

Implementation and monitoring

General Council	58
Trade in goods	62
Market access	64
Agriculture	66
Sanitary and phytosanitary measures	69
Technical barriers to trade	72
Subsidies and countervailing measures	75
Anti-dumping practices	76
Customs valuation	78
Rules of origin	79
Import licensing	81
Safeguards	82
Trade-related investment measures	83
Information Technology Agreement	84
State trading enterprises	85
Trade in civil aircraft	85
Trade facilitation	86
Trade in services	88
Trade-related aspects of intellectual property rights (TRIPS)	90
Trade and environment	93
Spotlight: High-level event on trade and environment	96
Trade and transfer of technology	98
Regional trade agreements	99
Trade policy reviews	102
Trade Policy Reviews in 2018	104
Trade monitoring reports	106
Trade, debt and finance	108
Government Procurement Agreement	110
Trade and women's empowerment	113

Background on implementation and monitoring

Various WTO councils and committees seek to ensure that WTO agreements are being properly implemented. All WTO members undergo periodic scrutiny of their trade policies and practices.

5



General Council

- **The 12th WTO Ministerial Conference will take place in Nur-Sultan, Kazakhstan, on 8-11 June 2020.**
- **The General Council held substantive debates on trade tensions. Forty-one members issued a statement calling on WTO members to refrain from protectionist measures.**
- **The Council discussed the long-standing moratorium on customs duties on electronic transmissions and ways to reinvigorate the work programme on e-commerce.**

Background on the General Council

The General Council is entrusted with carrying out the functions of the WTO and taking actions necessary to this effect between ministerial conferences in addition to carrying out the specific tasks assigned to it by the Agreement establishing the WTO.

12th Ministerial Conference

The General Council agreed that the 12th WTO Ministerial Conference will take place in Nur-Sultan, Kazakhstan, on 8-11 June 2020. Thanking the Kazakhstan Government for its invitation, DG Azevêdo said: "Coming from one of the newest WTO members, this is powerful."

The date was agreed on the understanding that the 2019 deadline set in the 11th Ministerial Conference decision on fisheries subsidies (see page 45) is upheld and that the 2019 dates relating to the two moratoria on electronic commerce (see page 88) and on Trade-related Aspects of Intellectual Property Rights (TRIPS) non-violation and situation complaints (see page 92) are also maintained.

Kazakhstan, which joined the WTO in 2015, will be the first country in Central Asia to host the event. The 11th Ministerial Conference took place in Buenos Aires in December 2017.

Trade tensions

Substantive debates took place in the General Council on trade tensions. In March and May, WTO members commented on issues raised by China on possible trade-restrictive measures by the United States and on US investigations under Section 232 of the 1962 Trade Expansion Act into the effects of imports of steel and aluminium products on US national security (see page 62).

WTO members also commented on US measures on steel and aluminium products (see page 82) as well as investigations and measures concerning China's trade practices relating to intellectual property, technology transfer and innovation under Section 301 of the US Trade Act of 1974.

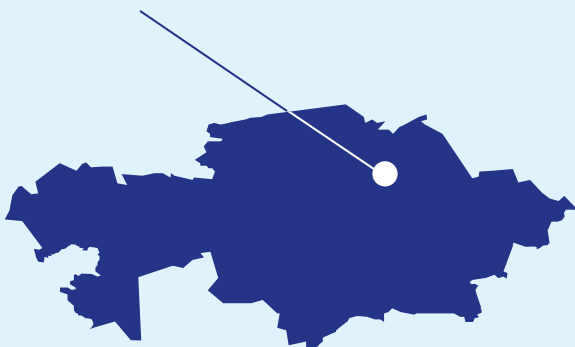
Forty-one members issued a statement on 8 May expressing concerns over rising trade tensions and risks of protectionism. The statement calls on governments to resolve their differences through dialogue and cooperation, including through

General Council agrees that the 12th WTO Ministerial Conference will take place in Nur-Sultan, Kazakhstan



**8-11 June
2020**

**1st
host in
Central Asia**





The General Council was chaired by Junichi Ihara in 2018.

the WTO. The co-sponsors of the statement, which included both developed and developing countries, said a well-functioning, rules-based multilateral trading system embodied in the WTO is of “key importance”. They encouraged WTO members to “refrain from taking protectionist measures and to avoid risks of escalation”.

In July, the Council debated an issue introduced by the United States regarding its “Views on China’s Trade-Disruptive Economic Model and Implications for the WTO”. China replied that it has been a strong advocate for free trade and has “comprehensively fulfilled its commitments to the WTO”.

Appellate Body

At its meeting on 12 December, the General Council agreed to launch an informal process to overcome an impasse in the selection of Appellate Body members (see page 124). The Appellate Body consists of seven persons but currently WTO members remain divided on the selection process to appoint replacements for four of the seven members of the Appellate Body whose term in office has expired.

General Council Chair Ambassador Junichi Ihara (Japan) said in January 2019 that he had appointed Ambassador David Walker of New Zealand as facilitator to assist him in working with WTO members to resolve differences on the functioning of the Appellate Body.

Implementation of Bali, Nairobi and Buenos Aires outcomes

The General Council regularly reviewed progress in the implementation of decisions that ministers took at the 9th, 10th and 11th ministerial conferences in Bali, Nairobi and Buenos Aires respectively.

The Chair reported on the implementation of the Nairobi Decision on Export Competition (see page 67), including steps taken by WTO members with scheduled export subsidy reduction commitments to eliminate their entitlements. Regular reports and discussions also took place on efforts to implement the decisions benefiting least-developed countries (LDCs), such as those on preferential rules of origin (see page 79), on the implementation of the services waiver (see page 88) and on duty-free and quota-free market access (see page 130).

Work programme on electronic commerce

In April 2018, the Chair held consultations on how to implement the Buenos Aires ministerial instruction to reinvigorate the work programme on electronic commerce. The Chair encouraged delegations to share ideas and papers and advance the conversation on e-commerce. The chairs of the Council for Trade in Services, the Council for Trade in Goods, the TRIPS Council and the Committee on Trade and Development reported on work in their respective areas. China made a video presentation on a two-week e-commerce workshop it had organized.

The General Council also considered a submission from India and South Africa calling for a rethink of the moratorium on customs duties on electronic transmissions. The moratorium, which has been in place since 1998, has been regularly extended at ministerial conferences.

The Chair convened an informal open-ended meeting on the issue in late November. The suggested topics for discussion included: the scope and definition of electronic transmissions; revenue implications of the moratorium; the technical feasibility of imposing customs duties on electronic transmissions; and the broader impact of the moratorium on trade and industrialization. The members recognized the need for more analysis and information on the issues raised.

The Chair welcomed discussion on the moratorium as a good step towards reinvigorating the work programme. He hoped that discussions could continue in a transparent and inclusive manner, keeping in mind the ministerial deadline for a decision on the moratorium by the end of 2019.

LDC proposal on subsidies and countervailing measures

Chad presented a proposal on behalf of LDCs that countries graduating from LDC status (see page 132) should continue to be exempt from a prohibition on export subsidies under the Subsidies and Countervailing Measures Agreement for as long as their per capita gross national product (GNP) remains below US\$ 1,000 in constant 1990 dollars.

Other reports

The General Council considered the regular reports on the work programme on small economies, the development assistance aspects of cotton, the TRIPS Council's annual review of the special compulsory licensing system (see page 90) and the new biennial work programme on Aid for Trade (see page 135).

Waivers under Article IX of the WTO Agreement

The General Council considered and granted four waivers from obligations under the WTO Agreement, as set out in Table 1.

It also reviewed the following multi-year waivers:

- LDC members – Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with respect to pharmaceutical products, granted on 30 November 2015 until 1 January 2033
- Preferential treatment for LDCs, granted on 27 May 2009 until 30 June 2019
- Preferential treatment in favour of services and service suppliers of LDCs, granted on 17 December 2011 until 31 December 2030

- Canada – CARIBCAN, granted on 28 July 2015 until 31 December 2023
- United States – Caribbean Basin Economic Recovery Act, granted on 5 May 2015 until 31 December 2019
- Cuba – Article XV:6 – Extension of waiver, granted on 7 December 2016 until 31 December 2021
- European Union – Application of autonomous preferential treatment to the Western Balkans, granted on 7 December 2016 until 31 December 2021
- United States – African Growth and Opportunity Act, granted on 30 November 2015 until 30 September 2025
- United States – Former Trust Territory of the Pacific Islands, granted on 7 December 2016 until 31 December 2026
- United States – Trade preferences granted to Nepal, granted on 7 December 2016 until 31 December 2025.

Other issues

As part of its overall oversight function, the General Council conducted a year-end review of WTO activities on the basis of annual reports from all its subsidiary bodies.

The Council also considered a report from the Joint Advisory Group of the International Trade Centre (ITC), which is the policymaking body of the ITC, the trade promotion agency for developing countries jointly sponsored by the WTO and the United Nations Conference on Trade and Development (UNCTAD).

Substantive debates took place in the General Council on trade tensions.



Table 1: Waivers under Article IX (decision-making) of the WTO Agreement

In 2018, the General Council granted the following waivers from obligations under the WTO agreements.

Member	Type	Date of adoption	Expiry date	Decision
Australia; Botswana; Brazil; Cambodia; Canada; European Union; Guyana; India; Japan; Kazakhstan; Republic of Korea; Malaysia; Mauritius; Montenegro; Namibia; Norway; Panama; Russian Federation; Sierra Leone; Singapore; South Africa; Sri Lanka; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; Turkey; Ukraine; and United States	Kimberly Process Certification Scheme for Rough Diamonds – Extension of Waiver	26 July 2018	31 December 2024	WT/L/1039
China	Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions	12 December 2018	31 December 2019	WT/L/1048
Argentina; Brazil; China; Dominican Republic; European Union; Malaysia; Philippines; and Thailand	Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions	12 December 2018	31 December 2019	WT/L/1049
Argentina; Australia; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; El Salvador; European Union; Guatemala; Honduras; Hong Kong, China; India; Israel; Kazakhstan; Republic of Korea; Macao, China; Malaysia; Mexico; New Zealand; Norway; Pakistan; Philippines; Russian Federation; Singapore; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; and United States	Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions	12 December 2018	31 December 2019	WT/L/1050
Argentina; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; El Salvador; European Union; Guatemala; Honduras; Hong Kong, China; India; Israel; Kazakhstan; Republic of Korea; Macao, China; Montenegro; New Zealand; Norway; Pakistan; Paraguay; Philippines; Russian Federation; Switzerland; Thailand; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; United States; and Uruguay.	Introduction of Harmonized System 2017 Changes into WTO Schedules of Tariff Concessions	12 December 2018	31 December 2019	WT/L/1051

Trade in goods

- An increased number of trade concerns were brought to the Council for Trade in Goods, including 21 new concerns.
- Several WTO members submitted a comprehensive proposal to enhance transparency and strengthen notification requirements.

Background on trade in goods

The Council for Trade in Goods is responsible for the workings of WTO agreements on trade in goods. It consists of the full WTO membership and reports to the WTO General Council. The Goods Council has 12 subsidiary committees dealing with specific subjects, such as agriculture, market access, subsidies, technical barriers to trade, sanitary and phytosanitary measures, import licensing, customs valuation, and the new WTO Committee on Trade Facilitation. These committees also comprise all WTO members.

Working parties on state trading enterprises and the Information Technology Agreement also report to the Goods Council.

WTO members raised 21 new trade concerns in 2018, up from 12 the previous year (see Table 2).

Twelve WTO members – Argentina, Australia, Brazil, Canada, China, Japan, Mexico, New Zealand, Chinese Taipei, Thailand, the United States and Uruguay – raised the issue of the EU's renegotiation of tariff-rate quota commitments in response to the United Kingdom's decision to leave the EU, particularly regarding reduction of market access, the large number of agricultural products included, and the use of an uncertified schedule of commitments as the basis for the modifications.

Some WTO members expressed their concerns over possible extra duties by the United States on the import of automobiles, including cars, SUVs, vans, light trucks and automotive parts, on national security grounds. Over 40 members warned of the serious disruption to world markets that may arise given the weight of these products in global trade.

WTO members expressed clear support for the preservation of the rules-based multilateral trading system and encouraged the membership not to engage in a trade war but instead to use existing WTO mechanisms for dealing with unfair trade practices.

WTO members also addressed previous trade concerns brought to the Council. These included Indonesia's import and export policies, India's quantitative restrictions on imports of mungo beans and certain pulses, India's customs duties on ICT products, US measures related to imports of fish and seafood products, Russia's trade-restricting practices, Egypt's manufacturer registration system, China's customs duties on certain integrated circuits, and an import levy set by WTO members of the African Union to fund the group's operational and program budgets and peace fund.

Table 2: New trade concerns raised in the Council for Trade in Goods in 2018

Mexico's customs processing fee
Viet Nam's decree on the regulation of conditions for automobile manufacturing, assembling, importing and maintenance services
China's new export control law
Mongolia's quantitative restrictions on certain agricultural products
China's measures restricting imports of scrap materials
EU directive on renewable energy
US safeguard measures against imported crystalline silicon photovoltaic cells and residential washers
Section 301 of the US Trade Act
US certification of aviation security equipment
EU registration as geographical indications (GIs) of "Danbo" and "Havarti" to market cheeses
Selective tax on certain imported products imposed by Saudi Arabia, the United Arab Emirates and Bahrain
Haiti's application of higher duties than the bound level and ban on the overland export of 23 products from the Dominican Republic
Measures by India and Pakistan on sugar exports
US proposal on communication equipment or services released by the Federal Communications Commission
EU enlargement to include Croatia
US export restrictions on certain enterprises of China
EU draft implementing regulations regarding protected designations of origin and GIs, traditional terms, labelling and presentation of certain wine products
Australia's discriminatory market access prohibition on 5G equipment
EU renegotiation of tariff-rate quota commitments in response to Brexit (see below)
US 232 investigations and measures on imports of steel and aluminium
India's quantitative restrictions on imports of certain pulses



Transparency

At the November meeting, following the submission of a revised US proposal on transparency, several WTO members submitted a comprehensive proposal to enhance transparency and strengthen notification requirements. All 38 members that intervened at the meeting highlighted transparency as a fundamental pillar of the multilateral trading system.

However, some WTO members noted that the difficulties of developing countries should be taken into account while others expressed concerns about the administrative sanctions contained in the proposal. Members also highlighted the important role of the annual report on members' notifications prepared by the WTO Secretariat.

E-commerce

The Council continued discussing e-commerce in response to the call from the 11th Ministerial Conference to reinvigorate the WTO's work in this area.

Waiver requests

The Council approved a request for a six-year extension to the waiver concerning the Kimberley Process Certification Scheme for Rough Diamonds, which aims to break the link between armed conflict, illicit trade and rough diamonds. It would have expired at the end of 2018.

As a follow-up to Jordan's request for a waiver and its commitment to phase out its export subsidy programme, the Council took note of Jordan's update on progress and its reiterated commitment to terminate the programme by the end of 2018.



5

Measures on imports of steel and aluminium were among the new trade concerns raised by WTO members.



Market access

- **WTO members raised 16 trade concerns at the Committee.**
- **The Committee made good progress in updating members' schedules of commitments to reflect the latest tariff classifications of the World Customs Organization.**
- **The Committee received 26 notifications of quantitative restrictions, more than twice the number of 2017.**

Background on market access

The Committee on Market Access supervises the implementation of tariff and non-tariff measures not covered by any other WTO body. In addition, it seeks to ensure that WTO members' schedules of commitments are up to date, including changes required to reflect amendments to the Harmonized System (HS). Without this technical work, it would be difficult to compare members' tariff obligations with the tariffs they apply in practice. The HS allows countries to classify traded goods on a common basis.

Trade concerns

WTO members raised 16 trade concerns related to issues such as internal taxation, applied tariffs, procedures to modify schedules of commitments and the introduction of prohibitions and restrictions.

On internal taxation, the European Union questioned Angola's consumption tax, which it said discriminated against imports. The EU and Switzerland again expressed concern that the Kingdom of Saudi Arabia's excise tax on imports of energy drinks and carbonated soft drinks is less favourable than the one applied to domestic products. The EU, the United States and Switzerland considered that the Kingdom of Bahrain, the Kingdom of Saudi Arabia and the United Arab Emirates are applying a discriminatory selective tax on certain imported products.

On tariff treatment, the EU, Japan, Chinese Taipei and the US considered that China's tariffs on certain integrated circuits exceed its bound duties. Canada, China, the EU, Japan, Norway, Chinese Taipei and the US considered that India is applying customs duties on telecommunications and other products in excess of its bound duties. The EU and Switzerland raised Oman's most-favoured nation duties on cigarettes.

On the procedures to change schedules of commitments, the Dominican Republic expressed concern over the modification of Haiti's schedule under Article XXVIII of the General Agreement on Tariffs and Trade (GATT). Russia raised the non-recognition of rights in the context of the enlargement of the EU to include Croatia. Russia also expressed concern over the renegotiation of the EU's tariff rate quotas to take account of the United Kingdom's decision to leave the EU as well as the establishment of a separate schedule for the United Kingdom. On 24 July, WTO members received the United Kingdom's draft schedule setting out its market access commitments for goods once the United Kingdom leaves the European Union.

WTO members raised several concerns about restrictions and prohibitions. Australia, Canada, the EU and the US questioned India's quantitative restrictions on certain pulses. China considered that Australia is applying discriminatory market access prohibitions on 5G equipment and that the US Federal Communications Commission is considering a prohibitive proposal on communications equipment or services. Russia raised Croatia's regulation on the import and sale of certain oil products. The EU raised Russia's quantitative restrictions on birch logs.

Harmonized System

The Committee continued its work to ensure that WTO members' schedules of commitments reflect the latest amendments introduced by the World Customs Organization to the Harmonized System (HS) nomenclature.

The amendments are typically referred to by the year in which they enter into force and include HS96, HS2002, HS2007, HS2012 and HS2017. The "transposition" work at the WTO seeks to ensure that WTO members' schedules are up to date and that their tariff obligations are transparent, thereby allowing a comparison of a member's applied tariff regime with its WTO obligations.

The HS96, HS2002 and HS2007 exercises have been nearly concluded for all members and the Committee continued making good progress on the HS2012 transposition, where the procedures have been concluded for 87 WTO members.

The WTO Secretariat issued an update of its "Situation of Schedules of WTO Members", which lists all the legal instruments relating to each member's schedule of commitments. It also prepared an updated report on renegotiations under GATT Article XXVIII on the modification of members' schedules, which seeks to enhance transparency and facilitate monitoring of the status of such negotiations.



Databases

The WTO Secretariat reported on the Integrated Data Base (IDB), which provides information on applied tariffs and import data as notified by WTO members, and the Consolidated Tariff Schedules (CTS) database, which compiles information on the legal obligations reflected in members' schedules of commitments.

IDB data coverage has significantly improved in recent years but important gaps remain. Since the decision by the General Council to establish the IDB dates back more than 20 years, the Committee agreed to launch informal discussions on possible ways to improve it.

Quantitative restrictions

The Committee received 26 notifications of quantitative restrictions – prohibitions and other restrictions that do not take the form of a tariff or a tax, which are allowed in some circumstances – from 22 WTO members, more than twice the number received in 2017. WTO members are obliged to provide detailed information on the prohibitions and restrictions they maintain, including their justification under WTO rules. In April 2018, the Committee held a capacity-building workshop on the notification of quantitative restrictions.

Customs duties on telecoms products were among the issues raised by WTO members.



