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TRADE POLICY REVIEW MECHANISM

SEVENTH APPRAISAL OF THE TRADE POLICY REVIEW MECHANISM¹

Chairperson: H.E. Ambassador Saqer Abdullah Almoqbel (Saudi Arabia, Kingdom of)

1 BACKGROUND

1.1. The Trade Policy Review Mechanism (TPRM) was created in 1989 on a provisional basis under the GATT and confirmed by Annex 3 to the Marrakesh Agreement Establishing the WTO. Paragraph F of Annex 3 determined that the Trade Policy Review Body (TPRB) "shall undertake an appraisal of the operation of the TPRM not more than five years after the entry into force of the Agreement Establishing the WTO. The results of the appraisal will be presented to the Ministerial Conference. It may subsequently undertake appraisals of the TPRM at intervals to be determined by it or as requested by the Ministerial Conference".

1.2. The first Appraisal of the TPRM ([WT/MIN\(99\)/2](#)) was undertaken in 1999, the second ([WT/MIN\(05\)/1](#)) in 2005, the third ([WT/TPR/229](#)) in 2008, the fourth ([WT/MIN\(11\)/6](#)) in 2011, the fifth ([WT/MIN\(13\)/5](#)) in 2013, and the sixth ([WT/MIN\(17\)/9](#)) in 2016. The sixth Appraisal concluded that "[t]he next Appraisal of the operation of the TPRM should take place at a time to be decided by the TPRB, but not later than within five years, and preferably not in the year of a WTO Ministerial Conference. It is understood that nothing precludes the TPRB from deciding on specific items for improvement before the next Appraisal. The next Appraisal should include an assessment of the implementation of the conclusions reached at this Appraisal, *inter alia*, in terms of the transparency of Members' trade policies". The seventh Appraisal was postponed from 2021 because of the 12th Ministerial Conference, initially scheduled for 2021 and subsequently held in June 2022.

1.3. With Members' agreement, the first TPRB meeting to discuss the seventh Appraisal of the TPRM was held on 14 September 2022. Nine informal open-ended meetings of the TPRB were held between September 2022 and July 2023, chaired first by Ambassador Ángel Villalobos Rodríguez (Mexico) and then by Ambassador Saqer Abdullah Almoqbel (Kingdom of Saudi Arabia). Several issues were discussed in ten dedicated sessions, and tutorials and demonstrations were organized on the functioning of the IT system for submitting questions and answers (Q&A). The Chairpersons also made themselves available for bilateral and group consultations throughout the exercise. In this regard, consultations were held with 11 interested delegations and 3 group coordinators from 12 to 22 May with the aim of concluding this Appraisal before the summer break. This Report was formally agreed at a TPRB meeting on 26 July 2023.

2 ISSUES DISCUSSED IN THE SEVENTH APPRAISAL

2.1. In this Appraisal, Members recognized the TPRM as a core function of the WTO and discussed six main aspects: review cycles; Trade Policy Review (TPR) reports; Q&A process; meeting structure; follow-up activities; and the Trade Monitoring exercise. Three Members submitted written proposals.² The discussions were framed around the need to reduce the burden of the TPR exercise

¹ Issued as WTO document [WT/TPR/500](#) on 27 July 2023.

² WTO documents [JOB/TPR/4](#) (European Union), [JOB/TPR/5](#) (United States), and [JOB/TPR/6](#) (China).

on Members and the Secretariat while retaining the value of TPRs. The background to each issue and the main points raised by Members are summarized below.

Issue 1 Review cycles

2.2. In the sixth Appraisal, Members agreed to change the review cycles from 2, 4, or 6 years to 3, 5, or 7 years. The new arrangement was phased in starting from 2019. It was also decided that the Trade Monitoring exercise would serve to enhance the transparency of Members' trade policies in between TPRs. Members noted that, notwithstanding the revised review cycles, the general flexibility of up to six months provided for in the Rules of Procedure for Meetings of the TPRB³ would remain unchanged. Some Members requested that assistance, including financial support, be given to LDCs to participate in their TPRs.

2.3. In this Appraisal, Members supported retaining the review cycles agreed in the sixth Appraisal, with the flexibilities allowed.

