4 July 2023

REPORTS ON G20 TRADE AND INVESTMENT MEASURES[1]

(OCTOBER 2022-MAY 2023)

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JOINT SUMMARY ON G20 TRADE AND INVESTMENT MEASURES

We are pleased to submit our reports on G20 trade and investment measures. They are presented under the mandate provided by G20 Leaders to the WTO, OECD and UNCTAD and cover trade and investment measures implemented by G20 economies during the period from mid-October 2022 to mid-May 2023.

The WTO Trade Monitoring Report comes at a moment of continuing instability for the global economy and international trade. The war in Ukraine, climate change, food and energy insecurity as well lingering challenges of the COVID-19 pandemic and access to medicines remain at the top of the agenda for political leaders across the world. In addition, stubbornly high inflation rates, tighter monetary policies and high levels of external debt contributed to a slump in world merchandise trade volume at the end of 2022. The WTO's most recent forecast projects subpar growth of 1.7% in 2023 picking up to 3.2% in 2024.

The Report provides an update on developments in export restrictions on food, feed and fertilizers seen since the beginning of the war in Ukraine. Although many of these restrictions have been lifted, including by several G20 economies, and the introduction of new measures has declined over the review period, globally more than 60% of these export restrictions remain in place with serious implications for food security, especially in developing and least-developed countries. The G20 economies must lead by rolling back export restrictions and ensure the free flow of trade.

Overall, G20 economies introduced more trade-facilitating than trade-restrictive measures on goods and services during the period covered by this report. The trade coverage of the trade-facilitating measures at USD 692 billion is almost 8 times greater than that of trade restrictive measures (USD 88 billion). However, the stockpile of G20 import restrictions remained significant with over 11% of G20 imports affected by import restrictions implemented by G20 economies since 2009 and which are still in force. No sign of any meaningful roll back of existing measures was observed during the review period.

Preparations for WTO's 13th Ministerial Conference (MC13) in early 2024 are already under way. Follow up on the multilaterally agreed outcomes at MC12 on fisheries subsidies, the WTO response to the future pandemics, including a waiver of certain IP requirements concerning compulsory licensing for COVID-19 vaccines, food security, the extension of the moratorium on e-commerce, and on WTO reform will require determination and commitment by all WTO Members. The Senior Officials meeting in Geneva on 23-24 October will provide an important opportunity to take stock of preparations for MC13. G20 initiative and leadership in the preparations for MC13 are crucial for the success of the ministerial meeting and for reinvigorating the multilateral trading system and boosting the world economy.

The OECD and UNCTAD Monitoring Report on investment measures notes that while the direct economic impact of the COVID pandemic on investment policy in G20 members has subsided, the overall economic environment remains challenging. Global FDI flows fell back in 2022, after plummeting in 2020 and rebounding in 2021. Lower equity inflows contributed to the decline of FDI in G20 economies, although they were partly offset by an increase in reinvested earnings. Prospects for 2023 remain uncertain: in the first quarter of 2023, the value of new announced investment projects dropped by 40% and the number of projects declined by 15% compared to the previous quarter.

G20 members have made only limited changes to their investment policies in the reporting period, confirming a longer-time trend to less frequent adjustments in this area. A notable exception are policy measures adopted to manage the security implications of foreign investment, which constitute again a significant share of the policy changes taken in the reporting period. G20 members have also taken further measures in relation to the war in Ukraine.

The appreciation of the significance of international investment is critical to address the current and future crises and to achieve the Sustainable Development Goals (SDGs).

This is particularly important in the context of a growing SDG investment gap in developing countries. As we approach the midpoint of the 2030 Agenda for Sustainable Development, countries need to intensify their efforts to promote and facilitate investment across all

SDG-relevant sectors. They also need investment to ensure a swift and just transition to carbon neutrality and to overcome the continued and deepening poverty across and within societies.

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WORLD TRADE ORGANIZATION

REPORT ON G20 TRADE MEASURES

(MID-OCTOBER 2022 TO MID-MAY 2023)

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EXECUTIVE SUMMARY

1. This 29th Trade Monitoring Report on G20 trade measures arrives at a time when the global economy continues to be affected by multiple crises. The continuing war in Ukraine, events related to climate change, high food and energy prices, and inflation, as well as the lingering ramifications of the COVID-19 pandemic, are having serious implications for the global economic environment.

2. The overall findings of this Report, as further detailed in the Specific Findings below, reveal that between mid-October 2022 and mid-May 2023, G20 economies introduced more trade-facilitating (77) than trade-restrictive (41) measures on goods, unrelated to the pandemic, most of which were import measures. In the area of services, 34 new measures were introduced by G20 economies, mostly facilitating trade. The review period saw new support measures by governments, including various environmental impact reduction programmes. The implementation of new COVID-19 trade-related measures on goods, services, intellectual property, and general economic support by G20 economies decelerated over the past seven months.

3. Export restrictions, whether related to the COVID-19 pandemic or the war in Ukraine, including the food security crisis, continued to grab headlines, even as the pace of introduction of such measures slowed and several were rolled back. Globally, as of mid-May 2023, 63 export restrictions on food, feed and fertilizers were still in place, in addition to 21 COVID-19-related export restrictions. Many of these measures were introduced in the immediate aftermath of the outbreak of the pandemic and a similar pattern was observed following the start of the war in Ukraine. These developments were described in the November 2022 G20 Trade Monitoring Report. For both crises, initial and often comprehensive export bans were subsequently replaced with other restrictions, such as quotas and licensing requirements, and many were later notified to the WTO. From a transparency point of view, this is important as it suggests that policy makers value the predictability of multilateral trade rules.

4. The pronounced weakening of merchandise trade, which slumped during the fourth quarter of 2022 and appeared to have remained below trend in the first quarter of 2023 is of concern. World merchandise trade volume growth was expected to slow in 2022 and in early 2023, before picking up in 2024.

5. The disruptions caused by the COVID-19 pandemic and the war in Ukraine have pushed economic security to the forefront of policy discussions. Over the past couple of years, economies have consistently used the multilateral trading system to adjust to market and supply challenges, demonstrating that a strong multilateral trading system based on WTO rules offers enhanced economic security.

6. The successful conclusion of the 12th WTO Ministerial Conference (MC12) in June 2022 secured a series of unprecedented multilaterally agreed outcomes and demonstrated that multilateral cooperation on trade can deliver. Work is already under way to build on these outcomes at MC13 in early 2024 and a Senior Officials meeting will take place on 23-24 October 2023 to ensure that the MC13 produces outcomes that help all economies to build a fairer, more just and more resilient economic future.

7. G20 initiative and leadership in the preparations for MC13 are crucial for the success of the ministerial meeting and for reinvigorating the multilateral trading system and boosting the world economy.

Specific findings

8. This Report is set against a backdrop of **pronounced weakening of merchandise trade**, which slumped during the fourth quarter of 2022 and appears to have remained below trend in the first quarter of 2023. World merchandise trade volume growth is expected to slow from 2.7% in 2022 to a subpar 1.7% in 2023, before picking up to 3.2% in 2024. Growth in 2022 was weighed down by the war in Ukraine, stubbornly high inflation, and tighter monetary policy. The overall outlook for 2023 remains clouded by downside risks, including geopolitical tensions, food and energy insecurity, increased risk of financial instability, and high levels of external debt. However, the continuing relaxation of pandemic control measures should provide a boost to trade in 2023, particularly in travel-related services.

9. **Inflation is growing across the world causing further uncertainty**. In 2022, inflation was the highest some countries have experienced in decades and was exacerbated by price spikes in primary commodities whose supplies were impacted by the war in Ukraine, the food security crisis, and rising energy prices.

10. Several of crises – most recently the COVID-19 pandemic and the war in Ukraine – have **disrupted global supply chains**. With geopolitical tensions rising, countries are increasingly looking for ways to develop resilience. The use of the multilateral trading system by countries to adjust to market and supply challenges over the past couple of years has emphasized the need for a strong multilateral trading system and the resilience it provides.

11. The pace of implementation of new **export restrictions** by WTO Members has increased since 2020, first in the context of the pandemic and subsequently with the war in Ukraine and the food security crisis. Although some of these have been rolled back, as of mid-May 2023, 63 export restrictions on food, feed and fertilizers were still in place, in addition to 21 COVID-19-related export restrictions on essential products. Of these, 19 export restrictions on food, feed, and fertilizers and 12 pandemic-related export restrictions were maintained by G20 economies.

12. During the review period, G20 economies introduced **77 new trade-facilitating and 41 trade-restrictive measures on goods, unrelated to the pandemic**. Most of these were import measures. The pace of introduction of new trade restrictions by G20 economies dropped during the review period. The trade coverage of G20 trade-facilitating measures introduced during the review period was estimated at USD 691.9 billion (up from USD 451.8 billion in the last report) and that of trade-restrictive measures at USD 88.0 billion (down from USD 160.1 billion).

13. The **stockpile** of G20 import restrictions in force remained important with no sign of any meaningful roll-back of existing measures. By the end of 2022, 11.1% of G20 imports were affected by import restrictions implemented by G20 economies since 2009 and which are still in force.

14. In 2021 and 2022, initiations of **trade remedy** investigations by G20 economies declined sharply while terminations of trade remedy actions increased. During the review period, initiations increased slightly (9.7 initiations per month) compared to the two last reports, but remained down from the 2020 peak (28.6). Trade remedy actions remained an important trade policy tool for most G20 economies, accounting for 52% of all non-COVID-19-related trade measures on goods recorded in this Report. Anti-dumping continued to be the most frequent trade remedy action in terms of initiations and terminations.

15. The significant decline in the number of initiations of trade remedies observed since 2021 may represent an important change in the landscape of trade measures There may be several reasons for this recent decline. For example, in the case of both the pandemic, and more recently the war in Ukraine, countries appear to have focused on making sure that their territories remained well-stocked and accessible for a wide range of products. Such policies may have impacted the use of the trade remedies instrument.

16. Some 34 new **services** measures were introduced by 15 G20 economies during the review period. Most of these were of a trade-facilitating nature, including the establishment of many regulatory practices with respect to trade in services. Only a handful of measures were trade restrictive. Measures covered areas such as telecommunications, computer, and Internet- and other network-enabled services, and financial services.

17. The review period saw the introduction of numerous new **economic support measures** by G20 economies, including environmental impact reduction programmes, renewable-energy production schemes or support for energy efficiency and decarbonization and for clean- and renewable-energy projects. Other measures included various support programmes for the agricultural sector.

18. The implementation of **new COVID-19 trade-related measures** by G20 economies decelerated over the past 7 months, with 11 such measures recorded on goods. Most of the measures communicated by G20 economies on goods consisted of reductions of customs duties, terminations of existing measures or amendments of others. No new COVID-19-related services measures were reported for G20 economies, but many measures introduced in 2020 remained in

place. The number of new COVID-19-related support measures to mitigate the social and economic impacts of the pandemic fell sharply.

19. About 40% of the 454 trade and trade-related measures in the area of goods introduced by all WTO Members and Observers since the outbreak of the pandemic were introduced by G20 economies. Most G20 measures (58%) were trade-facilitating. G20 economies continued to phase out pandemic-related import and export measures and by mid-May 2023 83% of G20 export restrictions had been rolled back, leaving 12 restrictions in place.

20. G20 economies remained the most frequent users of the **SPS and TBT** Committees' transparency mechanisms. Food safety was the most frequent objective identified in the regular SPS notifications submitted by G20 economies during the review period. Members continued discussions at the SPS Committee meetings to advance the work programme that emerged from the MC12 SPS Declaration on Responding to Modern SPS Challenges. At these meetings, 59 (95%) of the 62 specific trade concerns (STCs) raised involved a G20 economy. G20 economies submitted 42% of all 127 SPS notifications and communications on measures taken in response to the pandemic.

21. G20 economies have submitted 41% of all TBT notifications since 1995. Most of the new regular TBT notifications submitted by G20 economies during the review period indicated the protection of human health or safety as their main objective. At the TBT Committee meetings, 81% of the 32 new STCs raised concerned measures maintained by G20 economies. All 10 persistent STCs discussed during the review period were G20 measures. G20 economies submitted 139 out of 226 TBT notifications (62%) to the WTO in response to the pandemic.

22. The number of **trade concerns raised** in WTO Committees and bodies has been increasing yearly, in some cases sharply. The majority of these concerned G20 measures or policies. Members continued to use WTO bodies to address their trade concerns and engage trading partners on real or potential areas of friction.

23. In the **Committee on Agriculture**, most questions focused on policies implemented by G20 economies. Of the 225 questions raised during the review period, 73% related to policies implemented by G20 economies, including questions on Specific Implementation Matters (SIMs), individual notifications, and overdue notifications. Domestic support dominated the discussions especially on measures and notifications from China, India, and the United States. Discussions also focused on export restrictions on foodstuffs and food security. Food security remained high on the agenda of the Committee, especially since the onset of the COVID-19 pandemic.

24. G20 economies continued to fine-tune their **intellectual property** (IP) regimes during the review period and phased out most of the IP-pandemic-related measures. The MC12 TRIPS Decision on COVID-19 Vaccines was adopted in June 2022. Since then, G20 economies have actively participated in discussions on the possible extension of the TRIPS Decision adopted at MC12 to COVID-19 diagnostics and therapeutics.

25. Discussions on **global environment issues**, including the circular economy and plastics pollution, trade and climate change, and biodiversity, intensified at the WTO. During the review period, an important moment for water was attained as global leaders and key policy makers engaged in the UN Water Conference (UNWC). The Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade Initiative introduced the coordinators' draft vision on the way forward and elements for a potential outcome at MC13.

26. 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; trade facilitation; trade finance; micro, small and medium-sized enterprises (MSMEs); and women's economic empowerment**.

1 INTRODUCTION

1.1. This 29th WTO Trade Monitoring Report reviews trade and trade-related measures implemented by G20 economies during the period from 16 October 2022 to 15 May 2023.[1] The G20 Trade Monitoring Reports have been prepared since 2009 in response to the request by G20 Leaders to the WTO, together with the Organisation for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD), to monitor and report on trade and investment measures implemented by G20 economies. The previous Trade Monitoring Report on G20 economies, which covered the period from mid-May to mid-October 2022, was issued on 14 November 2022.

1.2. This Report is issued under the sole responsibility of the Director-General of the WTO and aims to provide transparency on the latest trends and developments in the implementation of a broad range of policy measures that impact the flow of trade. It offers an update on the main indicators of the world economy and on the state of global trade.

1.3. This Trade Monitoring Report is again released in a global economic environment facing multiple challenges. Although the World Health Organization recently ended the global emergency status for COVID-19, more than three years after its original declaration, the world continues to deal with the aftereffects of this health crisis, including with respect to access to vaccines in certain parts of the world. The updated lists of measures implemented in the context of the current pandemic are available on the COVID-19 page of the WTO website[2] 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 the right of G20 economies 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.[3]

1.4. The war in Ukraine is now in its 16th month and continues to represent an immense humanitarian crisis. Although the trade response to the war was swift, especially with respect to export restrictions, the period covered by this Report shows that such measures are gradually being rolled back. Yet, many trade-restrictive measures implemented immediately after the outbreak of the war remain in place, exacerbating the food security crisis in many parts of the world and creating uncertainty for the global economy and international trade. 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. Information on measures included in this Report and its Annexes has been collated from inputs submitted by G20 economies and from other official and public sources. Initial responses to the Director-General's request for information were received from most G20 delegations. These data, as well as information collected from other public and official sources, were returned to delegations for verification. Where it has not been possible to confirm the information, this is noted in the Annexes.

1.6. In response to calls from WTO Members, most recently in the context of the 7th Appraisal of the TPRM, to streamline the Trade Monitoring Exercise, and in particular the information-gathering of trade measures, the WTO Secretariat in early 2023 introduced a digital platform for submitting and verifying trade measures. The principal objectives of this platform are to further participation in the Trade Monitoring Exercise and to facilitate the exchange of information between the Secretariat and delegations, particularly during the verification process. In April 2023, the Secretariat hosted an information meeting on the platform for all delegations, including the presentation of tutorials to guide Members and Observers through the process of submitting and verifying measures. Overall, the digital platform has performed well during this first attempt even if, as with any introduction of new IT tools, some features can be modified and improved. Delegations have provided useful inputs to this end.

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[1] Unless otherwise indicated in the relevant Section. In addition to the trade policy measures captured in this Report, other actions that impact trade flows may have been taken by G20 economies.

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

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

1.7. The format of this G20 Trade Monitoring Report has been shortened compared to the November 2022 version. However, the coverage of trade and trade-related measures implemented during the review period, specific COVID-19 related developments and, if applicable, developments in the context of the war in Ukraine and the food security crisis is maintained.

1.8. Section 2 of the Report provides a brief account of recent economic and trade developments in the G20 economies and includes 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 G20 economies during the review period. Measures implemented outside of this period are not included in these Annexes. Information on all regular trade measures recorded since the beginning of the Trade Monitoring Exercise in October 2008 with an indication of their status, as updated by G20 delegations, is available through the Trade Monitoring Database (TMDB).[4]

1.10. The OECD, the International Trade Centre (ITC), and the Global Trade Alert have contributed topical boxes to this Report.

[4] WTO, *Trade Monitoring Database*. Viewed at: http://tmdb.wto.org.

2 RECENT ECONOMIC AND TRADE DEVELOPMENTS

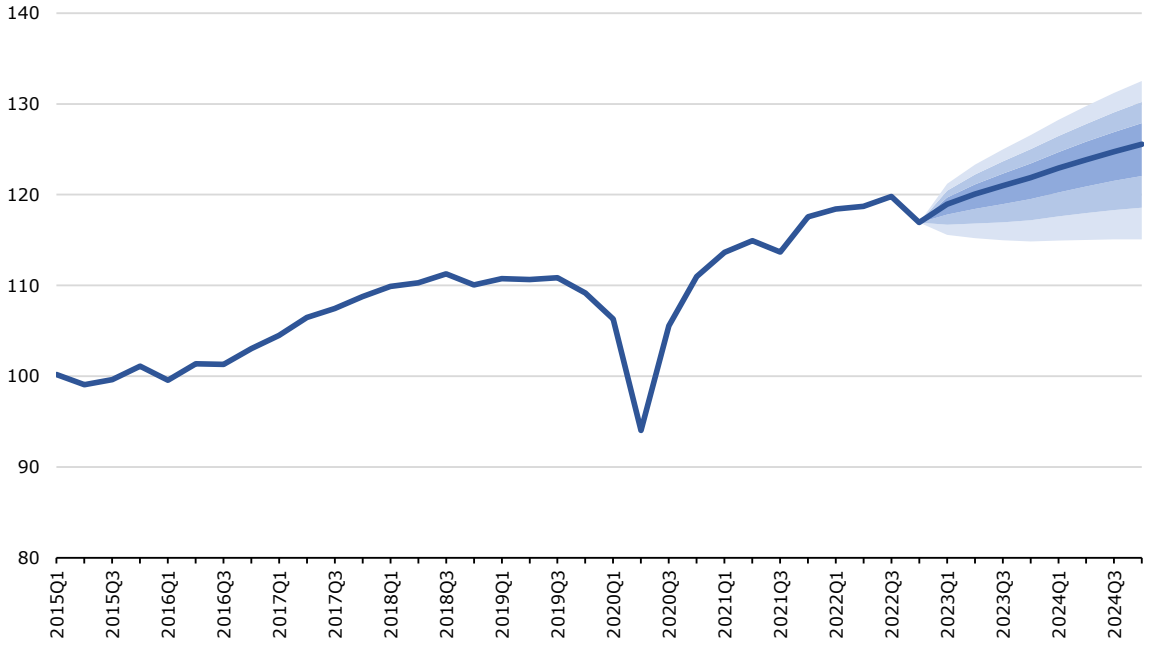
2.1 Merchandise trade volume and outlook

2.1. World merchandise trade volume slumped in the fourth quarter of 2022 and remained weak in the first quarter of 2023, weighed down by the war in Ukraine, stubbornly high inflation, and tighter monetary policy. The 2.4% quarter-on-quarter decline in Q4 dragged trade volume growth for 2022 down to 2.7%, below the WTO's forecast of 3.5% from last October, but better than the more negative scenarios envisaged at the start of the war. The WTO's current forecast projects subpar growth of 1.7% in 2023 picking up to 3.2% in 2024, but the outlook remains clouded by downside risks including geopolitical tensions, food and energy insecurity, increased risk of financial instability, and high levels of external debt.[1]

2.2. Chart 2.1 shows merchandise trade volume through 2022Q4 and projections through 2024Q4, including "error bands" to illustrate the degree of uncertainty associated with the forecast. The shaded area represents an approximate 85% confidence interval adjusted to reflect the predominance of downside risks. If current assumptions hold, merchandise trade volume growth in 2023 could be as low as -2.8% or as high as +4.7%.

Chart 2.1 Volume of world merchandise trade, 2015Q1-2024Q4

(Seasonally adjusted volume index, 2015=100)



Note: The shaded region represents both random variation and subjective assessment of risk.

Source: WTO and UNCTAD for historical data; WTO Secretariat estimates for forecasts.

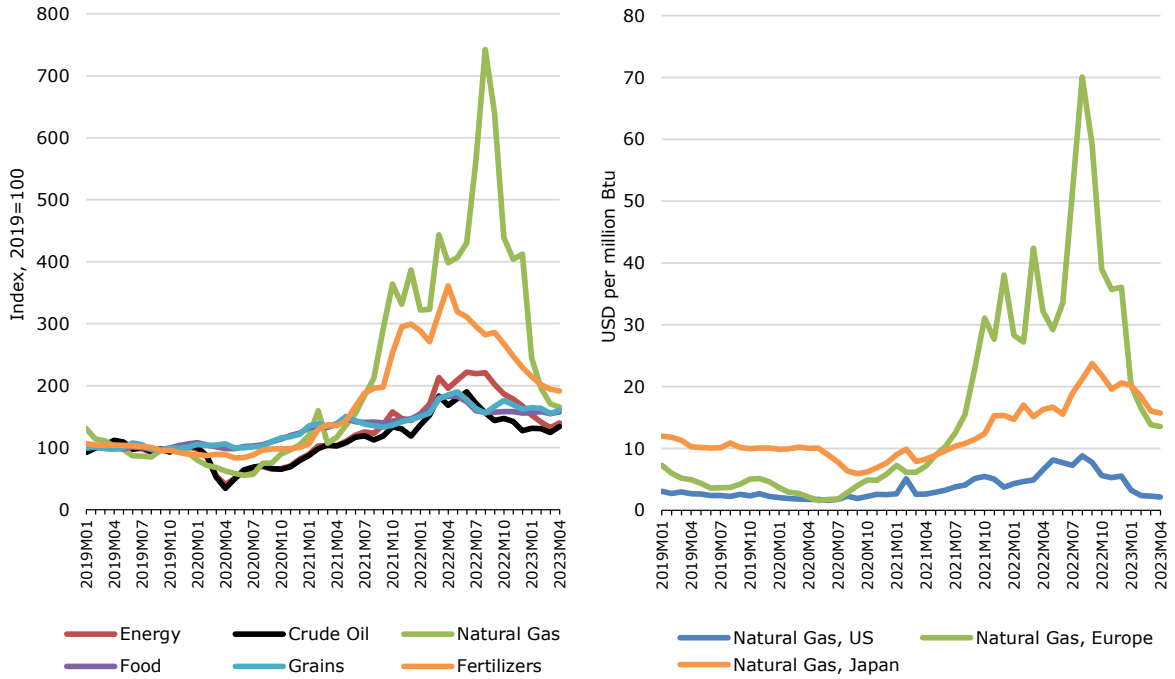
2.3. The slump in 2022Q4 was partly due to inflation and higher interest rates weighing on consumption and investment, and partly the result of the COVID-19 outbreak disrupting production and trade in China. The relaxation of Chinese pandemic controls is expected to provide a boost to global trade and output in 2023, particularly in travel-related services.

2.4. Inflation in 2022 was exacerbated by price spikes in primary commodities whose supplies were impacted by the war in Ukraine, notably food and energy (Chart 2.2). Energy prices had a strong impact on trade and output in European countries, while food prices were more keenly felt in Middle Eastern and African countries.

[1] This Section draws on the WTO's *Global Trade Outlook and Statistics*, issued on 5 April 2023.

Chart 2.2 Monthly average prices for primary commodities, January 2019-April 2023

(Index 2019=100 and USD per million Btu)



Source: World Bank.

2.5. Commodity prices have receded, but remain high by historical standards. Natural gas prices in April 2023 were down 78% from their peak, but were still 68% above their average level in 2019, before the pandemic. Similarly, global grain prices were 16% below their peak, but 60% higher than in 2019. Falling commodity prices have brought down headline inflation rates, but core inflation (excluding food and energy) remains high in many economies. For example, year-on-year growth in non-energy, non-food consumer prices stood at 5.6% in the United States and 5.7% in the Euro Area in March 2023, well above Central Bank targets.

2.6. Interest rates hikes have also revealed weaknesses in banking systems that could lead to broader financial contagion if left unchecked. These stresses have complicated the job of Central Banks trying to tame inflation, sustain economic growth, and maintain financial stability.

2.7. Trade-related indicators show few signs of a turnaround to date in 2023. One such indicator is container shipping, which was down 5.3% year-on-year in 2023Q1 according to the RWI Container Throughput Index.

2.8. Another indicator is export orders from purchasing managers' indices (PMIs). The new export orders component of the J.P. Morgan Global Manufacturing PMI rose from 47.7 in March to 48.4 in April, but remained below the baseline value of 50, suggesting that trade continued to contract but at a slower rate. On a more positive note, other PMI components suggested an easing of inflationary pressures (input and output prices) and improved supply conditions (stocks of finished goods and supplier delivery times).

2.9. Table 2.1 shows merchandise trade volume and GDP growth by region from 2019 to 2024. The projected 1.7% increase in world trade in 2023 is stronger than the previous estimate of 1.0% from last October, partly due to a slight upward revision in GDP expectations and to changes in the regional distribution of economic activity.

2.10. Export growth in 2023 is expected to be strongest in North America (3.3%), followed by the Commonwealth of Independent States (CIS) (2.8%), Asia (2.5%), Europe (1.8%), the Middle East (0.9%), South America (0.3%) and Africa (-1.4%). The CIS should see a 14.9% increase in imports in 2023, in a rebounding from a 13.5% decline in 2022. Imports should also continue to grow in

Africa (5.6%), the Middle East (5.5%) and Asia (2.6%), while small contractions are expected in North America (-0.1%), Europe (-0.6%) and South America (-1.6%).

Table 2.1 Merchandise trade volume and GDP growth, 2019-24[a]

(Annual % change)

	2019	2020	2021	2022	2023	2024
World merchandise trade volume[b]	0.4	-5.1	9.4	2.7	1.7	3.2
Exports						
North America	0.4	-8.9	6.5	4.2	3.3	3.1
South America[c]	-1.3	-4.9	5.8	1.9	0.3	0.6
Europe	0.4	-7.7	8.1	2.7	1.8	2.0
CIS[d]	-0.1	-0.9	-3.0	-4.9	2.8	2.2
Africa	-0.3	-7.2	3.5	0.7	-1.4	1.4
Middle East	-1.0	-6.6	-2.4	9.9	0.9	4.7
Asia	0.8	0.6	13.1	0.6	2.5	4.7
Imports						
North America	-0.6	-5.9	12.5	6.0	-0.1	1.4
South America[c]	-1.8	-10.8	25.6	4.2	-1.6	2.3
Europe	0.3	-7.2	8.5	5.2	-0.6	1.8
CIS[d]	8.3	-5.5	9.1	-13.5	14.9	0.8
Africa	3.3	-14.8	6.4	5.6	5.6	5.5
Middle East	11.2	-10.1	8.3	9.4	5.5	4.3
Asia	-0.5	-0.8	10.5	-0.4	2.6	5.2
World GDP at market exchange rates	2.6	-3.3	5.9	3.0	2.4	2.6
North America	2.1	-3.8	5.5	2.2	1.5	1.0
South America[c]	0.5	-6.5	7.4	4.0	1.4	2.0
Europe	1.7	-5.6	5.9	3.4	0.9	1.8
CIS[d]	2.6	-2.5	4.9	-0.9	-0.9	0.7
Africa	2.6	-2.4	4.7	3.4	3.5	3.9
Middle East	1.0	-4.1	4.2	5.8	2.9	3.1
Asia	4.0	-0.9	6.2	3.3	4.2	4.3
Memo: Least Developed Countries (LDCs)						
Volume of merchandise exports	0.2	-1.6	-2.6	2.0	4.8	9.1
Volume of merchandise imports	2.2	-11.0	7.4	3.6	4.8	5.4
Real GDP at market exchange rates	4.6	4.9	0.4	2.1	4.4	4.4

a Figures for 2023 and 2024 are projections. 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.
b Average of exports and imports.
c South and Central America and the Caribbean.
d Commonwealth of Independent States (CIS), including certain associate and former member States.

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

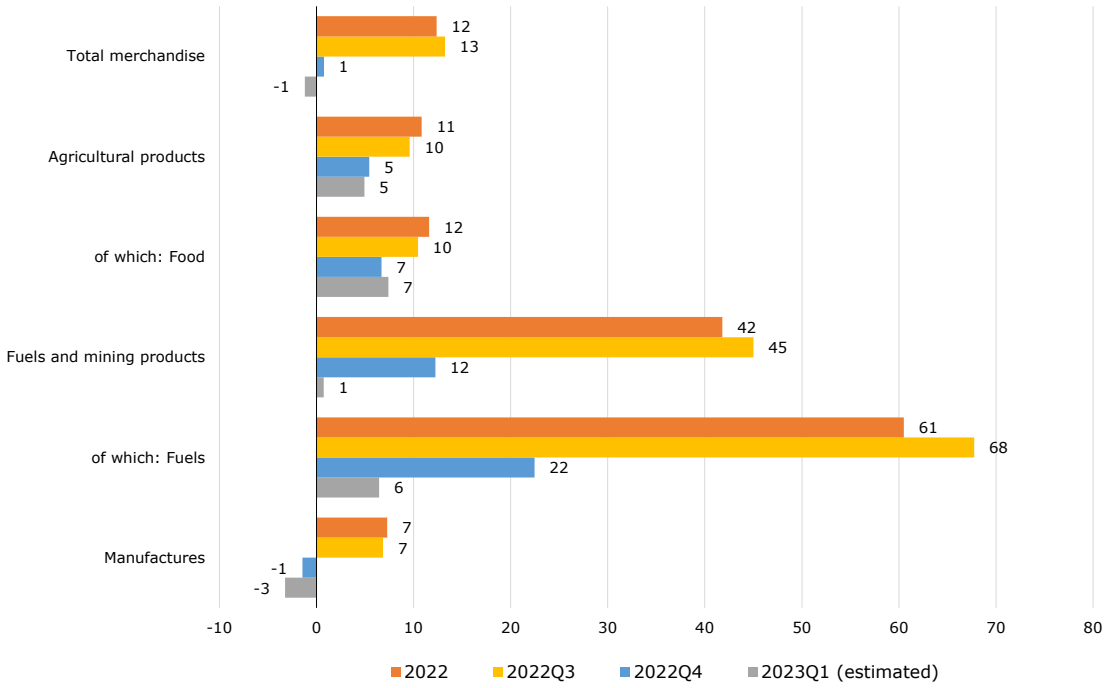
2.2 Trade developments in value terms

2.11. World merchandise trade increased by 12% in 2022 to USD 25.0 trillion, an all-time high (Chart 2.3). The increase mostly reflected higher commodity prices. Trade in fuels and mining products was up 42% while fuels alone jumped 61%. Food trade grew in line with merchandise trade (12%), while trade in manufactures grew more slowly (7%).

2.12. Merchandise trade slowed towards the end of 2022 and in the early months of 2023, reflecting both declining quantities and falling prices. Growth fell from 13% in 2022 Q3 to an estimated -1% in Q1 of 2023. Trade values for food and fuels were still up 6%-7% in 2023 Q1 but trade in manufactures fell 3%.

Chart 2.3 World merchandise trade growth by product, 2022Q3-2023Q1

(Year-on-year % change in USD values)



Note: World merchandise trade refers to average of exports and imports.

Source: WTO Secretariat.