5



Agriculture

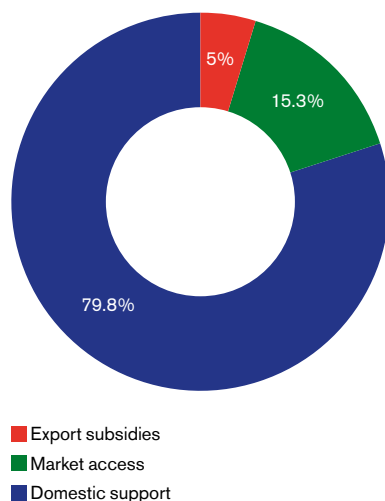
- The Committee continued to express concern over WTO members' slow pace of notifications of trade measures.
- Members raised 242 questions about 104 notifications.
- For the first time, counter-notifications were submitted – notifications a member considers ought to have been made by another.
- By the end of 2018, eight members (out of 16) had eliminated their export subsidy entitlements under the Nairobi decision.
- The WTO Secretariat organized a workshop on notification requirements and a symposium on the agriculture landscape.

Background on agriculture

The Agreement on Agriculture aims to reform trade and make WTO members' policies more market-oriented. The rules and commitments apply to market access, domestic support and export competition as well as export restrictions and prohibitions. The Committee on Agriculture oversees the implementation of the Agreement. The Committee also monitors follow-up to the Marrakesh ministerial decision regarding net food-importing developing countries, which sets out objectives on the provision of food aid and other assistance.

The Committee on Agriculture reviewed 104 notifications of WTO members' agricultural trade measures, more than double the previous year's 45, and members raised 242 questions (199 in 2017). The majority of these questions (around 80 per cent) concerned members' notified domestic support (subsidy) measures, including notifications by Egypt, India, the European Union and the United States. Figure 1 gives a snapshot of the questions on notifications by subject area.

.....
Figure 1: Questions on notifications raised in the Committee on Agriculture in 2018, by subject area



Twenty-eight questions were raised concerning a lack of notifications from China, Egypt, Ghana, India, Indonesia, Kenya, the Republic of Korea, Malaysia, Mauritius, Morocco, Nigeria, Pakistan, Tanzania, Thailand, Turkey and Ukraine.

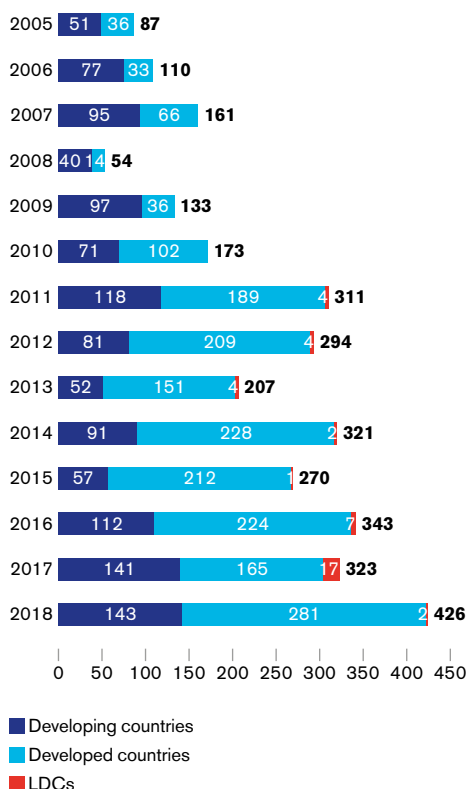
For the first time, three counter-notifications were submitted under a rule allowing a member to bring to the Committee's attention any measures it considers ought to have been notified by another member. The United States and Australia submitted counter notifications on market price support measures adopted by India regarding rice, wheat, cotton and sugarcane.

The review of WTO members' progress in implementing their subsidy and market access commitments is largely based on notified information. Article 18.6 of the Agreement on Agriculture allows members to raise other matters relevant to the implementation of commitments at any time. In 2018, 13 members posed 189 questions concerning 54 measures or policies, the highest number in one year.

Figure 2 shows the proportion of questions addressed to developed and developing countries. Out of the 426 questions raised in 2018 (including questions on individual notifications and under Article 18.6), 145 were directed to developing countries. Developing countries continued to be less active than developed countries in posing questions, asking 20 per cent of the questions raised in 2018.



Figure 2: Questions addressed to developed and developing countries, 2005-18



WTO members voiced specific concerns about compliance with annual notification obligations, particularly in domestic support and export subsidies. For the period 1995-2016, 35 per cent of domestic support notifications (798 notifications) and 32 per cent of export subsidies notifications (838 notifications) remained outstanding as of 15 November 2018.

Departing Committee Chair Mr Alf Vederhus (Norway) and the incoming Chair Ms Débora Cumes (Guatemala) both called for increased efforts by members to get up to date with notification obligations. Figure 3 shows the number of annual agriculture notifications submitted to the Committee compared with the total number of years covered by those notifications.

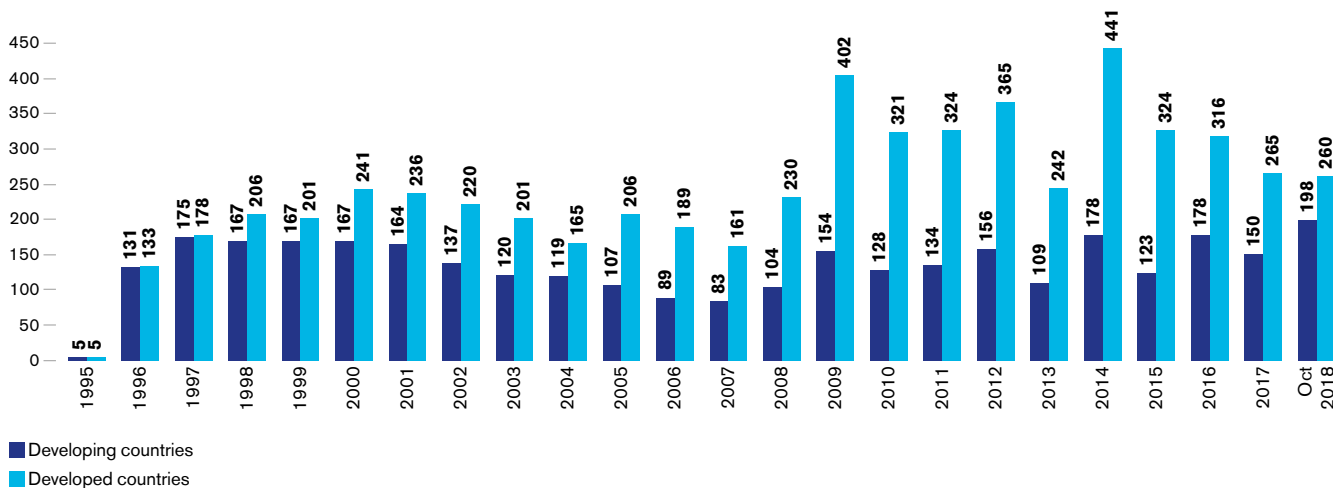
Export competition

Progress was made in 2018 in the implementation of the 2015 Nairobi ministerial decision to eliminate export subsidies and to set disciplines on export measures with equivalent effect.

At the end of 2018, half of the 16 WTO members with export subsidies reduction entitlements at the time of the adoption of the decision in 2015 had amended their schedules of commitments and two had circulated draft revised schedules to members for their consideration. Those who have amended their schedules are Australia, Colombia, Israel, Norway, South Africa, Switzerland, the United States and Uruguay.

In June, the Committee held its annual dedicated discussion on export competition, which aims to enhance transparency and improve monitoring. Export competition covers export subsidies, export credits, export credit guarantees or insurance programmes, international food aid and agricultural exporting state trading enterprises (see page 40).

Figure 3: Number of regular notifications and total years reported (1995 to November 2018)





The discussions were based on a WTO Secretariat background document compiling information provided by WTO members on their export competition policies. The Cairns Group of farm goods exporters circulated a paper considering the alignment of members' reported policies with the disciplines agreed in the Nairobi decision.

WTO members adopted by consensus the report of the first triennial review of the decision. The report, adopted in June, noted that several members consider the Nairobi outcome on export competition "unfinished business" and support enhancing disciplines in other areas of export competition.

Other ministerial decisions

Members continued their review of the Bali ministerial decision on tariff rate quotas (TRQs). Exchanges focused on addressing the causes of chronic TRQ underfill and how to share best practices to improve the efficiency and quality of notifications. Duties inside a quota are usually lower, often significantly lower, than those applied outside the quota. Unfilled quotas mean that exporters miss out.

Ministers declared in Bali that WTO members should notify the Committee of the extent to which their TRQs are being filled. Chair Ms Débora Cumes reminded members of the end-December 2019 deadline, when the General Council must finalize its recommendations on the review.

Information exchange

The WTO organized a two-day symposium on trends in global agriculture. Participants exchanged ideas on four themes: the economic significance of agricultural trade; evolving trading patterns in agricultural products; products, prices and market participation; and the agricultural trade policy landscape. Speakers noted that the landscape has dramatically evolved and developing countries are playing an increasingly important role in world markets.

The UN Food and Agriculture Organization (FAO) presented "The State of Agricultural Commodity Markets 2018: Agricultural Trade, Climate Change and Food Security", which shows how trade policies can ensure food security and the impact of climate change.

Notification workshops

The annual agriculture notification workshop provided training to 25 capital-based officials from developing countries. It covered notification requirements and information on the Agreement on Agriculture and the work of the Committee. Participants were introduced to the new online notifications system, which will improve the efficiency of processing information and the consistency of data reported. In addition, the system captures the data in a searchable format.

Transparency tools

The Committee's work on monitoring and transparency benefits from the Agriculture Information Management System. This system provides public access to agriculture-related information notified by WTO members and to questions and responses in the Committee's review process. It is expected that, as of 2019, WTO members will be able to submit their agriculture notifications via this system, which will make the information immediately available for public consultation.

Sanitary and phytosanitary measures

- **The Committee initiated a new review of the working of the SPS Agreement, which seeks to strike a balance between the right of WTO members to protect health and the need to allow the smooth flow of goods across international borders.**
- **WTO members submitted 13 specific proposals for discussion in the review, including adaptation of SPS measures to regional conditions, transparency and national coordination among SPS agencies.**
- **WTO members' notifications of SPS measures, which facilitate transparency, rose to 1,631 from 1,480 in 2017, with developing countries accounting for a record 72 per cent.**

Background on sanitary and phytosanitary measures

The Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures establishes the rights and obligations of WTO members regarding measures taken to ensure food safety, protect human health from plant or animal-spread diseases, protect plant and animal health from pests and diseases, or prevent other damage from pests. Governments must ensure that their SPS measures are necessary for health protection and based on scientific principles.

Launch of the fifth review

In 2018, the Sanitary and Phytosanitary (SPS) Committee launched the fifth review of the operation and implementation of the SPS Agreement. WTO members have the opportunity to identify issues to be addressed in the review and to submit specific proposals. The report of the previous review was adopted in 2017. The fifth review is scheduled to conclude in March 2020. The SPS Agreement requires the Committee to carry out a review at least once every four years.

The Committee adopted the "Catalogue of Instruments" available to WTO members to manage SPS issues. Members may use the catalogue if they seek information or wish to initiate consultations in order to resolve trade frictions on food safety, animal and plant health issues.

Thematic areas of work

Under the review, 13 proposals were submitted by 29 WTO members, covering a wide array of topics. These included: recognition of equivalence of other countries' SPS measures so long as an equivalent level of protection is provided; adaptation of SPS measures to regional conditions, including pest or disease-free areas; transparency and notifications under the SPS vs. the Technical Barriers to Trade (TBT) Agreement; national coordination among SPS agencies, and trade issues related to restrictions on the level of pesticides.

Other areas covered by the proposals were: the role of the three standard-setting bodies (Codex, the International Plant Protection Convention and the World Organisation for Animal Health) in addressing specific trade concerns; third-party assurance systems; risk assessment and appropriate levels of protection; and efforts to address fall armyworm infestation (an insect native to tropical and subtropical regions of the Americas, which in its larva stage can cause significant damage to crops).

The Committee held a thematic session on pest-free areas in February. The purpose was to provide an opportunity for WTO members to increase their awareness of International Plant Protection Convention standards on pest-free areas and to share experiences about the challenges and the benefits of implementing pest-free areas.

The SPS Agreement requires governments to recognize regions within or straddling other countries as being safe sources (disease or pest-free or with low incidence) for imports of food and animal and plant products. Exporting countries want to avoid import restrictions on products from their entire territories when outbreaks are confined to a region.

The European Union submitted a proposal on regionalization (pest and disease-free areas) which seeks to ensure that any further work of the SPS Committee on this topic would build on the ongoing work of the international standard-setting bodies and on WTO jurisprudence.

A workshop was held in July to explore ways to expedite and simplify border procedures while ensuring that traded products do not present food safety, animal or plant health risks. The workshop aimed at expanding WTO members' understanding of the relevant provisions and jurisprudence on SPS control, inspection and approval procedures, providing guidance from various standard-setting bodies and sharing regional and national experiences. The workshop finished with a roundtable in which representatives from various organizations discussed their trade facilitation capacity-building programmes.

As part of the fifth review, the Committee held in October the first of a two-part thematic session on equivalence. Discussions included the challenges of having a common definition of equivalence, the lack of consistency in wording across organizations, and the link between

recognition of disease-free areas and equivalence determinations. The second session in March 2019 focused on WTO members' experiences with the implementation of equivalence.

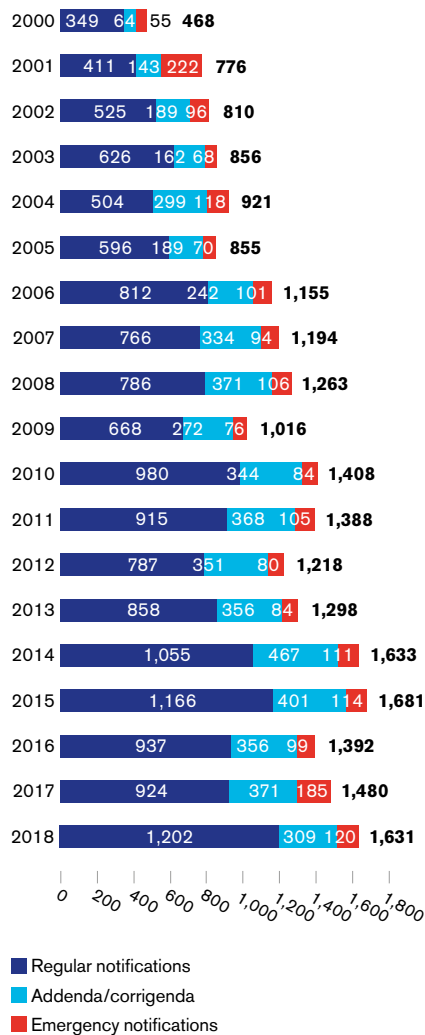
Monitoring international harmonization

The SPS Agreement encourages governments to establish national SPS measures consistent with international standards, guidelines and recommendations. This process is often referred to as "harmonization" and the SPS Committee has developed a procedure to monitor the process.

Three new issues were raised in March and July 2018. The United States drew members' attention to the Codex Committee on Food Additives (CCFA), where 1,200 food additive provisions were being blocked by certain Codex members, which it said hampered the CCFA's ability to establish international standards for food additives. Indonesia raised the question of risk management related to the global movement in plant seeds and called for an international standard on pest risk analysis. The other new issue raised concerned African swine fever restrictions not consistent with the OIE international standard.

At the October meeting, the Committee considered non-science factors in Codex standards and the use of Codex definitions for milk and milk products.

Figure 4: Number of SPS notifications per year, 2000-18



Import restrictions on fruit were among the trade concerns raised by WTO members.



Specific trade concerns

Many previously raised concerns continued to be discussed during 2018. These discussions offer members the chance to find solutions to trade concerns and avoid formal disputes. WTO members raised 13 new specific trade concerns (STCs) covering import restrictions on products ranging from poultry to pears, to policies on pesticides.

Two trade concerns were reported to have been resolved in 2018. One related to Mexico's measures on imports of hibiscus flowers and the other to China's import conditions related to phthalates (chemicals used in plastics) in spirits and wine. Of the 447 STCs considered by the SPS Committee since 1995, 200 have been reported as resolved or partially resolved.

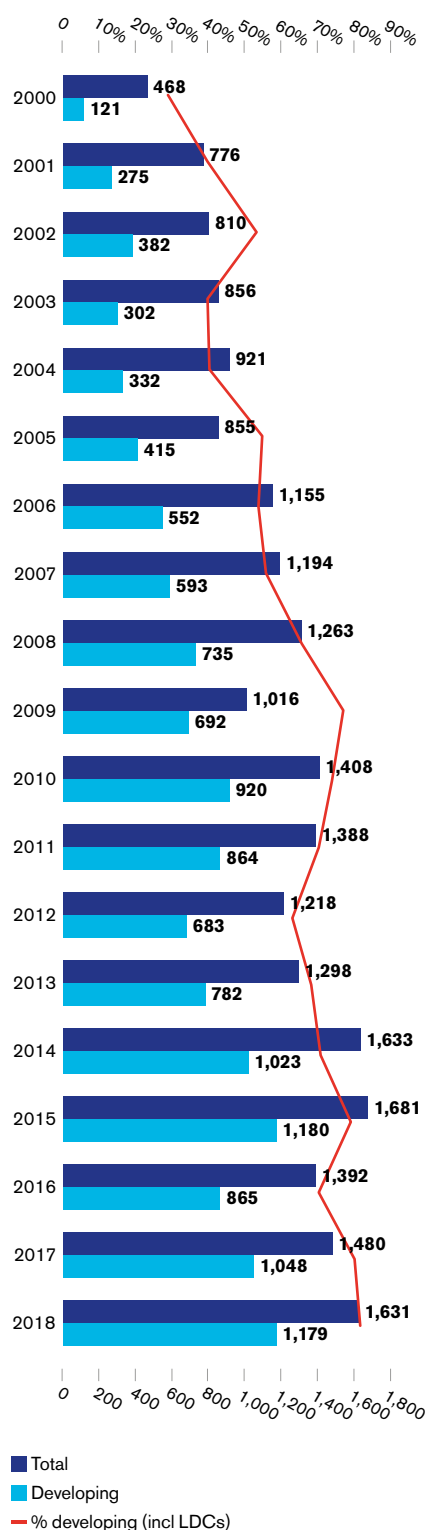
A discussion paper was presented in December which proposes to strengthen the procedures to raise and discuss STCs, to provide clear procedures for the involvement of third parties and mediators, to make these procedures available in all WTO bodies and to coordinate information on STCs, including special joint sessions with the TBT Committee for cross-cutting STCs.

Notifications

Notifications inform trading partners of looming changes in an importing member's requirements and – unless there is an urgent health protection issue – provide a period during which trading partners can comment on them before they enter into force. When there is an urgent health problem, members submit an emergency notification immediately upon the regulation's entry into force.

The Committee received 1,631 notifications of new or changed food safety, animal or plant health regulations affecting international trade. Of these, 1,202 were regular notifications (up from 924 in 2017) and 429 were emergency notifications (down from 485 in 2017) (see Figure 4). Developing countries accounted for a record 72 per cent of all SPS notifications, up from 70 per cent in 2017 (see Figure 5). Two members submitted notifications for the first time – Liberia and Montenegro.

Figure 5: Share of SPS notifications submitted by developing countries, 2000-18



Technical barriers to trade

- The Technical Barriers to Trade (TBT) Committee adopted a three-year work plan, including 40 recommendations in areas from transparency to labelling aimed at reducing obstacles to trade and improving implementation of the TBT Agreement.
- Members discussed 184 specific trade concerns, continuing the upward trend.
- The TBT Committee welcomed a new “best practice” guide for national TBT enquiry points.
- In 2018, WTO members continued to improve implementation of notification obligations – over 3,000 notifications of new or changed TBT measures were submitted by 86 members, both all-time highs – underlying their commitment to transparency.

Background on technical barriers to trade

The Technical Barriers to Trade (TBT) Agreement aims to ensure that regulations, standards, testing and certification procedures followed by WTO members do not create unnecessary obstacles to trade. The number of regulations adopted by WTO members has continued to grow in response to consumers’ demands for safe, high-quality products, the protection of health and the need to curb pollution and environmental degradation.