2.4. Conclusion:

- (1) Members agreed to maintain the current review cycles (3, 5, and 7 years) with the flexibility and preparatory assistance accorded to LDCs under Annex 3 of the Marrakesh Agreement.*

Issue 2 TPR reports

2.5. According to Annex 3 to the Marrakesh Agreement Establishing the WTO, the Secretariat must produce reports for TPRs on its own responsibility. The format and content of these reports are similar for all TPRs, with adjustments as necessary to cater for the different economic and trade profiles of the Members under review. The reports cover various aspects of trade policies and measures of interest to Members and of importance to the multilateral trading system, including topics not governed by existing WTO Agreements, such as competition policy.

2.6. The Secretariat has been working to produce more concise reports without compromising the quality of the information and analysis. By streamlining its reports, the Secretariat also aims to reduce documentation and translation costs. The Secretariat continues to seek to ensure that its reports are factual and objective and that, subject to each Member providing the data and information needed for a thorough trade policy review, there is consistency across all Members in terms of comprehensiveness, accuracy, and detailed analysis, particularly when they are reviewed on the same cycle.

2.7. The supply of Government Reports by Members under review is another requirement stipulated in Sections C and D of Annex 3 to the Marrakesh Agreement Establishing the WTO.

2.8. In the sixth Appraisal (para. 2.10), the following was decided:

- (1) For Members reviewed on a 3-year cycle, the Secretariat Report may, as appropriate, focus on the implementation of issues highlighted in the last review, and on the actual changes on the ground due to new legislation entered into force or related to new issues arising from recent ministerial decisions of the WTO. For all Members, the scope of the Reports may, as appropriate, be limited to the extent possible to the changes in policies and focus on the implementation of past recommendations. The above is on the understanding that the Reports are produced independently by the Secretariat on its own responsibility. The above is also without prejudice to the depth and breadth of the reports.
- (2) The scope of the Secretariat Reports may include issues relevant to modern trade policies.
- (3) For LDCs, the Secretariat Reports should integrate to the maximum extent the needs assessment and relevant Aid for Trade elements. Members are also encouraged to include in their Government Reports a new section on LDC issues, to briefly highlight issues in those reports which are considered to be of particular interest to LDC Members.

³ WTO document [WT/TPR/6/Rev.4](#), 16 June 2017, para. 3.

- (4) On balance, Members prefer keeping Government Reports mandatory, as set out in Annex 3 to the Marrakesh Agreement Establishing the WTO.

2.9. In this Appraisal, Members noted that the Secretariat Report should remain of a high quality; be objective and coherent; and be consistent across all Members. Regarding the structure and focus of the Report, Members requested the Secretariat to (i) produce, to the extent possible, more concise reports; (ii) explore the use of online profiles, statistical annexes, and other tools that would help shorten the Report; (iii) focus its Report on recent trade policy changes and, in the case of Section I (Economic Environment), trade-related issues; (iv) refer in its Report to outstanding specific issues raised in the previous Review; (v) consider regrouping some sections of the Report; and (vi) develop indexes or metrics to provide information on the use of its reports.

2.10. A number of Members also discussed ways to broaden the Secretariat Report's coverage of (i) WTO notifications; (ii) WTO technical assistance, including by offering the Member(s) under review the opportunity to provide views on WTO technical assistance received; (iii) more consistent analysis of intellectual property rights; and (iv) trade policies related to new and emerging issues such as supply chains; digital trade; MSMEs; trade and environment; trade and inclusiveness, including women's economic empowerment; and (v) particular challenges faced by LDCs. In this regard, some Members expressed reservations about the coverage of issues beyond WTO multilateral agreements. It was also noted that the Secretariat should use non-official sources with caution. Other Members stated that the Secretariat should be allowed to exercise its independence and professional judgment in preparing its Report, recalling that the Report is issued under the Secretariat's own responsibility.