2.13. Commercial services trade grew slightly faster than merchandise trade in 2022, rising by 15% to USD 6.8 trillion. All broad services categories saw growth, led by travel (79%) and transport (25%) as a result of the normalization of the health situation. The appreciation of the US dollar was partly responsible for the modest growth of other commercial services, including financial services. The euro and the pound depreciated by 11% and 10%, respectively, against the dollar in 2022, reducing the US dollar value of trade in Europe.

2.14. Commercial services trade also slowed in the fourth quarter of 2022. Year-on-year export growth in the United States dropped from 18% in 2022Q3 to 14% in Q4, while EU growth slowed from 6% to -2%, UK growth fell from 14% to -4% and Chinese growth declined from 17% to -7%.

3 TRADE AND TRADE-RELATED POLICY DEVELOPMENTS

3.1 Overview of trends identified during the review period

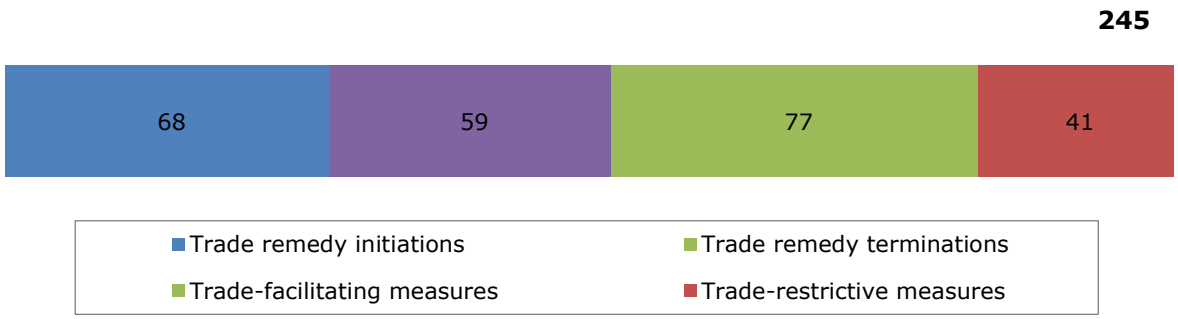
3.1. This Section provides analysis of selected trade and trade-related policy developments in the area of goods during the period from mid-October 2022 to mid-May 2023. It is divided into three parts. The first part looks at regular, i.e. non-COVID-19-related measures implemented during the review period, including calculations on trade coverage. The second part, in Section 3.1.2, covers measures taken in the context of the COVID-19 pandemic. These COVID-19-related measures are not included in the trade coverage calculations and are not counted towards the aggregate numbers in part one. The third part, in Section 3.1.3, provides an overview of trade-related developments in the context of the war in Ukraine, including the food security crisis.

3.2. A separate Addendum to this Report contains Annexes 1, 2 and 3 on recorded trade and trade-related measures taken by G20 economies from 16 October 2022 to 15 May 2023. Services measures are analysed in Section 4 of this Report and are listed in Annex 4 of the Addendum. This separate Addendum lists new regular (non-COVID-19-related) measures recorded for G20 economies during the review period.

3.1.1 Regular trade measures

3.3. A total of 245 trade measures were recorded for the G20 economies during the review period (Chart 3.1).[1] This figure includes measures facilitating trade, trade remedy measures and other trade and trade-related measures, i.e. those that can be considered as trade-restrictive. It excludes measures taken in the context of the COVID-19 pandemic.

Chart 3.1 Number of G20 measures introduced between mid-October 2022 and mid-May 2023



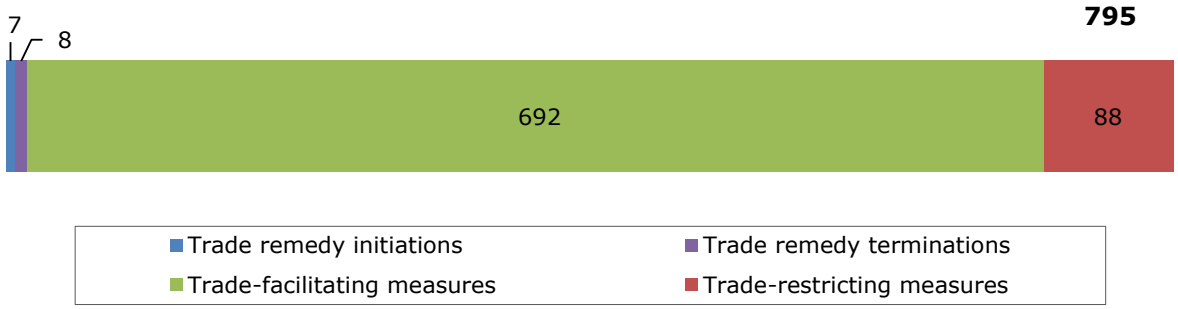
Source: WTO Secretariat.

3.4. Chart 3.2 illustrates the trade coverage estimates of the measures recorded for the G20 economies during the review period.[2] These figures also include measures on food, feed, and fertilizers.

[1] See Annexes 1-3 in the separate Addendum. The Annexes do not include SPS and TBT measures, which are covered in Sections 3.3 and 3.4.

[2] The trade coverage does not include trade for measures that were both implemented and terminated within the review period. Trade coverage estimates for the review period were based on 2021 merchandise trade.

Chart 3.2 Trade coverage of G20 measures introduced between mid-October 2022 and mid-May 2023, in USD billion



Note: Trade-facilitating measures cover import- and export-facilitating measures. Trade-restricting measures cover import- and export-restricting measures.

Source: WTO Secretariat.

Measures facilitating trade

3.5. During the review period, 77 new trade-facilitating measures were recorded for G20 economies (Table 3.1). This represents 31.4% of the total number of measures recorded. The number of trade-facilitating measures introduced by G20 economies has more than doubled in 2022 compared to previous years. A similar positive trend was observed during the review period. The monthly average of 11 trade-facilitating measures recorded for the period is the second-highest recorded since 2012.

Table 3.1 Measures facilitating trade (Annex 1), 2015-22

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-May 22 to mid-Oct 22 (5 months)	Mid-Oct 22 to mid-May 23 (7 months)
Import	**65**	**60**	**59**	**70**	**54**	**49**	**72**	**134**	**53**	**61**
- Tariff	55	52	48	62	51	43	63	99	32	40
- Customs procedures	7	6	9	4	1	2	4	9	8	1
- Tax	2	2	2	3	1	3	1	1	1	0
- QRs	1	0	0	1	1	1	3	23	11	17
- Other	0	0	0	0	0	0	1	2	1	3
Export	**19**	**12**	**18**	**8**	**5**	**4**	**7**	**34**	**15**	**16**
- Duties	10	5	1	5	4	3	3	12	5	2
- QRs	2	1	1	0	0	0	3	20	9	12
- Other	7	6	16	3	1	1	1	2	1	2
Other	2	2	0	0	1	1	1	0	0	0
Total	**86**	**74**	**77**	**78**	**60**	**54**	**80**	**168**	**68**	**77**
Average per month	*7.2*	*6.2*	*6.4*	*6.5*	*5.0*	*4.5*	*6.7*	*14.0*	*13.6*	*11.0*

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

Source: WTO Secretariat.

3.6. Sixty-one import-facilitating measures (79.2% of all trade-facilitating measures) were introduced by G20 economies during the review period, of which 14 were related to food, feed, and fertilizers. The reduction or elimination of import tariffs continue to make up the bulk of trade-facilitating measures (Table 3.1).

3.7. On the export side, 16 measures were introduced (20.7% of all trade-facilitating measures) by G20 economies, mainly reductions of export duties and the elimination of quantitative restrictions. Out of these, one was related to food, feed, and fertilizers.

3.8. The trade coverage of the import-facilitating measures introduced during the review period was estimated at USD 663.1 billion, i.e. 3.9% of the value of G20 merchandise imports (3.0% of world merchandise imports). This is a significant increase compared to the last review period (Table 3.2 and Chart 3.3).

Table 3.2 Share of trade covered by import-facilitating measures, mid-May 2018-mid-May 2023

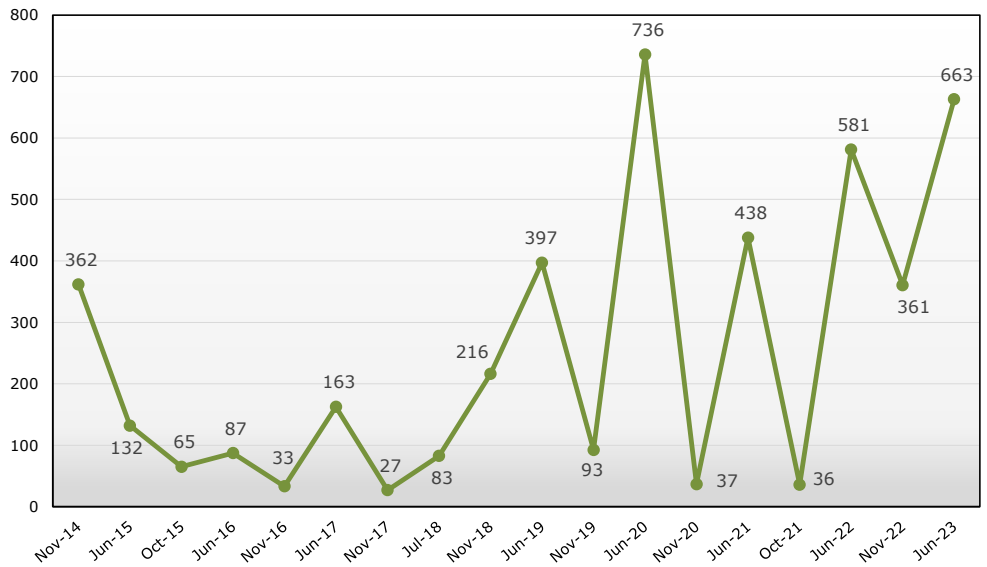
(%)

	Mid-May to mid-Oct 18	Mid-Oct 18 to mid-May 19	Mid-May to mid-Oct 19	Mid-Oct 19 to mid-May 20	Mid-May to mid-Oct 20	Mid-Oct 20 to mid-May 21	Mid-May to mid-Oct 21	Mid-Oct 21 to mid-May 22	Mid-May to mid-Oct 22	Mid-Oct 22 to mid-May 23
Share in G20 imports	1.59	2.92	0.61	4.88	0.25	3.02	0.27	4.31	2.12	3.89
Share in world imports	1.23	2.28	0.48	3.78	0.19	2.32	0.20	3.30	1.64	3.00

Source: WTO Secretariat and UN Comtrade database.

3.9. The import-facilitating measures implemented during the review period targeted a wide range of products. Based on trade coverage estimates, the HS chapters within which most of the import-facilitating measures were taken include machinery and mechanical appliances (HS 84) (11.2%), mineral fuels and oils (HS 27) (10.7%), copper and articles thereof (HS 74) (9.2%), and electrical machinery and parts thereof (HS 85) (8.4%).

Chart 3.3 Trade coverage of new import-facilitating measures identified in each 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.

3.10. The trade coverage of the export-facilitating measures implemented during the review period was estimated at USD 28.7 billion, i.e. 0.2% of the value of G20 merchandise exports (0.1% of world merchandise exports). The HS chapters within which most of these were taken include iron and steel (HS 72) (43.7%) and cereals (HS 10) (29.2%).

3.11. Overall, the trade coverage of the import- and export-facilitating measures implemented by G20 economies during the review period was estimated at USD 691.9 billion (Chart 3.2).

Trade remedy actions

3.12. During the period under review, 127 trade remedy actions (68 initiations and 59 terminations) were recorded for G20 economies (Annex 2 of the Addendum), accounting for 51.8% of all trade-related measures recorded in this Report. Anti-dumping continued to be the most frequent trade remedy action, accounting for 80.9% of all initiations and 96.6% of all terminations during the review period.

3.13. The average number of trade remedy initiations per month reached its highest peak in 2020 with 28.6 initiations. This declined to 8.3 in 2022 and increased slightly to 9.7 during the review period (Table 3.3 and Chart 3.4). The monthly average of 8.4 trade remedy terminations recorded for the review period was the lowest since 2012.

Table 3.3 Trade remedy actions (Annex 2), 2015-22

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-May 22 to mid-Oct 22 (5 months)	Mid-Oct 22 to mid-May 23 (7 months)
Initiations	**210**	**262**	**258**	**223**	**221**	**343**	**172**	**99**	**25**	**68**
- AD	175	226	213	168	174	279	153	80	24	55
- CVD	31	30	39	47	35	55	18	18	0	13
- SG	4	6	6	8	12	9	1	1	1	0
Average per month	*17.5*	*21.8*	*21.5*	*18.6*	*18.4*	*28.6*	*14.3*	*8.3*	*5.0*	*9.7*
Terminations	**151**	**142**	**113**	**185**	**155**	**180**	**250**	**206**	**90**	**59**
- AD	122	120	93	165	144	165	218	181	74	57
- CVD	19	15	10	20	6	12	21	23	15	2
- SG[a]	10	7	10	0	5	3	11	2	1	0
Average per month	*12.6*	*11.8*	*9.4*	*15.4*	*12.9*	*15.0*	*20.8*	*17.2*	*18.0*	*8.4*

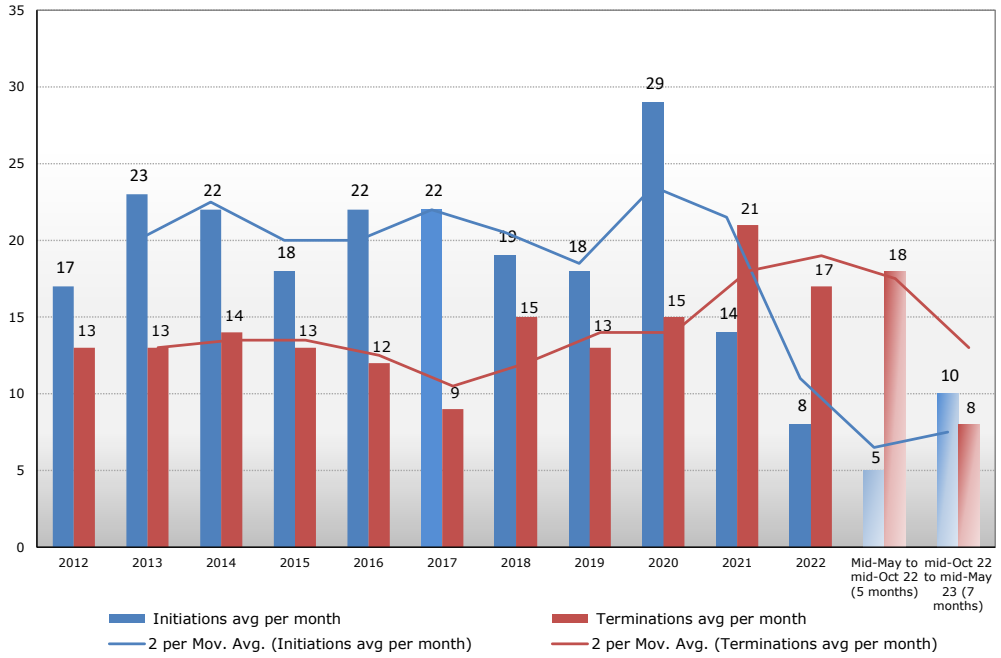
a The figure for a specific year is the sum of the following: (i) all ongoing investigations terminated during that specific year, normally as of late October, without any measure; and (ii) all imposed measures expired during the course of that specific year, normally as of late October.

Note: The information on trade remedy actions for 2015 to 2022 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.

Source: WTO Secretariat.

3.14. Since 2021, a significant decline in the number of initiations of trade remedies has been observed (Table 3.3 and Chart 3.4). This represents an important change in the landscape of trade measures as traditionally trade remedies have represented an overwhelming majority of all measures recorded. There may be several reasons for this recent decline. In the case of both the pandemic and more recently the war in Ukraine, Members have largely focused on making sure that their territories remained well-stocked and accessible for a relatively wide range of products. Such policies may have impacted the use of trade remedies instruments.

Chart 3.4 G20 trade remedy initiations and terminations, average number per month, 2012-22



Note: Values are rounded.

Source: WTO Secretariat.

3.15. Trade remedy actions taken during the review period included mainly initiations of investigations on plastics and articles thereof (HS 39) (37.9%), iron and steel (HS 72) (21.9%), and machinery and mechanical appliances (HS 84) (17.1%).

3.16. The trade coverage of all trade remedy investigations initiated during the review period was estimated at USD 6.6 billion, i.e. 0.04% of the value of G20 merchandise imports (0.03% of world imports) (Table 3.4). For terminations, the trade coverage was valued at USD 8.1 billion (0.05% of the value of G20 merchandise imports and 0.04% of world imports).

Table 3.4 Share of trade covered by trade remedy initiations, mid-October 2017-mid-May 2023

(%)

	Mid-Oct 17 to mid-May 18	Mid-May to mid-Oct 18	Mid-Oct 18 to mid-May 19	Mid-May to mid-Oct 19	Mid-Oct 19 to mid-May 20	Mid-May to mid-Oct 20	Mid-Oct 20 to mid-May 21	Mid-May to mid-Oct 21	Mid-Oct 21 to mid-May 22	Mid-May to mid-Oct 22	Mid-Oct 22 to mid-May 23
Share in G20 imports	0.43	0.18	0.14	0.11	0.16	0.23	0.11	0.08	0.02	0.003	0.04
Share in world imports	0.33	0.14	0.11	0.09	0.13	0.18	0.08	0.06	0.02	0.002	0.03

Source: WTO Secretariat and UN Comtrade database.

Other trade and trade-related measures (trade-restrictive measures)

3.17. A total of 41 new trade-restrictive measures were recorded for G20 economies, representing 16.7% of the total number of measures recorded. On the import side, 26 measures were recorded (63.4% of all restrictions), of which 7 were implemented on food, feed, and fertilizers. Most of the import restrictions recorded were increases of import tariffs and stricter import procedures.

3.18. On the export side, 15 export restrictions (36.6% of all restrictions) were captured during the review period. Most of these were quantitative restrictions, followed by increases of export duties. Out of these, six export restrictions were introduced on food, feed, and fertilizers.

3.19. The number of export restrictions recorded by the Trade Monitoring Exercise has increased significantly since 2020. Initially, these restrictions were associated with the COVID-19 pandemic (Section 3.1.2). Subsequently, a peak was reached in the second half of 2022 as G20 economies introduced restrictions in the context of the war in Ukraine and the food security crisis.

3.20. Overall, this review period saw a deceleration in the introduction of new trade restrictions. Nevertheless, the monthly average of 5.9 trade-restrictive measures recorded during the review period remains slightly above the monthly average recorded for the 2012-20 period (Table 3.5).

Table 3.5 Other trade and trade-related measures (Annex 3), 2015-22

Type of measure	2015	2016	2017	2018	2019	2020	2021	2022	Mid-May to mid-Oct 22 (5 months)	Mid-Oct 22 to mid-May 23 (7 months)
Import	**61**	**41**	**36**	**60**	**45**	**39**	**30**	**44**	**25**	**26**
- Tariffs	36	24	20	46	27	19	11	25	14	14
- Customs procedures	19	13	12	2	4	6	14	9	6	8
- Taxes	3	2	1	3	3	2	0	0	0	0
- QRs	3	2	2	8	9	7	3	7	2	2
- Other	0	0	1	1	2	5	2	3	3	2
Export	**23**	**6**	**11**	**10**	**8**	**18**	**41**	**58**	**22**	**15**
- Duties	5	1	3	6	1	3	5	13	8	4
- QRs	4	1	4	2	2	5	11	35	11	8
- Other	14	4	4	2	5	10	25	10	3	3
Other	7	8	12	0	1	0	5	0	0	0
- Local content	7	5	10	0	0	0	4	0	0	0
- Other	0	3	2	0	1	0	1	0	0	0
Total	**91**	**55**	**59**	**70**	**54**	**57**	**76**	**102**	**47**	**41**
Average per month	*7.6*	*4.6*	*4.9*	*5.8*	*4.5*	*4.8*	*6.3*	*8.5*	*9.4*	*5.9*

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

Source: WTO Secretariat.

3.21. The trade coverage of the import-restrictive measures implemented during the review period was estimated at USD 45.3 billion, i.e. 0.3% of the value of G20 merchandise imports (0.2% of world imports) (Table 3.6 and Chart 3.5). This was a decline compared to the previous review period.

Table 3.6 Share of trade covered by import-restrictive measures (Annex 3), mid-October 2017-mid-May 2023

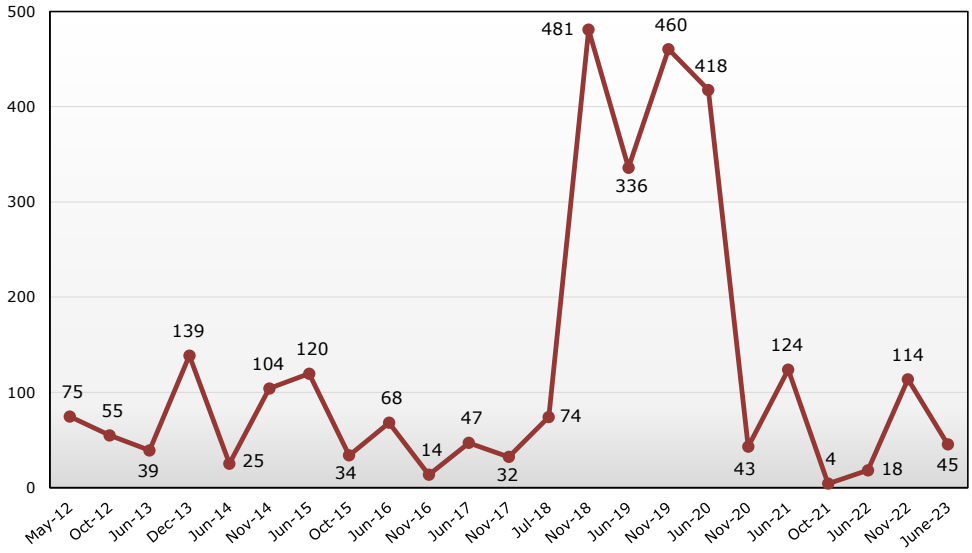
(%)

	Mid-Oct 17 to mid-May 18	Mid-May to mid-Oct 18	Mid-Oct 18 to mid-May 19	Mid-May to mid-Oct 19	Mid-Oct 19 to mid-May 20	Mid-May to mid-Oct 20	Mid-Oct 20 to mid-May 21	Mid-May to mid-Oct 21	Mid-Oct 21 to mid-May 22	Mid-May to mid-Oct 22	Mid-Oct 22 to mid-May 23
Share in G20 imports	0.61	3.53	2.47	3.05	2.77	0.29	0.85	0.03	0.14	0.67	0.27
Share in world imports	0.47	2.73	1.93	2.36	2.14	0.23	0.66	0.02	0.10	0.52	0.21

Source: WTO Secretariat and UN Comtrade database.

3.22. The import-restrictive measures recorded in Annex 3 cover a wide range of products. Based on the trade coverage estimates, the main sectors affected were electrical machinery and parts thereof (HS 85) (24.1%), iron and steel (HS 72) (17.8%), machinery and mechanical appliances (HS 84) (17.3%) and motor vehicles including parts and accessories thereof (HS 87) (11.8%).

Chart 3.5 Trade coverage of new import-restrictive measures identified in each period (not cumulative) in USD billion, May 2012-June 2023



Source: WTO Secretariat.

3.23. The trade coverage of the export-restrictive measures implemented during the review period was estimated at USD 42.7 billion, i.e. 0.3% of the value of G20 merchandise exports (0.2% of world exports). This is broadly comparable with the previous review period. The HS chapters within which most of the export-restrictive measures were taken include aluminium and articles thereof (HS 76) (31.3%), fertilizers (HS 31) (29.3%) and cereals (HS 10) (21.0%).

3.24. Overall, the trade coverage of the import- and export-restrictive measures implemented by G20 economies during the review period was estimated at USD 88.0 billion (Chart 3.2).

Stockpile of import-restrictive measures

3.25. 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 recorded measures. As a result, the figures below are estimates based on the information recorded in the TMDB since 2009. These estimates are also conditioned by the availability of termination dates of the import-restrictive measures and of the HS codes of products covered.[3]

3.26. Table 3.7 and Chart 3.6 show that the stockpile of G20 import restrictions in force has grown steadily 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 G20 total imports and in the value of the G20 import restrictions in force. Global trade grew again in 2021 and 2022, due to rising export and import prices as inflation became a global phenomenon. By the end of 2022, the trade covered by G20 import restrictions in force was estimated at USD 2,153 billion, representing 11.1% of total G20 imports, or 8.6% of total world imports.[4]

[3] Only import measures where HS codes were available are included in the calculation.

[4] Figures for 2022 are provisional. 2022 import data were missing at the time of calculation for the Republic of Korea, Indonesia, the Russian Federation and the Kingdom of Saudi Arabia.

3.27. For this Report, no information was received from G20 economies about the termination of import restrictions.

Table 3.7 Cumulative trade coverage of G20 import-restrictive trade-related measures, 2014-22

(USD billion, unless otherwise indicated)

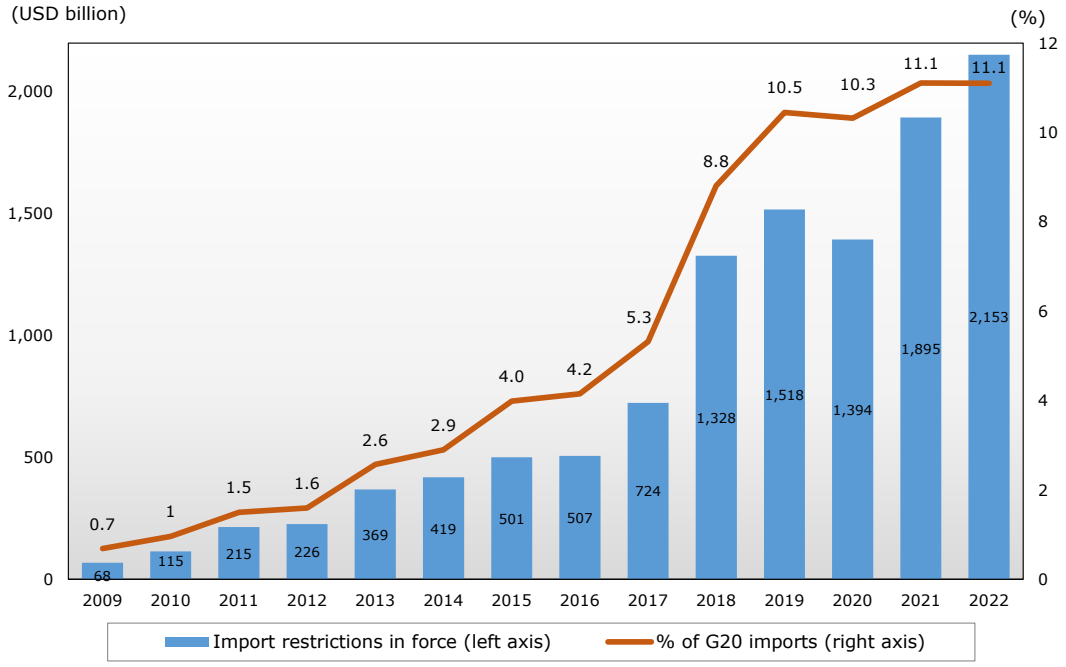
	2015	2016	2017	2018	2019	2020	2021	2022[a]
Total imports (world)	**16,360**	**15,812**	**17,587**	**19,402**	**18,883**	**17,638**	**22,082**	**25,169**
Total imports (G20)	**12,561**	**12,228**	**13,615**	**15,064**	**14,522**	**13,499**	**17,056**	**19,399**
Total G20 import restrictions in force	**501**	**507**	**724**	**1,328**	**1,518**	**1,394**	**1,895**	**2,153**
Share in G20 imports (%)	3.99	4.15	5.32	8.81	10.45	10.32	11.11	11.10
Share in world imports (%)	3.06	3.21	4.12	6.84	8.04	7.90	8.58	8.56
Total G20 import restrictions terminated	**0.19**	**0.02**	**3.88**	**5.44**	**13.12**	**n.a.**	**n.a.**	**n.a.**
Share in G20 imports (%)	0.001	0.0001	0.03	0.04	0.09	n.a.	n.a.	n.a.
Share in world imports (%)	0.001	0.0001	0.02	0.03	0.07	n.a.	n.a.	n.a.

n.a. Not applicable. For this Report no information was received from G20 economies about the termination of import restrictions.

a 2022 figures are provisional.

Source: WTO Secretariat calculations, based on UN Comtrade database and data provided by the authorities.

Chart 3.6 Cumulative trade coverage of G20 import-restrictive measures on goods in force since 2009



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 from the UN Comtrade database.

Source: WTO Secretariat.

3.28. The following box on export restriction on critical raw materials has been contributed by the OECD.

Box 3.1 Export restrictions on critical raw materials have increased more than five-fold in the last decade

Given widespread demand and concentrated supply, international trade will play a key role in satisfying the rapidly growing demand for critical raw materials (CRMs), such as rare earth minerals, lithium, cobalt, and nickel, which are essential for renewable energy and digital technologies. This is particularly the case in the short to medium term, as scaling up of new mining capacities and recycling of CRMs take time to operationalize. Indeed, between 2007-09 and 2017-19, the value of trade in CRMs expanded faster than overall merchandise trade, growing at 38% (vs 31% for all merchandise trade). This average also hides significant peaks, with trade in lithium increasing by 438%, and trade in ores and minerals by 57%. Against this background, the growing use of export restrictions on CRMs documented recently by the OECD is cause for concern.

The annually updated OECD database on export restrictions on raw materials shows that export restrictions on CRMs have seen a five-fold increase since the OECD began collecting data in 2009 (Figure 1), with 10% of global trade in CRMs now facing at least one export restriction measure. Export restrictions on ores and minerals – the raw materials located upstream in CRM supply chains – grew faster than restrictions in the other segments of the CRM supply chain. This correlates with the increasing concentration of upstream production, imports, and exports.

Export taxes were the largest contributor to the increased global stock of export restrictions and became the most frequently used type of restriction in 2020 (Figure 2). This may be related to the fact that, under WTO rules, quantitative restrictions on exports are generally prohibited, while export taxes are not.

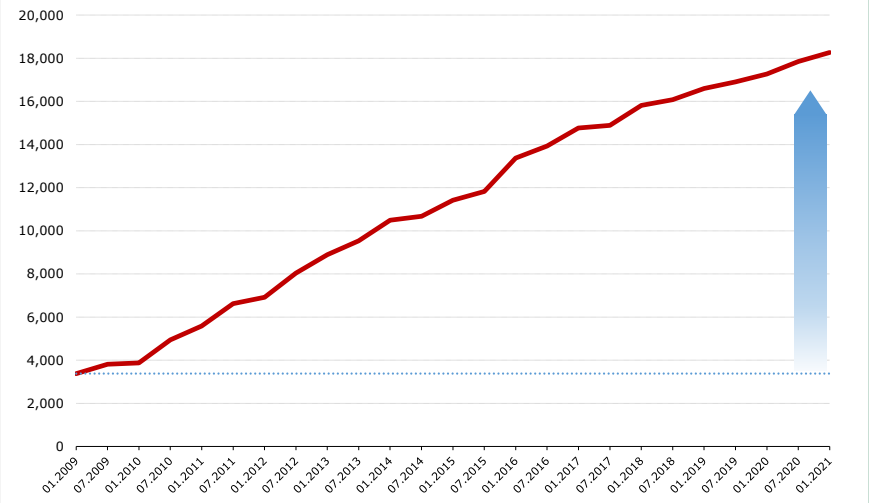
Export restrictions on raw materials undermine the economic viability – and thus decrease output – of domestic extractive industries and benefit domestic downstream users of these materials to the detriment of foreign users. Export taxes or quantitative export restrictions, such as export quotas or even bans, may also contribute to raising world market prices for the CRMs in question, particularly if the exporter holds a large share of the market. Such restrictions also create incentives for other producing countries to introduce similar restrictions, placing even more upward pressure on international prices and in turn increasing incentives to restrict exports. Such spiralling increases in commodity prices have been both a reflection of, and a factor behind, escalating export restrictions on raw materials.