2019-2021 work plan

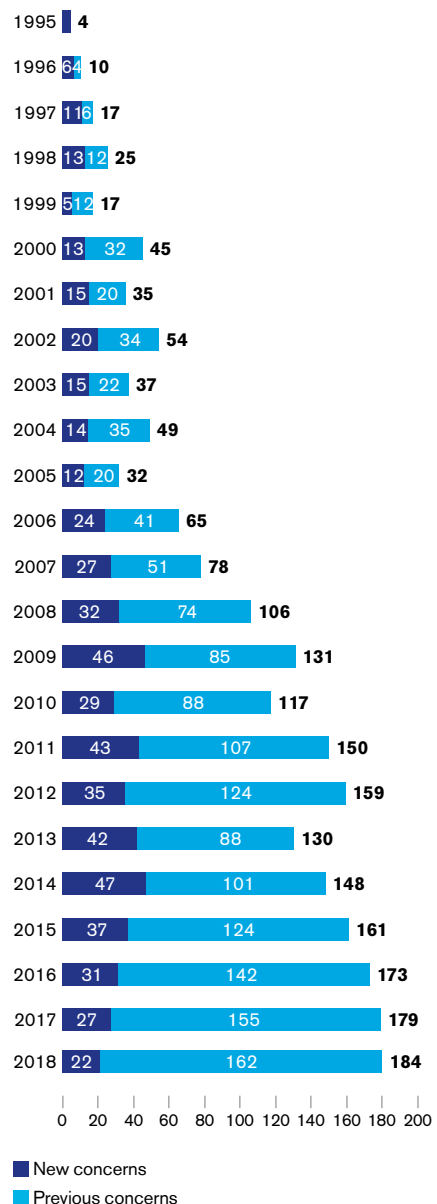
The TBT Committee concluded its 8th triennial review and adopted a new roadmap with 40 recommendations for work over the next three years. The work plan covers: conformity assessment procedures (testing, inspection and certification), transparency, standards, marking and labelling, technical assistance, good regulatory practice, and some adjustments to the way in which debates in the Committee are conducted.

The review was based on a large number of proposals from WTO members and discussions at nine informal meetings. Key transparency decisions include recommendations for members to notify final TBT regulations when adopted, to make it easier to access these regulations online and to improve access to national websites that make available all adopted final regulations.

Another important outcome was a mandate for the Committee to develop guidelines on the choice and design of appropriate and proportionate conformity assessment procedures. WTO rules allow members to assess whether products meet their consumer safety, health and environmental requirements. But these requirements must not restrict trade unnecessarily or discriminate against other members.

The “TBT Enquiry Point Guide – Making Transparency Work” was launched at the conclusion of the triennial review. The guide – which draws from a survey of members’ practices – compiles practical information on how enquiry points are performing. Each WTO member is obliged to establish an enquiry point to answer questions on its implementation of TBT transparency obligations. The new tool includes models for coordinating with domestic stakeholders and tips on how to complete TBT notifications.

Figure 6: Specific trade concerns raised in the TBT Committee, 1995 to 2018



Specific trade concerns (STCs)

The Committee discussed 184 specific trade concerns regarding draft or adopted TBT measures, more than in any year since 1995, including 22 new concerns (see Figure 6). Since 2014, the number of new concerns per year has fallen by 53 per cent while the number of previously raised concerns has increased by 60 per cent. Members see the Committee as an effective forum for raising trade issues and for seeking solutions.

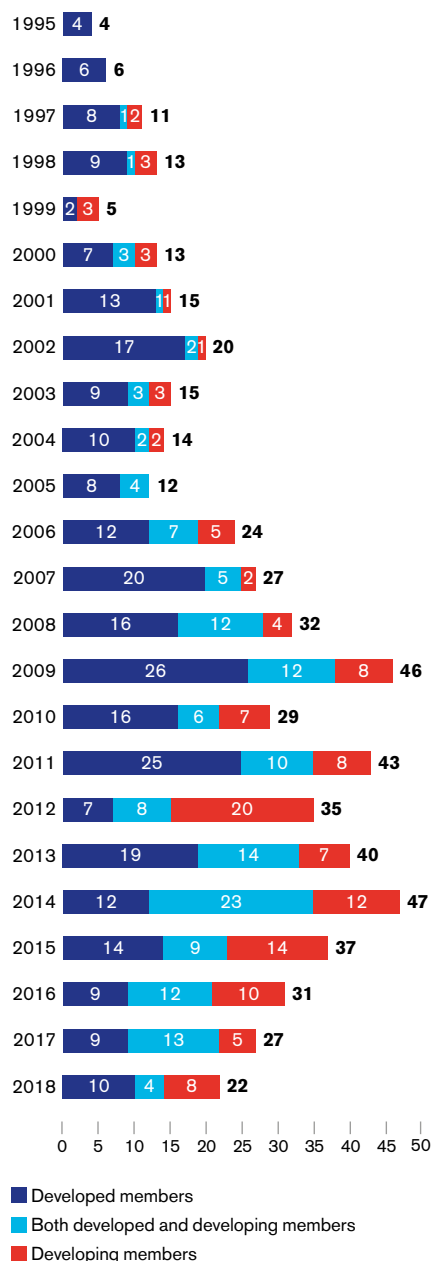
The new concerns covered a wide range of product regulations, including those dealing with: cybersecurity; information and communications technology products; environmental protection (e.g. on solid waste, use of biofuels, energy conservation); description and labelling of various products (e.g. milk, food, clothes, tobacco, alcohol); pharmaceuticals; chemical substances and mixtures; halal requirements for poultry parts and offal; hazardous substances in electronic and electrical devices; and cosmetic and hygiene products.

Thirteen of the 22 new concerns were raised by developing countries (five independently and eight in conjunction with developed countries – see Figure 7).

WTO members agreed to apply new procedures for raising specific trade concerns, on a trial basis, giving members more time to engage with each other and domestic stakeholders in advance of meetings.

New concerns covered a wide range of product regulations, including labelling.

Figure 7: New specific trade concerns raised by developed and developing countries, 1995 to 2018



Notifications

WTO members submitted a record 3,065 notifications of new (or changed) draft measures (see Figure 8), further evidence of transparency, compared with 2,587 in 2017.

A greater number of WTO members submitted notifications in 2018, with 86 members submitting at least one notification during the year. Members from Africa were some of the most active in 2018. Uganda submitted the most notifications of any member while Kenya, Rwanda, Tanzania and Egypt were among the top ten notifying members. Overall, notifications from African members increased almost sixfold between 2014 and 2018, jumping from 129 to 714.

Most notifications were submitted through the WTO's online portal, a system which enables the WTO Secretariat to publish notifications within two days of receipt. This portal also allows members to easily track the status of submitted notifications and facilitates the preparation of notifications via templates.

ePing

ePing (www.epingalert.com), the notification alert system for TBT and sanitary and phytosanitary (SPS) measures (see page 69), enables swift access to regulatory information and facilitates dialogue between the public and private sector in addressing potential trade problems. The WTO, the International Trade Centre (ITC) and the UN Department of Economic and Social Affairs have continued their collaboration in enhancing the system. Since its launch in November 2016, over 5,700 users from 169 countries have registered on ePing, almost double the number of users registered at the end of 2017.

Capacity building

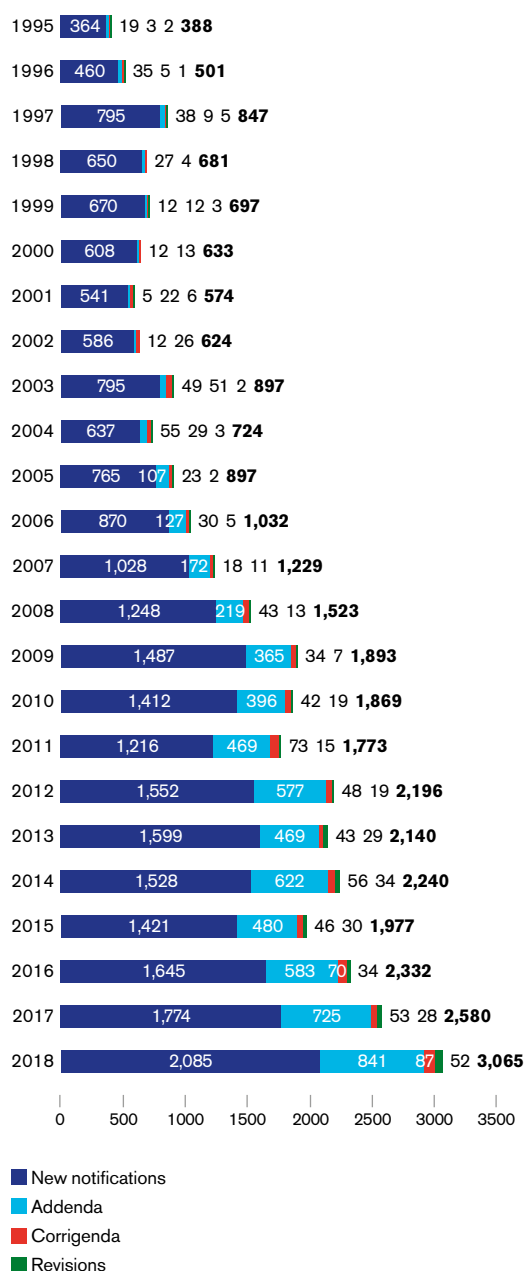
In 2018, a record number of 44 training activities were organized by the WTO Secretariat. These included one Geneva based course, four regional workshops and 15 national workshops. The activities were designed to help participants expand their understanding of the TBT Agreement, discuss implementation challenges and learn more about the work of the TBT Committee.

Regulatory cooperation

Chile organized a TBT Committee side event in March on international regulatory cooperation, the range of approaches and mechanisms used by countries to promote cooperation in the design, monitoring or enforcement of regulation. It aims at limiting costs arising from divergences in product regulations between countries while respecting differences in regulatory objectives.

The side event helped raise awareness of how international regulatory cooperation promotes effective implementation of the TBT Agreement. "More cooperation between countries can reduce trade costs without impinging on core aspects such as quality and safety," Deputy Director-General Alan Wolff told the event. Debates in the Committee "make it easier for members to find solutions to regulatory differences that are impeding trade". The Committee has "quite a good record of dispute avoidance", DDG Wolff added.

Figure 8: TBT notifications 1995 to 2018



Subsidies and countervailing measures

- The Committee reviewed WTO members' notifications of subsidies and countervailing duty legislation.
- The Committee chairs alerted members to “chronic” low compliance with notification obligation on subsidies.
- The Committee continued consideration of a US proposal on subsidy programmes not included in WTO members' notifications.

Background on subsidies and countervailing measures

The Subsidies and Countervailing Measures (SCM) Agreement regulates WTO members' use of subsidies and countervailing measures on subsidized imports of a product found to be injuring domestic producers of that product. The SCM Committee serves as a forum for members to discuss the implementation of the SCM Agreement and any matters arising from this.

In 2018, the Subsidies and Countervailing Measures (SCM) Committee reviewed WTO members' notifications of specific subsidies, notifications of countervailing duty legislation, semi-annual reports of countervailing actions and ad hoc notifications of preliminary and final countervailing measures taken.

At the spring meeting, Committee Chair Ms Ieva Baršauskaitė of Lithuania spoke of the “chronic” low compliance with the fundamental transparency obligation to notify subsidies, saying it constitutes a serious problem for the proper functioning of the SCM Agreement. Her successor, Luis Fernandez of Costa Rica, returned to the theme in the autumn.

The Committee continued the review of 2017 new and full subsidy notifications. It continued to discuss ways to improve the timeliness and completeness of notifications and other information flows on trade measures. The Committee again considered proposals by the United States on procedures for questions and answers for subsidy programmes not included in WTO members' notifications. It also discussed Australia's proposal regarding additional information to be included in a WTO Secretariat compendium on subsidy notifications.

Both chairs urged developing countries that had not yet made final notifications of the elimination of their export subsidy programmes to do so. Nineteen developing countries had been given a final two-year extension, to the end of 2015, for the elimination of such programmes, with final notifications of removal

due by end-June 2016. The Committee reviewed three such notifications in 2018, which left five notifications outstanding. The Committee agreed to continue to discuss this issue in 2019.

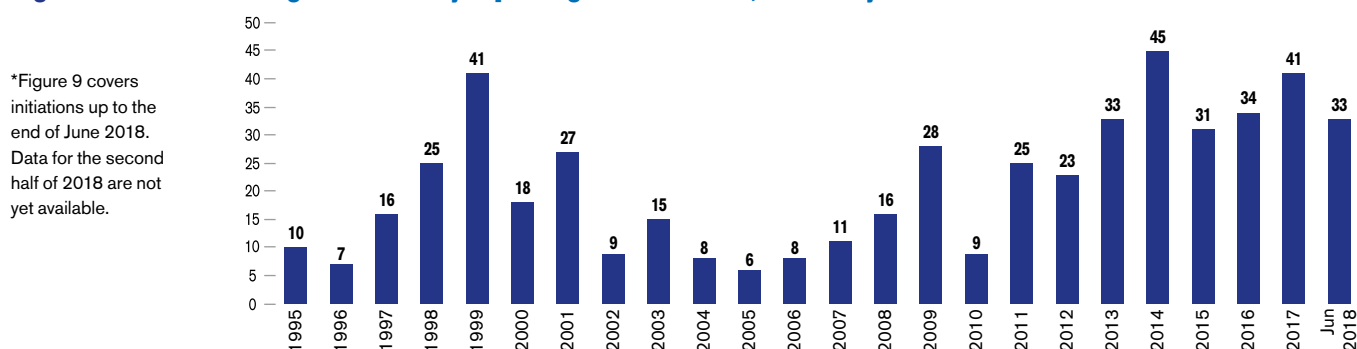
Least-developed countries and developing countries with a per capita gross national income below US\$ 1,000 a year, calculated in constant 1990 dollars, are exempt from the export subsidy prohibition. Based on World Bank calculations, nine WTO members, down from 12 the previous year, were still in the latter category in 2018.

The Committee reviewed notifications of countervailing initiations (see Figure 9). As of 30 June 2018, there were 173 notified measures (definitive duties and undertakings) in force, up from 154 the year before.

On fisheries subsidies, nine WTO members requested that the Committee discuss the decision taken by ministers at the 11th Ministerial Conference in December 2017 recommitting members to fulfil their existing transparency obligations in respect of fisheries subsidies.

The Committee considered requests for information from the European Union and the United States to China regarding potential steel subsidies. It returned to the issue of whether subsidies contribute to overcapacity in sectors such as steel and aluminium. Members continued to discuss the potential role the Committee could play. China said the Committee was not the proper forum to discuss the issue of overcapacity.

Figure 9: Countervailing initiations by reporting WTO member, 1 January 1995 to end-June 2018



*Figure 9 covers initiations up to the end of June 2018. Data for the second half of 2018 are not yet available.

Anti-dumping practices

- **WTO members initiated 122 new anti-dumping investigations from January to June 2018, down from 139 in the same period in 2017.**
- **India and the United States were the leading initiators, accounting for 40 per cent of the total.**
- **Investigations involving steel products continued to dominate discussions in the Committee on Anti-Dumping Practices.**

Background on antidumping practices

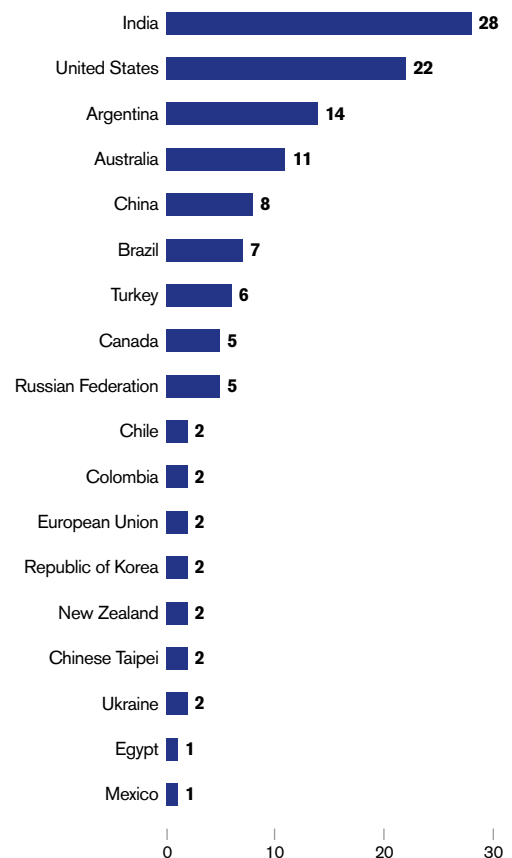
WTO members can apply anti-dumping measures on imports of a product where the exporting company exports the product at a price lower than the price it normally charges in its home market and the dumped imports cause or threaten to cause injury to the domestic industry. The Committee on Anti-Dumping Practices provides WTO members with the opportunity to discuss any matters relating to the Anti-Dumping Agreement.

In the first six months of 2018, India initiated 28 new anti-dumping investigations and the United States 22, down from 34 each in the same period of the previous year.

Other frequent users of anti-dumping investigations, including Australia, China, Canada, the European Union and the Republic of Korea, also initiated fewer investigations than in 2017. However, Argentina, Brazil, Chile, Egypt, New Zealand, Chinese Taipei and the Eurasian Economic Union initiated more investigations.

After India and the United States, the top initiators in 2018 were Argentina (14), Australia (11) and China (eight) (see Figure 10).

Figure 10: Anti-dumping investigations by reporting WTO member, 1 January 2018 to end-June 2018



*Figure 10 covers initiations up to the end of June 2018. Data for the second half of 2018 are not yet available.



Steel products accounted for a quarter of new investigations in the first half of 2018.

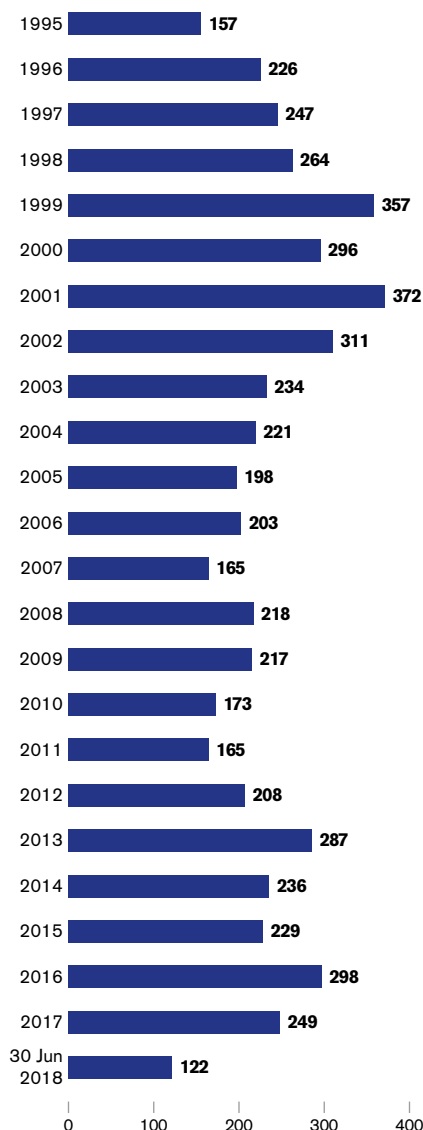


Investigations involving steel products continued to dominate discussions in the Committee on Anti-Dumping Practices. These products accounted for more than a quarter of all new investigations in the first six months of 2018. Several members asserted a link between overcapacity in the steel sector and high anti-dumping activity.

At its spring and autumn meetings, the Committee reviewed semi-annual reports for the second half of 2017 submitted by 42 WTO members and semi-annual reports for the first half of 2018 submitted by 39 members.

At the October meeting, Committee Chair Ms Karine Mahjoubi Erikstein of Norway noted that a “significant number” of WTO members failed to submit semi-annual reports for the first half of 2018.

Figure 11: Anti-dumping investigations by year, 1 January 1995 to end-June 2018



* Figure 11 covers initiations up to the end of June 2018. Data for the second half of 2018 are not yet available.