2.11. Conclusions:

- (1) *Members agreed that the Secretariat should retain its independence and responsibility in writing high-quality, objective, coherent, and consistent reports across all Members.*
- (2) *The Secretariat was requested to produce, to the extent possible, concise Reports that are focused on recent trade policy changes and practices of the Member(s) under review and on outstanding specific issues raised in the previous Review. The scope of the Secretariat Report may, as appropriate, cover issues relevant to new trade-related developments of the Member(s) under review in line with Annex 3 of the Marrakesh Agreement.*
- (3) *The Secretariat was requested to include in its report relevant information on submitted and outstanding notifications of the Member(s) under review.*

Issue 3 Q&A process

a) Timelines for submitting advance written questions

2.12. In the sixth Appraisal (para. 2.13), the following was decided: "(i) the alternative timeline (AT) will be revised to allow one more week for the Member(s) under review to provide written answers to advance written questions submitted within the established deadline"; and "(ii) both the current timeline (CT) and the revised AT will remain as options for the submission of written questions and answers. The choice will be made by the Member(s) under review, at the time of agreeing on the date of review".

2.13. In this Appraisal, the Secretariat informed that during the period 2017-22, about two thirds of Members opted for the CT (67 Members out of 99), and the other third chose the AT (32 Members out of 99). It was noted that maintaining a system with two parallel timelines increases costs and complexity. Some Members highlighted that the AT offers the Member(s) under review more time to prepare written answers while also giving Members more time to consider those answers in preparation for the Review meeting, which is conducive to an interactive Review, and therefore suggested that Members be encouraged to use the AT. Other Members indicated that Members should have full discretion in choosing between the CT and AT and that there was no need to encourage the use of the AT. Some Members commented that written questions should be submitted by the deadlines established under the rules of procedures for TPR meetings, while other Members asked for smaller delegations to be given flexibility regarding the deadlines to send written questions and that specific consideration be given to the constraints faced by LDCs.

2.14. Conclusion:

- (1) *While recognizing that the AT allows more preparation time for Members before the review meeting, which is conducive to an interactive Review, Members agreed to maintain the current optional nature of the AT and CT.*

b) Facilitating the Q&A process

2.15. In the sixth Appraisal (para. 2.17), the following was decided:

- (1) Given that, for the system to be fully functional and beneficial, it has to be implemented across the board as the only means of submitting questions and answers, the system has to be fully tested and necessary technical assistance and training be provided to Members before migration to this new platform. Members will be invited to take a formal decision to launch the system in due course.
- (2) In the initial period of migration (duration to be decided by Members in due course), the existing arrangements for submitting questions and answers will co-exist with the new IT system, in order to ensure a smooth transition.
- (3) Volunteering Members will continue to be involved in the fine-tuning and testing of the system during the validation stage.
- (4) Members will continue to ensure full implementation of the rules for sending questions adopted at the fourth Appraisal and will send questions numbered in one batch.
- (5) Some Members are concerned about the large number of questions, and Members agree to continue exercising restraint in raising questions.

2.16. In this Appraisal, the Secretariat informed that since its introduction in 2018 and up to September 2022, the IT system for the submission of Q&A has been used in some 18% of the TPRs conducted, i.e. 14 of 80 TPRs. The Secretariat organized on 22 November 2022 a training session (tutorial) for Members about the functioning of the IT system, followed by a demonstration session on 14 June 2023. On 27 June 2023, Members were invited to test a demonstration version of the IT system and were encouraged to provide feedback to the Secretariat on ways to improve the system's functionality and user-friendliness. The Secretariat has also circulated user guides on the IT platform in the WTO's three working languages.

2.17. Various Members made suggestions for improved functions that the IT system should incorporate, including (i) the ability to see questions in real time; (ii) the ability to see answers in real time; (iii) the ability to support another Member's question; (iv) the possibility to cross-reference replies in a user-friendly way; (v) the inclusion of a hard deadline for uploading questions; (vi) the inclusion of a standard template for each question received by the Member(s) under review; (vii) the ability to group Q&A by topic; (viii) the ability of the system to address formatting issues; (ix) the possibility to filter questions; (x) that the system should be as user-friendly as the WTO Trade Facilitation Agreement Facility website; and (xi) that the system should offer a user-friendly function to search and retrieve archived information. It was further noted that the preceding list is non-exhaustive; the Secretariat would assess the feasibility of the suggested improvements and their budgetary implications; and Members would provide additional suggestions on possible improvements once they had finished testing the demonstration version of the IT system.