Export restrictions on CRMs may also undermine environmental goals by hindering the production and diffusion of green technologies. Moreover, while some – such as export restrictions on waste and scrap – may be aimed at developing the circular economy, this may not serve global environmental ends if it hinders processing in the most efficient locations or undermines the economies of scale needed to develop circularity.

While the impacts of export restrictions will depend on a range of factors, including other policies (such as subsidies), the trend towards increasing export restrictions may be playing a role in key international markets, with potentially sizeable effects on both the availability and prices of these materials. To explore cooperative options for alleviating harmful export restrictions, it will be important to continue work to better understand the motivations of the countries using them and the effects they have on trading partners.

Further information on **Raw Materials Critical for the Green Transition: Production, International Trade and Export restrictions**, including access to the OECD Inventory of Export Restrictions on Industrial Raw Materials, is available at: https://www.oecd.org/trade/topics/trade-in-raw-materials/.

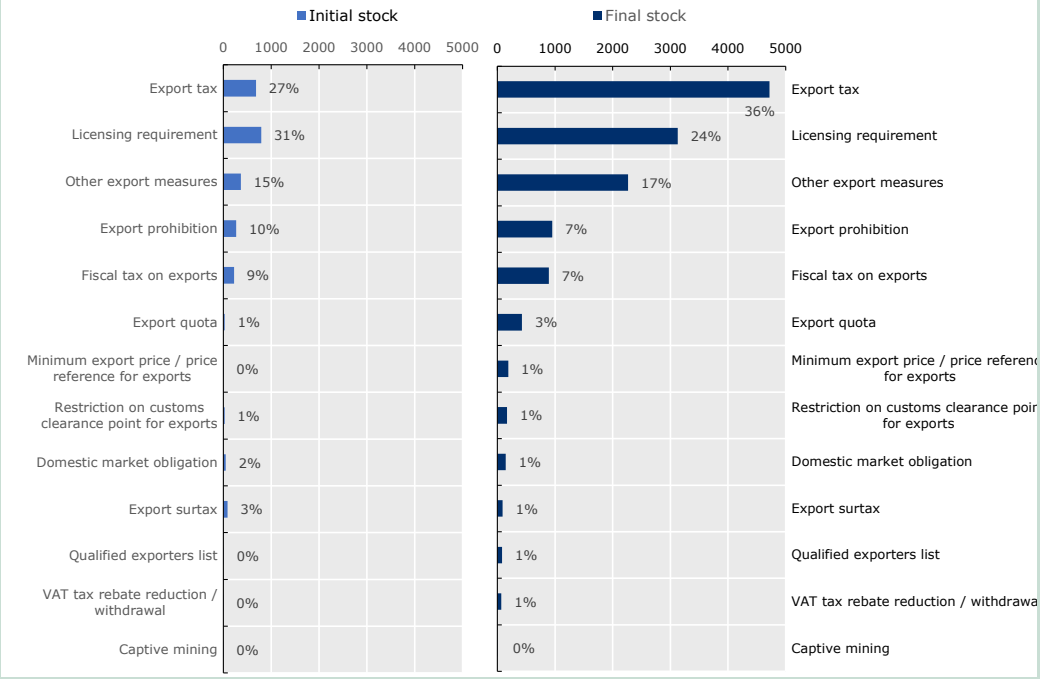
Figure 1 Count of export restrictions on industrial raw materials



Source: OECD Database on Industrial Raw Materials.

Figure 2 Initial and current incidence of export restrictions by type of measure

(Initial incidence (2009) of export restrictions by imposing country, increase factor and current stock)



Source: OECD.

Source: OECD.

3.1.2 COVID-19 trade and trade-related measures

3.29. During the review period, 11 COVID-19 measures on goods were communicated by G20 economies.[5] These included four trade-facilitating measures mainly consisting of reductions of customs duties on products and goods, four terminations of existing measures and three measures implemented outside the review period.

3.30. Out of the 454 trade and trade-related measures in the area of goods[6] introduced by WTO Members and Observers since the outbreak of the pandemic, 181 (about 39.9%) were G20 measures. Of these 105 (58.0%) were trade-facilitating measures to mitigate the effects of the pandemic and 76 (42.0%) were measures that could be considered as trade restrictive (Table 3.8 and Chart 3.7).

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

	Facilitating	Rolled back	Restrictive	Rolled back	Total
Import	72	34	1	0	**73**
Export	19	9	72	60	**91**
Other	14	5	3	2	**17**
Total	**105**	**48**	**76**	**62**	**181**

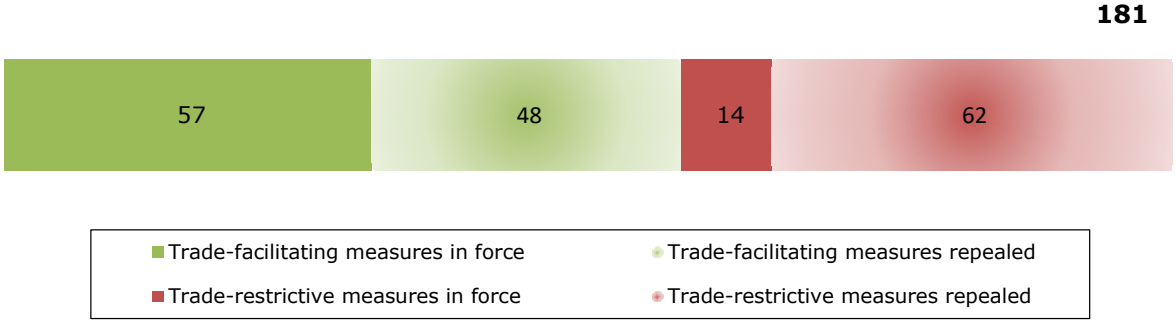
Note: Revised data reflect changes to fine-tune and update available information. As result of information obtained through the continuous verification process, the total number of COVID-19 trade and trade-related measures recorded since the outbreak of the pandemic has been adjusted compared to the previous report.

Source: WTO Secretariat.

[5] Australia, Brazil, the European Union, Germany, India, Indonesia, Italy, and Türkiye.

[6] Measures implemented in the context of the pandemic can be viewed at: https://www.wto.org/english/tratop_e/covid19_e/covid19_e.htm.

Chart 3.7 Number of COVID-19 trade and trade-related measures, by mid-May 2023

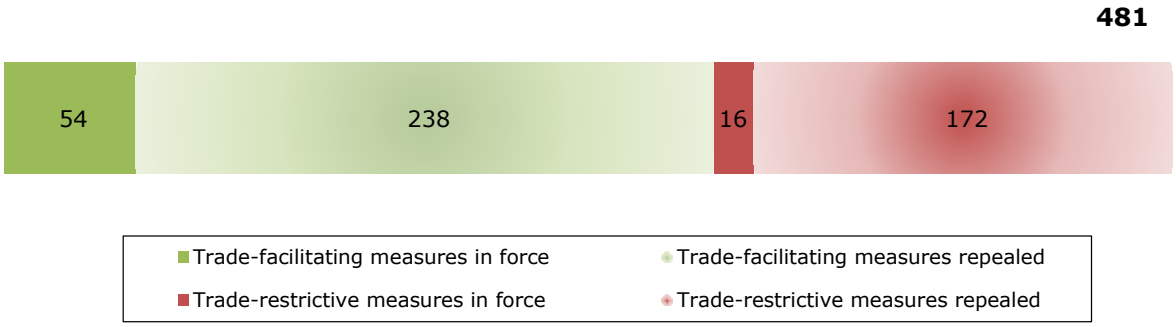


Source: WTO Secretariat.

3.31. Most of the 105 trade-facilitating measures taken by G20 economies in the context of the pandemic were import measures (72 or 68.6%). Several of these measures were reductions or eliminations of import tariffs and import taxes on a variety of goods, including personal protective equipment (PPE), sanitizers, disinfectants, medical equipment, and medicine/drugs. Extensions as well as expansions in coverage have taken place regularly since the outbreak of the pandemic.

3.32. Of the 76 restrictions recorded, 72 (94.7%) were export-related measures, of which 60 (83.3%) have been rolled back. By mid-May 2023, 12 export restrictions by G20 economies were still in place according to information either identified by the Secretariat or received from delegations and subsequently verified. G20 economies continued their gradual lifting of export restrictions targeting products such as surgical masks, gloves, medicine, disinfectant, and food products. Other trade and trade-related measures taken in the early stages of the pandemic were also being rolled back.

Chart 3.8 Trade coverage of G20 COVID-19 trade and trade-related measures, by mid-May 2023, in USD billion



Note: Values are rounded.

Source: WTO Secretariat.

3.33. The trade coverage[7] of the COVID-19 trade-facilitating measures implemented since the outbreak of the pandemic was estimated at USD 292.5 billion (Chart 3.8). The trade coverage of the trade-facilitating measures that have been terminated as of mid-May 2023 stood at USD 238.3 (1.4 times higher compared to the last report), according to WTO Secretariat estimates.

3.34. The trade coverage of trade-restrictive measures implemented since the outbreak of the pandemic was estimated at USD 188.4 billion. The trade coverage of restrictions that have been terminated as of mid-May 2023 amounted to USD 172.2 billion (three times higher compared to the last report), showing that G20 economies continued to actively phase out COVID-19-related trade restrictions.

[7] Including imports and exports and based on annual 2021 trade figures.

3.1.3 Developments in the context of the war in Ukraine and the food crisis

3.35. The war in Ukraine has continued to impact the global economy negatively, particularly trade in agricultural products, but also with ramifications spreading to multiple other sectors and resulting in upward pressure on prices. During the review period, WTO Members and Observers extended existing and introduced new measures affecting the export and import of food, feed, and fertilizers. As opposed to measures introduced in the first months of the war in Ukraine, measures introduced in this review period could not always and unambiguously be directly linked to the war. More frequently, measures were introduced in response to the ongoing food crisis, decreased agricultural yields, rising energy costs and inflation. All measures identified were submitted to the relevant delegations for verification.

Export restrictions on food, feed, and fertilizers

3.36. Since the outbreak of the war in late February 2022, the WTO Secretariat has identified 101 export-restrictive measures introduced by 30 WTO Members and 6 Observers[8] on agricultural commodities, of which 93 applied to food and feed (92%) and 8 targeted fertilizer exports (8%). During the review period, six new export restrictions were implemented by several G20 members. As of mid-May 2023, 38 of all identified export restrictions had been rolled back, bringing the number of restrictions in force to 63[9], of which 19 by G20 economies.

3.37. Since 24 February 2022, the trade coverage of the export restrictive measures introduced by all WTO Members and Observers was estimated at USD 121.4 billion, out of which USD 13.1 billion referred to fertilizers. The trade coverage of the repealed export restrictions has been estimated at USD 96.9 billion, of which USD 7.9 billion on fertilizers. Thus, the trade coverage of export restrictions still in place was estimated at USD 24.5 billion.

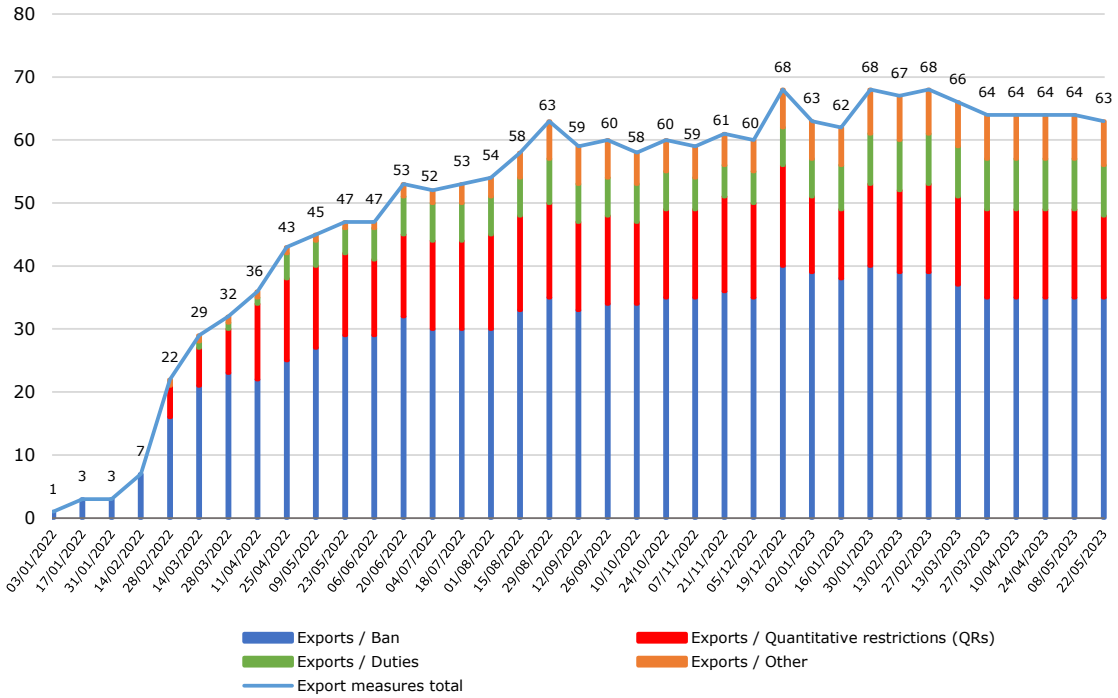
3.38. During this review period, export restrictions targeted a wide range of agricultural products. However, the beginning of 2023 saw a rise of export restrictions on onion, garlic, and other root vegetables, particularly in the Central Asian region to respond to extreme climate events and reduced output. Wheat and other grains remained the most common products falling under export restrictions during the review period.

3.39. The nature of export restrictions remained diverse and included export bans, quotas, duties, licensing requirements and other restrictions (Chart 3.9).

[8] Afghanistan, Algeria, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Plurinational State of Bolivia, Burkina Faso, China, Egypt, Georgia, Ghana, Hungary, India, Indonesia, Kazakhstan, State of Kuwait, Kyrgyz Republic, Lebanon, Malaysia, Mexico, Mongolia, Republic of Moldova, Morocco, North Macedonia, Pakistan, Russian Federation, Serbia, Tajikistan, Tanzania, Tunisia, Türkiye, Uganda, Ukraine and Uzbekistan.

[9] Implemented by 27 Members and 6 Observers: Afghanistan, Algeria, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Plurinational State of Bolivia, Burkina Faso, Egypt, Georgia, Ghana, Hungary, India, Indonesia, Kazakhstan, State of Kuwait, Kyrgyz Republic, Lebanon, Malaysia, Mexico, Mongolia, Morocco, Pakistan, Russian Federation, Serbia, Tajikistan, Tanzania, Tunisia, Türkiye, Uganda, Ukraine and Uzbekistan.

Chart 3.9 Number of export restrictions on food, feed, and fertilizers in force, January 2022-mid-May 2023



Source: WTO Secretariat.

Import-facilitating measures on food, feed, and fertilizers

3.40. Since the beginning of the war in Ukraine, the WTO Secretariat has also identified several import-facilitating measures on food, feed, and fertilizers. As of mid-May 2023, 92 import-facilitating measures on various agricultural products were recorded for 64 Members and 3 Observers.[10] During the reporting period, 38 new import-facilitating measures were implemented, among these 14 by G20 economies. Out of all identified import-facilitating measures, 25 had been phased out or expired by mid-May 2023, 15 of these by G20 economies. Currently, 67 import-facilitating measures remain in place, of which 25 by 10 G20 economies.[11]

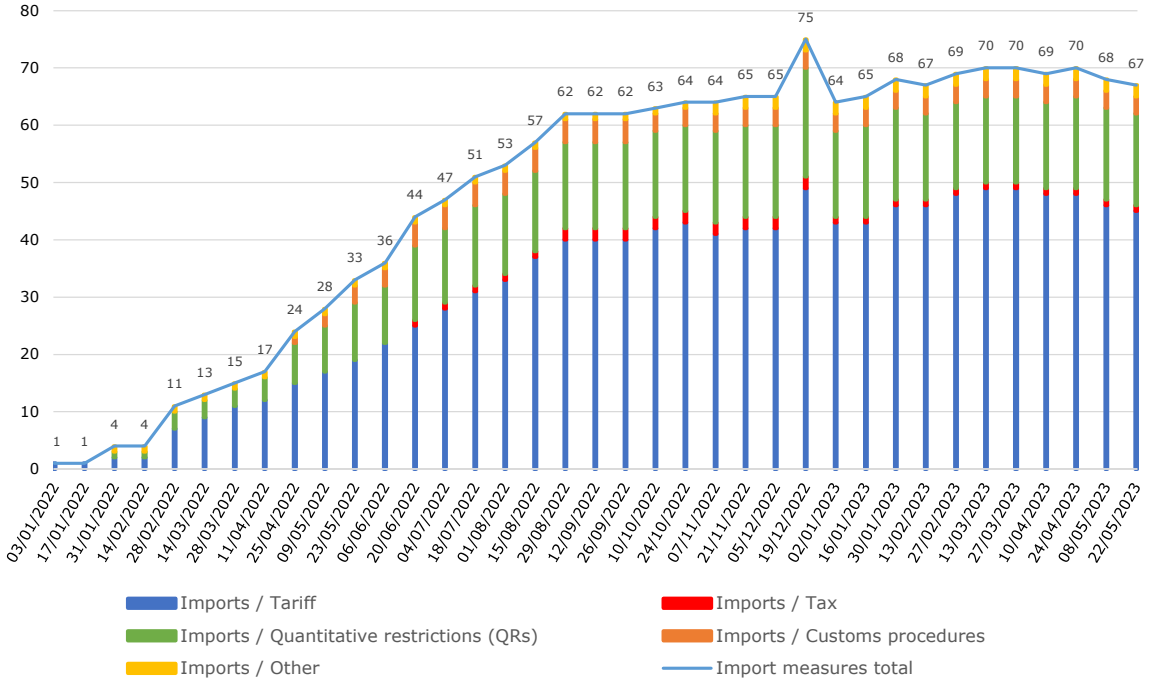
3.41. Since 24 February 2022, the trade coverage of all import-facilitating measures introduced was estimated at USD 110.0 billion, out of which USD 13.8 billion referred to fertilizers. The trade coverage of terminated import-facilitating measures was estimated at USD 34.0 billion, out of which USD 0.6 billion referred to fertilizers. Therefore, the trade coverage of import-facilitating measures on food, feed and fertilizers that are still in place was estimated at USD 76.0 billion.

3.42. Import-facilitating measures targeted a wide range of agricultural products, including vegetable oils, cereals, rice, meats, and poultry, as well as fertilizers. These measures came in the form of reduction of import tariffs, increases of import quotas and introduction of tariff free quotas. Other measures include exemptions from value added taxes and the lifting of import permit requirements (Chart 3.10).

[10] Azerbaijan, Armenia, Argentina, Bangladesh, Belarus, Brazil, Botswana, China, Colombia, Costa Rica, Dominican Republic, Egypt, El Salvador, Eswatini, European Union (EU-27 and its member States are counted separately), Guatemala, India, Iraq, Kazakhstan, Kyrgyz Republic, Kenya, Republic of Korea, Lesotho, Liberia, Malaysia, Mexico, Mongolia, Morocco, Namibia, New Zealand, Pakistan, Peru, Philippines, Russian Federation, South Africa, Switzerland, Chinese Taipei, Türkiye, Ukraine and Viet Nam.

[11] Argentina, Brazil, China, European Union, India, Republic of Korea, Mexico, Russian Federation, South Africa and Türkiye.

Chart 3.10 Number of import-facilitating measures on food, feed and fertilizers in force, January 2022-mid-May 2023



Source: WTO Secretariat.

Import-restrictive measures on food, feed, and fertilizers

3.43. During the reporting period, several measures restricting imports of a number of agricultural products, including wheat were identified. Such measures were introduced by some WTO Members, including several G20 economies. In contrast to the previous reporting period, when WTO Members and Observers mainly focused on facilitating import of agricultural commodities to reduce price increases and stabilize domestic supply, some of the current import restrictions appear to be designed to prevent excess supply of imported agricultural commodities and to protect domestic producers of these products.

3.44. At the end of February 2023, the WTO Secretariat took stock of developments in the context of the war in Ukraine. Box 3.2 below provides the main conclusions and takeaways identified in two Secretariat papers.

Box 3.2 Taking stock on the one-year anniversary of the war in Ukraine

In late February-early March 2023, two WTO Secretariat papers marked the first anniversary of the war in Ukraine by taking stock of the war's impact on international trade and trade policy. Secretariat research papers do not represent the positions or opinions of the WTO and its Members and are without prejudice to Members' rights and obligations under the WTO.

The first note titled "**One year of war in Ukraine: Assessing the impact on global trade and development"**[a] was released by the Economic Research and Statistics Division. It notes that despite the trade-distorting effect of the war in Ukraine, and previously the COVID-19 pandemic, the multilateral trading system has withstood this disruption relatively well. According to the note, global trade continued to increase in 2022, including for products greatly affected by the war, highlighting the resilience of the multilateral trading system.

The positive trade performance of countries dependent on imports from the conflict region was facilitated by their ability to switch their import supply to unaffected economies. For example, Ethiopia, which used to rely on Ukraine and the Russian Federation for 45% of its wheat imports, reacted to the loss of most supplies from these two countries by increasing purchases from other producers.

According to the note, prices rose for goods most affected by the war, but by less than expected at the beginning of the war. Among these products, prices increased between 4.4% for palladium – a key input in the production of catalytic converters in the automotive sector – and 24.2% for maize. While these price increases are substantial, they remain significantly lower than the gloomiest predictions. Simulations run by WTO economists in a scenario of cascading export restrictions on food suggested that wheat prices could increase by up to 85% in some low-income regions. However, the actual increase was 17%.

The WTO Trade Monitoring Update on **"A year of turbulence on food and fertilizers markets"**[b] further explored the fluidity of trade-restrictive measures initiated since the beginning of the war in Ukraine. According to the note, irrespective of existing export restrictions on food, feed, and fertilizers prior to the outbreak of the war, a noticeable spike took place after 24 February 2022. It points out that immediately following the outbreak of the war, several export restrictions on wheat, barley, sugar and seeds from Ukraine and the Russian Federation were implemented. The fear of severe domestic shortages of basic foodstuffs appeared to have pushed other countries to also introduce export restrictions on these products or their close substitutes.

The note indicates that the nature of export restrictions became more diversified over time. While the first few months of the war saw authorities resorting to export bans and export quotas, later when global food and fertilizer markets began to stabilize, recourse to less restrictive measures increased. Thus, export restrictions started to include licensing requirements and duties. Furthermore, the note observes that while the initial implementation of export restrictions was often directly attributed to the war, subsequent measures were introduced with reference to the need to ensure domestic supply and to contain inflationary pressures. Therefore, it appears that with time the initial direct linkage between the war and the implementation of export restrictions became less obvious.

Furthermore, the note points out that during the first three months following the outbreak of the war, new export restrictions mainly targeted a relatively limited range of agricultural products, including various grains, sugar, vegetable oils and fertilizers. Later, the scope of export restrictions expanded to a much wider range to include rice, poultry and poultry products (eggs), meat, dairy products, fruits, and vegetables.

The note concludes that ensuring transparency and proportionality in the context of the implementation of export restrictions, especially in times of crisis, is imperative to provide predictability and reduce uncertainty in international markets.

a Available at: https://www.wto.org/english/res_e/booksp_e/oneyukr_e.pdf.
b Available at: https://www.wto.org/english/news_e/news23_e/trdev_02mar23_e.pdf.

Source: WTO Secretariat.

3.45. In the weeks and months following the start of the war in Ukraine, numerous sanctions were imposed on the Russian Federation as well as on Belarus. Several countermeasures were also implemented by the Russian Federation and Belarus in response to these sanctions. The overwhelming majority of these measures were not specifically trade-related, and applied to the financial, military, civil aviation, and energy sectors, as well as to specific entities and individuals. Most of these sanctions were generally announced and implemented with reference to security considerations.

3.46. In recent meetings of the Trade Policy Review Body to discuss the Director-General's Trade Monitoring Reports, delegations have stressed their right to implement sanctions as part of commercial policy, often with reference to the essential security interests listed in Article XXI(a) and (b) of the GATT 1994.

3.2 Trade remedies[12]

3.47. This Section provides an assessment of trends in the use of trade remedies by G20 economies during the following periods: January-June 2021, July-December 2021, January-June 2022, and July-December 2022.[13]

3.48. Initiations of trade remedies investigations (i.e. anti-dumping, countervailing duty, and safeguards investigations) by G20 economies decreased significantly to 100 in 2022 down from 172 in 2021(a 42% decrease). Similarly, the total number of measures applied by G20 economies decreased by 63%, from 271 in 2021 to 99 in 2022.

3.49. Anti-dumping actions are the most numerous among G20 trade remedy initiations and measures applied. Between 2008 and 2022, G20 initiations of anti-dumping and countervailing measures combined involving products from other G20 economies accounted for approximately 70% of total initiations. China remained the most frequent target of initiations reported during this period, accounting for 30% of all initiations, followed by the Republic of Korea.

3.50. Safeguard measures are subject to different rules and timelines compared to anti-dumping and countervailing actions as they apply to all exporting countries/customs territories. The trend of initiations of safeguard investigations has sharply declined to 1 initiation in 2022, down from 12 in 2019.

Anti-dumping measures[14]

3.51. The most recent data (July-December 2022) show a decrease of 10% in the number of anti-dumping investigations initiated by G20 economies compared to the previous six-month period (January-June 2022). On a 12-month basis, the number of initiations also decreased significantly, from 153 in 2021 to 80 in 2022 (Table 3.9).

3.52. While anti-dumping investigations do not necessarily lead to the application of measures, an increase or decrease in the number of investigations initiated is an early indicator of a likely increase or decrease in the number of measures applied. Over the 24 months reviewed, 233 anti-dumping investigations were initiated, and 305 anti-dumping measures were applied by G20 economies (Table 3.9). It is important to note that as it can take up to 18 months for an anti-dumping investigation to be concluded, these measures may not necessarily be the result of initiations in the same period.

Table 3.9 Number of G20 initiations of anti-dumping investigations and measures applied, January 2021-December 2022

G20 Member	Jan-June 2021		July-Dec 2021		Jan-June 2022		July-Dec 2022	
	Initiations	Measures	Initiations	Measures	Initiations	Measures	Initiations	Measures
Argentina	6	6	9	4	5	3	4	7
Australia	6	2	0	6	3	0	0	1
Brazil	7	3	4	3	0	0	0	5
Canada	5	9	1	11	2	3	0	1
China	0	22	0	0	1	2	1	0
European Union[a]	5	1	6	10	1	4	2	4
India	25	26	5	23	8	3	21	4
Indonesia	0	0	0	0	0	2	0	0
Japan	2	1	0	0	0	0	0	2

[12] This Section is without prejudice to Members' right to take trade remedy actions under the WTO.

[13] These periods coincide with the periods covered by Members' semi-annual reports of anti-dumping and countervailing actions.

[14] 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 or customs territories is counted as *(n)* investigations.

G20 Member	Jan-June 2021		July-Dec 2021		Jan-June 2022		July-Dec 2022	
	Initiations	Measures	Initiations	Measures	Initiations	Measures	Initiations	Measures
Korea, Republic of	4	0	3	3	5	1	0	2
Mexico	0	2	4	4	1	1	3	0
Russian Federation[b]	2	3	0	2	0	2	0	0
Saudi Arabia, Kingdom of[c]	3	1	9	0	0	0	0	0
South Africa[d]	6	0	7	0	1	4	2	6
Türkiye	8	0	1	1	0	2	0	5
United Kingdom	1	0	0	0	1	0	0	1
United States	11	50	13	32	14	10	5	5
Total	**91**	**126**	**62**	**99**	**42**	**37**	**38**	**43**

a The European Union is counted as one.
b Notified by the Russian Federation, but investigations are initiated by the Eurasian Economic Union (EAEU) on behalf of all its members, i.e. Armenia, Kyrgyz Republic, Kazakhstan, and Belarus (non-WTO Member) collectively.
c 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.
d Notified by South Africa, but investigations are initiated at the level of the Southern African Customs Union (SACU), i.e. also in respect of Botswana, Eswatini, Lesotho and Namibia.

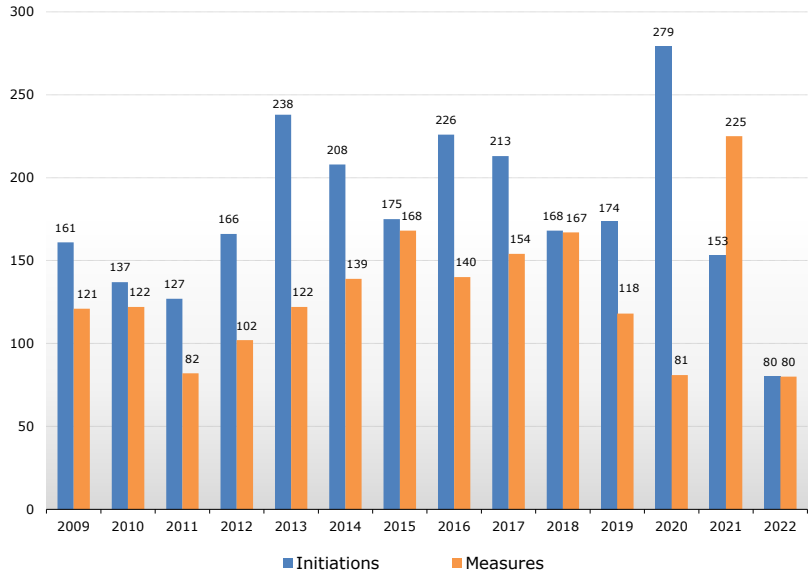
Source: WTO Secretariat.

3.53. In terms of products affected by initiations of anti-dumping investigations, in the first period examined, investigations were initiated in the animal products and machinery sectors, in addition to the chemicals and metals sectors. In the second and third periods examined, most initiations were on products in the chemicals, metals, and plastics sectors. In the most recent period, investigations were mostly in the chemicals, metals, and machinery sectors.

3.54. Chart 3.11 provides an overview of anti-dumping activities of G20 economies since the first Trade Monitoring Report was circulated in September 2009.

Chart 3.11 G20 anti-dumping investigations and measures applied, 2009-22

(Number)



Source: WTO Secretariat.

3.55. During the review period, the Committee on Anti-Dumping Practices held two meetings, on 26 October 2022 and 3 May 2023[15], and 40 trade concerns were raised with respect to anti-dumping practices. Most of these concerns (25 or 63%) were raised on AD actions by Australia (1), Brazil (1), Canada (1), China (6), the European Union (4), India (2), the Republic of Korea (3), the Russian Federation (1), South Africa (2), the United Kingdom (1), and the United States (3).

3.56. Other additional issues and concerns were raised with respect to (i) the continued application of anti-dumping measures resulting from sunset reviews; (ii) the length of US anti-dumping measures – prolonged measures; (iii) sunset reviews conducted by the European Union leading to continued imposition of prolonged anti-dumping measures; (iv) the European Union's Regulation (EU) 2017/2321 and Regulation (EU) 2018/825; (v) the United States' non-market economy (NME) treatment of certain countries in anti-dumping investigations; (vi) the NME methodology in anti-dumping investigations; (vii) the importance of prompt notifications for transparency purposes; (viii) the transitional reviews, continued application by the United Kingdom of the European Union's anti-dumping measures conducted after Brexit and lengthy transitional reviews; (ix) the anti-circumvention inquiries frequently initiated in recent years by the U.S. Department of Commerce; (x) the negative effects of the geopolitical situation on the Ukrainian economy, its infrastructure, vital production facilities, capacities, cost of production, production, export potential and the ability of the interested parties to defend their interests in anti-dumping investigations; and (xi) the United States' sunset reviews attributing single country rates.

Countervailing measures

3.57. The most recent data (July-December 2022) show a significant decrease in the number of countervailing duty investigations initiated by G20 members compared to the previous six-month period (January-June 2022). On a 12-month basis, the number of initiations remained stable (Table 3.10) with 18 initiations in 2021 and 19 in 2022.

3.58. Over the 24 months reviewed in this Section, 37 countervailing duty investigations were initiated, and 58 countervailing measures were applied by G20 economies. It is important to note that as it can take up to 18 months for a countervailing investigation to be concluded, these measures may not necessarily be the result of initiations in the same period.