The Committee also reviewed ad hoc notifications of preliminary and final actions taken by 26 and 25 WTO members at the spring and autumn meetings, respectively. As of 30 June 2018, 45 members had notified the WTO of 1,854 anti-dumping measures (definitive duties and undertakings) in force, up from 1,675 the previous year.

The Committee reviewed new notifications of legislation submitted by Afghanistan, Australia, Brazil, Cambodia, Canada, China, the European Union, Liberia, Japan and Chinese Taipei.

The Working Group on Implementation, which serves as a forum for the exchange of information on WTO members' practices, held two meetings in 2018. Among the issues discussed were: the treatment of certain expenses in determining the “normal” value and the export price; methodologies to determine the likelihood of continuation or recurrence of dumping and injury in sunset reviews; and the institutional structure of investigating authorities. Some WTO members made presentations or provided papers describing their practices while others contributed to the discussions with questions or comments.

In addition, two meetings of the Informal Group on Anti-Circumvention were held in 2018. During those meetings, India and Canada presented their anti-circumvention proceedings and responded to questions posed and comments made by other WTO members.

Customs valuation

- **The Committee received no new notifications of national legislation; the overall record of notifications remains poor.**
- **Four specific trade concerns were raised.**
- **The Committee agreed to hold an experience-sharing workshop to assist least-developed countries in implementing the Customs Valuation Agreement.**

Background on customs valuation

The value of a good plays a critical role in the calculation of ad valorem duties, which are the most common type of duties applied. The WTO's Agreement on Customs Valuation seeks to establish a fair, uniform and neutral system for the valuation of goods for customs purposes, precluding the use of arbitrary or fictitious values. The Committee on Customs Valuation manages this Agreement as well as the Agreement on Pre-shipment Inspection.

The Committee on Customs Valuation continued reviewing implementation and administration of the Customs Valuation Agreement, which aims for a fair, uniform and neutral system for the valuation of goods for customs purposes. For importers, the process of estimating the value of a product at customs presents problems that can be just as serious as the actual duty rate charged.

No new notifications of national legislation were received. The low level of notifications continues to hamper the Committee's work. The total number of WTO members that had notified their national legislation remained at 98, or 72 per cent, and 66 members had provided responses to the checklist of issues related to their legislation, a compliance rate of 49 per cent.

The Chair of the Committee, Mr Yuichiro Okumura (Japan), wrote to a number of WTO members to encourage them to provide their responses to questions raised in the Committee, with some going back almost nine years.

Uruguay's long-standing proposal to amend the Committee's 30-year-old "Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment" to take account of software on newer types of media

carriers, such as USB keys, remained on the agenda, without reaching consensus.

Four specific trade concerns were raised. Three of them – Armenia's reference price system in connection with the valuation of goods; Pakistan's determination of customs values of paper; and Oman's customs valuation of cigarettes and introduction of a selective tax – remained on the agenda. One new concern was raised related to Tajikistan's alleged use of reference pricing in customs valuation.

The Committee held an information-sharing workshop in February 2019 to assist least-developed countries in addressing implementation challenges they face with the Customs Valuation Agreement.

Pre-shipment inspection

The key issues continued to be the status of notifications of pre-shipment measures and the concern of some WTO members that not all measures are being notified. In 2018, three members – Afghanistan, Angola and Brazil – notified the Committee that they have no laws or regulations related to the Pre-shipment Inspection Agreement.



Rules of origin

- **The Committee focused on the impact of non-preferential rules of origin on businesses and international trade and an examination of preferential rules of origin that apply to least-developed countries (LDCs).**
- **Some 23 per cent of members have yet to submit notifications of their practices relating to non-preferential rules of origin.**
- **Most members have submitted their preferential rules of origin for LDCs but many LDC exports do not receive the preferential treatment to which they are entitled.**

Background on rules of origin

Rules of origin are the criteria used to determine the country in which a product is made. They are used in the implementation of many trade measures, including trade preferences, customs duties, labelling of country of origin and the application of anti-dumping measures. The main objective of the Agreement on Rules of Origin is to harmonize the rules that all WTO members use to determine origin in their non-preferential trade. This work is conducted by the Committee on Rules of Origin. The Committee also reviews the implementation of the 2013 and 2015 ministerial decisions on preferential rules of origin for LDCs.

Non-preferential rules of origin

The Committee on Rules of Origin held two information sessions on the impact of non-preferential rules of origin on businesses and international trade. The first session reviewed the practice of WTO members in relation to the certification of origin. The second identified information gaps and transparency issues related to non-preferential rules of origin and origin procedures.

The sessions highlighted that the Committee can only perform efficiently and promote best practices if there is a wide understanding about WTO members' existing practices and origin-related requirements.

Non-preferential rules of origin are those which apply in the absence of any trade preference – that is, when trade is conducted on a most-favoured-nation (MFN) basis. Some trade policy measures, such as quotas, anti-dumping or “made in” labels, may require a determination of the

country of origin and, therefore, the application of non-preferential rules. Almost 50 WTO members currently apply national rules of origin for non-preferential purposes.

A mandate for negotiations on harmonized non-preferential rules of origin was included in the WTO's Agreement on Rules of Origin but the harmonization work programme has been stalled since 2007. WTO members agreed in 2014 to initiate a transparency and educational exercise to hear different views and learn more about how existing non-preferential rules of origin affect businesses and international trade.

Switzerland reported to WTO members on talks it has been holding on its initiative to facilitate trade by removing barriers inherent in non-preferential rules of origin. Sixteen members are taking part in the discussions, which are currently focused on improving transparency and proposing standardized and strengthened notification procedures.



The WTO Secretariat made a presentation on transparency and notification obligations. It said 35.8 per cent of WTO members have notified that they apply non-preferential rules of origin while 41.6 per cent do not and 22.6 per cent have not submitted any notification. Under the Agreement on Rules of Origin, all members must notify their practices related to non-preferential rules of origin.

Preferential rules of origin

Ministerial decisions of 2013 and 2015 laid down guidelines for making it easier for LDCs to qualify for preferences and better utilize market access opportunities. Improving the conditions attached to trade preferences is part of Sustainable Development Goal 17, which calls for preferential rules of origin applied to LDC exports to be “transparent and simple”.

The Committee focused on reviewing the practices of preference-granting members on the basis of standardized notifications by WTO members. Almost all preference-granting members have submitted their preferential rules of origin.

WTO members investigated the impact that preferential origin requirements have on utilization. In particular, they looked at how members use the change of tariff classification criterion in drafting “substantial transformation” rules of origin.

When a product is manufactured in two or more countries, it qualifies as “made in” an LDC – and thus for preferential access – when it undergoes substantial transformation in the LDC. LDCs have argued that such requirements are often overly strict, disqualifying their products from receiving trade preferences.

WTO members reviewed a Secretariat note outlining that the under-utilization of trade preferences can be very significant. Close to 50 per cent of all LDC exports of fruits, vegetables, plants and chemicals do not receive preferential treatment despite being eligible. This reaches close to 80 per cent for sugar and confectionery products.

LDCs paid tariffs on more than US\$ 7 billion of trade in 2016 that should have benefited from tariff preferences. This could indicate that rules of origin requirements are too demanding in a number of cases. However, other factors not related to rules of origin may also explain low utilization.

The International Trade Centre presented WTO members with the new “Rules of origin facilitator”, a gateway to rules of origin launched in June. The gateway provides tariff and origin information at the most detailed tariff-line product level. The “facilitator” was developed in collaboration with the WTO and the World Customs Organization.

Import licensing

- **The Committee reviewed 77 notifications from WTO members under the Agreement on Import Licensing Procedures, up from 66 in 2017.**
- **A new WTO import licensing database was launched to consolidate information on this issue.**
- **The Committee heard a number of specific trade concerns about import licensing rules and procedures.**

Background on import licensing

The Agreement on Import Licensing Procedures establishes disciplines on import licensing systems, with the objective of ensuring that the procedures applied for granting import licenses do not in themselves restrict trade. It aims to simplify the administrative requirements necessary to obtain licenses and to ensure fair and transparent administration of the procedures.

The Committee on Import Licensing reviewed 16 notifications from 10 WTO members regarding publications and/or legislation on import licensing procedures and 20 notifications from 10 members on new import licensing procedures or changes in these procedures. It also reviewed 41 notifications from 33 members regarding responses to a questionnaire on import licensing procedures.

As of October 2018, 15 WTO members had not submitted any notification. In addition, 24 members had never submitted responses to the annual questionnaire on licensing procedures. WTO trade monitoring reports have identified import licensing as one of the main trade-restricting measures introduced by governments.

In 2018, Botswana submitted its first notification to the Committee and provided a comprehensive list of import licensing laws and regulations. The Chair of the Committee, Ms Lorena Rivera Orjuela (Colombia), welcomed this move and encouraged others to improve their notification compliance.

The United States made statements on: Indonesia's import licensing regime for cellphones, handheld computers and tablets; Indonesia's import requirements related to milk supply and circulation; India's import licensing requirements for boric acid; Viet Nam's import licensing for

cyber security products; and China's import licensing on certain recoverable materials. Australia made a statement on India's import requirements for certain types of beans and pigeon peas. Australia, Canada and the European Union made statements on India's import requirements on certain pulses.

The WTO Secretariat introduced the new WTO import licensing database, established to improve transparency, to consolidate all information on import licensing and to provide a more user-friendly platform. It is based on notifications submitted by WTO members under various provisions of the Agreement on Import Licensing Procedures. A gateway provides members with direct access to import licensing laws, regulations and products subject to licensing as well as administrative procedures for each category of products for WTO members.

In April 2018, representatives from 30 developing countries took part in a workshop on import licensing in Geneva. In addition, national workshops were held in Paraguay and Egypt. The WTO Secretariat presented an overview of the Import Licensing Agreement in July to familiarize WTO members with the Agreement's notification obligations.



Safeguards

- **WTO members imposed seven new measures, fewer than the ten imposed in 2017.**
- **New safeguard investigations doubled to 16 in 2018 compared with the previous year but the number was below the recent peaks of 2012-15. Nearly half of the new investigations involved steel or aluminium.**

Background on safeguards

WTO members may take safeguard actions (impose temporary additional duties, quantitative restrictions or other measures on a product) to protect a specific domestic industry from an increase in imports of the product that is causing, or threatening to cause, serious injury to the industry. In these circumstances, WTO members have the right to apply safeguard measures on imports of the product from all sources (but not from a specific member or group of members). The Agreement on Safeguards provides rules concerning the investigation that must be conducted as well as the application of safeguard measures.

The number of new investigations initiated during 2018 sharply rose for the first time in four years (see Figure 12).

One investigation each was initiated by Canada, Chile, Costa Rica, the European Union, the member states of the Eurasian Economic Union (EAEU – Armenia, Belarus, Kazakhstan, the Kyrgyz Republic and the Russian Federation), Morocco and South Africa, with two each by Indonesia, the Philippines and Turkey and three by Madagascar. The last time Canada initiated a safeguard investigation was in 2005 and the European Union in 2010. Madagascar initiated safeguard investigations for the first time.

WTO members imposed seven new safeguard measures, down from ten in 2017. Those imposing final measures were India, Indonesia, Gulf Cooperation Council member countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Ukraine, the United States (two) and Viet Nam.

Seven of the 16 investigations initiated in 2018 involved metals, specifically steel and aluminium, but only one definitive measure introduced in 2018 related to the metals sector.

At Safeguard Committee meetings in the spring and autumn, a number of WTO members expressed concern over safeguard actions on steel products. Most of the members taking these actions referred to current global overcapacity in steel and certain measures imposed by other members.

Measures about which members expressed concern included: EU measures on certain steel products, an EAEU investigation on flat-rolled steel products, and investigations notified by Turkey and Canada on certain steel products.

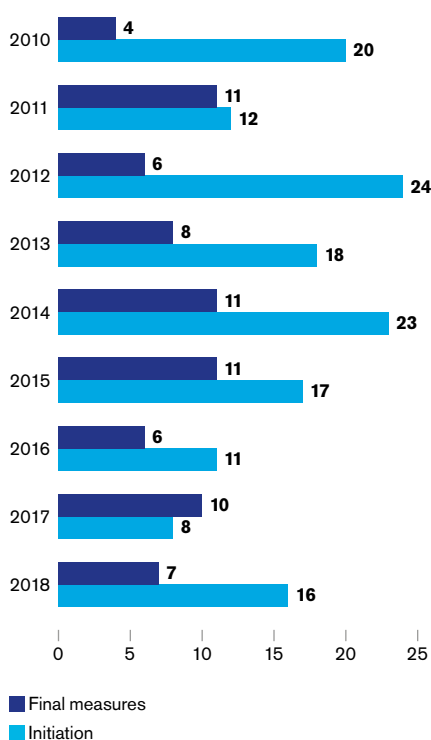
At both meetings, several WTO members expressed concern about measures on imports of steel and aluminium taken by the United States under Section 232 of the US Trade Expansion Act of 1962, which refers to the protection of essential security interests. Those members consider these measures to be safeguards. Some of these members said they had withdrawn equivalent trade concessions pursuant to the Safeguards Agreement.

The United States indicated that the measures are not safeguards and that the countermeasures are not authorized. Some of these members are pursuing WTO dispute settlement concerning the US measures and the United States is pursuing dispute settlement on some of the measures that have been applied.

The Committee also considered a request from Thailand to review whether the concessions suspended by Turkey in response to a Thai safeguard measure on hot rolled steel products (originally imposed in 2014) were of a “substantially equivalent” level.

At the Committee’s spring meeting, the EU asked Ukraine about the status of its legislation following a judicial decision. At its autumn meeting, the Committee agreed to an amendment of the format of its annual report.

Figure 12: Safeguard investigations by year (for all WTO members)



Trade-related investment measures

- **The Committee continued to discuss concerns regarding local content requirements raised in previous years.**
- **The Committee also heard a new concern related to pharmaceutical products and medical devices in Indonesia.**

Background on trade-related investment measures

The TRIMs Agreement recognizes that certain investment measures can restrict and distort trade. It states that WTO members may not apply any trade-related investment measure that discriminates against foreign products or that leads to quantitative restrictions, both of which violate basic WTO principles. A list of prohibited TRIMs, such as local content requirements, is part of the Agreement. The TRIMs Committee monitors the implementation of the Agreement and allows members to consult on any relevant matters.

At its two meetings in 2018, the Trade-related Investment Measures (TRIMs) Committee continued its discussion of investment measures raised by WTO members in previous years which allegedly stipulate that at least part of a good or service should be locally produced.

These concerns included measures adopted by Argentina in its auto parts industry and by China covering the use of technology by companies in the insurance industry. A number of Indonesian measures have also been questioned, including the Industry Law and Trade Law and requirements for dairy importation and distribution, as well as requirements in the telecommunications sector, the energy sector and the retail sector. Some WTO members questioned Nigerian guidelines in information communication technologies. Finally, members again raised concerns about the implementation of Russia's import substitution policy and Turkey's policy in the pharmaceutical sector.

The Committee also heard, for the first time, concerns expressed by the European Union and the United States in relation to requirements for pharmaceutical products and medical devices in Indonesia.

Russia informed WTO members that it was terminating its WTO-inconsistent auto investment programmes and would raise preferential tariffs on auto components up to their bound tariff rates. These programmes allowed auto investors to import auto parts free of duty on condition they met local content requirements. As stipulated by its accession protocols, Russia was allowed to maintain these requirements until 1 July 2018.

The Committee took note of new notifications submitted by Cambodia and Liberia under Article 6.2 of the TRIMs Agreement, which requires WTO members to notify the Committee of all publications in which TRIMs may be found, including those applied by regional and local governments and authorities within their territory.



Information Technology Agreement

- **The Committee continued discussion of non-tariff barriers and improving market access under the Information Technology Agreement (ITA).**
- **WTO members raised concerns on two issues, involving India and China.**
- **All participants in the 2015 ITA expansion have submitted their expansion commitments.**

Background on the Information Technology Agreement

The Information Technology Agreement (ITA) requires participants to eliminate duties on IT products on a most-favoured nation basis, meaning that all WTO members benefit, not just participants in the Agreement. The ITA covers a large number of high-technology products, including computers, telecommunications equipment, semiconductors, software and scientific instruments. The Committee of the Participants in the Expansion of Trade in Information Technology Products oversees the Agreement. The ITA has 53 participants, representing 82 WTO members.

In 2018, the ITA Committee reviewed implementation of the Agreement. El Salvador submitted documentation for the rectification and modification of its schedules to incorporate commitments arising from the ITA. Two implementation issues, concerning India and China, were raised at the May and October meetings. WTO members expressed concerns at the import duties that India has introduced on mobile phones and their parts, which members consider to be covered by the ITA. They also sought clarifications from China on new tariffs on certain semi-conductor products covered by the ITA.

The ITA Committee continued its discussions on the question of non-tariff barriers and how to improve market access in information technology. The industry has long been pressing for the harmonization of standards, for both technical and administrative regulations, which create barriers by significantly increasing compliance costs.

One of the key areas of the non-tariff measures (NTMs) work programme is a survey of conformity assessment procedures for electromagnetic compatibility (EMC) and electromagnetic interference (EMI) adopted and used by ITA

participants. Regarding its work on an EMC/EMI pilot project, the Committee took note that of the 53 participants in the ITA, 39 had provided survey responses. The Committee encouraged those that had not yet done so to provide the information.

In considering ways to advance and expand its work on NTMs other than EMC/EMI, the Committee continued its discussions on the follow-up to a workshop held in May 2015 and to the Symposium marking the 20th anniversary of the ITA, held in June 2017. At the request of the Committee, the Chair Ms Zsófia Tvaruskó (Hungary) undertook informal consultations with interested WTO members to examine the recommendations suggested by industry representatives. Consultations will continue in 2019. The main issues raised at the 2015 workshop were transparency, standards for recognition of test results, e-labelling and energy efficiency.

On classification divergences, five ITA participants sought technical assistance from the WTO Secretariat regarding the Committee's decision in 2013 to use the HS 2007 classification (see page 64) for 18 products, mainly semiconductor manufacturing equipment. In respect to the possible HS 2007 classification for 22 "Attachment B" items of the 1996 Ministerial Declaration, for which there is no agreed tariff classification, the Secretariat has received comments from 21 WTO members.

2015 ITA expansion

Reporting on behalf of the ITA expansion group, Canada told the Committee that participants continued to implement tariff reduction commitments with respect to the 201 IT products covered by the expansion deal, reached in 2015. The new products include integrated circuits and touch screens. It was the first major tariff-cutting agreement at the WTO since 1996 and accounts for 90 per cent of world trade in the products covered.

Albania submitted its ITA expansion commitments in 2018, meaning that all 26 participants, representing 55 WTO members, have now done so.



State trading enterprises

- **The working party reviewed new and full notifications by 32 WTO members.**
- **Compliance with notification obligations remained poor.**

Background on state trading enterprises

State trading enterprises are defined as governmental or non-governmental enterprises, including marketing boards, which have been granted exclusive or special rights or privileges to deal with goods for export and/or import. They are required to act in a manner consistent with the WTO principle of non-discriminatory treatment. The Working Party on State Trading Enterprises reviews notifications by WTO members of their state trading activities.

At its May and October meetings, the Working Party on State Trading Enterprises (STEs) reviewed the 2016 and 2017 new and full notifications by 32 WTO members regarding the activities of their STEs and asked questions about specific aspects of notifications made at previous meetings.

Compliance with notification obligations remained low. For the 2016 notification period (covering 2014 and 2015), only 54 new and full notifications were received out of a total of 136 WTO members subject to this obligation. For the 2017 notification period (covering 2016 and 2017), only 26 new and full notifications were received. WTO members were encouraged by the working party to continue to work with their respective capitals and the WTO Secretariat to improve their notification record.

Trade in civil aircraft

- **The Committee met twice – once formally – in 2018.**

Background on trade in civil aircraft

The Agreement on Trade in Civil Aircraft aims to achieve maximum freedom of world trade in civil aircraft, parts and related equipment – such as engines, radar, flight recorders and ground flight simulators – by eliminating tariffs on goods listed in its product annex, by promoting fair and equal competitive opportunities for civil aircraft manufacturers, and by regulating government support for civil aircraft development, production and marketing. The Committee on Trade in Civil Aircraft provides signatories with an opportunity to consult on any matters relating to the operation of the Agreement.