2.18. Members also discussed possible ways to rationalize the number of advance written questions received by the Member(s) under review, including through technological options, regular reminders to Members of the need to exercise restraint, and the introduction of an indicative limit of questions and sub-questions of 75 per Member in each Review. Some Members expressed their concern about introducing a fixed limit on the number of questions, bearing in mind that such practice should not prejudice Members' interest in achieving greater understanding of the trade policies and practices of the Member(s) under review. Some Members requested that delegations exercise restraint in the number of advance written questions posed to LDCs and that flexibility be granted when providing their written replies.

2.19. Conclusions:

- (1) *Members agreed to establish an inclusive, Member-led Task Force to strengthen the IT system for the submission of written Q&A with a view to making it more user-friendly and reducing the burden on the Member(s) under review. A prototype of the improved IT system should be available for testing by the end of 2023, making it fully operational by the end of 2024. Such improvement should take into account the flexibility needed by delegations facing capacity constraints, enabling the uniform use by all Members of the IT system at the earliest possible date.*
- (2) *Members agreed to exercise restraint in posing advance written questions.*⁴

c) Non-submission of written replies

2.20. In this Appraisal, Members raised the following points: (i) Members that have not received answers to their questions within the TPRB's prescribed deadlines could be permitted an additional follow-up, or the Secretariat could keep track of Members that have not completed their Reviews (because of outstanding replies); (ii) Members should be permitted to use the written question period to seek updates on late substantive notifications that do not fall within the review period; (iii) the Secretariat should include a list/table identifying Members not complying with the submission of written replies in the minutes of the TPR reports; and (iv) there should be a follow-up obligation on Members that have outstanding replies. Any follow-up process for replies should not create an additional burden on LDCs.

2.21. Conclusion:

- (1) *Members agreed to request the TPRB Chairperson to remind reviewed Members with outstanding answers that a TPR is successfully concluded when Members have received those answers. In observance of Article XI.2 of the Marrakesh Agreement, any follow up process or replies should not be unduly onerous on LDCs.*

Issue 4 Meeting structure

2.22. A long-standing issue in previous appraisals has been how to reinvigorate and streamline TPR meetings and make them more interactive, notably the second meeting of the Review. In the sixth Appraisal (para. 2.24), the following was decided:

- (1) As a one-day TPR meeting in the format originally envisaged in the fourth Appraisal is technically challenging and the benefits are not apparent, it will cease to be an option.
- (2) The current two-day structure of TPR meetings will be maintained.
- (3) While retaining the existing elements of the second meeting of the Review, Members may explore ways of adding value to the second meeting by offering to include, on a voluntary basis, innovative elements to the programme for their reviews, such as a question-and-answer session where Members could pose questions relating to the trade policy of the Member under review, or a panel discussion on elements of that trade policy. In all cases, details of these elements, including the format and scope of questions to be considered and the make-up of any panel, will be determined by the Member under review and will be conducted in informal mode.

2.23. In this Appraisal, a group of Members underscored the need to reinvigorate meetings to make them more interactive and productive, particularly the second meeting of the Review. They said that the second meeting of the Review had become too formalistic and was not conducive to frank and open discussion as originally intended when the TPRM was established. These Members suggested ways to improve the level of interaction, especially during the second meeting of the Review, including through more streamlined meetings on trade-related policy changes and more focused and

⁴ In this regard, most Members agreed on an indicative limit of 75 advance written questions, without prejudice to Members' interest in achieving greater understanding of the trade policies and practices of the Member(s) under review.

policy-relevant interventions by Members. In addition, some Members noted that keeping all formal statements to the first meeting of the Review and holding the second meeting of the Review in the form of an informal Q&A session focused on topics that attract the most interest by Members, along with the participation in Review meetings of an additional "external" discussant, would help revitalize TPR meetings. Other Members were satisfied with the current meeting structure and saw no need to make changes at this point in time. Since there was no consensus at this Appraisal, it was agreed that this issue would form part of discussions at the next Appraisal.

2.24. Conclusion:

- (1) Members agreed to maintain the current meeting structure, and to discuss and consider ways of adding value and interactivity to TPR meetings at the next Appraisal.*

Issue 5 Follow-up activities

2.25. In the sixth Appraisal, Members underlined the value, especially for LDCs, of follow-up workshops to their TPRs. As requested by Members, the Secretariat provided an assessment of the experiences in conducting such activities.