Table 3.10 Number of G20 initiations of countervailing investigations and measures applied, January 2021-December 2022

G20 Member	Jan-June 2021		July-Dec 2021		Jan-June 2022		July-Dec 2022	
	Initiations	Measures	Initiations	Measures	Initiations	Measures	Initiations	Measures
Australia	1	0	0	2	0	0	0	0
Brazil	2	0	0	0	0	0	0	2
Canada	1	1	0	3	2	1	0	1
China	0	1	0	0	0	0	0	0
European Union[a]	2	0	1	1	1	3	0	0
India	0	1	0	1	3	3	0	0
United Kingdom	0	0	0	0	2	0	0	0
United States	6	20	5	10	9	5	2	3
Total	**12**	**23**	**6**	**17**	**17**	**12**	**2**	**6**

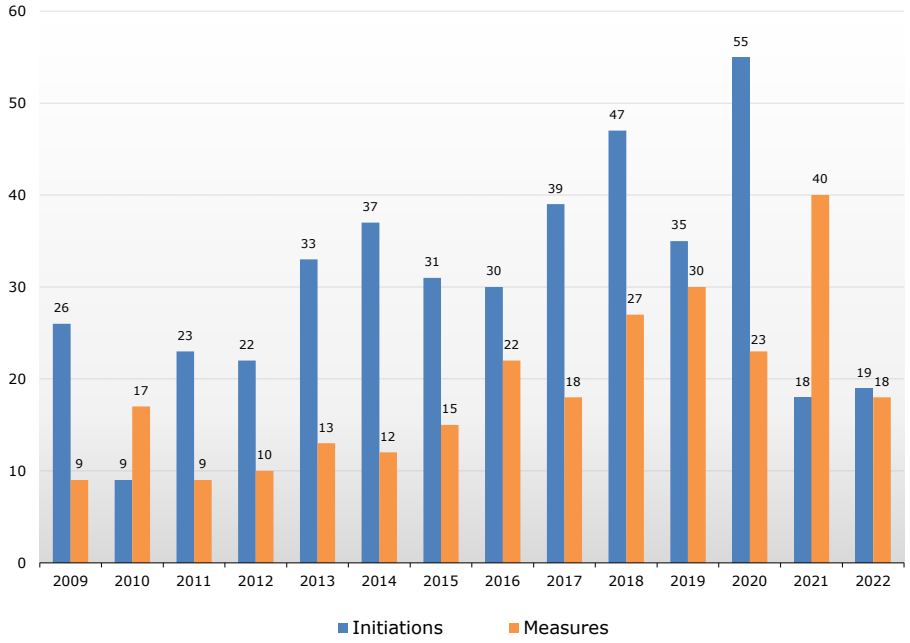
a The European Union is counted as one.

Source: WTO Secretariat.

3.59. Since the first Trade Monitoring Report in 2009, the number of countervailing investigations has fluctuated, reaching its peak in 2020. In 2021 and 2022, however, there was a significant decrease compared to the previous years (Chart 3.12).

[15] WTO documents G/ADP/M/62, 18 January 2023, and G/ADP/M/63 (forthcoming), respectively.

Chart 3.12 Number of countervailing investigations and measures applied, 2009-22



Source: WTO Secretariat.

3.60. Various sectors were targeted by countervailing investigations, with metal products accounting for 13 of the 37 initiations by G20 members over the 24 months examined. Chemical products and vehicles accounted for the second- and third-largest numbers of investigations, with 10 and 3 initiations, respectively.

3.61. At the regular meetings of the Committee on Subsidies and Countervailing Measures on 25 October 2022 and 2 May 2023, 10 of the 11 trade concerns raised were with respect to countervailing duty investigations or measures by G20 economies (Brazil (1), China (1), the European Union (3), India (2) and the United States (3)).

3.62. Additional concerns were raised with respect to (i) the elimination of export subsidies by Members that received extensions under Article 27.4 of the SCM Agreement; (ii) the low and declining level of compliance with the notification and transparency obligations in the SCM Agreement; (iii) the requests for information pursuant to Articles 25.8 and 25.9 (proposal on procedures from the United States); (iv) the request for information on allegedly discriminatory subsidies policies and measures of the United States; (v) subsidies and overcapacity; (vi) the use of adverse facts available by the United States in various countervailing duty investigations; (vii) the countervailing duty investigations by the European Union regarding the so-called transnational subsidies; (viii) the subsidy transparency and China's publication and inquiry point obligations under China's protocol of accession; (ix) the proposed amendment to procedures for review of new and full subsidy notifications; and (x) the European Union Foreign Subsidies Regulation.

Anti-dumping and countervailing measures by trading partner

3.63. Between 2008 and 2022, G20 initiations of anti-dumping and countervailing measures combined involving products from other G20 economies accounted for approximately 70% of total initiations. Moreover, between 54% and 100% of initiations of each individual G20 economy target products from another G20 economy. China remained the most frequent target of initiations reported during this period, accounting for 30% of all initiations. The second most frequent target of initiations during this period, the Republic of Korea, accounted for 6% of total initiations.

Safeguard measures

3.64. 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.[16] 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 G20 initiations of investigations and applied measures in the covered period.

Table 3.11 Number of G20 initiations of safeguard investigations and measures applied, January 2021-December 2022

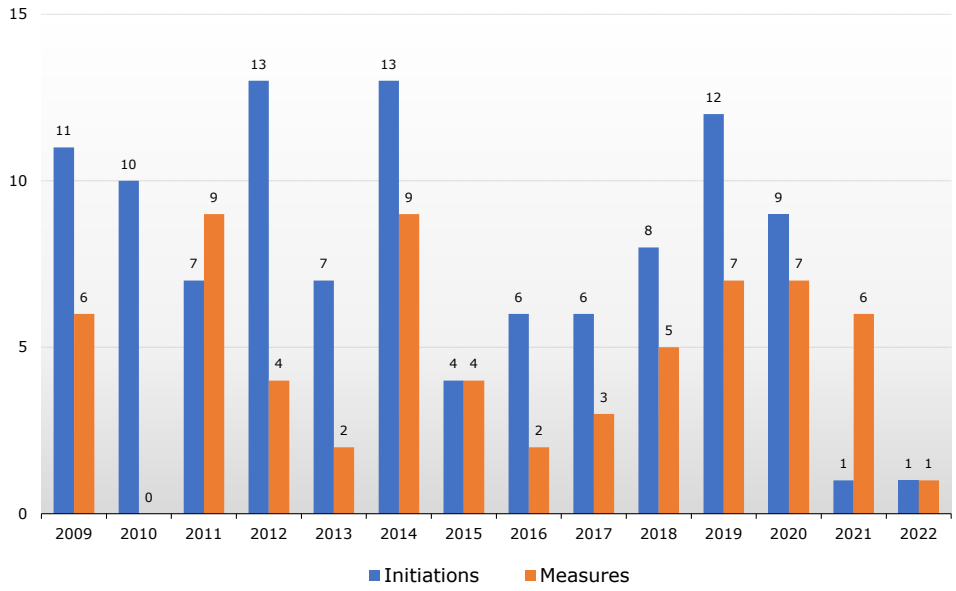
G20 Member	Jan-June 2021		July-Dec 2021		Jan-June 2022		July-Dec 2022	
	Initiations	Measures	Initiations	Measures	Initiations	Measures	Initiations	Measures
India	0	0	0	0	0	0	1	0
Indonesia	0	1	0	3	0	0	0	0
South Africa[a]	0	0	0	1	0	0	0	0
Türkiye	0	0	1	1	0	0	0	1
Total	**0**	**1**	**1**	**5**	**0**	**0**	**1**	**1**

a 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.

3.65. Chart 3.13 shows the number of initiations of safeguard investigations and application of measures by the G20 economies on a calendar-year basis. In 2022, there was one initiation and one application of a safeguard measure. The initiation figure stood at 12 in 2019, which was one of the highest levels since 1995. From that high level, the trend has sharply declined to the current level.

Chart 3.13 Number of G20 initiations of safeguard investigations and measures applied, 2009-22



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.

[16] With the exception of exporting Members covered by the special and differential treatment provided for developing country Members in Article 9.1 of the Agreement on Safeguards.

3.66. At the regular meetings of the Committee on Safeguards on 24 October 2022 and 1 May 2023[17], 8 of the 18 concerns raised were on safeguard investigations by G20 economies (the European Union (1), India (2), Indonesia (3), the United Kingdom (1) and the United States (1)).

3.3 Sanitary and phytosanitary (SPS) measures[18]

3.67. This Section covers SPS transparency-related matters, including specific trade concerns (STCs) discussed in SPS Committee meetings, during the period 1 October 2022 to 31 March 2023. G20 economies rank among the main "notifiers" of SPS measures, accounting for 65% of total regular notifications (including revisions and addenda), and 35% of emergency notifications (including revisions and addenda). The objective most frequently identified in the SPS measures notified by G20 economies was food safety, followed by measures related to human health and including measures regulating maximum residue limits (MRLs) of pesticides.

3.68. During the review period, WTO Members met in October and November 2022 and in February and March 2023 to advance the work programme that emerged from the MC12 SPS Declaration on Responding to Modern SPS Challenges. The outcome of these discussions will be reported to Ministers at MC13.

SPS activities, developments and SPS notifications

3.69. Under the SPS Agreement, WTO Members are obliged to provide an advance notification of intention to introduce new or modified SPS measures[19], or to notify immediately when emergency measures are imposed. The main objective of complying with the SPS notification obligations is to inform others about new or modified regulations that may significantly affect trade. Therefore, an increase in the number of notifications does not automatically imply greater protectionism, but can be due to enhanced transparency and/or a greater number of legitimate health-protection measures.

3.70. G20 economies rank among the main "notifiers" of SPS measures, accounting for 65% of total regular notifications (including revisions and addenda), and 35% of emergency notifications (including revisions and addenda), submitted to the WTO from 1 January 1995 until 30 September 2022. During the review period, Japan, Brazil, Canada, the European Union, and the United States were the top five notifiers of regular and emergency notifications (including revisions and addenda), accounting for 72% of all the notifications submitted by G20 economies in that period.

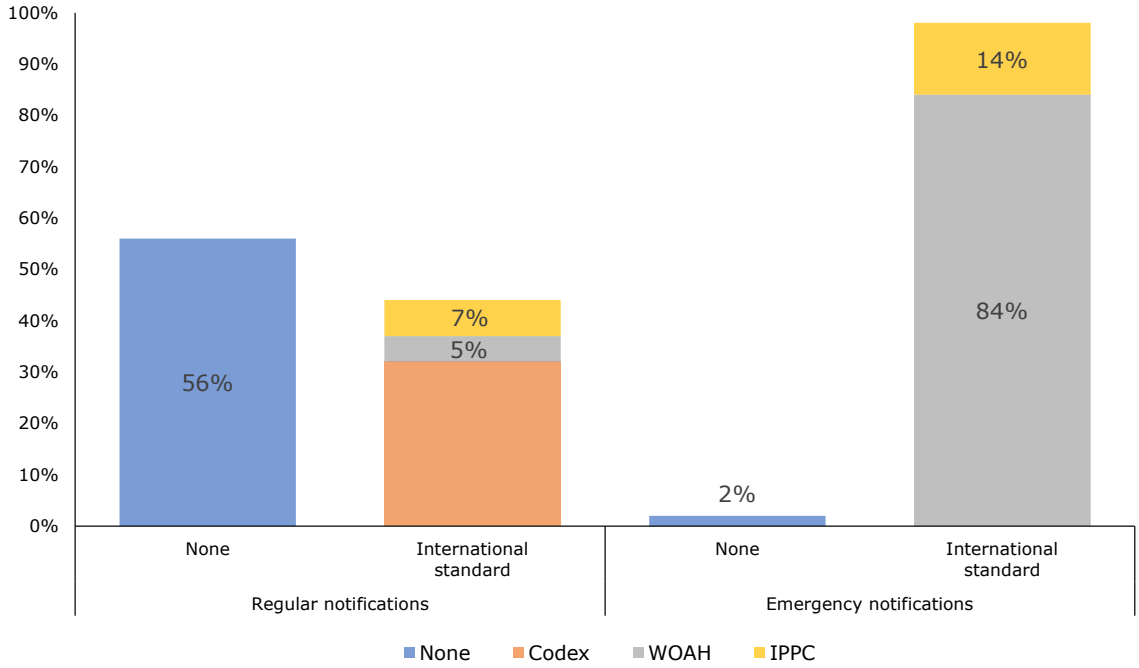
3.71. Many G20 economies follow the recommendation to notify SPS measures even when these are based on a relevant international standard, thereby increasing the transparency regarding these measures (Chart 3.14). Of the 304 regular notifications (excluding addenda) submitted by G20 economies during the review period, approximately 44% indicated that an international standard, guideline, or recommendation was relevant to the notified measure, and out of these some 71% (or 32% out of all notifications) referred to Codex, 18% (7% out of all) to the International Plant Protection Convention (IPPC) and 11% (or 5% out of all) to the World Organisation for Animal Health (WOAH). Of these, 49% indicated that the measure was in conformity with, or substantially the same as, the existing international standard, guideline, or recommendation. Of the remaining 51% of notifications, which indicated that the measure was not in conformity with the existing international standard, Codex was the relevant international standard-setting body identified in all but two notifications. Regarding emergency notifications, all but one of the emergency measures (excluding addenda) notified by G20 economies indicated conformity with a relevant international standard, guideline or recommendation, this being a WOAH animal health standard in most cases.

[17] WTO documents G/SG/M/61, 1 February 2023 and G/SG/M/62 (forthcoming), respectively.

[18] Information presented in this Section was retrieved from the ePing SPS&TBT Platform and in the Trade Concern Database. See also annual reports G/SPS/GEN/804/Rev.15 and G/SPS/GEN/204/Rev.23.

[19] Transparency obligations are contained in Article 7 of and Annex B to the SPS Agreement. Annex B requires that Members notify measures whose content is not substantially the same as that of an international standard, guideline, or recommendation, and when the measure may have a significant effect on trade. However, the Recommended Procedures for Implementing the Transparency Provisions of the SPS Agreement, last updated in 2023 (WTO document G/SPS/7/Rev.5, 16 January 2023), recommend that Members also notify measures that are based on the relevant international standards, and apply a broad interpretation of effects on trade.

Chart 3.14 Regular and emergency SPS notifications (excluding addenda) and international standards, October 2022-March 2023



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

Source: WTO Secretariat.

3.72. The objective most frequently identified in the SPS measures notified by G20 economies during the review period was food safety, accounting for 76% of all notifications.[20] Food safety is a particularly important objective in the notifications by G20 economies, and many of the notified measures are related to human health, MRLs or pesticides.

3.73. No regular or emergency measures related to COVID-19 were notified during the reporting period. Two addenda were notified lifting previous temporary restrictions.[21] One previously raised STC related to COVID-19 was again discussed at the November 2022 and March 2023 SPS Committee meetings.[22] Overall, two SPS STCs related to COVID-19 have been discussed in the SPS Committee since the start of the pandemic.[23] G20 economies submitted 42% of the 127 SPS notifications and communications on measures taken in response to the pandemic.

3.74. In 2022, 98% of all notifications were submitted online through the new ePing SPS&TBT Platform. The number of online SPS notifications has steadily increased over the past five years (Box 3.3). During the reporting period, all notifications from G20 economies were submitted through the ePing SPS&TBT Platform.

[20] 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 pest or disease; and (v) protection of territory from other damages from pests. Members are required to identify the purpose of the measure in their notifications. It is not uncommon for more than one objective to be identified.

[21] WTO documents G/SPS/N/DNK/6/Add.1, 16 January 2023 and G/SPS/N/HKG/47/Add.1, 16 January 2023. More detailed information on notifications is available on the ePing SPS&TBT Platform.

[22] STC 487: China's actions related to COVID-19 that affect trade in food and agricultural products.

[23] STCs 487 and 488. Please visit the Trade Concerns Database for further information on STCs.

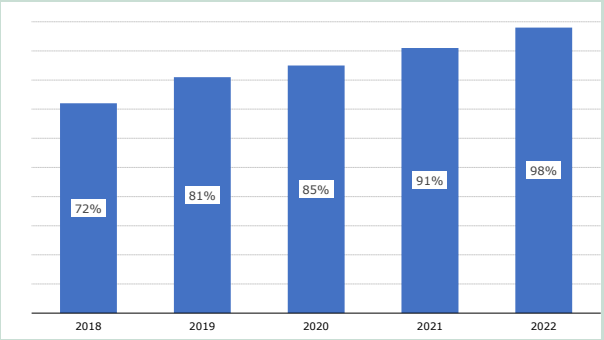
Box 3.3 Facilitating implementation of transparency obligations

Accessing relevant information on SPS or TBT product requirements in export markets can represent a significant challenge, especially 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 ePing SPS&TBT Platform allows users (governments, economic operators, and civil society) to 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 are available on 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 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.

The ePing SPS&TBT Platform is also the most efficient way to submit notifications to the WTO. It integrates and builds upon the functionalities of the previous SPS Notification Submission System (NSS). In recent years, the number of online submissions of SPS notifications has been steadily increasing, with up to 98% for 2022, including notifications submitted through the new Platform.

Online submission of SPS notifications from 2018 to 2022 (through NSS and ePing SPS&TBT Platform)



Source: WTO Secretariat.

Specific Trade Concerns (STCs)

3.75. Measures maintained by G20 economies are often discussed in the SPS Committee. Out of 62 STCs raised or discussed in the November 2022 and March 2023 SPS Committee meetings[24], 59 involved a G20 economy. Of these, 19 were raised for the first time and 40 previously raised STCs were discussed again. In addition, 7 STCs raised for the first time in November 2022 were discussed again in March 2023 (Table 3.12).[25]

3.76. Out of the STCs raised during the review period involving a G20 economy, 47 related to measures maintained by other G20 economies. Among these, 17 were raised for the first time, and the remaining had been discussed in previous Committee meetings. Among the latter, several addressed persistent problems that have been discussed 15 times or more. Out of the 47 STCs related to measures maintained by G20 economies discussed during the review period, 15 related to measures implemented by G20 economies on food safety, 12 on animal health, 5 on plant health, and 15 related to other types of concerns.[26]

3.77. Discussions among Members in the SPS Committee continue to be multifaceted and dynamic. At the November 2022 and March 2023 Committee meetings, Ukraine provided the Committee with information on its SPS situation. Several Members expressed their support and showed appreciation for Ukraine's efforts to fulfil its SPS WTO obligations; strongly condemned the Russian Federation's military action in Ukraine, noting that it constituted a violation of international law and the UN Charter; and stated that the invasion was further exacerbating the current food security crisis.

[24] See summary reports of the meetings of November 2022 (WTO document G/SPS/R/108, 16 December 2022) and March 2023 (WTO document G/SPS/R/109, 5 May 2023). All STCs discussed are available in the Trade Concerns Database.

[25] More detailed information on STCs can be retrieved from the Trade Concerns Database.

[26] Please visit the Trade Concerns Database for further information on STCs.

The Russian Federation noted that the matter was not within the mandate of the WTO and complained that the politically motivated trade-restrictive actions against the Russian Federation imposed by several WTO Members were behind the possible shortages in net food importing countries.[27]

Table 3.12 STCs with participation of G20 economies raised in the November 2022 and March 2023 SPS Committee meetings

Meetings	Total STCs raised with participation of G20 economies		G20 economies raising		G20 economies supporting		G20 economies responding	
November 2022 and March 2023	New 19	Previously raised (incl. raised for first time in Nov.) 40 (47)	New 19	Previously raised (incl. raised for first time in Nov.) 37 (44)	New 4	Previously raised (incl. raised for first time in Nov.) 14 (16)	New 17	Previously raised (incl. raised for first time in Nov.) 30 (37)

Source: WTO Secretariat.

3.78. During the review period, meetings were held in October and November 2022 and in February and March 2023 to advance the work programme that emerged from the MC12 SPS Declaration on Responding to Modern SPS Challenges (Box 3.4).

Box 3.4 MC12 SPS Declaration work programme

WTO Members and Observers are participating in ongoing discussions as part of the SPS Declaration, which was adopted at MC12 in 2022 (MC12 SPS Declaration), in WTO document WT/MIN(22)/27, 22 June 2022. The Declaration recognizes new opportunities and emerging challenges brought about by the evolution of the global agricultural landscape since the adoption of the SPS Agreement in 1995 and instructed the SPS Committee to carry out a work programme to further enhance the implementation of the SPS Agreement in an effort to better manage issues related to international trade in food, animals and plants.

The MC12 SPS Declaration work programme is being implemented through discussions in five thematic groups:

1. How to facilitate global food security and more sustainable food systems, including through sustainable growth and innovation in agricultural production and international trade, and using international standards, guidelines, and recommendations developed by the Codex Alimentarius Commission, the WOAH and the IPPC as the basis of harmonized SPS measures to protect human, animal or plant life or health.
2. How to support basing SPS measures on scientific evidence and principles, including where international standards, guidelines, or recommendations do not exist or are not appropriate; and how to promote the use by Members of principles employed by the international standard setting bodies for considering scientific uncertainty in risk analysis.
3. How to enhance the safe international trade in food, animals and plants and products thereof through the adaptation of SPS measures to regional conditions, including pest- or disease-free areas and areas of low pest or disease prevalence which can strengthen Members' ability to protect plant and animal life or health through efforts to limit the spread of pests such as the Mediterranean fruit fly, diseases such as African swine fever, disease-carrying organisms, or disease-causing organisms.
4. How to encourage cooperation with observer organizations that support the work of the SPS Committee and the international standard setting bodies through technical exchanges and assistance in the context of this work programme.
5. How to increase participation of and support for the special needs of developing and least developed country Members in the development and application of SPS measures; and to increase awareness of and sensitivity to the impacts of SPS measures on the export possibilities of such Members.

The outcome of the work programme, open to Members and Observers including the three international standard setting bodies recognized in the SPS Agreement (Codex, WOAH, IPPC), will be reported to Ministers at MC13 in 2024.

Source: WTO Secretariat.

[27] See the summary reports of the November 2022 and March 2023 SPS Committee meetings in WTO documents G/SPS/R/108, 16 December 2022 and G/SPS/R/109, 5 May 2023 respectively.

3.4 Technical Barriers to Trade (TBT)

3.79. G20 economies remain the most frequent users of the TBT Committee's transparency mechanisms. Most of the new regular TBT notifications submitted by G20 economies during the review period indicated the protection of human health or safety as their main objective. The top five notifying G20 economies were the United States, the European Union, the Republic of Korea, Brazil, and the Kingdom of Saudi Arabia. All 10 persistent STCs discussed during the review period concerned G20 measures. G20 economies submitted 139 out of 226 TBT notifications (62%) in response to the pandemic.

Notifications submitted to the TBT Committee

3.80. The G20 economies remain the most frequent users of the TBT Committee's transparency mechanisms, having submitted 41% of all TBT notifications since 1995.[28] Under the TBT Agreement, Members are required to notify their intention to introduce new or modified technical regulations and conformity assessment procedures, or to notify adopted emergency measures immediately. The principal objective of complying with the TBT notification obligations is to inform others about new or changed regulations that may significantly affect trade and provide an opportunity for comments.

3.81. From 1 October 2022 to 1 May 2023 (review period), G20 economies submitted 329 (25%) new regular notifications of TBT measures[29] out of 1,325 by all WTO Members. The top five notifying G20 economies were the United States (59), the European Union (47), the Republic of Korea (33), Brazil (32) and the Kingdom of Saudi Arabia (31). Most of these notifications indicated as their main objective the protection of human health or safety. Various other notifications related to protection of the environment, quality requirements, prevention of deceptive practices and consumer protection and consumer information, and labelling.

3.82. G20 economies sent 332 (around 31%) follow-up notifications (i.e. addenda, corrigenda, or supplements). The continuing and frequent use 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)[30]

3.83. The TBT Committee is used as a forum for discussing trade issues related to specific TBT measures proposed or maintained by other Members. Issues can range from requests for additional information and clarification to questions on the consistency of measures with TBT Agreement disciplines.

3.84. A total of 155 (32 new and 123 previously raised) STCs were discussed during the review period. Of these new STCs, 81% (26 of 32) concerned measures maintained by G20 economies. A number of these new STCs dealt with environmental issues such as energy conservation standards and labelling, eco-design requirements, water efficiency requirements, and packaging and shipment of waste. A few STCs related to digital issues such as procedures and technical specifications for the type-approval of vehicles regarding their automated driving system and restrictions for the use of certain telecommunications equipment in 5G networks. WTO Members have been increasingly raising digital-related STCs at the TBT Committee meetings. For example, since 2022, Members have been discussing an STC with respect to the measure that regulates artificial intelligence systems, embedded or not into physical products, that pose certain risks. [31]

3.85. 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 to raise and resolve trade

[28] Since 1995, over 35,463 new notifications of TBT measures have been submitted by Members, 14,377 (41%) of which were by G20 economies. Overall, 49,283 new and follow-up notifications of TBT measures have been submitted, 21,519 (44%) of which were notified by G20 economies.

[29] Source: ePing SPS&TBT platform.

[30] With respect to STCs, this Section takes account of the STCs raised in the TBT Committee meetings of 16-18 November 2022 and 8-10 March 2023.

[31] The draft TBT Background Paper "TBT Specific Trade Concerns: What's the value?" estimates that the average imports per STC on the topic of cybersecurity amounts to USD 159 billion, making it one of the most significant types of STC topics by value.

Viewed at: https://www.wto.org/english/news_e/events_e/tbt_symposium_paper.pdf.

concerns non-litigiously. In 2022, for example, Members reviewed 241 STCs, including 53 new concerns, which was one of the highest numbers on record since 1995. With two TBT Committee meetings scheduled to take place later this year, this trend will likely continue in 2023.

3.86. During the review period, 10 persistent STCs were discussed (these STCs have each been previously raised on more than 16 occasions in TBT Committee meetings). All of these persistent STCs concerned measures implemented by G20 economies.

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

3.87. Since the beginning of the COVID-19 pandemic, 45% of all notifications submitted by Members in response to COVID-19 were under the TBT Agreement.[32] Thirty-four Members submitted 226 COVID-19-related TBT notifications, of which 139 (62%) by G20 economies. 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 response to the pandemic. The majority (about 66%) of these notifications cover regulations on medical goods, such as personal protective equipment, pharmaceutical products, medical devices, other medical supplies, and other products. Since the beginning of the COVID-19 pandemic, Members have made references to the COVID-19 pandemic in 55 STCs.

3.88. There has been a recent trend of the TBT Committee receiving notifications of regulations on various digital technologies. Box 3.5 takes a closer look at regulatory measures on autonomous vehicles and unmanned aircraft systems notified to the TBT Committee.

Box 3.5 Autonomous vehicles, unmanned aircraft systems and TBT

Autonomous vehicles and unmanned aircraft systems are some of the many novel products emerging from the current wave of digital transformation and are becoming an integrated part of the international trade supply chain. By 2026, the estimated value of the global market for drones is projected to reach USD 58.5 billion[33], and USD 556.6 billion for autonomous vehicles.[34]

International trade rules, in turn, have important implications for innovation, uptake and governance of such digital technologies. Indeed, governments have been increasingly subjecting autonomous vehicles and unmanned aircraft systems to various non-tariff measures, including a wide variety of regulations falling under the TBT Agreement. Technical standards and regulations provide an essential framework for the development of innovative digital technologies and help address a variety of legitimate public policy concerns associated with their deployment. For example, according to a WCO/WTO Study Report, the relevance and availability of drone technology depend on whether the regulatory environment enables the safe use of drones and on developing a framework that will determine the conditions in which the technology will exist.[35]

WTO Members have already started notifying to the TBT Committee an increasing number of regulations addressing various issues related to autonomous vehicles and unmanned aircraft systems. This trend has been particularly marked in the last five years.

To date, Members have notified at least 57 TBT measures on autonomous vehicles and unmanned aircraft systems to the Committee, 74% of which during the last five years. These measures deal with, *inter alia*, policies on human health and safety, national security, performance, and quality requirements as well as different conformity assessment procedures (such as testing and certification). Other policy objectives include prevention of deceptive practices and consumer protection and information, cost saving and productivity enhancement, and harmonization. Key notifying Members in this area include China, the European Union, France, Japan, the Republic of Korea, Mexico, the United Arab Emirates and the United States.

Examples of such TBT notifications include:

- testing requirements for vehicles that do not require the presence of a driver inside the vehicle (United States).

[32] TBT notifications are classified as COVID-19-related if they contain the terms "coronavirus", "COVID", "SARS-COV-2" or "nCoV".

[33] WCO/WTO Study Report on Disruptive Technologies (June 2022). Viewed at: WTO | WCO/WTO Study Report on Disruptive Technologies.

[34] See e.g. Sharp Growth In Autonomous Car Market Value Predicted But May Be Stalled By Rise In Consumer Fear (forbes.com).

[35] WCO/WTO Study Report on Disruptive Technologies (June 2022). Viewed at: WTO | WCO/WTO Study Report on Disruptive Technologies.

- technical specifications, assessment, and test requirements as well as administrative requirements needed for the type-approval of the automated driving system of fully automated vehicles (European Union).
- requirements concerning the installation of electronic and optical signalling devices on certain unmanned aircraft to allow national defence and security forces to identify airborne drones and distinguish them from other aircraft during flight. This measure was indicated as necessary to address risks stemming from an increasing number of drones illegally flying over sensitive sites on the territory of the notifying Member (France).
- various safety requirements and test methods for civil unmanned aircraft products (China).
- certain certification requirements for certain unmanned aircraft systems (United States).

Members have also raised at least four STCs with respect to regulations on these types of products. For example, such concerns relate to regulations on unmanned aircraft systems[36], procedures and technical specifications for the type-approval of vehicles with regard to their automated driving system[37] and emergency lane keeping system[38], and safety declaration of advanced autonomous driving function.[39]

Source: WTO Secretariat.

Developments in the context of the war in Ukraine

3.89. At the TBT Committee meeting of 8-10 March 2023, Ukraine and several other Members expressed their strong opposition to the war in Ukraine, with several Members noting that it violated international law. The Russian Federation called on Members to refrain from interventions on issues and events that were outside the scope of the TBT Committee and the WTO itself.[40]

3.5 Policy developments in agriculture

3.90. During the period under review, the Committee on Agriculture (CoA) held two regular meetings, on 21-22 November 2022 and 27-28 March 2023.[41] Domestic support dominated the discussions especially on measures and notifications from China, India, and the United States. Discussions also focused on export restrictions on foodstuffs and food security, a key theme for a potential outcome at MC13.

3.91. The 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)). During the period under review, 73% (225) of all questions raised in the Committee concerned agricultural policies implemented by G20 economies.[42]

3.92. As the following statistics show, a vast majority of issues raised in the Committee concerned domestic support and export-limiting measures. On notifications, a total of 52 notifications were submitted by G20 economies between 15 October 2022 and 15 May 2023. A total of 96 questions concerned G20 Members' individual notifications (43% of the total number of questions). Of these questions, 89% related to domestic support notifications whereas the remaining 11% related to notifications on market access, export subsidies and export restrictions and prohibitions. On matters raised under Article 18.6 of the AoA, a total of 14 G20 economies (counting the European Union as

[36] Viewed at: European Union - Commission Delegated Regulation (EU) 2019/945 on Unmanned Aircraft Systems and on Third-country Operators of Unmanned Aircraft Systems (ID 585).

[37] Viewed at: European Union - Draft Commission implementing regulation laying down rules for the application of Regulation (EU) 2019/2144 of the European Parliament and the Council as regards uniform procedures and technical specifications for the type-approval of fully automated motor vehicles with regard to their automated driving system (ADS) (ID 766).

[38] Viewed at: European Union - Uniform procedures and technical specifications for the type-approval of motor vehicles with regard to their emergency lane keeping system (ELKS) (ID 700).

[39] Viewed at: Russian Federation - On Safety of Wheeled Vehicles (TR CU 018/2011) (ID 687).

[40] WTO document G/TBT/M/89 (forthcoming).

[41] The reports of these meetings can be found in WTO documents G/AG/R/104, 17 January 2023, and G/AG/R/105 (forthcoming).