The Committee on Trade in Civil Aircraft continued the discussion, begun in November 2016, on whether and how to undertake a further update of the tariff classifications of the list of products covered by the Agreement on Trade in Civil Aircraft. The proposal on the table is to align it with the latest version of the Harmonized System, the system used internationally for classifying goods for customs purposes.

Trade facilitation

- **The Trade Facilitation Agreement marked its first anniversary; it entered into force in February 2017.**
- **Implementation of the Agreement made good headway: over 85 per cent of the WTO membership has completed the ratification process and notifications are equally on the rise.**
- **The Trade Facilitation Committee continued its oversight of implementation efforts; WTO members increasingly shared experiences and successful strategies on implementation.**

Background on trade facilitation

Negotiations on the Trade Facilitation Agreement were successfully concluded in December 2013 at the WTO's Ninth Ministerial Conference. The Agreement entered into force in February 2017 after two-thirds of members had completed their domestic ratification process. The Agreement aims to expedite the movement, release and clearance of goods, including goods in transit. It establishes measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. The Agreement also contains provisions for technical assistance and capacity building. The Committee on Trade Facilitation oversees the Agreement.

WTO members made strong progress in 2018 in implementing the Trade Facilitation Agreement (TFA). The WTO received a high number of ratifications by members and notifications by developing countries outlining the timetables envisaged for implementing the Agreement.

The TFA entered into force on 22 February 2017 after acceptances of the required two-thirds of WTO members were received. Acceptances had risen to 141 by the end of January 2019, meaning that a significant majority (86 per cent) of WTO members had completed their domestic ratification processes.

"The TFA is one of the biggest trade reforms in a generation. By dramatically reducing trade costs, it will really bring great benefits for all WTO members, especially developing countries," said DG Azevêdo on the Agreement's first birthday. "We're working hard to implement the Agreement in full and deliver those benefits," he added.

By expediting the movement, release and clearance of goods across borders, the TFA is expected to reduce trade costs globally by an average of 14.3 per cent. These economic gains would be bigger than the elimination of all existing average tariffs around the world, with the poorest countries benefiting most. For the first time, the terms of the implementation of a WTO agreement are directly linked to a developing member's capacity to implement it.

On notifications, 139 submissions were received in 2018, giving a total of 231 since the TFA's entry into force. The majority consisted of implementation notifications (otherwise known as "category notifications"), a key element of the flexibilities granted to developing and least-developed countries. The submissions indicate when developing WTO members will be able to implement the Agreement and what kind of capacity-building support they require.

Developing and least-developed countries will implement the TFA provisions in accordance with the categories (A, B or C) in which they have designated their commitments. Category A covers TFA commitments that members undertake to implement straight away; category B covers those that the developing or least-developed country will implement after a transitional period; and category C covers commitments requiring technical assistance and capacity-building to implement. Developed countries have to implement all provisions immediately.

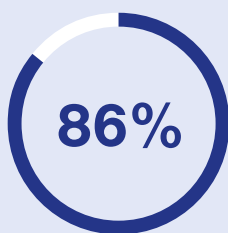
All WTO members have to provide a series of transparency notifications, covering: publication aspects; "single-window" operations, where multiple transactions with several agencies can be accomplished through one contact point; use of customs brokers; and contact points for information on customs cooperation. All notifications can be accessed via the expanded TFA database, which also contains extensive information on a series of related aspects.

Notifications are also required in the area of technical assistance and support for capacity-building. Donor members must provide annual information on their assistance activities, beneficiaries and implementing agencies as well as on contact points in responsible agencies and on the process for requesting support. Developing and least-developed countries have to submit information on contact points of offices responsible for coordinating and prioritizing such support.

The Trade Facilitation Committee held three regular sessions in 2018 as well as an informal meeting open to all WTO members. Members elected Ambassador Dalia Kadišienė of Lithuania as the Committee's second Chair. In addition to continued discussions on notifications, ratifications and technical assistance, members increasingly shared experiences with respect to the implementation of the TFA.



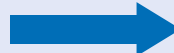
The Trade Facilitation Agreement in a nutshell



The TFA has been accepted by 86% of WTO members.



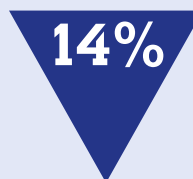
The TFA is likely to reduce the time to export goods by almost 2 days.



Expedited trade



The TFA entered into force in February 2017.



The TFA is expected to reduce trade costs by 14%.

The themes under discussion included transit and broader implementation issues, regional approaches to trade facilitation, and the provision of opportunities for public comment and consultations on regulatory procedures. WTO members compared notes on successful strategies, national issues and regional initiatives relating to the resolution of implementation challenges.

OECD publication

In June, the Organisation for Economic Co-operation and Development launched a publication on the economic impact of trade facilitation – “Trade Facilitation and the Global Economy”. It highlights the difference that trade facilitation will make for micro, small and medium-sized enterprises (MSMEs), which often face a prohibitively high cost of trading, and the fact that inefficient border procedures multiply costs when goods and components cross borders many times during their production.

Speaking at the launch, DG Azevêdo said: “This is the economic reality today. Nearly two-thirds of traded goods have components that were made in at least two different countries. Improving facilitation and lowering costs will help to remove obstacles to joining global value chains. And this will help new participants to join these chains of production.”

TFA Facility

The Trade Facilitation Agreement Facility (TFAF) continued to help WTO members prepare for implementation of the TFA through national and regional workshops and by supporting the participation of capital-based trade facilitation officials at the October session of the Trade Facilitation Committee. There was also an increased focus on supporting the submission of notifications to ensure members benefit from flexibilities in implementing the Agreement.

TFAF's core purpose is to help WTO members access the support they need from bilateral donors as well as international and regional organizations and the private sector. TFAF is funded by WTO members on a voluntary basis.

Launched in 2014, TFAF offers an information-sharing platform to provide resources, identify possible donors and undertake donor and recipient match-making activities. During the October session of the Committee, the Facility launched its grant programme, which provides project preparation and project implementation grants in cases where developing countries' efforts to attract funding from other sources have failed.

TFAF organized a number of workshops aimed at reinforcing national trade facilitation committees and exploring and strengthening border agency cooperation, which is emerging as a pivotal element of TFA implementation. The Facility held meetings with partner organizations/donors to enhance coordination of support for implementation of the Agreement.



Trade in services

- **WTO members agreed to hold a dedicated meeting to review the operation of the services waiver for least-developed countries.**
- **Members engaged in e-commerce discussions throughout the year.**
- **The Services Council held a thematic seminar on the temporary movement of natural persons across borders to supply services (Mode 4).**
- **Concerns about cybersecurity measures adopted by some members were reiterated.**

Background on trade in services

The General Agreement on Trade in Services (GATS) defines trade in services in terms of four types of transactions: Mode 1 – cross-border supply (a supplier in one WTO member provides services to a consumer in another member's territory); Mode 2 – consumption abroad (a consumer from one member consumes services in another member's territory); Mode 3 – commercial presence (a foreign company provides services through establishment in another member's territory); and Mode 4 – presence of natural persons (individuals move to supply services in another member's territory). The Council for Trade in Services oversees the operation of the GATS.

LDC services waiver

The Council discussed the services waiver for least developed countries (LDCs) at meetings throughout the year in accordance with instructions from the 10th Ministerial Conference in Nairobi that it “maintain a standing agenda item to review and promote the operationalization of the waiver”. The waiver allows WTO members to grant more favourable treatment to LDC service suppliers.

In Nairobi, ministers encouraged WTO members to undertake specific technical assistance and capacity-building measures to make LDC suppliers aware of the preferential treatment. They also instructed the Council to facilitate an exchange of information on technical assistance to promote the increasing participation of LDCs in world services trade and to initiate a process to review the operation of preferences on the basis of information provided by members.

LDCs told the Council in October that, despite increasing revenue generated from tourism exports – US\$ 18 billion in 2017, up from US\$ 10 billion in 2010 – LDCs' share of world services exports in 2017 remained critically low, at 0.6 per cent. LDCs highlighted the importance of services trade as a source of revenue and for realizing their social and sustainable development objectives.

WTO members agreed that the Council will hold a dedicated meeting in 2019 to review how LDCs are making use of the preferences under the waiver. They called for the information exchange to be broad, covering the full scope of services trade opportunities available to LDC service suppliers. They also asked for the process to be flexible and driven by the engagement of all members, including LDCs. Informal consultations were held early in 2019 to discuss how the dedicated meeting, which was requested by LDCs, might unfold and to agree on a specific date.

The WTO has received 24 notifications of preferential treatment in favour of LDC services and service suppliers from 51 members (counting EU member states as one). These are: Canada; Australia; Norway; Republic of Korea; China; Hong Kong, China; Chinese Taipei; Singapore; New Zealand; Switzerland; Japan; Mexico; Turkey; the United States; India; Chile; Iceland; Brazil; the European Union; Liechtenstein; South Africa; Uruguay; Thailand; and Panama.

E-commerce

WTO members engaged in e-commerce discussions throughout the year. The Council considered new papers, heard accounts of workshops organized in various countries and learned about individual members' domestic legal frameworks for e-commerce. It was informed of the capacity-building efforts of several members aimed at assisting developing and least-developed countries integrate into and benefit from the digital economy and took note of relevant work by the United Nations Conference on Trade and Development (UNCTAD) and the International Telecommunication Union.

Some members called for Council discussions to focus on the infrastructural and regulatory challenges that developing countries have to overcome to participate in the digital economy. While acknowledging the opportunities created by the digital era, they argued that rule-making suggestions for e-commerce are premature, asserting that the e-commerce work programme does not contain a negotiating mandate. A few members expressed concern regarding the plurilateral initiative on e-commerce (see page 59) being pursued in parallel to the multilateral track under the work programme.

India recalled the paper it submitted with South Africa to the General Council calling for a re-think of the moratorium on customs duties on electronic transmissions. The moratorium was extended for a further two years at the 11th Ministerial Conference in Buenos Aires in December 2017.



Mode 4

The Council held a thematic seminar on 10 October on individuals moving to supply services in another member's territory, also known as Mode 4 of the General Agreement on Trade in Services (GATS).

The seminar provided an overview of Mode 4 and discussed its scope, offering a snapshot of the specific commitments undertaken and most favoured-nation exemptions listed by WTO members. The discussion also focused on Mode 4 access and relevant regulatory disciplines negotiated in regional trade agreements, the main challenges of measuring Mode 4 trade and its economic impact. Participants had the opportunity to discuss regulatory measures that may have a bearing on scheduled Mode 4 commitments and addressed the challenges to realizing the benefits of existing Mode 4 commitments.

Other issues

At several meetings, Japan and the United States reiterated their concerns about cybersecurity measures China has recently adopted or is developing and about measures that Viet Nam has adopted. The European Union, Canada, New Zealand, Australia and Chinese Taipei echoed many of the concerns. Both China and Viet Nam provided clarifications and stressed their right to regulate in pursuit of relevant public policy objectives. In March, Russia again raised the reform of the Unified Gas Transportation System of Ukraine.

In accordance with the GATS, the Council received 11 notifications of new or revised measures that could significantly affect trade in sectors where the notifying members have commitments. Seven other notifications dealt with new economic integration agreements covering services trade, and another seven concerned recognition measures in services sectors. The Council also adopted a template for notifying changes to existing regional trade agreements.

WTO members discussed e-commerce throughout the year.



Trade-related aspects of intellectual property rights (TRIPS)

- Six more WTO members confirmed legal acceptance of the Protocol amending the TRIPS Agreement as work continued on putting this new mechanism into practice.
- Eleven members notified the TRIPS Council of new or revised IP legislation. Work to modernize and streamline transparency mechanisms under TRIPS continued.
- The WTO Secretariat focused technical assistance on effective use of the TRIPS amendment and its implementation in domestic legislation.
- The TRIPS Council granted regular observer status to the Cooperation Council of the Arab States of the Gulf.

Background on TRIPS

The intellectual property system has become central to the debate about economic development and broader public policy questions, such as innovation policy and public health. The TRIPS Agreement is the most comprehensive international treaty governing the protection, administration and enforcement of intellectual property rights. The Council for TRIPS, a body open to all WTO members and to certain observers, administers the TRIPS Agreement, provides a forum for debate on policy issues and reviews the intellectual property legislation of individual WTO members.

Public health

During 2018, six more members formally deposited the Protocol amending the TRIPS Agreement, which came into force on 23 January 2017. They were the Plurinational State of Bolivia, Côte d'Ivoire, Georgia, Guinea, the Kyrgyz Republic and Paraguay. To date, 126 members have accepted the Protocol. Members that have not yet accepted it continue to benefit from the 2003 waiver granting access to affordable medicines from third-country sources. The deadline for acceptance is 31 December 2019.

The amendment, which is now an integral part of the TRIPS Agreement, provides developing countries and least-developed countries (LDCs) with a legal avenue to affordable medicines. This was the first amendment to a multilateral WTO agreement.

TRIPS and public health continued to be addressed in various technical cooperation activities organized by the WTO Secretariat as part of the trilateral cooperation of the WTO with the World Health Organization (WHO) and the World Intellectual Property Organization (WIPO) and its collaboration with other multilateral and regional partners.

In February, a symposium held by WHO, WIPO and the WTO discussed challenges and initiatives regarding new and innovative health technologies that could accelerate achievement of the Sustainable Development Goals (SDGs) (see page 131). SDG 3 calls for action to “ensure healthy lives and promote well-being for all at all ages”. DG Azevêdo said the discussions will assist “our shared efforts to ensure that we maximize the role of innovation and technology in promoting health and well-being” and in delivering on the SDGs.

In October, the annual WTO workshop on trade and public health took place in Geneva. Attended by government officials from 28 developing and least-developed countries (LDCs), the workshop covered a wide range of trade and IP issues as they relate to public health.

The WTO also holds tailor-made regional activities on issues at the crossroads between trade and health. In November, the WTO Secretariat organized the first trilateral – WTO, WHO, WIPO – regional training activity for members and observers in the Arab and Middle East region on trade and public health. It was carried out in collaboration with the Middle East Center for Economics and Finance of the International Monetary Fund.

Promoting transparency

In 2018, 11 WTO members notified the Council of new or updated IP legislation. To date, 136 WTO members have notified their TRIPS implementing legislation, 111 have provided responses to a checklist notifying the essential elements of their systems for enforcement of IP rights and 143 members have notified contact points for cooperating with each other on eliminating trade in IP-infringing goods.

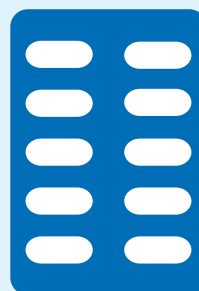
Members' notifications to the TRIPS Council provide a comprehensive body of information and constitute an important transparency mechanism. They show how WTO members have implemented the TRIPS Agreement at the domestic level.

At the Council meetings several WTO members provided further background to their respective notified legislation. The Council was also briefed on the wide range of IP policy matters that members had raised in other members' trade



Access to medicine

The TRIPS amendment eases poorer countries' access to medicines by allowing generic versions of patented medicines to be produced under compulsory licences (i.e. without the consent of the patent owner) exclusively for export to countries that cannot manufacture the needed medicines themselves.



126

WTO members have accepted the amendment.



The amendment entered into force in January 2017.



The amendment is entirely driven by public health concerns. African countries played a major role in bringing about this change.

policy reviews and the TRIPS-related measures covered in the G20 and WTO-wide trade monitoring reports (see page 106).

The WTO Secretariat updated the Council regularly on developments on the e-TRIPS project. This aims to streamline arrangements for submitting and managing notifications and for developing an online information service to improve the accessibility of materials relating to the TRIPS Council's work.

Plants, animals, biodiversity and traditional knowledge

The Council continued its discussion on the patentability of plant and animal inventions, the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD) and the protection of traditional knowledge and folklore.

WTO members' positions remained unchanged on two substantive questions: whether the TRIPS Agreement should be amended to prohibit the patentability of life forms; and whether – and, if so, how – TRIPS should do more to promote the CBD objectives of authorized access and equitable sharing of the benefits from the use of genetic resources and associated traditional knowledge in other WTO members' jurisdictions.

Incentives for technology transfer

In February 2018, the Council concluded its 15th annual review of the reports provided by developed countries on the incentives granted to promote and encourage the transfer of technology to LDCs, as provided by Article 66.2 of the TRIPS Agreement.

At a meeting in June, the Chair of the Council, Ambassador Walter Werner (Germany), invited developed countries to submit their detailed reports on the actions taken or planned in accordance with Article 66.2 of the TRIPS Agreement. The Council began reviewing these reports at its meeting in November. The 16th annual review concluded in February 2019, preceded by a workshop to look in more detail at programmes reported in the process.

The LDCs Group put forward a paper asking developed countries to fully implement their technology transfer requirements under WTO rules. The Group requested the Council to ask developed countries to only specify incentives provided to LDCs for technology transfer in their implementation reports. They also requested that the Council agree on how developed countries can provide incentives to their enterprises and institutions to meaningfully fulfil their technology transfer commitments and obligations. Developed countries said they were not too convinced about the existence of a problem in need of a solution. Annual reports presented before the WTO clearly identify programmes benefiting LDC members, they said.



TRIPS non-violation and situation complaints

As mandated by the 11th Ministerial Conference in Buenos Aires, the TRIPS Council continued to consider the application of so-called non-violation and situation complaints. The discussion focused on whether such disputes should be permitted and whether to establish the scope and ground rules (modalities) for such complaints. In general, WTO disputes can be brought not only if an agreement or commitment has been violated but also if an expected benefit has been nullified, even without any specific violation. The TRIPS Agreement contained a moratorium on such complaints, which has been repeatedly extended.

In a shift of tone, several delegations showed readiness to engage in a discussion of the scope and modalities for non-violation and situation complaints should they be initiated under the TRIPS Agreement. The Chair called for intensified work on a possible way forward that would permit the Council to prepare recommendations for adoption by ministers at the next Ministerial Conference.

Technical cooperation and capacity-building

A two-week advanced course on intellectual property for government officials, jointly organized by the WTO and WIPO, was held in Geneva in March. The training aimed to enhance the capacity of developing and least-developed countries to develop and implement national expertise in IP matters.

The framing and enforcement of IP laws has a significant impact on global growth and development, said DG Azevêdo at the closing session of the IP Researchers Europe Conference held in Geneva on 29 June. He underlined that IP has a big role in helping to generate the innovations that will be needed to achieve the SDGs. The conference was held at the end of the annual WIPO-WTO Colloquium for IP Teachers, which brought together academics from 26 countries.

Government officials from 29 developing and least-developed countries took part in a seminar – “Intellectual Property and Knowledge Flows in a Digital Era” – at the WTO in November. The main themes included the way forward on trade rules and economic implications for cross-border knowledge flows.

At its meeting in February 2018, the Council concluded its annual review of technical cooperation, which had started at its meeting

in October 2017. In June 2018, the Chair invited developed countries to supply information on their activities for the annual review scheduled for later in the year. Intergovernmental organizations with observer status and the WTO Secretariat were also invited to provide information on their TRIPS-related activities. The annual review took place at the Council’s November meeting.

IP and innovation

During 2018, the Council continued its information exchange on intellectual property and innovation. At the February meeting, WTO members wrapped up the theme of how IP protection can play a critical role in boosting inclusive innovation in micro, small and medium-sized enterprises (MSMEs). Proponents said that recent data shows that businesses using IP rights perform better on average. Likewise, businesses owning IP rights often have higher revenue per employee.

WTO members started discussions on “the societal value of intellectual property in the new economy”. Proponents underlined IP’s importance as a means to promote and protect the expression of new ideas and inventions, incentivize and foster ingenuity and follow-on innovation, and enable cross-border collaboration, trade and engagement in global value chains.

