export restrictive measures introduced by 39 WTO Members and 8 Observers on agricultural commodities. As of mid-June 2024, 70 of all identified export restrictions had been phased out, bringing the number of restrictions in force to 70.

The trade coverage of the export restrictive measures introduced by all WTO Members and Observers is estimated at USD 138.2 billion. The trade coverage of the repealed export restrictions is estimated at USD 120.5 billion. Thus, the trade coverage of export restrictions that are still in place is estimated at USD 17.7 billion.

The rate of introduction of new export restrictions has declined significantly of late. Restrictions continue to target a wide range of agricultural products including onion, rice, sugar, olive oil, seeds, and maize. The nature of the export restrictions remained diverse, and included export bans, quotas, duties, licensing requirements and other restrictions.

⁷ Only import measures where HS codes were available are included in the calculation. Cumulative figures exclude measures having an initiation and termination date within the same review period. Estimates are also conditioned by the availability of termination dates of the import-restrictive measures and of the HS codes of products covered.

⁸ Based on import restrictions recorded up to 15 May 2024.

Import-facilitating measures on food, feed, and fertilizers

Since the beginning of the war in Ukraine, the WTO Secretariat has identified 111 import-facilitating measures on various agricultural products, by 68 WTO Members and 3 Observers. Of these, 61 has been phased out or had expired by mid-June 2024. Currently, 50 import-facilitating measures remain in place.

Since 24 February 2022, the trade coverage of the import-facilitating measures introduced is estimated at USD 133.1 billion. The trade coverage of terminated import-facilitating measures is estimated at USD 63.3 billion. Therefore, the trade coverage of import-facilitating measures still in place is estimated at USD 69.8 billion.

The rate of introduction of new import-facilitating measures continued to fall during the review period. Import-facilitating measures target a wide range of agricultural products, including vegetable oils, cereals, rice, meats, and poultry, as well as fertilizers. These measures include reduction of import tariffs, increases of import quotas, introduction of tariff-free quotas, exemptions from value added taxes as well as lifting of import permit requirements.

Source: WTO Secretariat.

1.3 General economic support

Reporting on general economic support measures has been part of the trade monitoring exercise since its inception in 2008 following the GFC. There is a high degree of variation in terms of both the frequency of such policies and the transparency which surrounds them. The Trade Monitoring Exercise does not make any judgement as to the WTO-compatibility of any of these measures. While it is possible that these measures, whether taken as part of an overall commercial strategy or as part of an emergency response to a crisis, may affect trade in some way, it is often difficult to unambiguously conclude that they affect trade (and by how much), or that they distort competition.

A 2022 report from the IMF, the OECD, the World Bank, and the WTO⁹ concludes that subsidies are common in all sectors, used by countries at all stages of development, take many forms, and affect all countries. According to the report, most merchandise trade occurs in products and markets in which at least one subsidized firm operates. National and sub-national entities provide subsidies in a variety of ways, including direct grants, tax incentives, and favourable terms for financing, energy, land, or other inputs. Many subsidies are explicitly aimed at the important task of correcting market failures and may do this well. Many others, however, are designed in ways that do little to advance their stated objective or do so at high domestic cost or with harmful effects on the global commons and on other countries. The 2022 report also states that international cooperation can play an important role in reducing the overall use of subsidies and improve their design.

According to information communicated by WTO Members and identified by the Secretariat, the number of new general economic support measures introduced by governments increased significantly during the review period. In response to the Director-General request for information for the Trade Monitoring Exercise on 6 March 2024, 37 WTO Members volunteered information on 224 general economic support measures. The Secretariat's own research suggests that many other support measures with potentially important implications for trade were implemented by WTO Members.

Most of these support measures targeted clean energies, including support to decarbonization technologies, renewable energy sources, like wind turbines, solar, and geothermal energies, and clean hydrogen technologies. Other measures targeted fossil fuels and non-renewable energies, including coal mining enterprises and non-renewable automotive fuels. Several measures were implemented to support agriculture, farmers, and the food sector, including discounts on machinery, government programs providing fertilizers to farmers, and direct subsidies for specific products like maize and soybeans.

Many support measures targeted the development of electric vehicles, including through technological innovation, research and development programs, support to produce cars and batteries, and tax reductions for electric cars. Other measures focused on small businesses, startups, SMEs, or specific industries. Various measures communicated by governments related to the direct and indirect effects of the war in Ukraine.

Overall, the monitoring of general economic support measures on a regular basis has succeeded in capturing when such policies are implemented. The COVID-19 pandemic and the food crisis immediately following the outbreak of the war in Ukraine both illustrated very event-specific policy choices and among the WTO membership there was overwhelming interest in understanding the trends in the implementation of economic support measures. Recently, the issues surrounding various subsidies and industrial policy have gained traction generally as well as in discussions among WTO Members and these will require continued monitoring.

9 IMF, OECD, World Bank, and WTO (2022), Subsidies, Trade, and International Cooperation. Viewed at: https://www.wto.org/english/res_e/booksp_e/repintcoosub22_e.pdf.

The following Box provides an overview of the state of play of trade measures put in place in response to the COVID-19 pandemic.

BOX 2 - COVID-19 trade and trade-related measures on goods¹⁰

Since the outbreak of the pandemic in March 2020, 461 trade and trade-related measures on goods have been implemented by WTO Members and Observers, of which 256 (55.5%) were of a trade-facilitating nature and 205 (44.5%) could be considered to restrict trade.^a Members continued to phase out pandemic-related measures. According to information received by the Secretariat, as of midMay 2024, 141 (55.1%) of the COVID-19 trade-facilitating and 178 (86.8%) of the trade-restrictive measures have been repealed.

Most of the COVID-19 trade-facilitating measures (82.8%) introduced since the beginning of the pandemic were import measures while most of the trade-restricting measures (85.4%) targeted exports.

COVID-19 related economic support measures

The 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 GFC. The WTO Secretariat recorded at least 1,809 COVID-19-related economic support measures that have been put in place by 113 WTO Members and 7 Observers since the outbreak of the pandemic. Of these, by midMay 2024, 1,164 (64.3%) had been communicated directly to the Secretariat. More than half of these measures (58.4%) were introduced by G20 economies.

During the review period, a few pandemic-related support measures were introduced, mainly extensions, renewals, or terminations of measures.

These restrictive measures were implemented with reference to specific health issues. The monitoring and recording of these measures never labelled them inconsistent with WTO rules. It is equally significant that delegations have expressed widespread support for this categorization which provided some clarity as the nature of measures taken in response to the pandemic.

Source: WTO Secretariat.