[42] Questions can be accessed through the compilation of questions issued for each CoA meeting in WTO documents G/AG/W/226, 11 November 2022 (21-22 November CoA meeting), and G/AG/W/231, 17 March 2023 (27-28 March CoA meeting). All questions and answers are available in the Agriculture Information Management System (AG-IMS).

one) received 129 questions on 62 SIMs in the meetings considered in this review.[43] Out of the 62 SIMs, more than half (37 SIMs) were discussed for the first time, including China's new grain programme, Japan's structural programme for rice, and the U.S. Inflation Reduction Act. Of these, 57% related to domestic support policies, 11% concerned policies prohibiting or restricting exports of foodstuffs, 11% concerned market access issues, and the remaining 21% concerned export competition issues and other matters.

3.93. In the area of domestic support, significant attention was paid to reviewing support measures and notifications by China, India and the United States. Several questions were posed to China on its latest domestic support notification covering the period 2017-20. Most of these questions concerned the evolution of market price support and the associated calculation methodology, recourse to Blue Box and China's compliance with its domestic support (i.e. *de minimis*) commitments. Through these latest notifications, China asserted that it had been compliant with its domestic support commitments since 2020. The Committee also continued its review of India's domestic support notifications, which entail the invocation of the Bali Public Stockholding Decision peace clause starting 2018/19 for the breach of the *de minimis* limit for rice. The focus of discussions, including based on detailed written questions, was on the level of annual minimum support prices, information on pre-determined stocks, domestic release of public stocks, calculation methodology of market price support and information on and accounting of provincial-level price bonuses. Domestic support measures and notifications by the United States were also subject to extensive review where the United States' Current Total AMS in one of the reported years reached USD 18.1 billion, the highest level since 1995 and also close to its Total AMS limit of USD 19.1 billion. Increased spending during the period was attributed to two new *ad hoc* support measures, namely the Market Facilitation programme and the Coronavirus Food Assistance Program, both of which have since expired. Questions were also raised on the United States' changed reporting practice with respect to *ad hoc* support programs.

3.94. Export-limiting measures on foodstuffs were also subject to several specific questions in the Committee during this period. These questions were raised on Argentina's measures on beef and some grains, China's export prohibition on corn starch, Hungary's measure on wheat and other grains, India's export restrictions on wheat and rice, Indonesia's export restrictions on palm oil, Mexico's export restriction on white corn, and Türkiye's export restrictions on some vegetables. The main thrust of these questions was on assessing the consistency of these measures with the relevant WTO rules, ascertaining how the interests of affected importing countries were taken into account and underlining the importance of timely export-restricting notification to the Committee. In some cases, the concerned Members subject to questions informed the Committee about an adjustment in the scope of the measure, its complete elimination or declined having applied the export restriction.

3.95. Significant interest was also shown by Members to review the European Union's deforestation and forest degradation strategy. A group of developing Members shared with the Committee a joint letter[44] sent to the EU Parliament, Council and Commission expressing concerns on the extra-territorial nature of the proposed regulation, potential negative and discriminatory effect on developing countries' export interests and the need for dialogue with potentially affected developing Members to address their concerns.

Transparency

3.96. Members began discussions on the streamlining of notifications and transparency requirements in the area of export competition. In view of a majority of export subsidy notifications stating no recourse to such subsidies ("nil" statements), including in the wake of the 2015 Nairobi Export Competition Decision, the Committee[45] decided to allow Members to make an oral announcement in Committee about the absence of export subsidies in order to clear their outstanding export subsidy notifications. This new simplified avenue was used for the first time by six LDC Members (Guinea, Haiti, Mauritania, Niger, Sierra Leone, and Uganda) at the March 2023

[43] Argentina, Australia, Canada, China, European Union, India, Indonesia, Japan, Republic of Korea, Mexico, South Africa, Türkiye, United Kingdom, and United States.
[44] WTO document G/AG/GEN/213, 29 November 2022.
[45] WTO document WT/MIN(15)/45, WT/L/980, 21 December 2015.

meeting of the Committee to announce their non-recourse to agricultural export subsidies, thus fulfilling their outstanding export subsidy obligations collectively for 125 outstanding years.

Food security

3.97. Food security has remained high on the agenda of the Committee especially since the onset of the COVID-19 pandemic. Food security is also routinely referred to by Members as a key theme for potential deliverables at MC13. Pursuant to the mandate in paragraph 8 of the Ministerial Declaration on the Emergency Response to Food Insecurity[46], the Committee approved a work programme[47] to consider food security concerns of (LDCs and NFIDCs) comprising the following four themes: access to international food markets; financing of food imports; agricultural and production resilience of LDCs and NFIDCs; and horizontal issues, including collaboration with international organizations. A Working Group to undertake thematic deliberations was established with a view to achieving concrete solutions no later than end-November 2023. The Working Group has met three times and organized dedicated discussions on several elements forming part of the work programme supported by two detailed thematic workshops on agricultural financing and productivity and resilience, respectively. Members also reviewed their collective responses[48] to a Questionnaire[49] on food security needs and challenges of LDCs and NFIDCs, which the Working Group finalized last year. A dedicated webpage includes more details on discussions under the work programme.[50]

Developments in the context of the war in Ukraine

3.98. References to the conflict in Ukraine figured routinely in the Committee's discussions on food security and under specific matters dealing with trade in grains where the Russian Federation and Ukraine were, respectively, the first and fifth largest exporters of wheat globally, accounting together for 25% of global exports of this commodity in 2021.[51] Several Members expressed concerns over the continuing war in Ukraine and its serious impact on global food security. The Russian Federation raised the issue of economic and trade sanctions and port restrictions, including by way of written questions or SIMs.

3.6 General economic support

3.99. At the 6 December 2022 TPRB formal meeting dedicated to discussing the Director-General's Annual Overview of Developments in the International Trading Environment[52], WTO Members engaged in a constructive exchange of views. Some Members expressed strong support for the Secretariat's coverage on economic support measures and stressed the importance of enhanced transparency in this area. Several Members referred to the pandemic-related economic support measures and insisted on their potential distortive impact, especially for developing countries and low-income economies. Others underlined the need for consensus on the scope of the exercise and called on WTO Members to further participate in the Reports and to engage in discussions to improve the exercise, including as part of the 7th TPRM Appraisal.

3.100. Since July 2017, the Trade Monitoring Reports have not included a separate Annex on general economic support measures. This has been partly due to the low participation and response rate of WTO Members to the request for information on such measures, and partly because such an Annex was biased against those Members that traditionally share and publish detailed information on such policies. Discussions among delegations have addressed this issue with several emphasizing the need to preserve and strengthen transparency through the monitoring exercise. Others believed that reporting on general economic support measures fell outside the scope of the Trade Monitoring Reports. Several Members welcomed the online COVID-19 support measures list[53] 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

[46] WTO document WT/MIN(22)/28, WT/L/1139, 22 June 2022.
[47] WTO document G/AG/35, 22 November 2022.
[48] WTO document G/AG/W/233, 3 April 2023.
[49] WTO document G/AG/GEN/214, 8 December 2022.
[50] Viewed at: https://www.wto.org/english/tratop_e/agric_e/wrkprog-fsldcs_e.htm.
[51] WTO document G/AG/GEN/204, 6 September 2022, para. 5.
[52] WTO document WT/TPR/OV/25, 22 November 2022.
[53] WTO, *COVID-19: Support Measures*. Viewed at: https://www.wto.org/english/tratop_e/covid19_e/trade_related_support_measures_e.htm.

in response to the pandemic. 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)

3.101. In response to Director-General's 10 March 2023 request for information for this Trade Monitoring Report, 41 WTO Members[54] volunteered information on 75 regular general economic support measures unrelated to the COVID-19 pandemic, of which 25 were provided by G20 economies. The Secretariat's own research suggests that during the review period many other support measures with potentially important implications for trade were implemented.

3.102. According to the regular support measures communicated by WTO Members and those identified by the Secretariat, an increase was observed during the review period in the introduction of new support measures by governments. Most measures were environmental impact reduction programmes, including renewable-energy production schemes through new technologies, support for energy efficiency and decarbonization, support for solar photovoltaic systems, investments in alternative energy power plants and in clean- and renewable-energy projects. Other measures included credits to energy firms, schemes to compensate companies for higher electricity prices and investments to expand productive capacities by reducing environmental impacts.

3.103. Several measures were introduced to support farmers and the agricultural sector, including support for crop prices and food production plans, and aid schemes to support the livestock sector and other specific agricultural sectors, such as wheat, barley, and olive oil. Several of these measures were linked to the conflict in Ukraine. Incentives were also provided for the use of technologies to increase agricultural productivity, grants to support agri-food companies and general programmes for the development of bio-agriculture. Other support measures implemented during the review period targeted tourism, aviation, and transport. Some support schemes were provided for the rollout of electric vehicle infrastructure. Certain measures also included support to cope with inflation, fiscal incentives, investments to promote digital development and support to high-tech strategic industries, including on semiconductors, secondary batteries, or biotech.

3.104. As in the past, several of these economic support measures were introduced as multi-year programmes, with financial disbursements staggered over the lifetime of a project and some were one-off grants or aid schemes. Assessing the scope and scale of government economic support programmes remains a difficult task, as reliable, comprehensive, and comparable data are not easily available. The lack of reliable information has shifted the focus of analysts to firm-level data as a possible alternative for measuring support programmes. Recent OECD work[55] has shown that although the type of support received by firms differs greatly across sectors, the complexity of supply chains makes it hard to identify the ultimate beneficiaries of government support. Box 3.7 looks at corporate subsidies globally.

3.105. The Trade Monitoring Exercise does not make any judgement as to the WTO-compatibility of any of the measures referred to in this Section. While it is possible that these measures, whether taken as part of an overall commercial strategy or as part of an emergency response to the COVID-19 pandemic, may affect trade in some way, it is not always easy to conclude that they restrict or facilitate trade (and by how much), or that they distort competition.

COVID-19-related economic support measures

3.106. In response to Director-General's 10 March 2023 request for information, 10 Members[56] volunteered information on 36 COVID-19-related support measures to the Secretariat, mainly related to extensions, renewals, or terminations of measures. The number of the pandemic-related

[54] Albania; Costa Rica; European Union (counting the EU-27 and its members separately); Hong Kong, China; Indonesia; Jamaica; Mongolia; Montenegro; Mozambique; Kingdom of Saudi Arabia; Switzerland; Thailand; Türkiye and United Kingdom.

[55] OECD Trade Policy Paper, April 2023 n° 270. Government Support in Industrial Sectors, A Synthesis Report. Viewed at: https://www.oecd-ilibrary.org/docserver/1d28d299-en.pdf?expires=1685456054&id=id&accname=guest&checksum=AE944BAA7184BFA6F735D3E5146C1D4A.

[56] Cambodia; Chile; Hong Kong, China; Macao, China; Mongolia; Montenegro; Myanmar; Kingdom of Saudi Arabia; Thailand and United Kingdom.

support measures introduced by governments during this review period significantly decreased compared to the peak observed in the second, third and fourth quarters of 2020.

3.107. Since the beginning of the pandemic, at least 1,784 COVID-19-related economic support measures have been put in place by 113 WTO Members and 7 Observers.[57] Of these, by mid-May 2023, 1,139 (64%) were communicated directly to the WTO Secretariat. More than half of these measures (55%) were introduced by G20 economies. The number of COVID-19-related support measures put in place since the beginning of the pandemic far exceeded the activity seen in the wake of the global financial crisis of 2008-09.

3.108. Governments followed diverse approaches in introducing pandemic-related support to their economies. Measures came in in the form of grants, loans or stimulus packages targeting sectors of the economy heavily affected by the pandemic, as well as fiscal and financial measures to support businesses and MSMEs and broader stimulus packages. Another set of support measures in response to the COVID-19 pandemic included various interventions by Central Banks. The responses of high-income economies have been significantly more generous than those offered by lower-income economies in terms of the number and variety of measures implemented and funds allocated.

3.109. The COVID-19-related support measures have generally appeared to be temporary in nature. However, information about terminations, including specific legislative acts rolling back support programmes entirely or partially, is often not displayed on governmental websites, announced in the press, or not regularly communicated to the Secretariat. Therefore, providing an accurate number of terminated measures is difficult.

Developments in the context of the food crisis, the energy crisis and the conflict in Ukraine

3.110. The current review period saw many general economic support measures in response to the continuing interlinked crises in the energy and food sectors and because of surging inflation. The various impacts felt as a result of the war in Ukraine, the food crisis and climate-related events continued to weigh heavily on the global economy and governments responded with a range of measures that may affect trade directly or indirectly. Several WTO Members have referred to the importance of monitoring such measures, especially in the context of a crisis.

3.111. The following box provides information on the new online WTO database on subsidy notifications submitted under the SCM Agreement.

Box 3.6 WTO Subsidy Database

On 25 May 2023, the Secretariat launched the WTO Subsidy Database, which contains information from subsidy notifications submitted by WTO Members under the SCM Agreement for the 2021 notification cycle.

Following the structure of the notification format used by WTO Members (WTO document G/SCM/6/Rev.1, 11 November 2011), the database contains information on the description, policy objective, duration and type of measure, as well as information on the eligibility criteria, monetary amounts and statistical data on the potential trade effects of the measure, as notified by relevant WTO Members. By presenting the information in spreadsheet format, the database is intended to make the notified information more accessible, making it easier to search and analyse than in the PDF versions of Members' original documents, all of which are publicly available.

Source: WTO Secretariat.

3.112. The following box on corporate subsidies has been contributed by Global Trade Alert.

Box 3.7 Corporate subsidies: A global perspective

In recent years, certain high-profile subsidy initiatives became a source of discord between trading partners, leading to fears of copy-cat or tit-for-tat responses. Rather than dwell on specific episodes, this box provides evidence on worldwide subsidy dynamics.

While there are differences across jurisdictions in the amounts of information made available by public authorities, it is remarkable how much information can be gleaned from the websites of public bodies as well as from legally mandated corporate statements pertaining to the award and receipt of corporate subsidies. The Global Trade Alert

[57] Azerbaijan, Belarus, Equatorial Guinea, Ethiopia, Iraq, Lebanon, and Serbia.

team has systematically collected information on changes in corporate subsidy policies and the award of corporate subsidies since 1 November 2008. This evidence collection effort does not include foreign aid measures, welfare state payments, transfers between different levels of government, and subsidies where the transfer of state resources was less than USD 10 million. All corporate subsidies recorded are selective in at least one respect. Subsidies are not excluded from the Global Trade Alert inventory just because their stated purpose was non-economic or innovation-related.

A total of 23,670 corporate subsidy awards and changes in policies towards corporate subsidies have been documented and are available in a downloadable inventory. This total refers to subsidies paid to firms competing in markets at home – excluding therefore state-provided export incentives of any type. In over 97% of the records assembled, information on a corporate subsidy initiative is backed up by an official source or a legally mandated corporate disclosure. Taking the European Union as a single customs territory, a total of 121 customs territories are responsible for these recorded subsidy interventions.

Many governments have awarded corporate subsidies during crises, such as the Global Financial Crisis and the COVID-19 pandemic. Even so, a total of 11,012 corporate subsidy awards to firms competing in home markets were documented during the years 2011 to 2019. During crisis years, the percentage of recorded subsidy interventions that involved reductions or removal of state support was 1.5%. Between 2011 and 2019 that percentage rose to 2.1%. Subsidy cuts are not the norm.

When transferring resources to firms competing in markets at home, governments have chosen from 12 different types of subsidies. On over 9,600 occasions, governments have awarded financial grants. In another 7,121 instances, loans by state bodies have been provided. On 1,861 separate occasions, loan guarantees have been provided by governments. Selective tax reductions have been given in just under 1,700 cases. A total of 969 production subsidies have been provided and 962 capital injections or other forms of bailout have been given by public bodies.

Subsidies to farmers and other agriculture producer interests have long been in focus in trade policy deliberations. A total of 4,469 such subsidy awards and policy changes have been documented. A further 5,658 corporate subsidy interventions have been recorded in service sectors of national economies. The majority of subsidies can be found, therefore, in manufacturing and the sectors associated with industrial production. The impact of corporate subsidies on conditions of competition are not confined to any one type of economic activity.

One feature of the Global Trade Alert's data collection effort is that, where they can be credibly established for goods producers, the HS codes of the goods are identified where the conditions of competition are affected by the award of a corporate subsidy. Since the focus here is on subsidies to local firms, the markets inside a customs territory that are likely to be affected by a corporate subsidy award can then be identified. In what follows, the attention is only on those subsidy awards that likely tilt the commercial playing field in favour of local firms.

Using the most disaggregated United Nations Comtrade data available, it is possible to identify which trading partners exported to a destination foreign market where a subsidy was awarded to one or more foreign import-competing firms. Employing accepted techniques for calculating the amount of trade covered, it is possible to estimate the share of any nation's exports to a trading partner that were in product lines where subsidies have been awarded to import-competing firms. Such calculations reveal the foreign market access at risk from subsidizing local firms.

The table below reveals the market access at risk for different groups of exporters to subsidies in effect in May 2023.

Group of exporters	Share of exports competing with at least one subsidized import-competing firm in May 2023
ASEAN	0.431
EU-27	0.505
Eurasian Economic Union	0.649
G20	0.469
G7	0.481
Latin America and the Caribbean	0.660
LDCs	0.440
Middle East and North Africa	0.467
Non-G20	0.518
Sub-Saharan Africa	0.536
Worldwide (all customs territories)	0.487

Source: Global Trade Alert, May 2023.

When interpreting these market-access-at-risk statistics, it should be borne in mind that they are almost certainly underestimates.

While these market-access-at-risk estimates reveal the degree to which cross-border trade in goods may be influenced by subsidies to import-competing firms, it is worth recalling that some subsidies can have domestic and cross-border benefits that go beyond the recipient firm. Establishing the magnitude of any such benefits can provide valuable inputs to policy deliberation as can estimates of the effect of corporate subsidies on cross-border movements of goods, services, and investment.

Source: Global Trade Alert.

3.7 Other selected trade policy issues

Council for Trade in Goods

3.113. At the 24-25 November 2023 meeting[58] of the Council for Trade in Goods (CTG), 45 trade concerns were raised, the highest number of trade concerns ever raised at a single meeting of the CTG. This number has more than doubled since 2019. Out of the 45 trade concerns raised, 39 were on measures implemented by G20 economies and in particular on measures by Australia (2), China (7), the European Union (11), India (4), Indonesia (2), Mexico (1), the Kingdom of Saudi Arabia (1), the United Kingdom (2), the United States (7), and on 1 measure implemented by Australia, Canada, the European Union, Japan, the United Kingdom, and the United States. Of the 45 trade concerns, 9 related to political tensions between China and United States, and 7 to unilateral environmental measures with a trade impact.

3.114. At the 3-4 April 2023 CTG meeting[59], 41 trade concerns were raised, most related to increased political tensions and/or unilateral environmental measures. Of the 41 trade concerns raised, 36 were on measures implemented by G20 economies and in particular on measures by Australia (1), China (7), the European Union (9), India (5), Indonesia (2), the Kingdom of Saudi Arabia (1), Mexico (1), the United Kingdom (2), the United States (7) and on 1 measure by Australia, Canada, the European Union, Japan, the United Kingdom, and the United States (1).

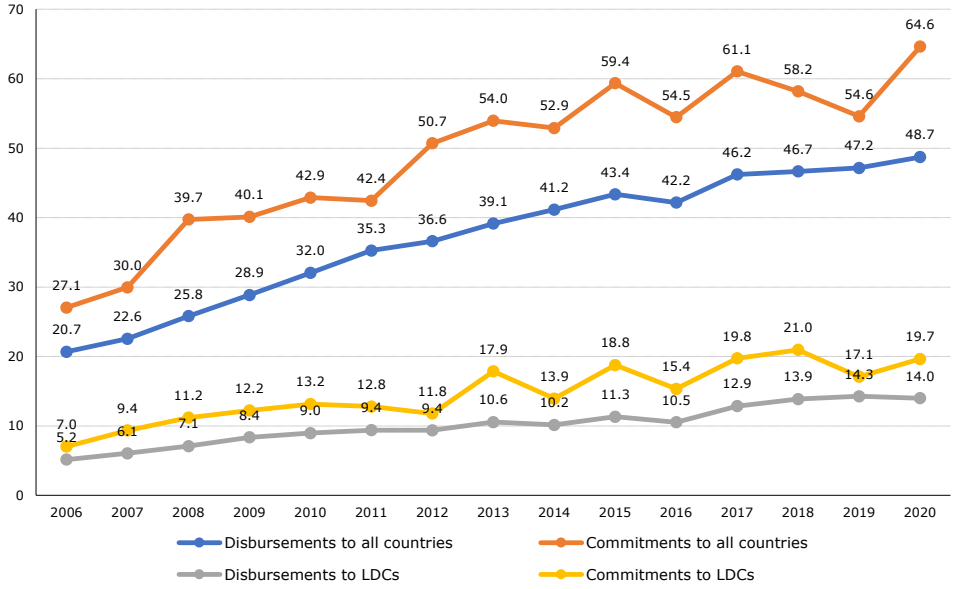
Aid for Trade

3.115. Launched at the 2005 Ministerial Conference, the Aid-for-Trade Initiative helps developing countries, and in particular the least developed among them, to build the supply-side capacity and trade-related infrastructure they need to benefit from WTO Agreements and expand their trade.

3.116. Since 2006, a total of USD 556 billion has been disbursed for financing Aid-for-Trade programmes and projects, with disbursements to LDCs amounting to USD 152 billion (Chart 3.15). In 2020, an equal share of disbursements (49%) was allocated to building productive capacity and economic infrastructure. Africa and Asia remained the largest beneficiaries (Chart 3.16). Disbursements reached a total of USD 48.7 billion in 2020.

Chart 3.15 Aid-for-Trade commitments and disbursements by income group

(USD billion, 2020 constant prices)

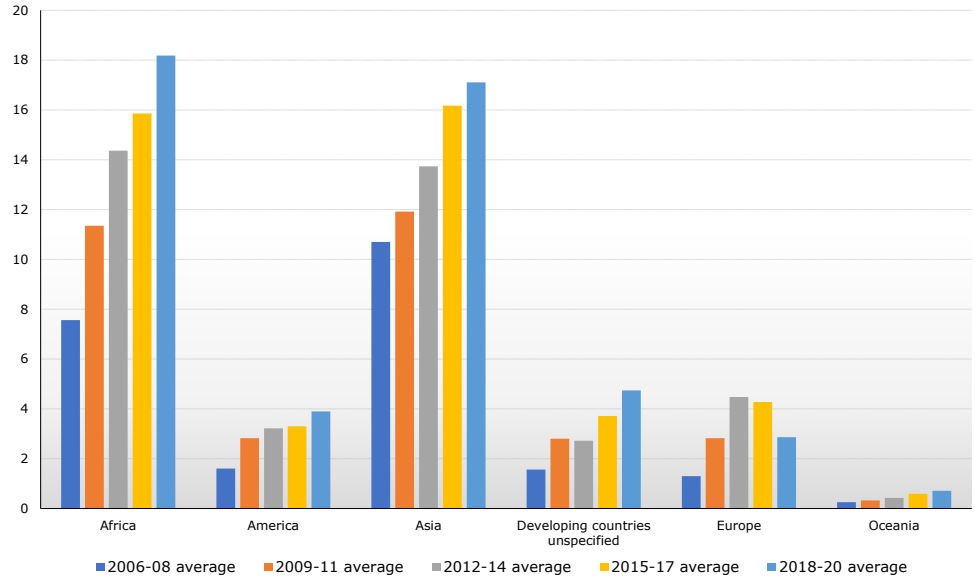


Source: OECD-CRS (Creditor Reporting System).

[58] WTO document G/C/M/144, 10 March 2023.
[59] WTO document G/C/M/145, 22 May 2023.

Chart 3.16 Aid-for-Trade disbursements by continent

(USD billion, 2020 constant prices)



Source: OECD-CRS (Creditor Reporting System).

3.117. On 10 February 2023, Members adopted the 2023-24 work programme under the title "Partnerships for Food Security, Digital Technology and Mainstreaming Trade", which also foresees a series of thematic workshops planned throughout the biennium. The centrepiece of the work programme is expected to be the ninth Global Review, to be held in mid-2024. The Review will be underpinned by a monitoring and evaluation (M&E) exercise.

Committee on Import Licensing

3.118. At the 23 May 2023 meeting of the Committee on Import Licensing[60], nine recurring trade concerns were raised. Of these, five addressed G20 measures and in particular four by Indonesia (Commodity Balancing Mechanism, import licensing regime for certain textile products, compulsory registration by importer of steel products, and import restriction on air conditioners) and one by India (importation of pneumatic tyres).

Electronic commerce

3.119. Work under the Work Programme on e-commerce has intensified pursuant to the MC12 Decision, which called for the reinvigoration of the Work Programme with particular emphasis on its development dimension. The Decision also requested Members to intensify discussions on the scope, definition, and impact of the moratorium. In the first quarter of 2023, Members engaged constructively and shared national and regional experiences on several identified topics namely consumer protection, digital divide, legal and regulatory frameworks, and the moratorium on the imposition of customs duties on electronic transmissions. Several delegations have circulated submissions as inputs to the dedicated discussions. In sharing views on what the WTO could do in these areas either on its own or in coordination with other organizations, many have highlighted the need for the WTO to use its convening power to bring together relevant intergovernmental organizations (IGOs) working on e-commerce matters. In that regard, a workshop with IGOs on 1 and 2 June 2023 focused on the four themes discussed to date. In terms of the way forward, the facilitator encouraged Members to start reflecting on possible outcomes and recommendations for Ministers at MC13 with respect to the Work Programme and the moratorium.

3.120. Under the Joint Statement Initiative on E-commerce, the now 89 participants[61] are accelerating work towards a substantial conclusion by end of 2023. In that regard, the March cluster of negotiations witnessed re-engagement on core issues, some of which had not been discussed for

[60] WTO document G/LIC/M/56 (forthcoming).
[61] Kyrgyz Republic joined in February 2023 and Oman in April 2023.

some time, including the legal architecture, data flows and data localization, source code, the moratorium, and development. To date, participants have reached convergence on 11 articles, including open government data, consumer protection, spam, e-signatures and e-authentication, e-contracts, transparency, cybersecurity, open Internet access, paperless trading, electronic transactions frameworks, and e-invoicing, on which technical discussions were exhausted in February 2023. Recent negotiating clusters reflect the co-conveners' objective of increasing the momentum in the negotiations, including by holding information sessions on specific issues with the participation of a variety of stakeholders.

Fisheries subsidies

3.121. Work on fisheries subsidies intensified following the adoption of the Agreement on Fisheries Subsidies at MC12. In October 2022, Members suggested at a brainstorming retreat on the substance and process of further negotiations (Second Wave Negotiations) to start with a knowledge-building exercise to inform the negotiations. On that basis, the Secretariat organized two workshops – one on implementing the current Agreement and the evolution of the outstanding issues, and another on data concerning the state of fisheries resources and fisheries subsidies.

3.122. On 27 January 2023, the Chair of the Negotiating Group on Rules circulated a work programme of four week-long clusters of meetings (Fish Weeks) to be held between March and July with a view to engaging on the basis of a single text by the summer. The Fish Weeks held in March and April involved vigorous exchanges on outstanding issues among hundreds of participating delegates based in Geneva and in capitals. In those discussions, Members reaffirmed their commitment to fulfil the MC12 mandate of achieving a comprehensive Agreement on Fisheries Subsidies by MC13.

3.123. Seven regional technical assistance and capacity-building workshops have been organized by the Secretariat to provide capital-based trade and fisheries officials from developing and LDC Members with a detailed understanding of the WTO Agreement on Fisheries Subsidies, and to facilitate an exchange of views and experiences on entry into force and implementation of the Agreement and the Second Wave Negotiations.

3.124. As of 16 May 2023, the WTO Secretariat has received instruments of acceptance from Switzerland (acceptance date of 20 January 2023), Singapore (10 February 2023), Seychelles (10 March 2023), the United States (11 April 2023), Canada (2 May 2023), Iceland (10 May 2023) and the United Arab Emirates (16 May 2023).

3.125. The WTO Fisheries Funding Mechanism was established in November 2022 to assist developing countries and LDCs implement the Agreement on Fisheries Subsidies. Australia, Germany, Iceland, Japan, and Canada have contributed to the new WTO Fisheries Trust Fund so far.

Government procurement

3.126. 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 GPA 2012 has 21 Parties, covering 48 WTO Members[62] and there are 37 observers to the Committee on Government Procurement (CGP).

3.127. During the reporting period, the GPA Parties made further progress on the accession of North Macedonia to the GPA 2012. The conclusion of this accession, on mutually agreeable and appropriate terms, would be significant for the GPA 2012 and it would send a strong signal to the countries in the region. Albania has reiterated its commitment to accede to the GPA 2012. It indicated that a working group responsible for Albania's accession to the GPA 2012 had been established.

3.128. The European Bank for Reconstruction and Development (EBRD) became an international IGO observer to the CGP.

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

Micro, small and medium-sized enterprises

3.129. Launched by 88 WTO Members at MC11 in December 2017 as an inclusive group open to all WTO Members with the shared objective of improving access to international trade for MSMEs, the MSME Informal Working Group's (MSME Group) membership increased to 98 in the first half of 2023.

3.130. In March 2023, the MSME Group adopted a new work programme based on five pillars, namely promoting MSME access to information, building MSME trade capacity, providing policy guidance, implementing the December 2020 package[63], and strengthening engagement with the private sector. Topics under discussion include MSME cyber readiness, fostering trade digitalization through wider use of standards and encouraging adoption of UNCITRAL's model law on electronic transferable records (MLETR), low-value shipments, sustainability, informality, and MSME provisions in regional trade agreements.

3.131. The Group released a revamped version of the Trade4MSMEs platform on MSME Day 2023, including new country pages, improved search functionality, and updated visuals. Trade4MSMEs, which was launched in December 2021, is an online resource aggregating trade information for MSMEs and policymakers. The MSME Group also issued a call for academic papers on the impact of MSME provisions in regional trade agreements, to be reviewed and published in the fall of 2023 as one area for policy guidance. Finally, together with the International Trade Centre and the International Chamber of Commerce, the MSME Group launched its third Small Business Champions competition with the theme "helping smallholder farmers go global", with winners announced on MSME Day 2023.

3.132. The following box on the use of digital technologies in francophone Africa has been contributed by the International Trade Centre.

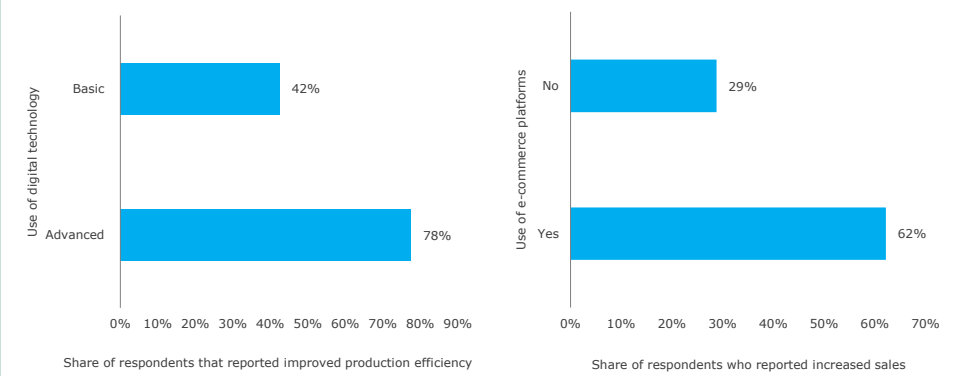
Box 3.8 Advanced digital technologies make businesses more efficient

The pandemic has spurred the use of digital technologies. COVID-19 highlighted how vital digital tools are for firm survival and resilience. But not all technologies serve the same purpose, and how they are used matters for firms' competitive advantage and growth.