IP and the public interest

WTO members continued their discussions on the relationship between IP and the public interest, including the promotion of public health through competition law and policy. Members were invited to share their national experiences and examples of how competition law is used to achieve public health objectives. Many WTO members already use competition law to address various anti-competitive practices that affect access to medicines and medical technologies.

Members also shared their national experiences and practice on regulatory review exception, which refers to authorizations given by governments to third parties to carry out clinical trials for pharmaceutical products without the prior permission of the patent holder. Without the exception, generic producers would be blocked from undertaking the trials required for regulatory approval, possibly delaying entry into the market of these generic medicines.

Observer status

At its meeting in November, the Council agreed to grant regular observer status to the Cooperation Council of the Arab States of the Gulf (GCC).

The framing and enforcement of IP laws has a significant impact on global growth.



Trade and environment

- The Committee discussed a broad range of issues, including the circular economy, sustainable palm oil production, fossil fuel subsidies and the “blue” economy.
- International organizations briefed the Committee on ocean resources, efforts to reduce greenhouse gas emissions from ships and climate change negotiations.
- The WTO and UN Environment strengthened cooperation to promote trade policies that support healthy environments and sustainable development.

Background on trade and environment

Sustainable development and protection and preservation of the environment are fundamental goals of the WTO. The Committee on Trade and Environment is responsible for examining the relationship between trade and the environment.

Plastic waste and the circular economy

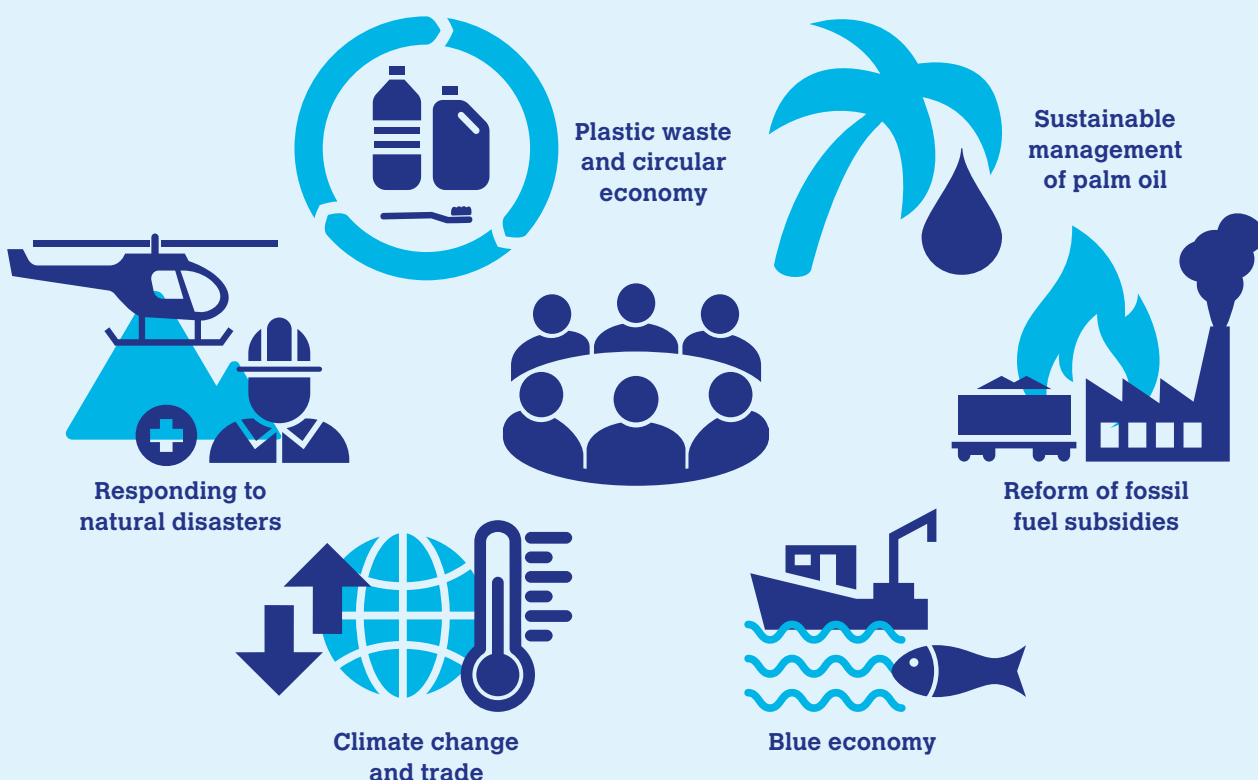
In 2018, discussions took place on managing plastic waste and extending the useful life of products through reuse, repair, remanufacturing or recycling, all of which can help create a circular economy, where resources are recovered and recycled for maximum use, cutting the need for virgin materials and increasing resource efficiency.

The European Union presented the EU plastics strategy adopted in January 2018. As part of the broader EU Circular Economy Action Plan, the strategy includes a number of recommendations, including improving the economics and quality of plastic recycling and driving investments towards

circular solutions. The European Union also provided information on its proposed directive on single-use plastics and fishing gear, which was adopted in March 2019.

The Organisation for Economic Co-operation and Development (OECD) briefed delegations on its work on trade and the circular economy. The OECD said trade has a role to play in the transition to resource-efficient economies. A representative from the Secretariat of the Basel, Rotterdam and Stockholm (BRS) conventions on the harmful effects of chemicals and hazardous waste reported on preparations to amend certain annexes of the conventions to improve management of plastic waste.

Topics discussed in the Committee on Trade and Environment



Sustainable management of palm oil

Indonesia and Malaysia stressed the importance of sustainability in palm oil production and the need to take into account international standards, best practices, forest fire management, employment and productivity.

Several WTO members expressed support for initiatives that contribute to the sustainable production and trade of palm oil and recognized the importance of the palm oil sector, in particular for smallholders, as a source of growth and employment, while noting concerns related to environmental degradation.

Reform of fossil fuel subsidies

New Zealand and Switzerland, on behalf of the Friends of Fossil Fuel Subsidy Reform, updated members on their efforts to rationalize and phase out fossil fuel subsidies that encourage wasteful consumption. They reiterated that the WTO has a role to play as a forum for advancing negotiations on subsidy disciplines. Some WTO members said they supported discussing the issue in the Committee while several others highlighted that fossil fuel subsidy reforms had no link to the WTO and said that the WTO is not the appropriate venue to discuss such matters.

The OECD also shared its recent study “OECD Companion to the Inventory of Support Measures for Fossil Fuels 2018”. The study finds that support for fossil fuels remains high overall despite signs of decline among OECD countries.

Blue economy

In 2018, the Committee took up presentations about the sustainable use of marine resources. Norway briefed members on efforts to address the over-exploitation of the oceans. It shared its policies and practices to encourage the growth of ocean-based industries, incorporate green technology in the blue economy – the sustainable use of oceans – and address serious environmental challenges, such as the rise of plastic and marine waste.

A representative from the Food and Agriculture Organization of the United Nations (FAO) presented the main findings of its 2018 flagship report on “The State of the World Fisheries and Aquaculture” and underlined the necessity for the sustainable harvest of ocean resources, particularly fish and fish products. Fisheries provide protein for many, particularly in the poorest countries, and are an important source of employment. However, the percentage of fish stocks exploited within biologically sustainable levels had fallen to 66.9 per cent in 2015 from 90 per cent in 1974, according to FAO.

Members highlighted the WTO's potential contribution to sustainability through the negotiation of disciplines on fisheries subsidies (see page 45).

Climate change and trade

Australia made a presentation on its climate change actions and challenges and linked rising temperatures associated with climate change with the intensification of natural disasters. Australia has incorporated climate-resilient development approaches through policies geared towards emissions reduction. Chinese Taipei presented its perspective regarding climate change and ways to support the implementation of the Paris Agreement, the global action plan for limiting global warming.

Presentations were received from observer organizations, such as the United Nations Framework Convention on Climate Change (UNFCCC) and the International Maritime Organization (IMO). The IMO outlined its plan to substantially reduce greenhouse gas emissions from ships. The strategy seeks to reduce emissions by at least 50 per cent by 2050, compared with 2008, and phase them out entirely before the end of the century.

Responding to natural disasters

In 2018, the WTO launched a new Australia-funded research project to help countries analyse how trade can help them respond to and recover from natural disasters and build resilience to such events. It also hosted two symposiums on the issue – in April and December.

“We have been largely reactive ... finding solutions and highlighting problems as and when they arise. We have never taken the initiative of looking at the problem as a whole and considering beforehand how we should respond. That's what we're trying to do today,” DG Azevêdo told the symposium in April.

December's symposium looked into the economic losses resulting from natural disasters, how to use data to analyse risk and the case for investment in building resilience to such disasters.

Other briefings on members' policy developments

In 2018, China made a presentation on its national policies to combat pollution and to implement the environment-related United Nations Sustainable Development Goals. Policies have evolved from an initial focus on industrial pollution control to a comprehensive and integrated approach. China's current national plan includes an environmental protection tax law and several mandatory and voluntary measures to improve the eco-environmental quality by 2020.

Norway briefed members on efforts to address over-exploitation of the oceans.

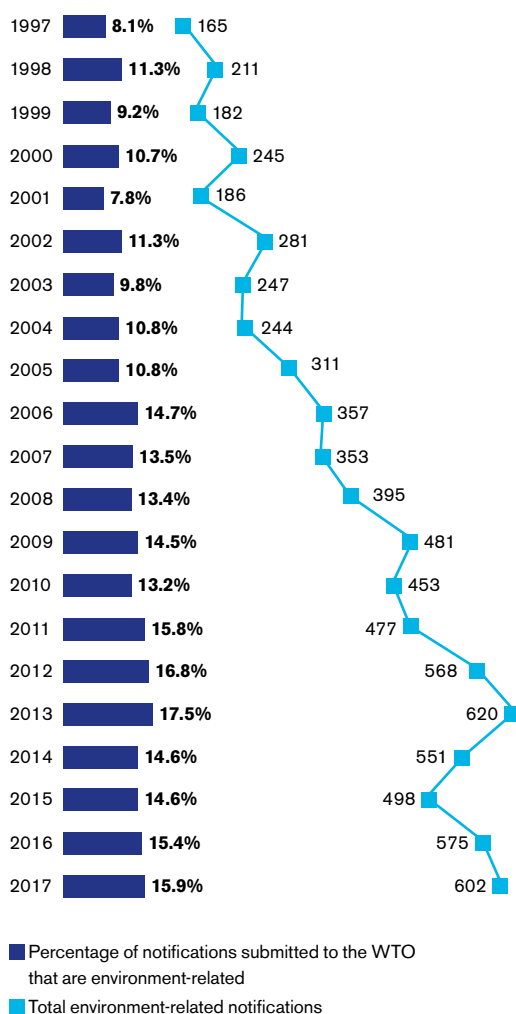


New Zealand briefed delegations on recent policy developments, in particular its 'trade for all' agenda. Public consultations had resulted in a progressive and inclusive trade agenda that will integrate environmental, gender, indigenous communities and small and medium enterprise issues. Several WTO members noted similarities in their own trade agendas.

WTO environmental database

The WTO Secretariat presented the 2016 and 2017 updates to the environmental database. The database covers all environment-related notifications submitted by WTO members (see Figure 13) as well as environmental measures and policies mentioned in trade policy reviews (see page 102). The Secretariat presented a new online database, hosted on the WTO website (www.wto.org/edb) and developed in response to requests by members to improve the database interface. Several members expressed their appreciation for the database.

Figure 13: Environment-related notifications (1997-2017)



Technical assistance and outreach

In 2018, the WTO held its fourth advanced course on trade and environment in Geneva for government officials from 25 WTO members. It made presentations at regional workshops organized by the UN and other intergovernmental institutions covering topics such as fish trade and sustainable development for small island developing states and climate change response measures. In addition, the WTO held a national workshop on trade and climate change in Argentina.

Trade and environment training was delivered in the WTO's Geneva-based and regional trade-policy courses. Training was also made available through the e-learning platform, with two new online courses on the Convention on International Trade in Endangered Species and the WTO and an introductory course on trade and environment.

The UN Environment and the WTO hosted a high-level dialogue on "Making Trade Work for the Environment, Prosperity and Resilience" during the 2018 Public Forum (see page 150). The dialogue discussed a joint publication by the two organizations, which identifies ways to ensure that trade policies support a healthy environment and promote sustainable development. The study makes the case that opening up trade in environmental goods and services is a triple win – for the economy, the environment and development.

The WTO maintains an active outreach programme with UN multilateral environmental agreement (MEA) secretariats, other intergovernmental organizations, universities and think tanks. The WTO participated in the conference of parties meeting of the UNFCCC, including in several side events highlighting the positive contribution that trade and the multilateral trading system can make to the environment. The WTO also took part in many events on how WTO agreements relate to environmental objectives. An event on reducing plastics pollution was organized to mark World Environment Day 2018 and a new trade and environment speaker series was launched.

Spotlight:

High-level event on trade and environment

The WTO and UN Environment hosted in October a leadership dialogue on environmental and trade policies and released a joint publication – “Making Trade Work for the Environment, Prosperity and Resilience”.

Leaders from business, government and civil society participated in the high-level event, held during the WTO’s Public Forum (see page 150). Panellists called on the WTO to expand the contribution of trade to sustainability and prosperity. They urged stepped-up action to deliver pro-environment and pro-trade outcomes that help achieve the United Nations’ Sustainable Development Goals. Trade policies need to support environmentally friendly technologies, such as those needed for renewable energy, they said.

The high-level event, along with the joint publication and a sustainability exhibition, also held at the Public Forum, were the first results of a WTO-UN Environment initiative launched by WTO Director-General Roberto Azevêdo and then UN Environment Executive Director Erik Solheim in January 2018 to identify ways of ensuring that trade and environment policies are mutually supportive.

DG Azevêdo said: “A healthy environment is essential to building prosperous and resilient economies. This is one key reason why we need to bring the trade and environmental agendas closer together. [...] Trade is a powerful tool to make green technologies more affordable and to help sustainable business expand. I look forward to continuing working alongside all stakeholders, including the private sector, to ensure that trade delivers benefits for people and the environment everywhere”.

Erik Solheim noted that trade can unlock triple-win opportunities by creating jobs, improving well-being and resource efficiency, and accelerating the dissemination of goods and services needed to protect the environment.

In addition to the two heads of agencies, the high-level panel was composed of: Bertrand Piccard, Initiator and Chairman, Solar Impulse Foundation; Kimmo Tiilikainen, Minister of the Environment, Energy and Housing, Finland; Lucia Bakulumpagi-Wamala, CEO and Founder, Bakulu Power, Uganda; Aisa Mijeno, Co-founder and CEO, SALt (Sustainable Alternative Lighting), the Philippines; and Jérôme Péresse, CEO, GE Renewable Energy.

Noting that “protection of the environment is profitable”, Bertrand Piccard highlighted the role that the WTO can play in supporting the dissemination of profitable, clean and efficient technologies. These need to be better known, brought to market and implemented widely, he said.

Aisa Mijeno said her company is exploring the possibility of extracting hard-to-source materials from scrap circuit boards. Both Lucia Bakulumpagi-Wamala and Jérôme Péresse stressed the importance of free and open trade for renewable energy technologies. Kimmo Tiilikainen called for putting more focus on the circular economy and making environmental alternatives more viable. The discussion also emphasized the wide scope governments have under WTO rules to implement sound regulations that protect the environment.

The WTO Secretariat and UN Environment co-publication, launched at the high level event, examines the interplay between trade and the environment and details how governments can work together to ensure that trade and a healthy environment reinforce each other. Key messages and proposed actions include:

- increasing collaborative work on strengthening multilateral cooperation and governance
- fostering private-public partnerships to facilitate market-oriented approaches that allow trade and environment to be mutually supportive





- encouraging national policy makers to work together across environment and trade domains
- fostering “win-win” opportunities which provide economic and environmental benefits
- supporting decision makers from the world's poorest countries, along with vulnerable groups and under-represented communities, in preserving natural assets
- delivering inclusive, gender-sensitive outcomes for environmental and trade policy to support broader goals within the 2030 Sustainable Development Agenda
- raising awareness among stakeholders on the role of trade in environmental sustainability and resilience to climate change.

In the sustainability exhibition, the WTO partnered with the Climate Show, Solar Impulse Foundation, the Permanent Mission of Japan, UN Environment and WIPO GREEN to present 12 exhibitors, who showcased a wide range

of innovative and sustainable technological solutions. These ranged from agro-waste valorization (recycling), energy storage solutions and salt-water lighting to water-treatment systems and a fully recyclable electric race car.

On the margins of the high-level event, several delegations organized Public Forum sessions on sustainability and trade. They included sessions on the “blue economy” (sustainable use of the oceans) (Norway), the circular low-carbon economy (Costa Rica and Finland), trade and climate change (Canada and France) and a session on fossil fuel subsidy reform organized by the Friends of Fossil Fuel Subsidy Reform. The WTO also launched its new online environmental database (see page 95).

The next phase of the joint initiative between the WTO and UN Environment will comprise a series of regional activities to discuss with stakeholders the issues raised in the joint publication and high-level event.

Trade and transfer of technology

- **The Working Group highlighted the role of technology and its transfer in improving productivity and promoting growth and development.**
- **Discussions underlined the importance of the Sustainable Development Goals in guiding the work of the group.**
- **The African Group suggested that the Working Group recommend the creation of a dedicated WTO webpage on technology transfer. It also suggested adding strict timelines for concluding the Working Group’s work programme.**

Background on trade and transfer of technology

The Working Group on Trade and Transfer of Technology was established at the Doha Ministerial Conference in 2001 “to examine the relationship between trade and transfer of technology and to make recommendations on steps that might be taken, within the mandate of the WTO, to increase flows of technology to developing countries”.

The Working Group on Trade and Transfer of Technology heard presentations by the World Intellectual Property Organization, the UN Food and Agriculture Organization and the World Bank on their work on trade and transfer of technology.

The discussions highlighted that technology and technical know-how are essential for improving productivity, promoting growth and attaining the development aspirations of less-developed countries. They also underlined that technology transfer can be an important tool for narrowing the technological gap between developed and developing countries and that technology is crucial for integrating developing countries into the multilateral trading system.

WTO members looked at the role of intellectual property, particularly the evolving role of universities and public research organizations in national innovation systems, and deliberated on the potential of technology and its transfer in helping to eliminate hunger, food insecurity, malnutrition and rural poverty.

The discussions underlined the importance of the United Nations’ Sustainable Development Goals, especially SDG 17, in guiding the work of the Working Group. Goal 17 emphasizes the need for enhancing international cooperation on access to science, technology, innovation and knowledge sharing.

WTO members continued to discuss a submission by India, Pakistan and the Philippines entitled “Facilitating Access to Information on Appropriate Technology Sourcing – A Step to Increase Flows of Technology to Developing Countries”. The proponents informed the group that they are revising the submission and intend to present the revisions in the near future.

The African Group suggested that the Working Group could recommend the establishment of a dedicated WTO webpage on technology transfer to serve as a one-stop shop on technology-related issues. It could, among other things, include information on all technology and its transfer-related provisions in WTO agreements with links to intellectual property databases, technology transfer offices, and technology and innovation research institutions.

The African Group suggested that WTO members revisit and restructure the work programme, established in 2003, by adding timelines. Other elements in the restructuring could include carrying out assessments of the needs of developing countries for transfer of technology and identifying the constraints they face in gaining access to technology available in developed countries.



Regional trade agreements

- In 2018, the WTO received 12 notifications of regional trade agreements (RTAs) currently in force, down from 25 in 2017.
- The 12 notifications concern seven RTAs. Overall, the Americas and the Asia Pacific regions notified the highest number of RTAs.
- The number of RTAs reviewed by members under the transparency mechanism rose to 172, involving 111 WTO members, up from 159 RTAs and 107 members at the end of 2017.