2.26. In this Appraisal, the Secretariat informed Members that during the period 2017-19, there were 17 follow-up workshops for individual LDCs and developing countries. In addition, various regional seminars were conducted involving the participation of several Members. Because of travel restrictions caused by the COVID-19 pandemic, no follow-up workshops/regional seminars were conducted in 2020-21. Members raised the following points: Secretariat Reports should include information and evaluation of follow-up activities as well as other capacity-building/technical assistance projects implemented in each Member. Some Members highlighted that these activities should not be used to impose new obligations on the Member(s) under review, and requested that support be given to LDCs for follow-up activities after their TPRs.

2.27. Conclusion:

- (1) Members encouraged the Secretariat to continue offering upon request TPR follow-up workshops, in particular for LDCs, and report on the outcome of those activities.*

Issue 6 Trade Monitoring exercise

2.28. The TPRB meets at least twice a year to review the Director-General's Trade Monitoring reports on recent trade policy developments, including the overall trends in implementing trade-restricting and trade-liberalizing measures. In preparing these reports, the Secretariat relies on Members to provide accurate information and verify all measures recorded for their respective economies. The fourth, fifth, and sixth Appraisals recognized the usefulness of the Trade Monitoring exercise, and there was broad consensus among Members to continue with and strengthen it.

2.29. In the sixth Appraisal, some Members expressed concerns regarding the general lack of engagement and participation in the Trade Monitoring exercise. Members also discussed the possibility of highlighting certain measures in the Trade Monitoring report, and ways to make the meetings more interactive and fruitful. They were informed by the Secretariat of the process of gathering inputs for the reports, and the necessary steps involved.

2.30. In this Appraisal, Members raised the following points: (i) the importance of transparency during times of crisis and the opportunity offered by the TPRB as the main platform for Members to address or highlight any lack of transparency; (ii) the urgent need to increase participation in the monitoring exercise and improve the Trade Monitoring function as part of WTO reform; (iii) the usefulness of exploring IT solutions, including a digital platform to streamline the data gathering process and verification; (iv) the need to streamline the process of requesting information and verifying trade measures; (v) the need to exercise caution in using information from unofficial sources; (vi) the importance of including more qualitative analysis of trends and the state of world trade as this would allow Members to engage in more constructive discussions; (vii) the possibility of reducing the length of the trade concerns section in the reports and expanding that on trade trends; (viii) ensuring that the exercise focuses only on multilateral trade agreements and that the reports remain focused on trade-related developments; (ix) clarifying the scope and topics handled

by the Trade Monitoring exercise, including the length of the reports; (x) adopting a standardized format for inputs to the Trade Monitoring reports; (xi) exploring the option of having only one report per year; and (xii) further expanding substantive sections relating to new trade policy developments.

2.31. Several Members also reiterated that the Trade Monitoring reports form part of a transparency exercise and peer review among delegations and are not meant to serve to enforce WTO legal obligations.

2.32. Members highlighted the role of the TPRB as the main forum to share information among Members on trade policy developments, particularly during times of global crisis.

2.33. Conclusions:

- (1) Members invited the Secretariat to continue to explore, implement and extend IT solutions that can facilitate the Trade Monitoring exercise for Members, including through the digital platform for the submission and verification of measures online.*
- (2) Members called for increased engagement and participation of all Members in the Trade Monitoring exercise, including through the training and briefing sessions offered by the Secretariat's Trade Monitoring outreach programme.*
- (3) Members invited the Secretariat to reduce the frequency of its Report to an annual Report in normal times, while maintaining flexibility to adjust their frequency in times of crisis, as appropriate.*
- (4) Members highlighted the TPRB should also serve as a forum to share information on trade policies and practices and their impact on the functioning of the multilateral trading system, following the objectives set forth in paragraph A of Annex 3 of the Marrakesh Agreement, especially during times of global crises.*

3 DATE OF THE NEXT APPRAISAL

3.1. Members agreed that the next Appraisal of the operation of the TPRM should take place not later than 2027, and preferably not in the year of a WTO Ministerial Conference. It is understood that nothing precludes the TPRB from deciding on specific items for improvement before the next Appraisal. The eighth Appraisal should include an assessment of the implementation of the conclusions reached at this Appraisal, *inter alia*, in terms of the transparency of Members' trade policies.