A survey conducted in francophone Africa by the International Trade Centre (ITC) and the Permanent Conference of African and Francophone Consular Chambers (CPCCAF) shows that the use of digital technologies boosts profits.[a] Four in every five surveyed businesses that used digital technologies said these helped them cut costs. Eighty-five percent also said these technologies helped them increase sales.[b]

However, real efficiency and competitiveness gains come with integrated uses of more advanced digital tools. For instance, companies that adopted digital technologies such as cloud-based data storage, digital accounting and computerized inventory management were almost twice as likely to report improved production efficiency than firms that only used digital technologies for communication purposes, such as email or social media.[c] Furthermore, firms that used e-commerce platforms were more than 30 percentage points more likely to say they experienced an increase in sales compared with firms that did not use e-commerce platforms.

Figure 1 Advanced use of digital technology and e-commerce create higher dividends[d]



Source: ITC.

Firms that trade internationally get more value out of digital technologies in improving the efficiency and timeliness of delivery than businesses that do not trade.[e] This is partially due to the fact that trading firms are larger, and

[63] WTO document INF/MSME/4/Rev.2, 6 October 2021.

therefore have more resources to invest in the latest technologies.[f] At the other end of the spectrum, youth-led and informal businesses reported using digital tools mostly to connect to new customers.

Despite the advantages of advanced technologies, their adoption is still limited in francophone Africa. Only around a quarter of respondents said they used digital technologies for accounting, recordkeeping, and inventory management. Even fewer reported using these for more advanced purposes, such as cloud-based data storage, digital finance, and e-commerce platforms.[g]

Digital deepening requires removing basic obstacles and improving digital skills

Harnessing the potential of digital technologies requires removing persistent obstacles that hamper their use and adoption by businesses in francophone Africa. Among the obstacles most reported were poor Internet or network connection and the high cost of Internet service subscriptions.

Investing in better ICT infrastructure and increasing competition among network operators can play an important role in lowering some barriers to digitalization. Regulations underpinning the digital economy are the subject of domestic and international discussions. When closing regulatory gaps, governments should align with international best practice – as embodied in templates such as the Model Law on Electronic Commerce.[h] This way they can avoid the kind of regulatory divergence that is so costly to small businesses.

The availability of digitally skilled employees is also key in making full and effective use of digital technologies. Over 9 in 10 surveyed firms believe they will need more employees with digital skills in the next 5 years. Building digital competency requires integrating basic digital literacy, such as word processing, email and use of keyboards and touchscreens, into education curricula.

Nonetheless, building skills is a long-term strategy, and might not provide solutions for companies in the short term. For this, governments need to facilitate labour movement across borders. They can enable businesses to recruit qualified individuals from abroad. Reducing barriers to temporary movement of people in a foreign market can open the door to importing needed expertise.[i]

In 2022, the ITC launched the Switch ON initiative, with the objective of supporting small businesses, as well as women-owned and youth-led enterprises, to develop the skills they need to digitalize. This initiative aims to help small businesses expand their online presence and use digital trade channels to access global markets. In parallel, ITC supports countries in developing and implementing supportive policy and strategies for digital readiness.

a ITC and the CPCCAF surveyed 4,973 businesses in French-speaking Africa between May and August 2022. Data were gathered from companies in Benin, Burkina Faso, Cameroon, Chad, Congo, Côte d'Ivoire, Gabon, Mali, Morocco, Togo, and Tunisia. For more information, see publication "SME Competitiveness in Francophone Africa 2022, Fostering digital transformation" (Geneva, Switzerland: ITC, November 2022), available at: https://intracen.org/resources/publications/sme-competitiveness-in-francophone-africa-2022.
b ITC.
c ITC.
d The figure on the left describes the responses of businesses to two questions: "Do you use digital technologies for any of the following purposes?" and "What benefits do you gain from using digital technologies?" "Basic" firms are those that only chose "Communicate with customers (buyers) or suppliers through e-mail" and/or "Marketing and advertising through social media" to answer the first question. "Advanced" firms are those that reported using any other digital technologies (options included e.g. "g. Accounting, recordkeeping and inventory management"). In terms of benefits from using digital technologies, the focus is on the answer "b. Improved efficiency and timeliness of production". The figure on the right describes the responses of businesses to two questions: "Do you use digital technologies for any of the following purposes: e. Selling on e-commerce platforms or social marketplaces" and "What benefits do you gain from using digital technologies? g. Increased sales", for firms that reported using digital technologies.
e ITC.
f ITC, "SME Competitiveness Outlook 2022: Connected Services, Competitive Businesses" (Geneva, Switzerland: International Trade Centre, September 2022), available at: https://intracen.org/resources/publications/sme-competitiveness-outlook-2022-connected-services-competitive-businesses.
g ITC.
h UN ESCAP (2017), "Disaster risk transfer mechanisms: Issues and considerations for the Asia-Pacific region".
i ITC, "SME Competitiveness Outlook 2022: Connected Services, Competitive Businesses" (Geneva, Switzerland: International Trade Centre, September 2022), available at: https://intracen.org/resources/publications/sme-competitiveness-outlook-2022-connected-services-competitive-businesses.

Source: International Trade Centre.

Trade and environment

3.133. At MC12, Ministers highlighted the importance of the Committee on Trade and Environment (CTE) as a standing forum dedicated to dialogue on the relationship between trade measures and environmental measures. This gave new impetus to environment-related discussions in the WTO. During the review period, the CTE held two regular meetings and its third Trade and Environment Week[64] and continued to focus on important global issues, including the circular economy and plastics pollution, trade and climate change, and biodiversity. The March 2023 CTE meeting

[64] Viewed at: https://www.wto.org/english/tratop_e/envir_e/tedweek2022_e.htm.

discussed how to revitalize the work of the CTE with inputs from China, Colombia, India, the European Union and Paraguay.[65]

3.134. Some WTO Members continued their work through other platforms. For example, in October 2022, the first meeting of the Fossil Fuel Subsidy Reform (FFSR[66]) sought to phase out inefficient FFS, explore ways to increase transparency and fulfil long-term sustainability objectives. The Trade and Environmental Sustainability Structured Discussions (TESSD[67]) held a high-level event in December 2022 to take stock of progress made and to signal priorities for further work ahead of MC13. In May 2023 the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP[68]) introduced the coordinators' draft vision on the way forward and elements for a potential outcome at MC13.

3.135. In parallel, the WTO Secretariat also worked with various stakeholders, including the OECD (for the Inclusive Forum on Carbon Mitigation Approaches (IFCMA)), the World Bank and the World Economic Forum (jointly launching the "Action on Climate and Trade Initiative" (ACT) aiming to provide technical assistance and capacity-building for developing economies, including LDCs), and the steel industry (for the first WTO forum on decarbonization standards[69]). During the review period an important moment for water was attained as global leaders and key policy makers engaged in the UN Water Conference (UNWC).

3.136. The following box takes a closer look at the UN Water Conference 2023 and its main outcomes.

Box 3.9 UN Water Conference 2023 and the Global Commission on the Economics of Water

The UN Water Conference (UNWC) – co-hosted by the Netherlands and Tajikistan – in March 2023 marked an important moment for water. It was the first time in nearly 50 years (with the only previous UNWC held in 1977) that global leaders and key policy makers engaged on water.

For water, SDG 6 sets the benchmark and targets of clean water and sanitation for all. The 2023 UN World Water Development Report highlights the tasks at hand: 26% of the world's population, approximately 2 billion people, do not have access to safe drinking water, and 3.6 billion lack access to safe sanitation services.

One of the main outcomes from the UNWC was the Water Action Agenda with over 700 commitments from member States, IGOs, NGOs and other stakeholders. The WTO Director-General participated at the UNWC at the Plenary Interactive Dialogue on Water for Sustainable Development and in other special and high-level events.

The WTO Director-General also engaged with media and other stakeholders in her capacity as a co-chair of the Global Commission on the Economics of Water. At the UNWC, the Commission published its preliminary findings with Turning the Tide: A Call to Collective Action as a basis for its final report to be published in May 2024.

Source: WTO Secretariat.

Trade facilitation

3.137. The Committee on Trade Facilitation met on two occasions during the period under review – November 2022 and March 2023. The current global rate of implementation commitments stands at 76%. During the review period, the Committee received 20 notifications. The Committee continued to focus on addressing the gaps in the provision of identified needs for technical assistance and capacity-building support. There were also broader discussions on the wider ongoing implementation support, including from a regional perspective, as well as a look at avenues for further collaboration

[65] Annual Report 2022, WTO document WT/CTE/29, 16 December 2022, and Minutes of the October 2022 and March 2023 CTE meetings in WTO documents WT/CTE/M/76, 6 March 2023, and WT/CTE/M/77 (forthcoming), respectively.

[66] Viewed at: https://www.wto.org/english/tratop_e/envir_e/fossil_fuel_e.htm.

[67] Viewed at: https://www.wto.org/english/tratop_e/tessd_e/tessd_e.htm.

[68] Viewed at: https://www.wto.org/english/tratop_e/ppesp_e/ppesp_e.htm.

[69] Viewed at: https://www.wto.org/english/tratop_e/tbt_e/tbt_09032023_e/tbt_09032023_e.htm.

and cooperation delegations. The Committee welcomed the first experience-sharing by regional trade facilitation committees.

3.138. Discussions on MC12 Implementation Matters took place at both meetings covering improved functioning of the Committee and also the WTO response to the pandemic with a view to submitting a written report to the CTG before 30 November 2023 describing the discussions held and improvements introduced. At the March 2023 meeting, the United States raised questions about Indonesia's Regulation 190/PMK.04/2022 of 14 December 2022, entitled "The Transfer of Self-Consumed Goods".[70] At the same meeting, and at the request of the United States, an informal session on the topic of disaster preparedness was held, highlighting the challenges faced in moving humanitarian aid and relief supplies across international borders during times of disaster.

3.139. During the review period, the work of the Trade Facilitation Agreement Facility (TFAF) focused on the return to in-person activities, delivering its grant programme and demonstrating reinforced transparency procedures set out in its updated Framework[71] for management and operation agreed by Members in April 2022. The external evaluation of the Facility concluded at the end of 2022 has been discussed with Members to identify recommendations for action.

3.140. TFAF's 2023 workplan[72], drafted following procedures in its new management framework, was agreed by the TF Committee in October 2022 and identifies priorities and activities to be delivered throughout the year. Grants and *ad hoc* activities can be requested by Members at any time through the TFAF website.[73] Technical assistance activities included a regional trade facilitation workshop for the Pacific in Australia on 13-16 December 2022 organized with the World Bank Group, and the Pacific Islands Forum Secretariat (PIFS). A national workshop was organized at the request of the Maldives in cooperation with UNCTAD, the Asian Development Bank, and the WCO in Malé on 22-25 January 2023. An expression of interest from Malawi for a TFAF grant was matched with the World Bank Group, which plans to assist with the implementation of five provisions of the TFA. A project proposal grant is being prepared with Madagascar, to be launched by the end of the review period.

Trade financing

3.141. Multilateral development banks continued to receive excess demand for their trade finance facilitation programmes. For balance-of-payments-constrained countries, the increase in the value of imports, notably food and energy, has been stretching the capacity of local financial sectors to provide higher levels of trade finance. Moreover, access to foreign exchange, which is indispensable for issuing trade finance instruments, has been also a growing problem for countries experiencing external sector constraints. The supply of international trade finance was also negatively affected by the increase in country risk (political or economic risk) and by recent financial turbulence, which has a knock-on effect on inter-bank market conditions. As trade finance is mostly short term, its availability is particularly sensitive to inter-bank market conditions.

Women's economic empowerment

3.142. Gender equality is becoming a significant component of WTO Members' trade strategies and policies as Members increasingly recognize that women's economic empowerment is key for sustainable growth and poverty reduction. While in the past, Members would simply integrate general objectives in support of women's economic empowerment in their trade policies, the period under review showed that many Members have been shifting towards affirming objectives of mainstreaming gender throughout their trade policies, programmes, and initiatives. Trade policies are also progressively acknowledging women's role in the economy and considering women as strategic economic agents that can foster trade growth and integration into the multilateral trading system.

3.143. Many Members have introduced export support programmes to help women entrepreneurs who are either exporting for the first time or to further expand their presence in international markets. Increasingly, policies include dedicated programmes for entrepreneurs to have access to

[70] WTO document G/TFA/Q/IDN/1, 20 March 2023.
[71] WTO document G/TFA/3, 5 April 2022.
[72] WTO document G/TFA/TFAF/2, 8 December 2022.
[73] Viewed at: https://www.tfafacility.org/assistance-and-grants.

finance and credit with advantageous conditions, for example in the form of medium- and long-term indirect credit lines or loan guarantees.

3.144. More broadly, trade policy initiatives to support MSMEs financially, although not specifically targeting women, can have a positive impact on them as many MSMEs are owned or led by women. Some trade policies also carve out preferences for female entrepreneurs to participate in government procurement bidding and some governments also support women entrepreneurs by defining their status using specific criteria, often in the form a certification. This can represent an advantage for businesswomen in accessing trade opportunities.

3.145. In both agriculture and fisheries, support for women is widespread as some governments increase their support for female farmers using domestic support and green box subsidies. Some programmes include training, access to agricultural land, support in entering international markets, and access to input subsidies and financial support. In contrast, even though most women work in the services sector, few policies, except for the tourism sector, specifically have so far addressed gender-related issues.

3.146. Challenges continue to exist in policy-making when it comes to supporting gender equality in trade. Governments face difficulties in collecting sex-disaggregated data in trade, which is crucial to develop informed trade policies. Similarly, most trade policies do not include an impact evaluation process or a monitoring exercise to review and understand their effects.

Developments in WTO Accessions' negotiations

3.147. The accession negotiations of Comoros and Timor-Leste, both LDCs, advanced significantly over the review period and could be finalized in 2023 – in time for adoption of the respective accession packages before or at MC13. The lists of outstanding issues have been narrowed down in recent meetings of the respective accession Working Parties, especially regarding the legislative actions required to achieve WTO conformity. In the case of Comoros, the verified draft Schedule of Concessions and Commitments on Goods and the verified draft Schedule of Specific Commitments on Trade in Services were circulated to Members in early May 2023, which completed the market access track of the negotiations. More information on other ongoing accessions can be found here.

3.148. Since its launch in 2021, the WTO's Trade for Peace (T4P) Programme was further consolidated and continued to deliver various outreach, research, and training and capacity-building activities in the period under review. Highlights in the last quarter of 2022 include the 3rd edition of the T4P Week, exploring how to build peace through trade and economic integration particularly in fragile and conflict-affected states (FCS), and the launch of the first Interdisciplinary Master's course on T4P, delivered in collaboration with the Geneva Graduate Institute. In 2023, the T4P Programme has focused on its research pillar, where work has progressed on developing the first book fully dedicated to examining the trade-peace nexus.

4 POLICY DEVELOPMENTS IN TRADE IN SERVICES

Regular measures affecting trade in services

4.1. During the review period, 34 new measures affecting trade in services were introduced by G20 economies, a notable increase compared to the same period last year. Most measures were trade facilitating, including the establishment of many good regulatory practices with respect to trade in services. Only a handful of measures were trade restrictive. About a quarter of the measures related to telecommunications, computer and Internet- and other network-enabled services, and six measures were identified for financial services. Other measures related to business, health, tourism, and transport services, as well as horizontal measures affecting various modes of supply (investment, visa, tax or foreign exchange policies).

4.2. Annex 4 of the Addendum provides additional information on the 34 new measures introduced by Argentina, Australia, Brazil, Canada, China, the European Union, France, India, Japan, the Republic of Korea, Mexico, the Russian Federation, the Kingdom of Saudi Arabia, Türkiye and the United States.[1]

Measures affecting supply through multiple modes of supply or across various sectors

4.3. On 1 January 2023, China increased the number of sectors where foreign investment is encouraged. The list of sectors now covers modern services, such as recycling and processing services of retired wind turbine blades and waste photovoltaic modules, technical services (e.g. advanced system integration technology and service of low carbon, environmental protection, green energy saving and water saving), construction engineering, language services or elderly care related services. France's Directorate-General of the Treasury published new guidelines on the screening of foreign direct investments, bringing more transparency to the process. The guidelines explain how authorities interpret the "sensitive activities" subject to review. The factors are assessed on a case-by-case basis, including target customers, applications of the products/services concerned, dangerousness and market substitutability. New R&D activities receive particular attention. The guidelines also clarify that an activity can be considered sensitive regardless of the turnover generated in the market. The Kingdom of Saudi Arabia revised its negative list of restrictive activities on 15 December 2022, notably removing foreign equity caps or minimum capital requirements for tourist orientation and guidance services for religious tourism related to Hajj and Umrah, as well for services provided by nurses, midwives, and other paramedical services.

4.4. A new law was introduced in Brazil, effective on 30 December 2022, which notably calls for a greater amount of currency allowed when traveling abroad (USD 10,000), as well as lifting the reciprocity requirement for foreign banks to acquire more than 30% of shares with voting rights in Brazilian banks. Argentina established a new wealth tax levy of 25% for purchases and expenses abroad that exceed a limit of USD 300 per month with credit and debit cards. This duty is separate from and on top of new rules and tax rates for foreign currency purchases of goods and services overseas and is added to the increase from 35% to 45% regarding some purchases made abroad recently imposed by authorities.

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

4.5. Eight G20 economies adopted new measures in relation to the communications sector, Internet- and other network-enabled services, or computer services. The European Union's Digital Services Act (DSA) became effective on 16 November 2022. It applies to online intermediary services, which include cloud computing and webhosting services, intermediary services offering network infrastructure, online platforms bringing together sellers and consumers (e.g. app stores), and very large online platforms as well as very large search engines reaching over 10% of the total EU population. The DSA includes new obligations on the traceability of business users on online marketplaces, obligations for very large online platforms and search engines to prevent misuse of their systems, and transparency measures for all online platforms. In Türkiye, starting in January 2023, electronic commerce intermediary service providers and electronic commerce service

[1] The inclusion of any measure in the Annex implies no judgement by the WTO Secretariat on whether or not such measure, or its intent, is protectionist in nature. Moreover, nothing in the Annex implies any judgement, either direct or indirect, on the consistency of any measure referred to with the provisions of any WTO agreement.

providers are required to provide transaction guidelines on their marketplace and mediums, comply with the requirements on transactions and confirm the receipt of transactions.

4.6. The Russian Federation amended the Federal Law on Personal Data, requiring impact assessments and filings with the data protection authority as pre-conditions for cross-border personal data transfers. The amendments apply to any entity that intends to transfer personal data from the Russian Federation to an entity based in another jurisdiction (natural person, legal entity, or governmental body), whatever the nationality of data subjects. This is not required in the case of an adequacy decision concerning the destination country. Starting 27 March 2023, the Kingdom of Saudi Arabia makes further allowance for international data transfers, which no longer require approval if they are in implementation of obligations under international agreements to which the Kingdom of Saudi Arabia is a party, if the transfer is made pursuant to a contract to which the data subject is a party.

Financial services

4.7. Six G20 economies introduced measures affecting trade in financial services. On 7 February 2023, the Republic of Korea liberalized the onshore inter-bank foreign exchange market, allowing foreign financial institutions based abroad (with or without branches in the jurisdiction) to directly participate in this market, under condition of registration with Korean authorities. The European Union adopted on 28 November 2022 the Digital Operational Resilience Act (DORA), which affects not only trade in financial services, but also the supply of third-party trade in information communication technologies (ICT) related services to the financial sector. DORA sets rules for monitoring risks related to outsourced tasks and requires the outsourcing arrangements to comply with certain requirements (e.g. access to, recovery and return of data; service levels). Under DORA, the supervisory authorities for the financial sector can directly supervise ICT third-party service providers that are themselves not engaged in regulated activities but deemed by the authorities to be "critical" to Financial Entities.

Other services sectors and modes of supply

4.8. With respect to legal services, Japan established on 1 November 2022 a new category of incorporated law firms, namely, joint corporations, comprising both Japanese qualified attorneys at law and registered foreign lawyers as members. While the latter remain limited to providing services related to foreign law, joint corporations can now establish branches throughout Japan, when it was only possible to have one office under previous foreign law joint enterprise arrangements. In India, new rules, effective on 10 March 2023, enable foreign lawyers and law firms to provide services in the country, under reciprocal conditions. The definite areas of practice for foreign lawyers/law firms are yet to be laid out by the Bar Council of India. The scope of practice will be limited to advisory services in foreign law, international law, international commercial arbitration, transactional work/corporate work such as joint ventures, mergers and acquisitions, intellectual property matters, drafting of contracts and other related matters. Foreign service suppliers will only be permitted to advise foreign persons/entities on the laws of the country in which they have qualified but will be allowed to represent foreign entities in international arbitrations conducted in India, regardless of the involvement of foreign law in such arbitration.

4.9. In the health-related services sector, the Kingdom of Saudi Arabia amended on 1 February 2023 the Private Healthcare Institutions Act regarding the management of private health institutions. The act allows establishments other than clinics to be foreign owned and lifts the needs test for foreign supervisors of medical complex, laboratory, radiology, and surgical ambulatory centres. The positions of medical doctor of a hospital or the management of private health institutions (and their branches) can be held by foreigners. Also, in the tourism sector, a foreign hotel operator willing to operate in the Kingdom of Saudi Arabia is now required to establish a licensed legal entity, notably by obtaining a foreign investment licence and commercial registration certificate.

4.10. On 25 April 2023, the European Union adopted five laws as part of the "Fit for 55" package, which sets policies in line with its commitment to reduce its net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels and to achieve climate neutrality in 2050. These will cover, for the first time, maritime shipping activities within the scope of the EU Emissions Trading System (EU ETS). Shipping will gradually have to surrender allowances for verified emissions. Most

large vessels will be included within the scope of the EU ETS from the start, while other big vessels, namely offshore vessels, will be included in the Monitoring, Reporting and Verification (MRV) regulation for CO_2 emissions from maritime transport first, and only later included in the EU ETS.

Trade concerns raised in the Council for Trade in Services

4.11. At the meetings of the Council for Trade in Services (CTS) held on 14 October 2022, 8 December 2022 and 9 March 2023[2], concerns were reiterated about (i) cybersecurity measures of China (raised by Japan and United States); (ii) 5G-related measures of Australia (raised by China); (iii) measures of the United States regarding Chinese services and service suppliers (raised by China); and (iv) measures of India regarding Chinese services and service suppliers (raised by China).

Air services agreements

4.12. 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 provide for improved access conditions. All are bilateral ASAs, with the notable exception of the ASEAN-EU agreement.

Table 4.1 Air transport agreements[3] concluded or amended between October 2022 and May 2023

Parties		Date of signature	Source
Guyana	China	13/10/2022	*Caribbean National Weekly*, "Guyana signs air agreement with China" https://www.caribbeannationalweekly.com/news/caribbean-news/guyana-signs-air-agreement-with-china/
ASEAN	European Union	17/10/2022	*The Business Times*, "Comprehensive air transport pact inked between Asean and European Union, Government and Economy" https://www.businesstimes.com.sg/government-economy/comprehensive-air-transport-pact-inked-between-asean-and-european-union
Saudi Arabia, Kingdom of	Finland	02/11/2022	*Arabian Business*, "Saudi Arabia, Finland sign pact to provide air services between the two countries" https://www.arabianbusiness.com/industries/transport/saudi-arabia-finland-sign-pact-to-provide-air-services-between-the-two-countries
Canada	India	15/11/2022	*Aviation Week*, "Canada, India Expand Air Services Agreement" https://aviationweek.com/air-transport/airports-networks/canada-india-expand-air-services-agreement-0
United States	Ecuador	17/11/2022	U.S. Department of State, "United States and Ecuador Sign Open Skies Agreement" https://www.state.gov/united-states-and-ecuador-sign-open-skies-agreement/
Barbados	Saudi Arabia, Kingdom of	29/11/2022	*Loop News*, "Barbados, Saudi Arabia sign air services agreement" https://barbados.loopnews.com/content/barbados-saudi-arabia-sign-air-services-agreement
Canada	Dominican Republic	03/02/2023	Simple Flying, "Canada Signs Open Skies Agreement With Dominican Republic" https://simpleflying.com/canada-open-skies-agreement-dominican-republic/
European Union	Japan	20/02/2023	Council of the European Union, "External aviation policy: EU signs agreement boosting air services with Japan"

[2] WTO documents S/C/M/150, S/C/M/151 and S/C/M/152.

[3] 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.

Parties		Date of signature	Source
			https://www.consilium.europa.eu/en/press/press-releases/2023/02/20/external-aviation-policy-eu-signs-agreement-boosting-air-services-with-japan/
Guyana	India	22/02/2023	*Loop News*, "Air Services Agreement between Guyana and India approved for signing" https://caribbean.loopnews.com/content/air-services-agreement-between-guyana-and-india-approved-signing
Canada	United Arab Emirates	05/04/2023	*Mirage News*, "Canada-UAE Air Transport Agreement Expanded for More Flights" https://www.miragenews.com/canada-uae-air-transport-agreement-expanded-for-981899/
Dominican Republic	Brazil	14/04/2023	*Dominican Today*, "Dominican Republic and Brazil update air transport agreement protocol" https://dominicantoday.com/dr/world/2023/04/14/dominican-republic-and-brazil-update-air-transport-agreement-protocol/
India	Guyana	20/04/2023	*The Economic Times*, "India, Guyana sign Air Services Agreement to allow easier travel between the nations" https://economictimes.indiatimes.com/industry/transportation/airlines-/-aviation/india-guyana-sign-air-services-agreement-to-allow-easier-travel-between-the-nations/articleshow/99711161.cms

Source: WTO Secretariat.

COVID-19-related measures affecting trade in services

4.13. No new COVID-19-related measures since mid-October 2022 were reported for G20 economies during the review period, but many measures introduced in 2020 remained in place. The full list of measures compiled since the beginning of the COVID-19 pandemic is available on the WTO website.[4]

[4] Viewed at: https://www.wto.org/english/tratop_e/covid19_e/trade_related_services_measure_e.htm.

5 POLICY DEVELOPMENTS IN TRADE AND INTELLECTUAL PROPERTY

5.1. G20 economies continued to refine and upgrade their intellectual property (IP) regimes in response to technological and economic developments. During the review period, most of the pandemic-related measures were phased out and G20 economies continued to apply war-related financial measures that can have an effect on the acquisition and management of IP rights. Türkiye implemented measures for IP holders in the regions affected by the earthquake that took place in February 2023.

5.2. The MC12 TRIPS Decision on COVID-19 Vaccines[1] was adopted in June 2022. Since then, G20 economies have actively participated in discussions on the possible extension to COVID-19 diagnostics and therapeutics.

COVID-19-related measures

5.3. The pace of implementation of specific measures related to COVID-19 health technologies slowed down, and many have phased out.

Developments in the context of the war in Ukraine

5.4. Several G20 economies continue to apply a wide range of financial measures to designated nationals (e.g. legal or natural persons) that cover both tangible and intangible assets. These measures might indirectly affect the maintenance and licensing of IP rights.[2]

Emergency-related measures

5.5. Türkiye extended the administrative deadlines for IP right holders and applicants from the provinces affected by the earthquake, in February 2023.[3] Table 5.1 provides domestic legislation and administrative developments that took place during the review period.

Table 5.1 Domestic legislation and administrative developments

Member	Measure
China	The National Copyright Administration issued 7 pre-warning lists of key works for copyright protection, covering a total of 38 works, including 6 theatrical films involving overseas rights holders, as of October 2022.[a]
Saudi Arabia, Kingdom of	The National Intellectual Property Strategy was launched in December 2022; the compulsory licensing service for copyright works was launched in November 2022; and implemented enforcement campaigns in March 2023.[b]

a Communication by China to the Trade Monitoring Report.
b Communication by the Kingdom of Saudi Arabia to the Trade Monitoring Report.

Source: WTO Secretariat.

TRIPS Council

5.6. During the review period, G20 economies participated actively in the informal and formal meetings of the TRIPS Council, which focused on the possible extension of the MC12 TRIPS Decision on COVID-19 Vaccines[4] to diagnostics and therapeutics. They also shared their national experiences and extensive information on their domestic experiences on "Role of IP to Raise Finance for Start-Ups" and "Cross-border Cooperation among IP Offices"; and contributed to discussions on incentives for the transfer of technology for LDCs.

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[1] WTO document WT/MIN(22)/30, 22 June 2022.
[2] Viewed at, for example: https://www.legislation.gov.au/Details/F2021C00330.
[3] Communication by Türkiye to the Trade Monitoring Report.
[4] WTO document WT/MIN(22)/30, 22 June 2022.

4 July 2023

Twenty-ninth Report on G20 Investment Measures[1]

When the Global Financial Crisis broke out in 2008, G20 members committed to refrain from introducing new barriers to investment and trade.[2] They complemented this commitment by a request that WTO, OECD and UNCTAD monitor and report publicly on their new trade and investment policy measures. So far, 28 reports have been issued under this mandate.[3]

Two more global crises – the COVID-19 pandemic and the war in Ukraine – have since prolonged the strain on the global economy and have shaped investment policymaking in G20 members and beyond. While the direct economic impact of the COVID pandemic on investment policy in G20 members has subsided, the overall economic environment remains challenging, and concerns about the security implications of FDI continue shaping policymaking in G20 members.

Several G20 members maintain and keep expanding selective restrictions on international investment and capital flows in the context of the war in Ukraine. These restrictions do not constitute a deviation from the overall stance vis-à-vis international investment. To enhance transparency about these measures, this edition again lists measures that have been taken in response to the war in Ukraine since October 2022. They are included in separate Annexes 3 and 4 to underscore their differing and potentially temporary nature.

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[1] This report on investment measures is issued under the responsibility of the Secretary-General of the OECD and the Secretary-General of UNCTAD. It has no legal effect on the rights and obligations of member States of the OECD or UNCTAD. Nothing in this report implies any judgment, either direct or indirect, as to the consistency of any measure referred to in the report with the provisions of any OECD or UNCTAD agreement or any provisions thereof. As in previous reports, this document distinguishes between measures related to foreign direct investment (prepared jointly by the OECD and UNCTAD) and measures related to other international capital flows (prepared solely by the OECD). As the preceding 27th and 28th report, this report contains annexes that list measures affecting FDI adopted by G20 members in the context of the war in Ukraine.

[2] G20 Leaders "Declaration of the Summit on Financial Markets and the World Economy", Washington, 15 November 2008.

[3] Earlier reports on investment measures by OECD and UNCTAD to G20 Leaders are available on the websites of the OECD and UNCTAD.

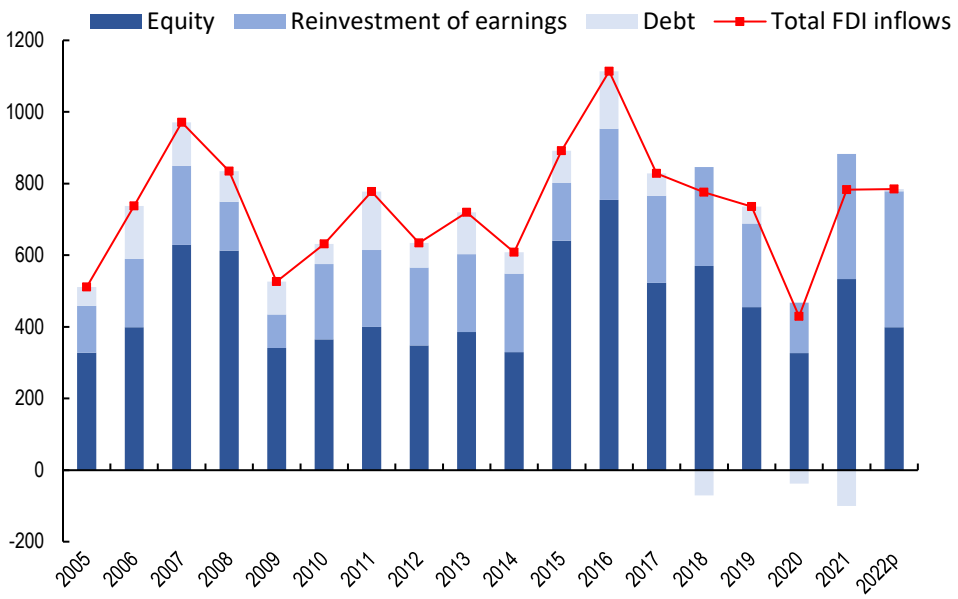
The report as a whole documents measures that G20 governments have taken between 16 October 2022 to 15 May 2023. As all previous reports in this series, it was jointly prepared by the OECD and UNCTAD Secretariats.