Background on RTAs

The Committee on Regional Trade Agreements (CRTA) monitors all RTAs notified to the WTO, except those notified under special provisions for agreements between developing countries (the Enabling Clause), which are considered by the Committee on Trade and Development. The CRTA examines RTAs individually and considers their systemic implications for the multilateral trading system.

Notifications

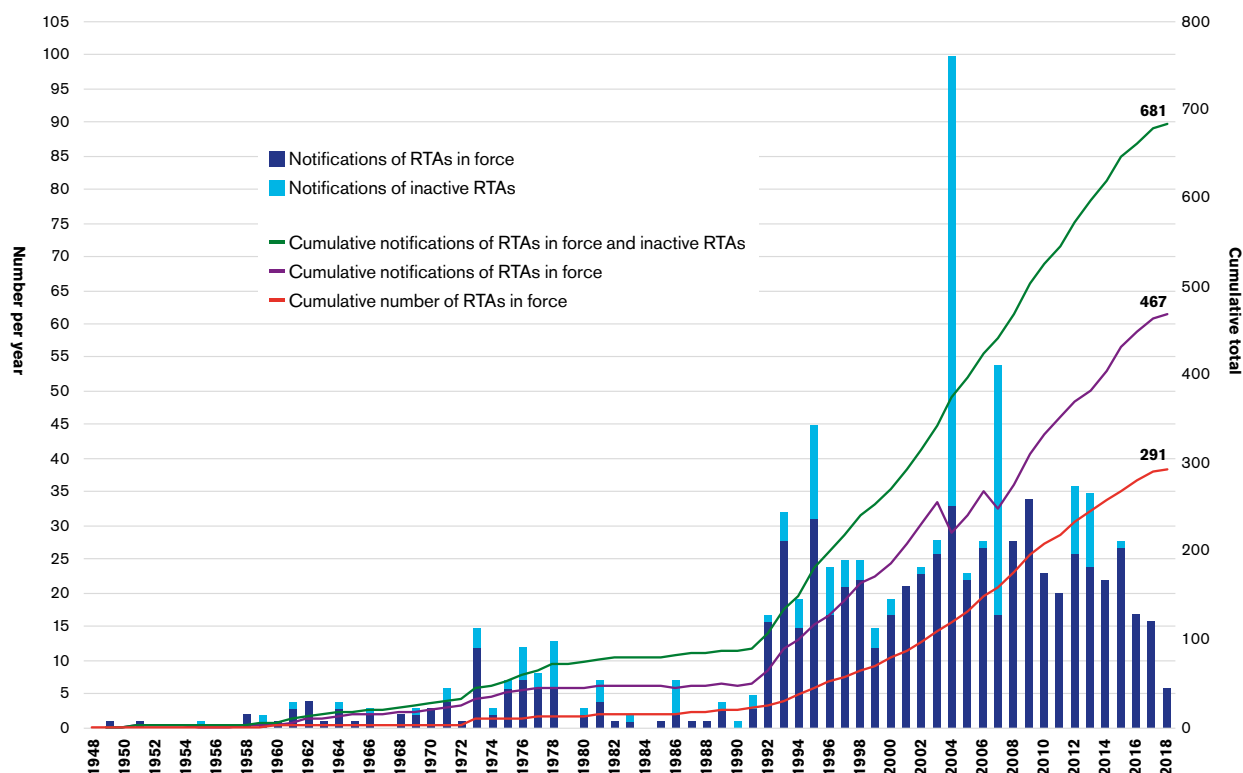
WTO members submitted 12 notifications of regional trade agreements (RTAs) in 2018, down from 25 the year before. The 12 notifications concern seven RTAs, of which five cover trade in goods and services and two trade in goods only.

Four of the RTAs are between developing partners, down from eight in 2017, while three involve developing and developed partners. There were no notifications of RTAs only between developed partners, compared with four the previous year.

The Americas and the Asia Pacific regions were involved in the highest number of RTA notifications – four each – followed by Europe (two). Five of the agreements covered members from two different regions.

The notifications took the number of RTAs notified by 31 December 2018 to 681, of which 467 were in force (see Figure 14). RTAs are reciprocal preferential trade agreements between two or more partners. The goods and services aspects of RTAs as well as accessions to existing RTAs are notified and counted separately. If all three elements are counted together, the notifications involved 486 individual RTAs, of which 291 were in force.

Figure 14: All RTAs notified to the GATT/WTO (1948 to 2018) by year of entry into force



Note: Notifications of RTAs: goods, services and accessions to an RTA are counted separately. Number of RTAs: goods, services and accessions to an RTA are counted together. The cumulative lines show the number of notifications/RTAs that were in force for a given year.

Table 3: Regional trade agreements considered in 2018

1. Considered in the CRTA:
European Union – Côte d'Ivoire (goods)
Japan – Mongolia (goods and services)
Association of Southeast Asian Nations (ASEAN) – Republic of Korea (services)
Turkey – Malaysia (goods)
Turkey – Republic of Moldova (goods)
European Union – Canada (goods and services)
Canada – Ukraine (goods)
Costa Rica – Colombia (goods and services)
European Union – Republic of San Marino (goods)
Accession of Seychelles to the Southern African Development Community (SADC) Trade Protocol (goods)
European Union – Cariforum states (goods and services)
European Union – Ghana (goods)
Treaty on the Eurasian Economic Union (EAEU) (goods and services)
Treaty on accession of the Republic of Armenia to the EAEU (goods and services)
Treaty on accession of the Kyrgyz Republic to the EAEU (goods and services)

2. Considered in the CTD:
Arab Mediterranean Free Trade Agreement (AGADIR) between Egypt, Jordan, Morocco and Tunisia (goods)
Partial Scope Agreement between Panama and the Dominican Republic (goods)

Note: The table refers to 17 agreements, seven of which covered both goods and services, nine covered only goods and one only services.

Members continued to discuss the issue of non-notified RTAs and urged the members concerned to notify their RTAs to the WTO in a timely manner. The number of RTAs not notified stood at 79 as of 12 November 2018, up from 69 on 27 October 2017. The WTO Secretariat issues a list of RTAs in force but not notified. In 2018, only one RTA on the list was notified to the WTO. In addition, a communication concerning several RTAs referred to in the list was received on 1 November 2018 from Uruguay.

RTAs have risen in number and reach over the years. Non-discrimination among trading partners is one of the core principles of the WTO. But RTAs constitute one of the exemptions and are authorized under the WTO, subject to a set of rules.

Monitoring RTAs

All RTAs are subject to the provisions and procedures of the transparency mechanism, regardless of whether they are notified under Article XXIV of the General Agreement on Tariffs and Trade (GATT) 1994, the Enabling Clause between developing countries (for trade in goods) or Article V of the General Agreement on Trade in Services (GATS).

The mechanism provides specific guidelines on when a new RTA should be notified to the WTO Secretariat and the related information and data to be provided. It also requires the Secretariat to prepare a factual presentation on each RTA and that each RTA be reviewed by WTO members. By the end of 2018, 172 RTAs involving 111 WTO members had been reviewed, compared with 159 RTAs involving 107 members at the end of 2017.

Agreements notified under the GATT 1994 and the GATS are considered by the Committee on Regional Trade Agreements (CRTA) while agreements notified under the Enabling Clause (see page 130) are considered by a dedicated session of the Committee on Trade and Development (CTD), based on the Secretariat's factual presentation (see Table 3).

Under the transparency mechanism, WTO members are encouraged to inform the Secretariat of any agreements being negotiated or that have been signed but have not entered into force (so-called early announcements). They are required to inform the Secretariat of any changes to a notified agreement and to provide a report once an agreement is fully implemented.



In 2018, the CRTA considered 22 notifications of RTAs, counting goods, services and accessions separately, compared with 16 in 2017 and 29 in 2016. The CTD held one dedicated session on RTAs and considered two RTAs notified under the Enabling Clause.

The transparency mechanism also requires the Secretariat to prepare “factual abstracts” on RTAs examined by the CRTA prior to their entry into force. By the end of 2018, 72 factual abstracts of agreements currently in force had been prepared in consultation with the relevant RTA parties and posted in the RTA database.

One “early announcement” for an RTA under negotiation was received from the Republic of Moldova and China, taking to 107 the total number received as of December 2018. Seventy of these were subsequently notified to the WTO following entry into force of the agreements.

Under the transparency mechanism, the CRTA also discusses end-of-implementation reports for RTAs, which are short, written reports on how the liberalization commitments have been put into effect. They are important for understanding whether RTAs accomplish what they set out to do. CRTA Chair Ambassador Julian Braithwaite (United Kingdom) noted that reports had been due for 134 RTAs as of 13 March 2018 but none was received during the year.

The General Council established the transparency mechanism on a provisional basis in 2006. Members are required to review the legal relationship between the mechanism and relevant WTO provisions on RTAs. The Negotiating Group on Rules started the review in 2011. At the 10th Ministerial Conference in Nairobi in December 2015, ministers called on WTO members to work towards making the mechanism permanent.

Impact of RTAs on the multilateral trading system

The Nairobi Ministerial Declaration instructed the CRTA to discuss the systemic implications of RTAs for the multilateral trading system and their relationship with WTO rules. Ministers reaffirmed the need to ensure RTAs remain complementary to, and not a substitute for, the multilateral trading system.

In June, the Chair announced that he was taking the issue off the CRTA agenda as there had been no response to his offer to hold consultations. Issues relating to the systemic relationship between RTAs and the WTO are discussed under other agenda items and the Chair hoped that these discussions would continue.

RTA database

The WTO's RTA database (<http://rtais.wto.org>), where details of RTAs notified to the WTO are stored, was strengthened in 2017 with the addition of new features and more information. The new additions became available to the public in December 2017. The principal changes were:

- The number of topics covered rose to 41 and the topics were further sub-divided into 72 provisions. Users can search the database for RTAs that contain one or several of these topics or provisions.
- Interactive graphs allow users to see the evolution of RTAs by country or region, or by date of entry into force, signature or notification. The underlying data used to produce the graphs can be exported to an Excel spreadsheet.
- Users are able to search the preferential tariff offered by individual WTO members under their RTAs and compare it to their latest most-favoured-nation tariff. The search function is provided at the tariff line level. Exporters can analyse preferential tariffs in distinct export markets for certain products and compare them to MFN tariffs.

The database permits users to identify RTAs with the provisions they are interested in and provides a clearer picture of any common features of RTAs and the evolution of emerging trends in RTAs.



Trade Policy Reviews

- In 2018, the Trade Policy Review Body reviewed 18 WTO members.
- Montenegro and Vanuatu were reviewed for the first time.
- Seven follow-up workshops and a regional trade policy workshop were held during the year.

Background on Trade Policy Reviews

The Trade Policy Review Mechanism aims at encouraging all WTO members to adhere to WTO rules. Through its regular trade policy reviews, the mechanism enables members to collectively examine the trade policies and practices of individual members in all trade-related areas. Reviews are not intended to serve as a basis for the enforcement of obligations or for dispute settlement procedures.

In 2018, the Trade Policy Review Body (TPRB) reviewed the trade policies and practices of 18 WTO members, including Montenegro and Vanuatu, which were reviewed for the first time since their accession to the WTO in 2012. The other members reviewed were: The Gambia; Malaysia; Egypt; the Philippines; Guinea; Mauritania; Colombia; Norway; Uruguay; China; Israel; Chinese Taipei; Armenia; Hong Kong, China; Nepal; and the United States. The dates of the trade policy reviews and the members covered are shown in the map on page 104.

By the end of 2018, the TPRB had conducted 485 reviews since 1989, covering 155 of the 164 WTO members. The United States has been reviewed 14 times, followed by the European Union and Japan – 13 times each; Canada – ten times; Hong Kong, China – eight times; Australia, Brazil, China, the Republic of Korea, Malaysia, Norway, Singapore, Switzerland and Thailand – seven times; India, Indonesia, Mexico, and Turkey – six times; and Chile, Colombia, Iceland, Israel, Liechtenstein, Morocco, New Zealand, Nigeria, the Philippines, South Africa and Uruguay – five times. Thirty members have been reviewed four times and 30 members three times.

Under a new review cycle to be phased in from 2019, the four largest trading entities (currently the European Union, the United States, China and Japan) will be reviewed every three years, compared with every two years previously. The next 16 largest will be reviewed every five years, up from four previously, and other members every seven years (six previously).

An increasing number of members – nine against five in 2017 – opted for the alternative timeline for submission of written questions and replies for their TPR meetings in 2018. This timeline requires members to submit written questions five weeks before a meeting; the reviewed member should submit written responses one week in advance. Under the standard timeline, written questions must be submitted two weeks before the meeting, with written responses provided by the start of the meeting. For the first time, members had the option of completing the Q&A online, which eight members opted to do during the year.

Each trade policy review is available as a WTO publication. This includes the report by the WTO Secretariat, the report by the member under review, the concluding remarks by the Chair of the TPRB and a section on key trade policy facts.

Montenegro was reviewed for the first time in 2018.



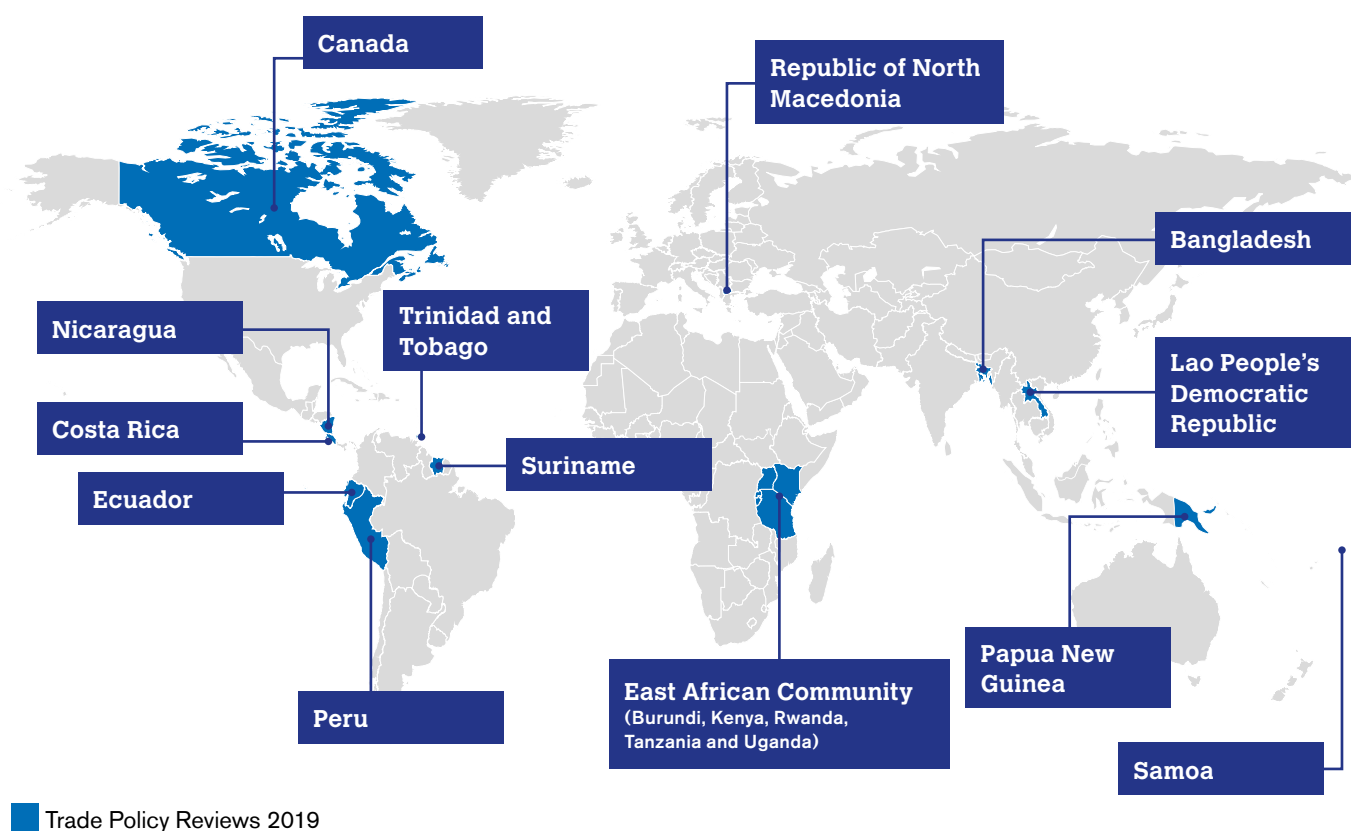
TPR follow-up workshops

After a trade policy review, the reviewed member may request the Secretariat to organize a follow-up workshop with domestic stakeholders to disseminate the outcome of the review and to discuss technical assistance and capacity-building needs. In 2018, seven follow-up workshops – for Angola, Benin, Colombia, Egypt, Paraguay, the Philippines and Togo – were conducted. A regional follow-up workshop for the eight countries of the West African Economic and Monetary Union (WAEMU) was also organized in Benin.

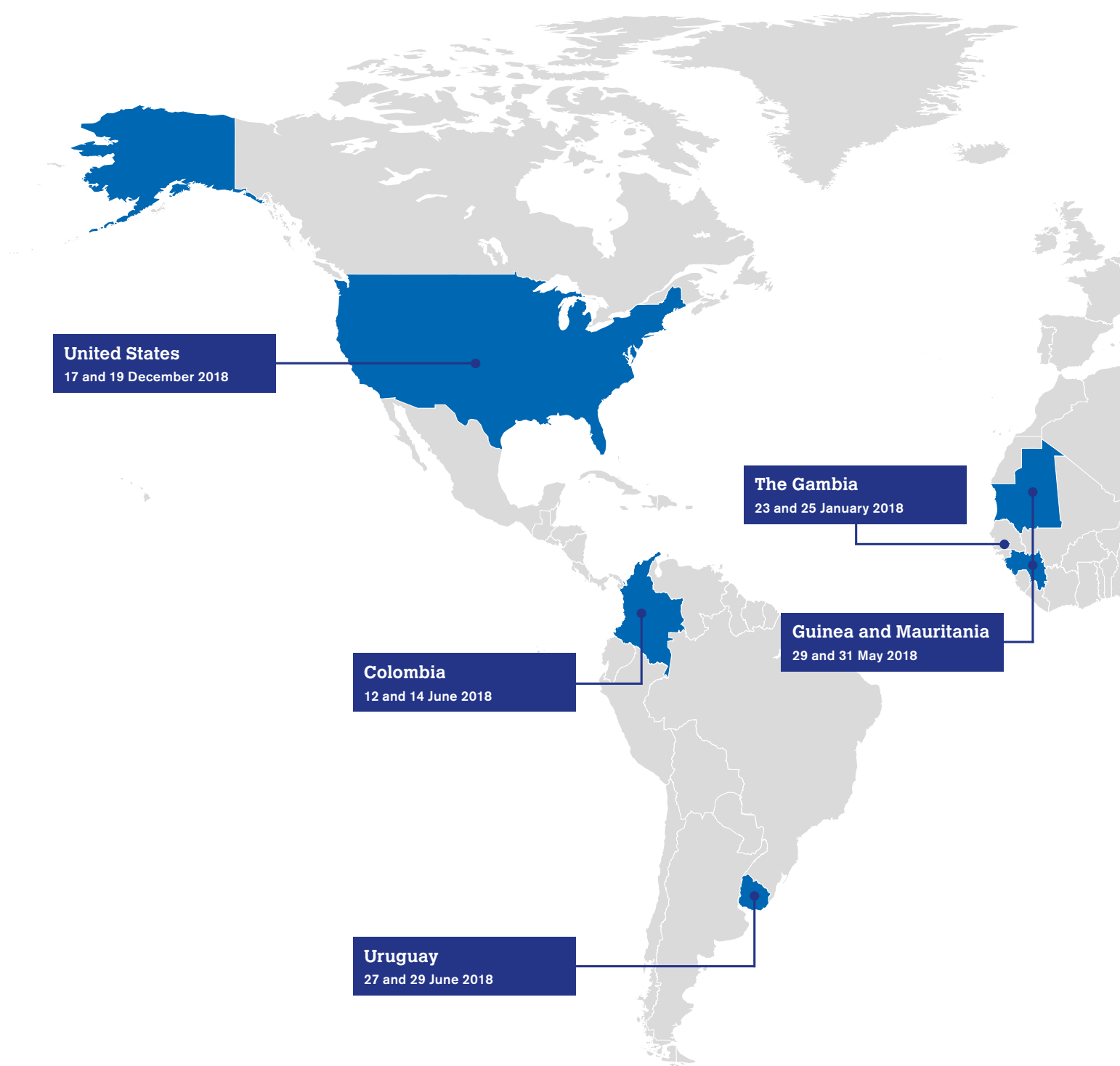
Trade Policy Review programme for 2019

Thirteen TPR meetings are scheduled to be held in 2019 for 17 members. They are: Ecuador; East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda); Bangladesh; Samoa; Papua New Guinea; Trinidad and Tobago; Canada; Republic of North Macedonia; Suriname; Costa Rica; Peru; Lao People's Democratic Republic; and Nicaragua (see Figure 15).