I. Development of Foreign Direct Investment (FDI) flows

Global FDI fell back in 2022, after plummeting in 2020 and rebounding in 2021. Fluctuations in major conduit economies as well as a single large transaction in Luxembourg also contributed to shaping FDI totals.[4]

Lower equity inflows contributed to the decline of FDI in G20 economies, although they were partly offset by an increase in reinvested earning (Figure 1), particularly in OECD countries. Germany, the Russian Federation and the United States saw large declines in total FDI inflows. However, flows to most other G20 countries remained stable or increased. Australia, in particular, experienced a record-high increase in FDI, reflecting intensified M&A activity in the first quarter of 2022. Brazil also reached a ten-year record high in FDI inflows, due to increased reinvested earnings. Intra-company loans turned to positive levels in G20 economies, but their impact on total FDI flows remained limited.

Figure 1: G20 FDI inflows by instrument, 2005-2022 (USD billions)



Note: p data for 2022 are preliminary. G20 aggregate excludes data for P.R. China and Saudi Arabia who do not report on FDI components. Reinvestment of earnings for Indonesia, the Russian Federation (for 2021-2022 only) and South Africa are included in the category "equity".
Source: OECD//UNCTAD.

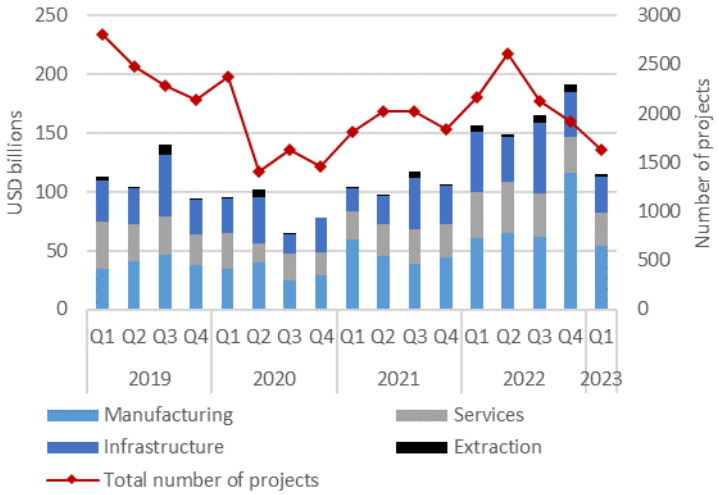
Cross-border M&A activity slowed down with fewer deals being concluded in 2022, possibly in response to a tighter financial environment, continued geopolitical challenges and concerns about a looming recession. The outlook for greenfield investment activity remained positive in 2022: total capital expenditure implied in announced projects increased by 57% in G20 economies compared to 2021, while the number of projects grew by 14%, although it remained below pre-pandemic levels (Figure 2). On a sectoral level, planned capital expenditure increased in all sectors: manufacturing (62%), services (39%) and infrastructure (57%). Nevertheless, prospects for 2023 remain uncertain: in the first quarter of 2023,

[4] The most recent figures are available in *OECD FDI in Figures*, April 2023 and UNCTAD, forthcoming, *World Investment Report 2023, Investing in sustainable energy for all*, July 2023.

the value of new announced investment projects dropped by 40% and the number of projects declined by 15% compared to the previous quarter.[5]

Figure 2. Cross-border investment activity in G20 economies

Capital expenditure from announced greenfield projects, USD billion (left) and number of projects (right) by sector



Source: FT FDI Markets database, OECD/UNCTAD calculations.

II. G20 members' investment policy measures

1. Investment policy measures specific to FDI and measures related to national security

During the reporting period, G20 members made few adjustments to their investment policies, confirming a longer-time trend to less frequent adjustments in this area that was only interrupted in response to the COVID-19 pandemic, which saw more frequent changes.[6] Where measures were taken, their nature and scope does not suggest that they are likely to have a major impact on FDI flows or allocation (see Annex 1 for a description of the individual measures).

Measures to manage the potential security implications of FDI constitute again a significant share of the policy changes taken in the reporting period. Seven G20 members adopted measures of this kind in the reporting period (Canada, France, Italy, Japan, Russian Federation, United Kingdom, and United States). Only five G20 members took FDI-specific measures that were *not* related to the management of security implications of FDI.

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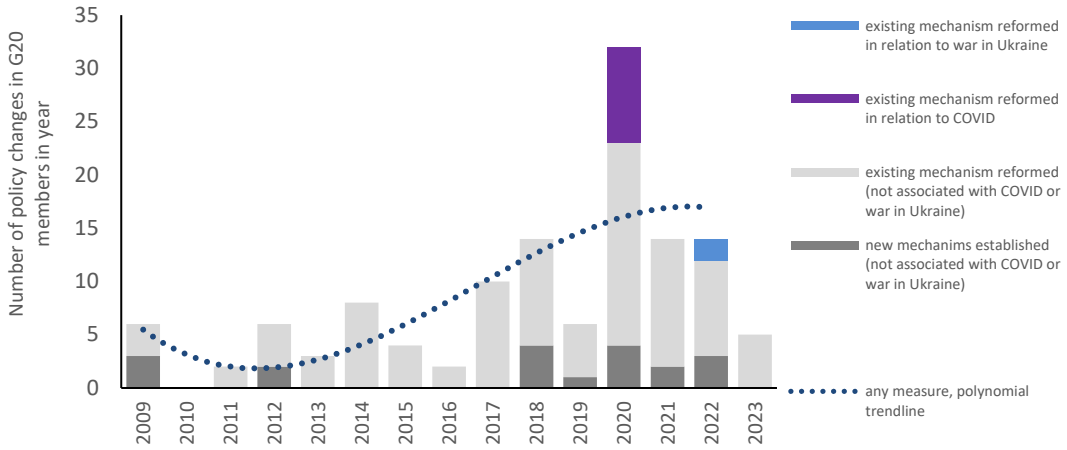
[5] In Q1 2023 an important increase was recorded compared to the previous quarter in the "communications" sector, where the value of greenfield investment projects almost doubled and for the sector "software and IT services", with an increase of 61%. The value of new announced investment in the healthcare sector also grew in G20 economies, with an increase of 32% in the first quarter of 2023 relative to the previous period.

[6] See for example the findings of the 22nd OECD/UNCTAD investment policy monitoring report, which was released in November 2019 and noted that only three G20 members had taken FDI-specific measures in the reporting period. The reports that covered the onset of the COVID-19 pandemic and the subsequent semesters, found that G20 Members had taken an unusually high number of investment policy measures in these reporting periods (see the 23rd OECD/UNCTAD Report on G20 Investment Measures, covering the period from 16 October 2019 to 15 May 2020, 24th OECD/UNCTAD Report on G20 Investment Measures (16 May to 15 October 2020), and the 25th OECD/UNCTAD Report on G20 Investment Measures (16 October 2020 and 15 May 2021).

The attention to the security implications of FDI in G20 economies – and beyond – has been increasing since 2017 and shows no sign of abating.[7] Specific concerns about such implications in the context of the COVID-19 pandemic and its associated economic disruption and in the context of the war in Ukraine have motivated some of the policy adjustments, but were not the cause of the surge in policy attention to the issue (Figure 3).

Figure 3. Policy changes to manage security implications of FDI in G20 members (2009-2023)



Source: OECD/UNCTAD calculations based on monitoring reports prepared for the G20. Data for 2023 until 15 May 2023. Association with COVID pandemic or war in Ukraine based on official justification of the measures.

In parallel, the number of G20 members concerned about the security implications of FDI is increasing. Policy measures to manage security implications of FDI are not limited to a few jurisdictions among the G20 members. Since 2009, 17 G20 members have taken measures in this category (grey columns in Figure 4).[8]

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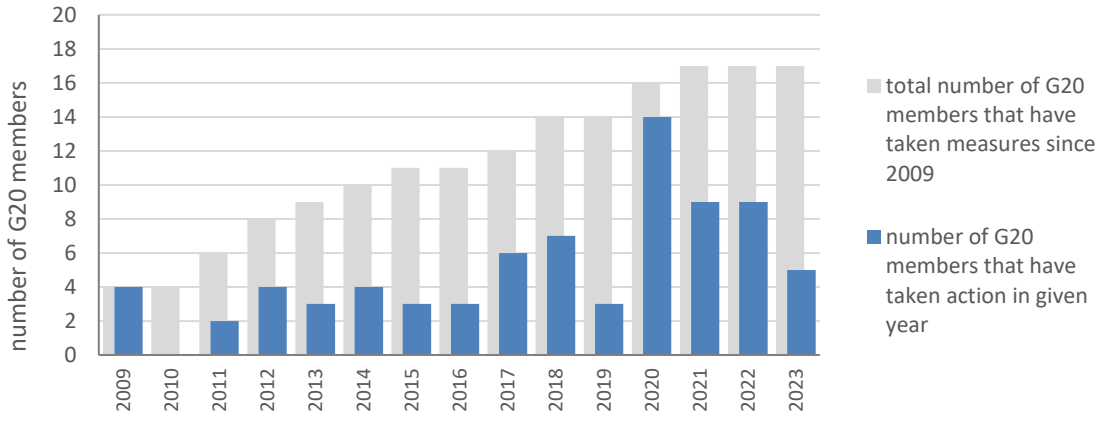
[7] See for a broader set of 62 economies, OECD (2023), "*Investment policy developments in 61 economies between Investment policy developments in 61 economies between 16 October 2021 and 15 March 2023*", and UNCTAD (2020), "*Investment Policy Monitor: Special Issue – Investment Policy Responses to the COVID-19 Pandemic*". For an analysis of the drivers of this trend, see UNCTAD (2019), "*Investment Policy Monitor: National Security-Related Screening Mechanisms For Foreign Investment. An Analysis of Recent Policy Developments*" as well as OECD (2020), "*Acquisition- and ownership-related policies to safeguard essential security interests – current and emerging trends, observed designs, and policy practice in 62 economies*". For analysis of the key features of FDI screening regimes adopted in recent years, see: UNCTAD (2023), "*The Evolution of FDI screening mechanisms – key trends and features*".

[8] The three G20 members that have not brought measures into force that were explicitly geared towards protecting essential security interests since 2009 are Brazil, Indonesia, and South Africa. South Africa has adopted legislation in this area (the Competition Amendment Act 2018, section 14), but this legislation had not come into force at the end of the reporting period on 15 May 2023.

Figure 4. Policy changes to manage security implications of FDI in G20 members (2009-2023)



Source: OECD/UNCTAD calculations based on monitoring reports prepared for the G20. Data for 2023 until 15 May 2023.

2. Measures adopted in relation to the Russian Federation and to Belarus in the context of the war in Ukraine and measures taken by the Russian Federation in this context

During the reporting period, nine G20 members adopted new measures in light of the continued war in Ukraine. Immediately after 24 February 2022, several G20 members and many other countries had already adopted a series of such measures.[9] These measures sought to stifle access to the benefits of international investment by the Russian Federation and designated individuals and entities close to the Russian Government.[10]

New measures adopted during the reporting period continue to target primarily the Russian Federation. These measures can be categorised in three broad categories:[11] First, measures that specifically target designated individuals and/or entities, subjecting them to financial and economic sanctions such as asset freezes. Second, investment-specific measures which ban or restrict investments related to the Russian Federation. And third, financial measures not specific to FDI (e.g., measures related to capital controls, access to capital markets, selling of securities, among others). These measures continue to have considerable implications for cross-border capital flows and transactions to and from the Russian Federation. In response to these sanctions, the Russian Federation has continued to adopt new measures, including investment-specific measures and measures related to cross-border capital flows.

Detailed information on the measures is available in Annex 3 for measures specific to FDI, and Annex 4 for measures not specific to FDI.

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[9] See the findings of the 27nd OECD/UNCTAD report on G20 investment measures, released in July 2022, and of the 28th OECD/UNCTAD report on G20 investment measures, released in November 2022.

[10] In addition to government measures, a considerable number of companies from a wide array of industries suspended their operations in the Russian Federation or withdrew and divested their operations from the country for various reasons, including reputational and liability risks, human rights considerations, volatile market conditions, and practical challenges to doing business as a result of the sanctions. These measures are not covered by this report as they are not attributable to G20 governments. For details on these measures see OECD (2022), *International investment implications of Russia's war against Ukraine*.

[11] These categories have already been used for the 27th and 28th OECD/UNCTAD report on G20 investment measures.

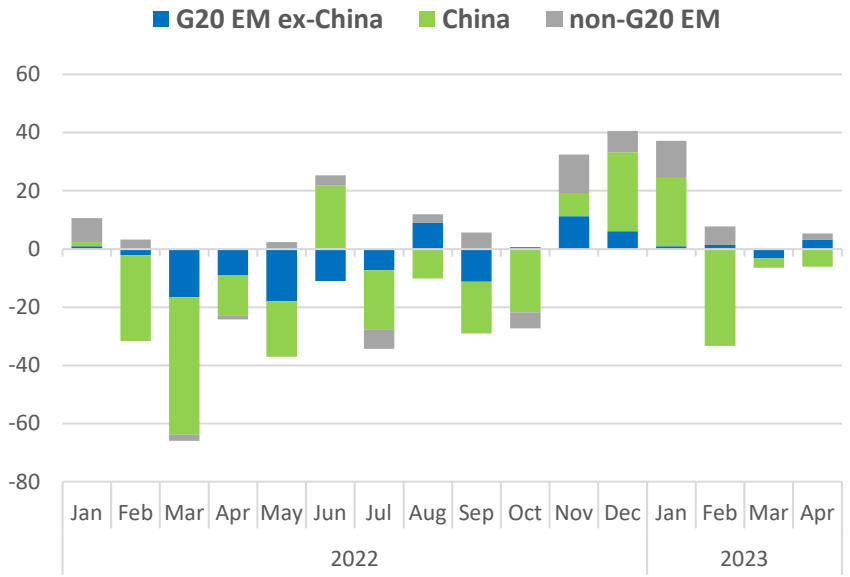
3. *Capital flows and investment policy measures not specific to FDI*[12]

Financial conditions eased significantly across the globe in the last months of 2022 and at the beginning of 2023 on the back of lower inflation, better growth prospects, some pause in interest rate hikes, lower uncertainty, and a depreciating U.S. dollar.

These factors taken together halted the 2022 bleeding of emerging markets (EM) portfolio flows described in the OECD/UNCTAD report covering the previous reporting period. The March update of the OECD Monthly Capital Flow Dataset[13] highlights a substantial rebound of portfolio flows to EMEs, with more than USD 110 billion inflows in the three months from November to January 2023 (Figure 5).

These inflows were mainly to EMs excluding P.R. China (e.g., Mexico and Brazil), which is notable as Chinese flows typically make up the largest share. On the back of ending its zero-COVID policy, P.R. China saw a return to inflows over November to January 2023, albeit concentrated in equities. China has again experienced significant outflows in February 2023 continuing in March and April in both equity and bond markets.

Figure 5. Portfolio inflows to emerging markets (USD billion)



Source: OECD Monthly Capital Flow Dataset. Note: Sample of 23 emerging market economies (16 non-G20 and 7 G20). See dataset for detailed data and coverage description. China data for Apr 23 covers only portfolio debt inflows.

During the reporting period, seven G20 members took policy measures concerning international capital flows that are not specific to FDI. Detailed information on the measures by country is available in Annex 2.

[12] This section on "Investment policy measures not specific to FDI" has been prepared by the OECD Secretariat under the responsibility of the Secretary-General of the OECD. Annex 2 provides information on the coverage, definitions and sources of the information contained in this section.

[13] The dataset is publicly available on the OECD website and updated quarterly at the following link: https://www.oecd.org/daf/inv/investment-policy/oecd-monthly-capital-flow-dataset.xlsx.

4. International Investment Agreements

Between 16 October 2022 and 15 May 2023, G20 Members concluded one new "other IIA":[14] the Türkiye-United Arab Emirates Comprehensive Economic Partnership Agreements (CEPA).[15] During this reporting period, two BITs recently concluded by G20 Members entered into force, replacing two treaties that previously existed between the parties.[16] Four "other IIAs" concluded by G20 Members also entered into force.[17] As of 15 May 2023, the total number of IIAs worldwide stood at 2,829 BITs and 435 "other IIAs".[18] Aggregate data on G20 members' IIAs is available in Annex 5.

III. Overall policy implications

G20 members have made only limited changes to their investment policies in the reporting period – with the notable exception of adjustments to manage security implications of foreign investment. They have also taken further measures in relation to the continuing war in Ukraine.

The appreciation of the significance of international investment is critical to address the current and future crises and to achieve the Sustainable Development Goals (SDGs).

This is particularly important in the context of a growing SDG investment gap in developing countries. As we approach the midpoint of the 2030 Agenda for Sustainable Development, countries need to intensify their efforts to promote and facilitate investment across all SDG-relevant sectors. They also need investment to ensure a swift and just transition to carbon neutrality, and to overcome the continued and deepening poverty across and within societies.

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[14] "Other IIAs" encompass a variety of international agreements with investment protection, promotion and/or cooperation provisions – other than BITs. They include free trade agreements (FTAs), regional trade and investment agreements (RTIAs), comprehensive economic partnership agreements (CEPAs), cooperation agreements, association agreements, economic complementation agreements, closer economic partnership arrangements, agreements establishing free trade areas, and trade and investment framework agreements (TIFAs). Unlike BITs, "other IIAs" may also include plurilateral agreements.

[15] The Türkiye-United Arab Emirates CEPA was signed on 3 March 2023.

[16] The Belarus-Türkiye BIT (2018) entered into force on 13 December 2022, replacing the Belarus-Türkiye BIT concluded in 1995; the Republic of Korea-Uzbekistan BIT (2019) entered into force on 5 April 2023, replacing the Republic of Korea-Uzbekistan BIT concluded in 1992.

[17] The Australia-European Union Framework Agreement (2017) entered in force on 21 October 2022; the Cambodia-Republic of Korea FTA (2021) entered in force on 1 December 2022; the Australia-India Economic Cooperation and Trade Agreement (ECTA) (2022) entered in force on 29 December 2022; the Indonesia-Republic of Korea CEPA (2020) entered in force on 1 January 2023.

[18] The total number of IIAs is revised in an ongoing manner as a result of retroactive adjustments to UNCTAD's IIA Navigator (https://investmentpolicy.unctad.org/international-investment-agreements).

Annex 1: Recent investment policy measures related to FDI (16 October 2022 to 15 May 2023) – Reports on individual economies

	Description of Measure	Date	Source
Argentina			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Australia			
Investment policy measures	On 1 January 2023, the maximum financial penalties for contraventions of the Foreign Acquisitions and Takeovers Act 1975's provisions that relate solely to residential land were doubled. The changes are laid down in Schedule 1 to the Treasury Laws Amendment (2022 Measures No.3) Act 2022 and Schedule 1 to the Foreign Acquisitions and Takeovers Fees Imposition Amendment Act 2022.	1 January 2023	Treasury Laws Amendment (2022 Measures No.3) Act 2022, Australian Government, Federal Register of Legislation, 6 December 2022; Foreign Acquisitions and Takeovers Fees Imposition Amendment Act 2022, Australian Government, Federal Register of Legislation, 6 December 2022.
Investment measures relating to national security	None during reporting period.		
Brazil			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Canada			
Investment policy measures	On 1 January 2023 the Prohibition on the Purchase of Residential Property by Non-Canadians Act entered into force. Unless an exception applies, the Act prohibits the purchase of residential property in Canada by non-Canadians for two years. A Regulation was issued on the definitions of the terms employed and the exception for persons and properties. On 27 March 2023, Regulations Amending the Prohibition on the Purchase of Residential Property by Non-Canadians Regulations entered into force. These amendments expand exceptions to allow non-Canadians to purchase a home in certain circumstances. Announced by the Canadian Minister of Housing and Diversity and Inclusion, these amendments allow more work-permit holders to purchase residential property, exclude the prohibition from lands zoned for residential and mixed use, and introduce exceptions for development purposes.	1 January 2023; 27 March 2023	Prohibition on the Purchase of Residential Property by Non-Canadians Act, S.C. 2022, c.10, s.235, 6 March 2023; Prohibition on the Purchase of Residential Property by non-Canadians Regulations, SOR/2022-250, Canada Gazette, Part 2, Vol.156, Number 26, 2 December 2022; Regulations Amending the Prohibition on the Purchase of Residential Property by Non-Canadians Regulations, SOR/2023-66, Canada Gazette, Part II, Volume 157, Number 8, 27 March 2023. "*Amendments to the Prohibition on the Purchase of Residential Property by Non-Canadians Act's accompanying Regulations*", Canada Mortgage and Housing Corporation media release, 27 March 2023.

	Description of Measure	Date	Source
Investment measures relating to national security	On 28 October 2022, the Government of Canada released a policy statement clarifying how the Investment Canada Act will be applied to investments in Canadian entities and assets in critical minerals sectors from foreign state-owned enterprises (SOEs). The policy recognizes the strategic importance of critical minerals, as per the list of critical minerals defined on 11 March 2021, and states that SOEs investment in these sectors "carry a greater inherent risk to Canada's growth, prosperity and security." The policy sets out a framework for the review of such investments under the two main review powers of the Investment Canada Act: the net benefit and the national security reviews. The policy sets that net benefit approval of acquisitions of control of a Canadian business involving Critical Minerals by a foreign SOE "will only be approved on an exceptional basis". The policy also states that investment by SOEs in critical minerals sectors "will support a finding by the Minister that there are reasonable grounds to believe that the investment could be injurious to Canada's national security as set out in Part IV.1 of the Investment Canada Act". The policy applies to such investments regardless of value, whether direct or indirect, whether controlling or non-controlling, and across all stages of the value chain.	28 October 2022	Policy Regarding Foreign Investments from State-Owned Enterprises in Critical Minerals under the Investment Canada Act, 28 October 2022.
P.R. China			
Investment policy measures	On 1 January 2023, the 2022 list of sectors for foreign investment became effective. The list replaces the 2020 list and was issued on 25 October 2022 by the National Development and Reform Commission (NDRC) The new list expands the number of manufacturing activities open to investment from 480 to 519. Air ground support equipment and key components related to autonomous driving were added to the list.	25 October 2022; 1 January 2023	"*China unveils measures to promote manufacturing-focused foreign investment*", the National Development and Reform Commission (NDRC), 25 October 2022.
Investment measures relating to national security	None during reporting period.		
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 24 December 2022, France extended for a third time the application of the temporary regime that lowers the trigger threshold for the French FDI review mechanism until 31 December 2023. The extension was enacted by Decree n° 2022-1622 of 23 December 2022. The temporary regime was initially adopted in response to the specific circumstances resulting from the COVID-19 pandemic and lowers the trigger threshold for the investment review mechanism to a 10% foreign shareholding, down from 25%, for FDI by non-EU and non-EEA investors in listed companies. It had initially come into effect on 23July 2020 based on Decree n° 2020-892 of 22 July 2020.	23 December 2022	Décret n° 2022-1622 du 23 décembre 2022 relatif à l'abaissement temporaire du seuil de contrôle des investissements étrangers dans les sociétés françaises dont les actions sont admises aux négociations sur un marché réglementé, JORF No. 0298, 24 December 2022.
Germany			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
India			
Investment policy measures	On 10 March 2023, the Ministry of Information and Broadcasting (MIB) issued a clarification that restrictions on FDI entities involved in uploading or streaming of news and current affairs through digital media do not apply to Over-the-Top (OTT) platforms that host digital feed of a TV news channel, provided	10 March 2023	"*Applicability of FDI Policy for OTT Platforms hosting TV News Channels*", Ministry of Information and Broadcasting

	Description of Measure	Date	Source
	they do so only as a medium and make the feed available to its subscribers and users.		Release No.F-14012/3/2022-DM, 10 March 2023.
	On 13 March 2023, the Bar Council of India notified the "Bar Council of India Rules for Registration and Regulation of Foreign Lawyers and Foreign Law Firms in India, 2022". Foreign lawyers and firms can now practice foreign law, diverse international legal issues, and international arbitration matters in India on a reciprocity basis. While foreign lawyers and firms cannot appear in courts, they can set up offices in India and deliver transactional and corporate work.	13 March 2023	Bar Council of India Rules for Registration and Regulation of Foreign Lawyers and Foreign Law Firms in India, 2022 (egazette.nic.in), 13 March 2023, the Gazette of India.
Investment measures relating to national security	None during reporting period.		
Indonesia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 4 February 2023, Law No.10/2023 entered into effect. The law converts Decree Law No.187 of 5 December 2022 and introduces amendments. Art.2 of the Decree Law, as converted by Law No.10/2023, entitles the Ministry of Enterprises and Made in Italy to allow the recourse to measures to support the capitalisation and capital strengthening of companies that were subject to the exercise of *special powers.*	4 February 2023; 5 December 2022	Legge 1 febbraio 2023, n.10 (G.U. Serie Generale n.28, 3 February 2023); Decreto-Legge 5 dicembre n.187 (G.U. Serie Generale n.284, 5 December 2022).
Japan			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	Revised Foreign Exchange and Foreign Trade Act (FEFTA) Public Notices was promulgated on 24 April 2023 and applied to inward direct investment and equivalent actions to be made on or after 24 May 2023 to expand the sectors that require prior notification. These measures are taken in order to secure stable supply chains and address the risk of technology leakage and diversion of commercial technologies into military use.	24 April 2023	Amendment of Public Notice Specifying Designated Business Sectors pertaining to Inward Direct Investment, etc., Ministry of Finance, 24 April 2023; Amendment of Public Notice Specifying Core Business Sectors pertaining to Inward Direct Investment, etc., Ministry of Finance, 24 April 2023; Amendment of Public Notice Specifying Designated Business Sectors pertaining to Specified Acquisition, Ministry of Finance, 24 April 2023; Amendment of Public Notice Specifying Core Business Sectors pertaining to Specified Acquisition, Ministry of Finance, 24 April 2023; *"Publication of the amendment to the Public Notices adding the core business sectors ofthe Foreign Exchange and Foreign Trade Act to secure stable*

	Description of Measure	Date	Source
			supply chains", Ministry of Finance, 24 April 2023
Republic of Korea			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Mexico			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Russian Federation			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 29 December 2022, the Government of the Russian Federation issued an Amendment to the Federal Law "On the Procedure for Foreign Investments in Economic Companies of Strategic Importance for Ensuring the Defense of the Country and the Security of the State" and Certain Legislative Acts of the Russian Federation. The amendment entered into force on 1 March 2023 (Article 5(1)(a) only) and 29 March 2023. The amendment applies to Federal Law No.57-FZ and expands the scope of domestic business entities for which preliminary approval is required in case a foreign investor wants to gain control over such entities. A preliminary approval is not required for foreign persons to acquire control over domestic enterprises in case an authorised government body does not see a need for obtaining one.	29 March 2023	Amendment to the Federal Law "On the Procedure for Foreign Investments in Economic Companies of Strategic Importance for Ensuring the Defense of the Country and the Security of the State" and Certain Legislative Acts of the Russian Federation.
Saudi Arabia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
South Africa			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Türkiye			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

	Description of Measure	Date	Source
United Kingdom			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 27 April 2023, the Government of the United Kingdom published the new "Market Guidance on the National Security and Investment Act 2021". The latest guidance provides more detailed information on various aspects of the National Security and Investment assessment process, such as the stages involved, when to notify, and the steps that companies in financial difficulty can take when notifying deals. Additionally, it includes practical guidance on completing the notification forms and the different stages of the process. The updated guidance aims to enhance the transparency and comprehensibility of the National Security and Investment regime.	27 April 2023	Guidance National Security and Investment, Government of the United Kingdom, 27 April 2023
United States			
Investment policy measures	None during reporting period.		
Investment measures relating to security	On 10 February 2023, a determination of the Office of Investment Security in the Department of the Treasury became effective. The determinations concerns the assessment that two foreign States, the United Kingdom and New Zealand, have established and are effectively utilizing a robust process to analyze foreign investments for national security risks and to facilitate coordination with the United States on matters relating to investment security. New Zealand and the United Kingdom thus remain "excepted foreign states" for the purpose of the application of certain rules under the United States' foreign investment review regime.	10 February 2023	Determination Regarding Excepted Foreign States, Federal Register, Vol.88, No.29, 13 February 2023.
	On 8 May 2023, the Florida Senate Bill 264 (CS/CS/SB 264) was signed into law. Among others, the law prohibits persons from "foreign countries of concern" from directly or indirectly owning, having a controlling interest in or acquiring by the aforementioned methods any interest in agricultural land, property near military installations or critical infrastructure facilities in Florida after 1 July 2023.	8 May 2023	Bill 264 (CS/CS/SB 264), Laws of Florida, 8 May 2023.
European Union			
Investment policy measures	On 12 January 2023, Regulation (EU) 2022/2560 of the European Parliament and the Council on foreign subsidies distorting the internal market entered into force. The Regulation will enter into full application on 12 July 2023 and seeks to address some of the internal market distortions caused by foreign subsidies. The text introduces (*i*) a mandatory *ex ante* notification-based procedure to investigate concentrations and bids in public procurements fully or partially financed through foreign subsidies; (*ii*) a general tool enabling the Commission to investigate certain market situations, such as greenfield investments, by initiating a review *ex officio* or requesting an *ad-hoc* notification.	12 January 2023	Regulation (EU) 2022/2560 of the European Parliament and the Council of 14 December 2022 on foreign subsidies distorting the internal market, Official Journal of the European Union, L 330/1, 23 December 2022.
Investment measures relating to national security	None during reporting period.		

Methodology for the inventory presented in Annex 1 — Coverage, Definitions and Sources

Reporting period. The reporting period of the present document is from 16 October 2022 to 15 May 2023. An investment measure is counted as falling within the reporting period if new policies were adopted or entered into force during the period.

Investment. For the purpose of the inventory presented in Annex 1, international investment is understood to include only foreign *direct* investment. Investment policy measures not specific to FDI are not included in this inventory but shown in Annex 2 of this report.

Investment measure. For the purposes of this Annex, investment measures consist of any action that either: imposes or removes differential treatment of foreign or non-resident investors compared to the treatment of domestic investors in like situations. Reporting on such policy measures has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD.

National security. International investment law, including the OECD investment instruments, recognises that governments may need to take measures to safeguard essential security interests and public order. For the purpose of this report, national security related measures are understood as including policies which relate to national security risks associated with the acquisition, ownership or control of assets. National security related measures are included irrespective of whether the measure applies to foreigners only or whether it also covers nationals of the country that takes the measure. The investment policy community at the OECD and UNCTAD monitors these measures to help governments adopt policies which are effective in safeguarding national security and to ensure that they are not disguised protectionism.

Sources of information and verification. The sources of the information presented in this report are:

- official notifications made by governments to various OECD processes (e.g. the Freedom of Investment Roundtable or as required under the OECD investment instruments);
- information contained in other international organisations' reports or otherwise made available to the OECD and UNCTAD Secretariats;
- other publicly available sources: specialised web sites, press clippings etc.

Investment measures included in this report have been verified by the respective G20 members.

Annex 2: Recent investment policy measures not specific to FDI (16 October 2022 to 15 May 2023) – Reports on individual economies[19]

Description of Measure	Date	Source
Argentina		
None during reporting period.		
Australia		
None during reporting period.		
Brazil		
On 31 December 2022, Law 14286 of 29 December 2021 entered into force, The law regulates the Brazilian foreign exchange market, Brazilian capital abroad, foreign capital in Brazil, and information disclosure to the Central Bank of Brazil. The Law harmonizes and amends Brazilian foreign exchange regulations resulting in a number of liberalisation steps including among others the reinforcement of non-discriminatory treatment, the end of restriction for remittance of royalties between headquarters and branches, as well as the revocation of previous provisions imposing reciprocity in banking services.	31 December 2022; 29 December 2021	Law 14.286 of 29 December 2021.
Resolution 278 of 31 December 2022 details some of the provisions of Law 14286. Among others, it states that information must be provided to the Central Bank for FDI transactions equal to or greater than USD 100,000.	31 December 2022	Resolution BCB 278 of 31 December 2022.
Canada		
Effective 25 October 2022, the Province of Ontario increased the Non-Resident Speculation Tax (NRST) from 20% to 25%. The NRST applies to the purchase or acquisition of interest by foreign nationals (including non-Canadian residents), foreign corporations or taxable trustees in residential property (between one and six single family residences) located in Ontario.	25 October 2022	"*Non-Resident Speculation Tax*", Government of Ontario website (updated 19 May 2023).
P.R. China		
On 25 October 2022, People's Bank of China (PBoC) and the State Administration of Foreign Exchange (SAFE) raised the macro-prudential adjustment parameter for cross-border financing of enterprises and financial institutions from 1 to 1.25. The measure was taken "to further improve the unified macro-prudential management of cross-border financing, expand the source of cross-border funds for enterprises and financial institutions, and guide them to optimize their liability structure".	25 October 2022	"*The PBC and SAFE Raise Macro-prudential Adjustment Parameter for Cross-border Financing*", PBoC news release, 25 October 2022.
On 19 December 2022, the China Securities Regulatory Commission (CSRC) and the Hong Kong Securities and Futures Commission (SFC) agreed in principle that the Mainland and Hong Kong stock exchanges will further expand the scope of eligible stocks under Stock Connect for both the Northbound and Southbound Trading Links to include eligible foreign companies primary-listed in Hong Kong and additional A shares listed on the Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange (SZSE).	19 December 2022	"*Joint announcement of the China Securities Regulatory Commission and the Hong Kong Securities and Futures Commission*", China Securities Regulatory Commission news release, 19 December 2022.
On 1 January 2023, new Rules on Funds Invested by Overseas Institutional Investors (OII) in China's Bond Market entered into force. The Rules notably allow OIIs to complete spot purchase and sale of foreign currencies transactions through a third-party financial institution other than settlement agents; provide additional avenues through which OIIs can hedge against foreign exchange (FX) exposures and remove the existing limit on the number of counterparties in over-the-counter (OTC) transactions; streamline the outward remittance process, encouraging long-term	1 January 2023	"*Improving the Management of Funds Invested by Overseas Institutional Investors in China's Bond Market to Further Open Up the Market*", PBoC news release, 18 November 2022.

[19] This inventory has been established by the OECD Secretariat under the responsibility of the Secretary-General of the OECD.

Description of Measure	Date	Source
investment in China's bond market; and clarify the FX management requirements for sovereign investors.		
Also on 1 January 2023, a Notice of the People's Bank of China and the State Administration of Foreign Exchange on Matters Concerning the Proceeds Management for Yuan-Denominated Bonds Issued by Overseas Issuers in China came into force. The new Regulations unify the rules of the interbank market and exchange-traded bond market regarding proceeds registration, account opening, transfer and use of proceeds, and statistics and monitoring of yuan-denominated bonds and standardise the registration and account opening procedures, requiring pre-issuance registration with banks. They also refine the management of FX risks for yuan-denominated bonds, allowing foreign issuers to manage exchange rate risks by trading in FX derivatives with domestic financial institutions. Proceeds from yuan-denominated bond issuance may be remitted overseas.	1 January 2023	"*Improving Proceeds Management for Panda Bonds to Further Open the Financial Market*", PBoC news release, 2 December 2022.
On 31 March 2023, *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* came into effect. Announced by the China Securities Regulatory Commission (CSRC) on 17 February 2023, the trial measures regulate the filing-based administration of overseas securities offering and listing by domestic companies. Among others, the rules relax investor eligibility restrictions when domestic companies directly list or offer securities in overseas markets under certain circumstances in order to facilitate "full circulation" arrangements and ease currency restriction for overseas fund raising and dividend payment, with a view to meeting demands to raise renminbi (RMB) funds overseas.	17 February 2023	"*CSRC Releases New Regulations for Filing-based Administration of Overseas Offering and Listing*", China Securities Regulatory Commission news release, 17 February 2023.
France		
None during reporting period.		
Germany		
None during reporting period.		
India		
On 23 January 2023, the Reserve Bank of India (RBI) decided to designate all Sovereign Green Bonds issued by the government as fully opened for non-resident investors without any restrictions (the "fully accessible route").	23 January 2023	"*'Fully Accessible Route' for Investment by Non-residents in Government Securities – Inclusion of Sovereign Green Bonds*", Reserve Bank of India notification RBI/2022-23/169 FMRD.FMID.No.07/14.01.006/2022-23, 23 January 2023.
Indonesia		
None during reporting period.		
Italy		
None during reporting period.		
Japan		
None during reporting period.		
Republic of Korea		
On 25 January 2023, the Korean Financial Services Commission (FSC) announced measures to improve foreign investors' access to Korean capital markets. The measures include (a) abolishing the foreign investor registration requirement (foreign corporate entities and individual investors will be allowed to invest in Korean capital markets using their legal entity identifiers (LEIs) or passport numbers), (b) facilitating the use of omnibus account for foreign investors (Authorities will abolish the	25 January 2023	"*FSC announces measures to improve foreign investors' access to Korean capital markets*", Financial Services Commission Press release, 25 January 2023.

Description of Measure	Date	Source
investment reporting requirement under which the end-investor of omnibus account needs to instantly report completed investment transactions at the moment of settlement), (c) enabling more convenient OTC transactions by foreign investors and (d) expanding the scope of obligations to provide disclosures in English language.		
Mexico		
None during reporting period.		
Russian Federation		
On 29 September 2022, the Central Bank of the Russian Federation (CBR) allowed legal entities to buy securities of issuers from "unfriendly states" without restrictions, regardless of whether they have the status of a qualified investor or not. Non-qualified individual investors, in turn, were banned from purchasing additional foreign securities from "unfriendly states" from January 2023, following a period of gradually declining upper limits of such securities in individual investors' portfolios between 1 October 2022 and end-December 2022.	29 September 2022	"*Bank of Russia clarifies rules for selling foreign securities to non-qualified investors*", Bank of Russia media release, 29 September 2022.
Likewise on 29 September 2022, the CBR extended for another six months until March 2023 restrictions on money withdrawals abroad.	29 September 2022	"*Bank of Russia extends restrictions on money withdrawals abroad for another six months*", Bank of Russia media release, 29 September 2022.
Still on 29 September 2022, the CBR extended for six months the restrictions for non-residents (legal and natural persons) from "unfriendly states" to transfer money abroad from brokerage and trust management accounts.	29 September 2022	"*Bank of Russia extends restrictions for non-residents from unfriendly states to transfer money abroad from brokerage and trust management accounts*", Bank of Russia media release, 29 September 2022.
On 30 November 2022, the CBR extended, until 1 April 2023, the restriction on the circulation of certain foreign securities blocked by international depositories that were earlier transferred into non-trading accounts.	30 November 2022	"*Bank of Russia extends restrictions on exchange trade in blocked securities*", Bank of Russia media release, 30 November 2023.
On 22 December 2022, the CBR announced that it would extend until October 2023 the temporary moratorium on the delisting of foreign issuers' securities admitted to public trading in the Russian Federation upon the exchange's decision pursuant to Clause 4 of Article 51.1 of the Federal Law 'On the Securities Market' in the case of their delisting on a foreign exchange conforming to the criteria established by the CBR, as well as the temporary permit not to comply with the requirement for maintaining foreign issuers' securities on the quotation list stipulated by Appendix 2 or Appendix 5 to Bank of Russia Regulation No. 534-P. The CBR also extended until September 2023 the temporary permit not to comply with the requirement for avoiding delayed fulfilment of a foreign issuer's obligations on its bonds, in order to keep such bonds on the Russian exchange's quotation list, as well as the permit not to disclose, in the list of securities admitted to on-exchange trading and in the registration card of a security, information on facts of a default and/or a technical default of a foreign bond issuer.	22 December 2022	"*Regulatory easing for securities issuers and exchanges in 2023*", Bank of Russia media release, 22 December 2022.
Effective 1 March 2023, the CBR raised reserve requirements on local currency liabilities by 1 percentage point to 4% and reserve requirements on foreign exchange liabilities by 2 percentage points to 7%.	13 February 2023	"*Bank of Russia to increase required reserve ratios from March*", Bank of Russia media release, 13 February 2023.
On 6 March 2023, the CBR extended until September 2023 foreign cash withdrawal restrictions that had been in place since March 2022, when resident individuals were prohibited from withdrawing more than USD 10,000 in cash. Also, foreign cash transferred without opening an account or via electronic wallets must be withdrawn in rubles. Resident legal entities can withdraw foreign cash to cover their business travel expenses, but no more than USD 5000. Non-resident legal entities may not withdraw cash in USD, EUR, GBP, or JPY.	6 March 2023	"*Bank of Russia extends restrictions on foreign cash withdrawals for another six months until 9 September 2023*", Bank of Russia media release, 6 March 2023.
On 20 March 2023, the CBR announced that, beginning on 1 October 2023, banks will be obliged to use only Russian platforms and financial infrastructure for financial messaging associated with money transfers in the territory of the Russian Federation.	20 March 2023	"*New financial messaging rules for Russia approved*", Bank of Russia media release, 20 March 2023.

Description of Measure	Date	Source
Saudi Arabia		
None during reporting period.		
South Africa		
None during reporting period.		
Türkiye		
Effective 1 November 2022, the Turkish Banking regulator (BRSA) announced that non-financial Turkish legal entities, which are subject to independent audit and have FX assets exceeding TRY 10 million, are prohibited from utilizing commercial cash loans denominated in TRY in case their foreign exchange assets exceed 5% of their total assets according to the most up-to-date financial statements submitted to the tax authority, prepared in accordance with the Tax Procedure Law and related regulations, whichever is greater. Previously, the prohibition only applied to entities that had FX assets above TRY 15 million and the FX asset ratio exceeded 10%.	1 November 2022	Decision of the Banking Regulation and Supervision Board 10389, BRSA, 21 October 2022.
On 31 December 2022, the Central Bank of the Republic of Türkiye (CBRT) announced the extension of the security maintenance requirement to other financial institutions and expansion of the scope of assets and liabilities subject to it. In addition to banks, other financial institutions have been included in the scope of the securities maintenance regulation, and during the first phase, factoring companies have been required to maintain securities according to the interest rate they apply to Turkish lira (TRY)-denominated factoring receivables. The period of the implementation that stipulate banks to maintain securities according to loan interest rate and loan growth rate has been extended until 29 December 2023. From 23 June 2023, the facilities of maintaining gold for TRY reserve requirements will be terminated. The scope of assets and liabilities of banks subject to the securities maintenance practice has been expanded to cover, with regards to liabilities, funds obtained from FX-denominated repo transactions with domestic real persons and the real sector; and transactions to de-recognise FX liabilities subject to the securities maintenance via engaging in financial derivative transactions with FX funders; and with regard to securities on the assets side, issued by the real sector and the features of which are determined by the CBRT.	31 December 2022	"*Press Release on Macroprudential Measures (2022-56)*", Central Bank of the Republic of Türkiye, 31 December 2022.
Effective 20 January 2023, reserve requirement ratios for TRY deposit accounts with maturities longer than three months have been set at zero percent. Also, reserve requirement ratios are set at zero percent for the increase in FX liabilities with maturities longer than six months provided directly from abroad until the end of 2023.	20 January 2023	"*Press Release on Macroprudential Measures (2023-02)*", Central Bank of the Republic of Türkiye, 15 January 2023.
On 26 January 2023, when selling their FX obtained from abroad to the CBRT, firms will be provided with a FX conversion support corresponding to 2% of the amount converted into TRY, in return for their pledge. Once firms have sold at least 40% of the FX they have brought into the country from abroad to the CBRT, they will be able to deposit the remaining part of the FX they brought from abroad into FX-protected conversion accounts, and in return for their pledge, firms will be provided with a FX conversion support of 2% of the amount converted into TRY.	26 January 2023	"*Press Release on Supporting Conversion of Firms' Foreign Exchange Obtained From Abroad Into Turkish Liras (2023-05)*", Central Bank of the Republic of Türkiye, 26 January 2023.
As of 24 February 2023, the CBRT set the 'liraisation' target in deposits for the first half of 2023 at 60%. Accordingly, the securities maintenance ratio has been raised to 10% from 5%, whereas banks that exceed the 60% TRY share target in real and legal person deposits are subject to a discounted securities maintenance ratio (where the share is between 60 and 70 percent, the discount is 5-percentage points, and where the share is above 70%, a 7-percentage point discount is applied). For banks with TRY shares below the 60% target, the previously determined additional ratios will continue to be applied by adding them to the securities maintenance ratio.	24 February 2023	"Press Release on Macroprudential Measures (2023-01)", Central Bank of the Republic of Türkiye, 7 January 2023.
United Kingdom		
None during reporting period.		
United States		
None during reporting period.		

Description of Measure	Date	Source
European Union		
None during reporting period.		

Methodology for the inventory presented in Annex 2 — Coverage, Definitions and Sources

Reporting period. The reporting period of the present document is from 16 October 2022 to 15 May 2023. An investment measure is counted as falling within the reporting period if new policies were adopted or entered into force during the period.

Investment. For the purpose of the inventory presented in Annex 2, international investment is understood to include all international capital movements; however, measures specifically concerning foreign direct investment are not reported in this Annex, but rather in Annex 1 of the present document.

Investment measure. For the purposes of this Annex 2, investment measures consist of any action that either (i) imposes or removes differential treatment of foreign or non-resident investors compared to the treatment of domestic investors in like situations; or (ii) imposes or removes restrictions on international capital movements.

Reporting on international capital movements has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD.

Sources of information and verification. The sources of the information presented in this report are:

- official notifications made by governments to various OECD processes (e.g. the Freedom of Investment Roundtable or as required under the OECD investment instruments);
- information contained in other international organisations' reports or otherwise made available to the OECD Secretariat;
- other publicly available sources: specialised web sites, press clippings etc.

Investment measures included in this report have been verified by the respective G20 members.

Annex 3: Measures specific to FDI adopted in relation to the Russian Federation and Belarus in the context of the war in Ukraine and measures taken by the Russian Federation in this context (16 October 2022 to 15 May 2023)

Description of Measure	Date	Source
Argentina		
None during reporting period.		
Australia		
None during reporting period.		
Brazil		
None during reporting period.		
Canada		
None during reporting period.		
P.R. China		
None during reporting period.		
France		
France implements and applies measures adopted by the EU.		
Germany		
Germany implements and applies measures adopted by the EU.		
India		
None during reporting period.		
Indonesia		
None during reporting period.		
Italy		
Italy implements and applies measures adopted by the EU.		
Japan		
None during reporting period.		
Republic of Korea		
None during reporting period.		

Description of Measure	Date	Source
Mexico		
None during reporting period.		
Russian Federation		
On 29 October 2022, Government Directive No. 3216 entered into force, with the aim of amending the list of "unfriendly countries" to which countersanctions apply, so as to provide the wording "Great Britain (including the British Crown Dependencies and British Overseas Territories)".	29 October 2022	Decree of the Government of the Russian Federation, No. 3216, Official Internet portal of legal information, 29 October 2022.
On 5 December 2022, Presidential Decree No.876 entered into force. The Decree extends the temporal application of Presidential Decree No.520 of 5 August 2022, which was initially due to expire on 31 December 2022, until 31 December 2023. The extended Decree contains a general prohibition of a series of transactions with regard to shares in Russian strategic companies, companies partaking in the oil and gas consortium "Sakhalin-1", and Russian companies active in specified sectors, e.g., production of equipment for fuel and energy sector companies, production of refined products of crude oil, credit institutions. On 26 October 2022, by virtue of an Order of the President of the Russian Federation the list of credit institutions subject to the Decree was approved, while an Order of 9 November 2022 as provided for in the above-mentioned Decree, approved the list of manufacturers of equipment for organizations of the fuel and energy complex and companies that provide maintenance and repair services for such equipment, producers and suppliers of thermal and electric energy and companies that process oil, oil feedstock and produce their processed products.	26 October 2022; 9 November 2022; 5 December 2022	Order of the President of the Russian Federation, No. 357, Official Internet portal of legal information, 16 October 2022. Order of the President of the Russian Federation, No. 372, Official Internet portal of legal information, 9 November 2022. Presidential Decree No. 876, Official Internet portal of legal information, 5 December 2022.
On 17 January 2023, the President of the Russian Federation issued Decree No.16, which allows Russian companies operating in the energy, machinery manufacturing, and trade sectors to change their corporate decision-making to prevent minority shareholders and their appointed directors linked to foreign States that have imposed sanctions on the Russian Federation or controlled by such States from voting at shareholder meetings. The decree applies under certain conditions: (i) if a company's controlling shareholder or ultimate beneficial owner is sanctioned by a foreign State, and (ii) the shareholders from the mentioned foreign States hold less than 50% equity interest in the company, and (iii) the company's annual revenue exceeds 100 billion rubles. The decree is temporary and has an effect until 31 December 2023.	17 January 2023	Decree of the President of the Russian Federation No. 16 "On the temporary procedure for making decisions by the bodies of some Russian business entities, 17 January 2023.
Saudi Arabia		
None during reporting period.		
South Africa		
None during reporting period.		
Türkiye		
None during reporting period.		
United Kingdom		
Between 5 December and 16 December 2022 the United Kingdom adopted two amendments to The Russia (Sanctions) (EU Exit) Regulations 2019. Among others, these amendments prohibit new investments in the Russian Federation via third countries and tightens existing regulations on investments, loans, securities and money market instruments.	5 December 2022; 16 December 2022.	The Russia (Sanctions) (EU Exit) (Amendment) (No. 16) Regulations 2022, 5 December 2022; The Russia (Sanctions) (EU Exit) (Amendment) (No. 17) Regulations 2022, 16 December 2022; The amending Regulations adopted with respect to The Russia (Sanctions) (EU Exit) Regulations 2019 are listed

Description of Measure	Date	Source
		on the Government of the United Kingdom's Financial sanctions, Russia Guidance, as updated from time to time.
United States		
None during reporting period.		
European Union		
On 16 December 2022, the European Union adopted the ninth package of sanctions against the Russian Federation. Among other sanction measures, it prohibits new investments in the mining sector, with the exception of mining and quarrying activities involving certain critical raw materials.	16 December 2022	Official Journal of the European Union, L 322I, 16 December 2022, 16 December 2022.

Methodology for the inventory presented in Annex 3 — Coverage, Definitions and Sources

Reporting period. The reporting period of the present document is from 16 October 2022 to 15 May 2023. A measure specific to FDI adopted in relation to the Russian Federation and Belarus in the context of the war in Ukraine and measures taken by the Russian Federation in this context is counted as falling within the reporting period if new policies were adopted or entered into force during the period.

Investment. For the purpose of the inventory presented in Annex 3, international investment is understood to include only foreign *direct* investment. Investment policy measures not specific to FDI adopted in relation to the Russian Federation and Belarus in the context of the war in Ukraine and measures taken by the Russian Federation in this context are not reported in this Annex, but rather in Annex 4 of the present document.

Investment measure specific to FDI adopted in relation to the Russian Federation or Belarus in the context of the war in Ukraine and measures taken by the Russian Federation in this context. For the purposes of this Annex 3, investment measures specific to FDI are understood to encompass measures impacting foreign *direct* investment and international investment. These include investment-related measures as well as targeted financial measures and asset freezes, among others. Measures which *can also* affect international investment are not included, and neither are features of investment-related measures that fall within the scope of the report but which do not pertain to foreign *direct* investment. As such, trade measures such as import- (including tariffs) and export-measures are however excluded from the scope of this report. Are also excluded from the scope of this report exceptions to prohibitions as well as permits and/or licences which may authorise certain activities and transactions that are otherwise prohibited under the measures reported on. Reporting on such policy measures has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD.

Sources of information and verification. The sources of the information presented in this report are:

- official government websites and sources on national sanctions' regimes;
- information contained in other international organisations' reports or otherwise made available to the OECD Secretariat;
- other publicly available sources: specialised web sites, press clippings etc.

Investment measures included in this report have been verified by the respective G20 members.

Annex 4: Measures not specific to FDI adopted in relation to the Russian Federation and Belarus in the context of the war in Ukraine and measures taken by the Russian Federation in this context (16 October 2022 to 15 May 2023)[20]

Description of Measure	Date	Source
Argentina		
None during reporting period.		
Australia		
Asset freezes. Between 8 December 2022 and 30 March 2023, the Ministry of Foreign Affairs adopted five instruments that amend the Autonomous Sanctions (Designated Persons and Entities and Declared Persons – Russia and Ukraine) List 2014 under the Autonomous Sanctions Amendment (Russia) Regulations 2022. Among others, these designate new persons and/or entities for targeted financial measures and asset freeze. These are grouped and updated into a Consolidated List, as updated from time to time by the Department of Foreign Affairs and Trade.	8 December 2022; 24 January 2023; 23 February 2023; 17 March 2023; 30 March 2023	Autonomous Sanctions (Designated Persons and Entities and Declared Persons—Russia and Ukraine) Amendment (No. 22) Instrument 2022 of 8 December 2022; Autonomous Sanctions (Designated Persons and Entities and Declared Persons–Russia and Ukraine) Amendment (No.1) Instrument 2023 of 24 January 2023; No.2 of 23 February 2023; No.3 of 17 March 2023; No.4 of 30 March 2023; Consolidated List, Department of Foreign Affairs and Trade, as updated from time to time.
Brazil		
None during reporting period.		
Canada		
Investment-related measures and asset freezes. Between 28 October 2022 and 5 April 2023, the Government of Canada adopted several amendments to the Special Economic Measures (Russia) Regulations (Russia Regulations), the last of which entered into force on 5 April 2023. Further, on 17 November 2022 and 5 April 2023, two amendments to the Special Economic Measures (Belarus) Regulations (Belarus Regulations) entered into force. Finally, on 10 and 29 November 2022, two amendments to the Special Economic Measures (Iran) Regulations (Iran Regulation) entered into force. These amendments add further individuals and entities to the list of designated persons and entities subject to targeted financial sanctions, including Russian persons either linked to energy, military and defence sector or held responsible for human rights violations, as well as Belarusian individuals and entities and Iranian companies held responsible for having supported in various capacities the invasion of Ukraine. A consolidated list of all of the individuals and entities listed under the Russia, Ukraine and Belarus Regulations are grouped and updated under the Consolidated Canadian Autonomous Sanctions List, which is updated each time a Regulation is amended. The Russia, Belarus and Iran Regulations were adopted under the Special Economic Measures Act (SEMA).	28 October 2022; 10 November 2022; 17 November 2022; 7 December 2022; 2 February 2023; 23 February 2023; 5 April 2023.	Special Economic Measures (Russia) Regulations, Government of Canada, 17 March 2014, as amended and consolidated from time to time. The successive and separate amendments to the Russia Regulations are listed here; Special Economic Measures (Belarus) Regulations, Government of Canada, 28 September 2020, as amended and consolidated from time to time. The successive and separate amendments to the Belarus Regulations are listed here; Special Economic Measures (Iran) Regulations, Government of Canada, 22 July 2010, as amended from time to time. The successive and separate amendments to the Iran Regulation are listed here; Consolidated Canadian Autonomous Sanctions List, as updated from time to time;

[20] This inventory has been established by the OECD Secretariat under the responsibility of the Secretary-General of the OECD.

Description of Measure	Date	Source
		Sanctions Economic Measures Act, Government of Canada, 4 June 1992, as amended from time to time.
P.R. China		
None during reporting period.		
France		
France implements and applies measures adopted by the EU.		
Germany		
Germany implements and applies measures adopted by the EU.		
India		
None during reporting period.		
Indonesia		
None during reporting period.		
Italy		
Italy implements and applies measures adopted by the EU.		
Japan		
On 5 December 2022, the Government of Japan promulgated measures that ban the provision of services related to transaction of Russian-origin crude oil above a certain price ("price cap") in connection with maritime transport.	5 December 2022	Measures based on the Foreign Exchange and Foreign Trade Law on the situation in Ukraine, Ministry of Foreign Affairs, of 5 December 2022.
On 27 January and 28 February 2023, the Government of Japan announced and promulgated a series of measures that, among others, designate individuals and/or entities (including banks) from the Russian Federation as well as individuals from Ukraine's eastern and southern regions directly concerned with the Russian Federation's purported "incorporation" of these regions as subject to asset freeze.	27 January 2023; 28 February 2023	Measures based on the Foreign Exchange and Foreign Trade Law on the situation in Ukraine, Ministry of Foreign Affairs, of 27 January 2023 and 28 February 2023.
On 6 February 2023, the Government of Japan promulgated measures that ban the provision of services related to transaction of Russian-origin petroleum products above a certain price ("price cap") in connection with maritime transport.	6 February 2023	Measures based on the Foreign Exchange and Foreign Trade Law on the situation in Ukraine, Ministry of Foreign Affairs, of 6 February 2023.
Republic of Korea		
None during reporting period.		
Mexico		
None during reporting period.		

Description of Measure	Date	Source
Russian Federation		
On 22 December 2022, the Subcommittee of the Government Commission for the Control of Foreign Investments introduced four additional requirements in order to obtain the issuance of permits for the execution of operations aimed at alienating securities in the share capital of Russian companies by "foreign persons associated with foreign states that commit unfriendly actions in relation to Russia, or persons under their control": (*i*) the submission of an independent assessment of the market value of assets; (*ii*) the reduction of the sale price of at least 50% of the estimated market value; (*iii*) the establishment of key performance indicators for the new owners; (*iv*) the presence of an instalment plan for 1-2 years or the voluntary transfer of funds to the federal budget of at least 10% of the value of the operation. To this end, on the Government Commission on 19 January 2023 has updated the application form.	22 December 2022; 19 January 2023	Extract from the minutes of the meeting of the subcommittee of the Government Commission for the Control of Foreign Investments in the Russian Federation dated December 22, 2022 No. 118/1, Ministry of Finance, 22 December 2022. Extract from the minutes of the meeting of the subcommittee of the Government Commission for the Control of Foreign Investments in the Russian Federation dated January 19, 2023 No. 127/3, Ministry of Finance, 19 January 2023.
On 3 March 2023, the Decree of the President of the Russian Federation No. 138 entered into force. The Decree establishes the obligation to obtain a clearance for any transaction in securities of a Russian company or depositary receipts issued on Russian shares performed by persons from "unfriendly foreign States" after 1 March 2022. The clearance is issued by the Central Bank of the Russian Federation, if the proposed acquirer is a credit institution or a non-credit financial institution, or, for all other applicants, the Government Commission for Control over Foreign Investments.	3 March 2023	Decree of the President of the Russian Federation No. 138 "On additional temporary economic measures related to the circulation of securities", Official Internet portal of legal information, 3 March 2023.
On 27 March 2023, the Russian Ministry of Finance provided further details regarding the contribution by foreign individuals who sell shares in Russian companies. The contribution is applicable to foreign persons linked to foreign States that have imposed sanctions on the Russian Federation and its legal entities and citizens. The contribution can reach up to 10% of the proceeds from the sale and is payable to the federal budget. The amount of the contribution is either a minimum of 5% of the assets' market value as determined by an independent appraiser or a minimum of 10% of the assets' market value if they are sold at a discount of more than 90% of the market value. The contribution shall be assessed by the Commission for the Control of Foreign Investments, which in responsible for approving these type of sales.	27 March 2023	Extract from the minutes of the meeting of the subcommittee of the Government Commission for the Control of Foreign Investments in the Russian Federation dated March 2, 2023, Ministry of Finance, No. 143/4, 27 March 2023.
On 25 April 2023, by the Presidential Decree No. 302, the Russian Federation established a legal framework to authorize the Government to take control of Russian assets owned or managed by investors associated with "unfriendly" foreign States. The Decree is applicable under two circumstances: (i) when there are threats to Russian Federation's national security, or (ii) when Russian Federation or Russian individuals are deprived of their ownership rights to assets abroad. A list attached to the Decree identifies the specific properties subject to external administration, which may encompass both movable and immovable assets, securities, shares or stocks in Russian companies, and other property rights. According to the Decree, only the President can decide to terminate the temporary administration regime.	25 April 2023	Presidential Decree No. 302 "On the temporary management of certain property", Official Internet portal of legal information, 25 April 2023
Saudi Arabia		
None during reporting period.		
South Africa		
None during reporting period.		
Türkiye		
None during reporting period.		
United Kingdom		
Between 20 October and 21 April 2023, the Office of Financial Sanctions Implementation (OFSI) part of HM Treasury, published 21 notices relating to the Russia Financial Sanctions regime, on the Government of the United Kingdom's Financial sanctions, Russia GOV.UK page. These notices detailed new listings,	20 October 2022; 21 April 2023.	New designations made under the sanctions lists as of 20 October 2022 to the end of the reporting period are listed on the

Description of Measure	Date	Source
amendments to listings and delisting's for designated persons (individuals and entities from several nationalities), who are or were subject to asset freezes under the Russia regime and published on the OFSI Consolidated List of Financial Sanctions Targets in the UK.		Government of the United Kingdom's Financial sanctions, Russia Guidance, as updated from time to time; The Consolidated List of Financial Sanctions Targets in the UK, HM Treasury, Office of Financial Sanctions Implementation, as updated from time to time.
United States		
Between 5 December 2022 and 12 April 2023, the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury, and the U.S. Department of State designated a number of new individuals and/or entities from various nationalities whose assets are blocked and with whom U.S. nationals are generally prohibited from dealing, pursuant to Executive Order 14024 of 15 April 2021. Designated individuals and entities are listed on consolidated lists, namely OFAC's Specially Designated Nationals (SDN) List and OFAC's Non-SDN Menu-Based Sanctions List, among others.	5 December 2022; 12 April 2023.	Executive Order 14024 on Blocking Property With Respect To Specified Harmful Foreign Activities of the Government of the Russian Federation, Executive Office of the President, 15 April 2021; Specially Designated Nationals (SDN) List, U.S. Department of the Treasury, OFAC, as updated from time to time; Non-SDN Menu Based Sanctions List, U.S. Department of the Treasury, OFAC, as updated from time to time.
European Union		
On 25 February 2023, the European Union adopted the tenth package of sanctions against the Russian Federation. It includes additional financial sanctions on 87 individuals and 34 entities, including banks.	25 February 2023	Official Journal of the European Union L 59 I, 25 February 2023.

Methodology for the inventory presented in Annex 4 — Coverage, Definitions and Sources

Reporting period. The reporting period of the present document is from 16 October 2022 to 15 May 2023. A measure not specific to FDI adopted in relation to the Russian Federation and Belarus in the context of the war in Ukraine and measures taken by the Russian Federation in this context is counted as falling within the reporting period if new policies were adopted or entered into force during the period.

Investment. For the purpose of the inventory presented in Annex 4, international investment is understood to include all international capital movements; however, measures specifically concerning foreign direct investment are not reported in this Annex, but rather in Annex 3 of the present document.

Investment measure. For the purposes of this Annex 4, investment measures consist of any action that either (i) imposes or removes differential treatment of foreign or non-resident investors compared to the treatment of domestic investors in like situations; or (ii) imposes or removes restrictions on international capital movements.

Reporting on international capital movements has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD.

Sources of information and verification. The sources of the information presented in this report are:

- official government websites and sources on national sanctions' regimes;
- information contained in other international organisations' reports or otherwise made available to the OECD Secretariat;

- other publicly available sources: specialised web sites, press clippings etc.

Investment measures included in this report have been verified by the respective G20 members.

Annex 5: G20 members' International Investment Agreements[21]

	BITs			Other IIAs			Total IIAs as of 15 May 2023
	Concluded between 16 October 2022 and 15 May 2023	Effectively terminated between 16 October 2022 and 15 May 2023	As of 15 May 2023	Concluded between 16 October 2022 and 15 May 2023	Effectively terminated between 16 October 2022 and 15 May 2023	As of 15 May 2023	
Argentina			54			19	73
Australia			15			25	40
Brazil			27			20	47
Canada			39			21	60
China			124			25	149
France			91			73	164
Germany			120			73	193
India			10			16	26
Indonesia			43			21	64
Italy			67			73	140
Japan			36			22	58
Republic of Korea		1	88			26	114
Mexico			32			16	48
Russian Federation			80			6	86
Saudi Arabia			25			13	38
South Africa			38			11	49
Türkiye		1	116	1		23	139
United Kingdom			96			31	127
United States			45			69	114
European Union			0			73	73

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[21] The number of IIAs may be subject to revision as a result of retroactive adjustments to UNCTAD's database on BITs and "other IIAs" (https://investmentpolicy.unctad.org/international-investment-agreements).