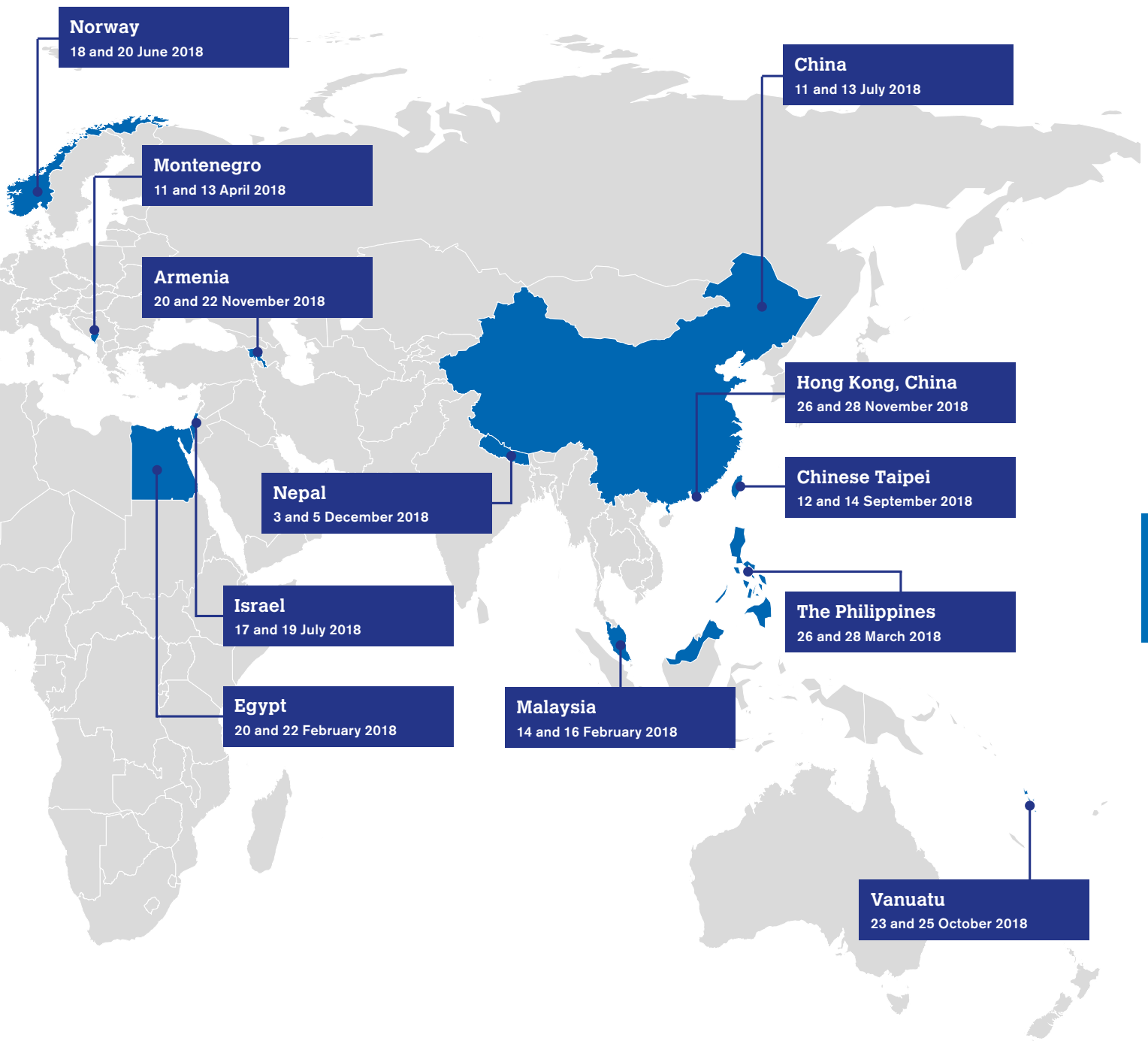
Figure 15: Trade Policy Reviews in 2019



Trade Policy Reviews in 2018



The WTO conducted 17 trade policy review meetings in 2018, covering the trade policies and practices of 18 WTO members. The dates of the reviews and the WTO members covered are shown on the map. Further information, including the Chair's concluding remarks for each review, can be found on the WTO website.



Trade monitoring reports

- The 2018 reports noted a proliferation of trade-restrictive actions. Trade coverage of import-restrictive measures was more than seven times that recorded in the previous overview.
- “The proliferation of trade-restrictive actions and the uncertainty created by such actions could place economic recovery in jeopardy,” said DG Roberto Azevêdo.
- World trade growth slowed as trade tensions multiplied and global financial conditions tightened.
- Trade should continue to expand in 2019 but at a more moderate pace than previously forecast.

Background on trade monitoring reports

The WTO began regular monitoring of global trade developments in early 2009, covering all trade-related measures implemented by WTO members and observers. Initially launched in the context of the global financial crisis, the trade monitoring exercise has become a regular function in the WTO that further strengthens the transparency aims of the Trade Policy Review Mechanism by shedding light on the latest trends in the implementation of a broad range of policy measures that facilitate as well as restrict the flow of trade. The trade monitoring is overseen by the Trade Policy Review Body.

The trade monitoring reports showed a proliferation of trade-restrictive measures implemented by WTO members from mid-October 2017 to mid-October 2018 and a significant increase in the trade coverage of such measures compared with previous reports. The reports provided a first factual insight into the trade-restrictive measures imposed in the context of the current trade tensions.

The WTO Secretariat prepared four reports on global trade policy developments during 2018. These reports pointed out that further escalation in trade-restrictive measures would carry potentially large risks for global trade, with knock-on effects for economic growth, jobs and consumer prices. Director-General Roberto Azevêdo urged WTO members to use all means at their disposal to de-escalate the situation and said that the WTO will do all it can to support its membership and that collective leadership from WTO members will be essential to this end.

The trade monitoring reports have no legal effect on the rights and obligations of WTO members. They neither seek to pronounce on whether a trade measure is protectionist nor question the explicit right of members to take certain trade measures.

Key developments in 2018

During the period from mid-October 2017 to mid-October 2018 WTO members implemented a total of 807 trade measures. This figure includes measures restricting trade, measures facilitating trade and trade remedy measures (see Figure 16).

WTO members implemented 137 new trade-restrictive measures during the period under review, an average of 11 new measures per month. This is higher than the average of nine measures recorded in the previous annual overview.

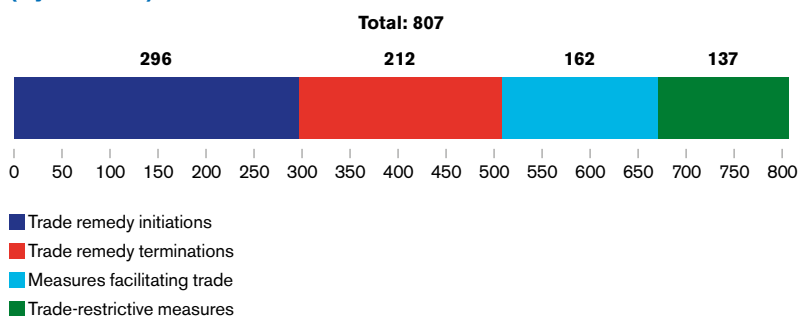
WTO members also implemented 162 measures aimed at facilitating trade, nearly 14 per month, which is higher than the average of 11 per month previously.

The trade coverage of the import-restrictive measures was estimated at US\$ 588.3 billion, more than seven times that recorded in the previous overview. The trade coverage of the import-facilitating measures was estimated at US\$ 295.6 billion and was 1.8 times larger than the previous annual overview (see Figure 17).

“The proliferation of trade-restrictive measures and the uncertainty created by such actions could place economic recovery in jeopardy. Further escalation would carry potentially large risks for global trade, with knock-on effects for economic growth, jobs and consumer prices around the world,” DG Azevêdo said.

On trade remedy measures, the period under review witnessed a similar trend in the monthly average of initiations of investigations and a sharp increase in terminations of measures. Initiations of anti-dumping investigations continue to be the most frequent trade remedy action. Trade remedy measures (anti-dumping, countervailing and safeguard measures) continue to be a very important trade policy tool for WTO members and account for about 63 per cent of all trade measures captured in the reports.

Figure 16: Trade measures, mid-October 2017 to mid-October 2018 (by number)



The trade coverage of trade remedy initiations introduced during the review period by WTO members was US\$ 93.6 billion and that of trade remedy terminations US\$ 18.3 billion, both significantly larger than the trade coverage recorded for these measures in the previous annual overview.

World trade growth slowed during the review period as trade tensions multiplied and global financial conditions tightened. The volume of merchandise trade was up 3.4 per cent in the first half of 2018 after rising 5.4 per cent in the second half of 2017. Slower trade growth coincided with the introduction of new trade measures targeting a variety of exports from large economies. Direct impacts of the new measures have been modest up to mid-October 2018 but rising trade policy uncertainty and falling export orders could weigh on trade and output.

Trade should continue to expand in 2019 but at a more moderate pace than previously forecast.

Continuous consultation

The most important element in collecting trade policy information for the reports is the close and continuous consultation between the WTO Secretariat and WTO members. This consultation seeks to gather complete, up-to-date and accurate information on trade-related measures and to verify the relevant information collected from other public sources.

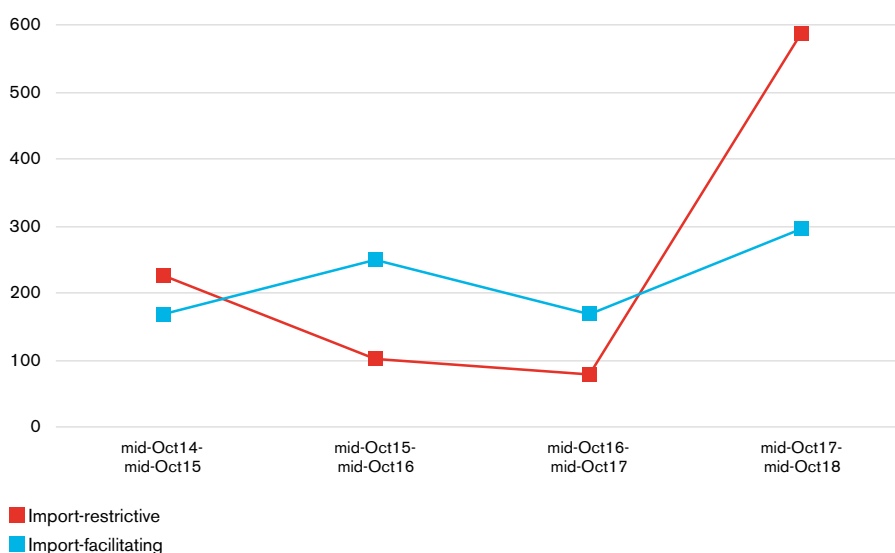
The WTO Secretariat collates all recorded country-specific information on trade measures and re-submits this information to each WTO member for verification. This verification process is a unique feature of the WTO's monitoring efforts and represents a quality-control mechanism. The trade monitoring reports are subsequently discussed at meetings of the WTO's Trade Policy Review Body.

The reports covered a range of other subjects, such as the continuous increase in trade concerns raised in WTO bodies. This demonstrates that members are actively using the WTO committees to engage trading partners regarding real or potential areas of trade friction. Other important trade-related developments covered include members' compliance with various notification requirements of WTO agreements.

Database

The Trade Monitoring Database, which is publicly available, provides information on trade measures implemented by WTO members and observers and includes various search criteria options, e.g. country or country group, HS code, type of measure, date of measure. Members are regularly invited to update information compiled by the WTO Secretariat since 2008.

Figure 17: Trade coverage of import-restrictive and import-facilitating measures (US\$ billion)



Note: These figures represent the trade coverage of the measures (i.e. annual imports of the products concerned from economies affected by the measures) and not the impact of the trade measures. These are estimates based on 2013 to 2017 import data. Liberalization associated with the 2015 expansion of the WTO's Information Technology Agreement is not included in these figures.

Trade, debt and finance

- **DG Azevêdo sees “significant progress” in bridging persistent trade financing gaps, which affect poorer countries and smaller businesses in particular.**
- **Trade finance facilitation programmes are set to reach \$35 billion in 2018, a 50 per cent increase on the level two years earlier.**
- **With the support of the Working Group on Trade, Debt and Finance, DG Azevêdo continues to work with international partners on trade financing.**
- **A WTO, World Bank and International Monetary Fund report says global trade policy can help unlock opportunities provided by information technologies and other fundamental changes to the global economy.**

Background on trade, debt and finance

WTO ministers decided in 2001 to establish a Working Group on Trade, Debt and Finance to look at how the WTO could contribute to finding a durable solution to the external debt problems of many developing countries and to avoid having WTO members' trade opportunities undercut by financial instabilities. The Working Group has been focusing its attention on a range of financial issues with an impact on trade, including the provision of trade finance and the relationship between exchange rates and trade.

DG Azevêdo told the WTO Working Group on Trade, Debt and Finance that there has been “significant progress” in enhancing the trade finance programmes of key multilateral institutions, particularly with regard to trade financing flows for developing countries. The Asian Development Bank alone supported trade transactions from more than 2,800 small and medium-sized enterprises (SMEs) in 2017 in countries such as Cambodia, Myanmar and Bangladesh, he told the Working Group in June.

Progress has also come in addressing knowledge gaps in local financial institutions, opening dialogue with trade finance regulators and tracking and monitoring trade finance gaps – all targets laid out in a 2016 WTO report “Trade Finance and SMEs”. Multilateral development banks, for example, have boosted their capacity-building

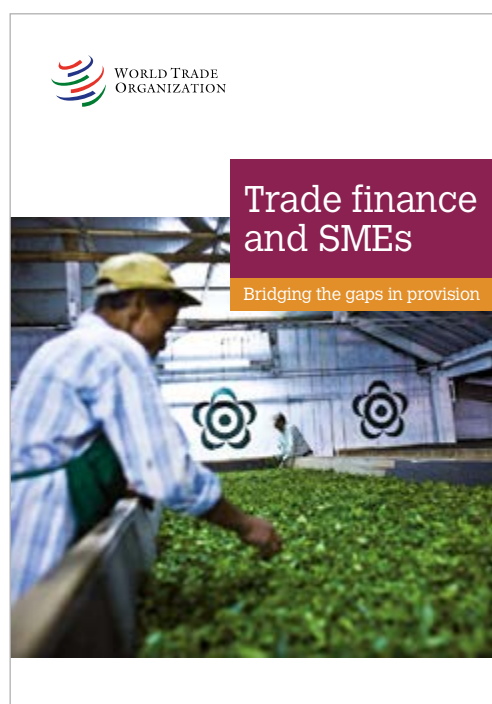
work on trade finance, in collaboration with the International Chamber of Commerce and the WTO. Together they trained a record 2,600 people in 2017 – across 85 countries – well above the target of 1,000 trade financiers per annum. “All of this is very positive. However, clearly much more needs to be done,” DG Azevêdo said.

Some 80 to 90 per cent of world trade relies on trade finance (trade credit and insurance/ guarantees). But finance gaps – the amount of trade finance requested but rejected – remain at around US\$ 1.5 trillion (some 10 to 15 per cent of trade finance markets). “Today, 60 per cent of trade finance requests by SMEs are rejected,” the DG said in October at the IMF and World Bank annual meeting. When these requests are rejected by banks, the transaction is often abandoned. According to the World Economic Forum, trade finance is one of the top three obstacles to exporting for 50 per cent of countries.

DG Azevêdo worked with the Chief Executive Officer of the International Financial Corporation (IFC) and the Chair of the Financial Stability Board (FSB) to address some of the regulatory challenges faced by trade finance providers, notably in developing countries. Joint missions gathered experts from the FSB, IFC, the WTO and multilateral development banks to deliver knowledge on trade finance and on compliance requirements.

At the October IMF and World Bank meeting, held in Indonesia, DG Azevêdo and Philippe Le Houérou, CEO of the IFC, co-hosted a session on financial inclusion in trade, which discussed inter-institutional steps to reduce the global trade finance gap. Heads or senior officials of the IMF, the European Bank for Reconstruction and Development, the Islamic Development Bank, the African Import Export Bank and the FSB also took part.

“Trade finance and SMEs” looks at how to address trade financing gaps.



The seven organizations committed themselves to finding ways to close the gaps in trade finance provision. As part of the effort, the IFC and the WTO have agreed to co-produce a new publication to share best practices on regulatory compliance in trade finance. This will include successful case studies provided by various regional development banks.

“We need to make global trade more inclusive. But trade inclusion needs financial inclusion. So we need to continue developing concrete ideas and solutions that make a real difference. Working with a range of partners – including the private sector – can help provide momentum to this work,” DG Azevêdo said.

Expert Group on Trade Finance

Under the chair of the Director-General, the Expert Group on Trade Finance continued to evaluate gaps in trade finance markets. The Group includes the IFC, regional development banks, export credit agencies, big commercial banks and other international organizations.

Strengthening cooperation

In 2018, a joint report by the WTO, the World Bank and the IMF – “Reinvigorating Trade and Inclusive Growth” – noted that trade integration could play a much larger role in boosting shared prosperity. The report concludes that greater openness in global trade policy can help unlock opportunities provided by information technologies and other fundamental changes.

DG Azevêdo, IMF Managing Director Christine Lagarde and the then World Bank President Jim Yong Kim met regularly at IMF and World Bank gatherings and at the G20 in 2018.



DG Azevêdo co-hosted a session on financial inclusion in trade at an IMF/World Bank meeting in Indonesia.

Government Procurement Agreement

- **Australia's accession to the Agreement on Government Procurement (GPA) was successfully concluded.**
- **GPA parties agreed in principle to the UK's final market access offer to accede to the Agreement in its own right after it leaves the European Union.**
- **The Republic of North Macedonia circulated its initial market access offer. Discussions continued on the accessions of China, Russia, the Kyrgyz Republic and Tajikistan.**

Background on the Government Procurement Agreement

The GPA aims to open up, based on principles of reciprocity, and to the extent agreed between WTO members, government procurement markets to foreign competition, and to make government procurement more transparent. It provides legal guarantees of non-discrimination for the products, services and suppliers of GPA parties in procurement covered by the Agreement. The GPA is a plurilateral agreement – open to all interested WTO members and binding only the parties to it. Currently, 47 WTO members (including the European Union and its member states) are bound by the Agreement. The Committee on Government Procurement administers the GPA.

Accessions to the GPA

The negotiations on Australia's accession to the WTO's Agreement on Government Procurement (GPA), initiated in 2015, were successfully concluded on 17 October 2018 with the GPA Committee inviting Australia to accede to the Agreement. Australia will become a full-fledged party to the GPA 30 days after submitting its Instrument of Accession to the WTO's Director-General.

GPA Committee Chair Mr Carlos Vanderloo (Canada) said: "This is a major achievement for Australia, for the GPA Committee and for the WTO. It adds value to and strengthens the GPA while also sending a strong signal to current accession candidates. We have shown that we can get the job done and that we are pragmatic and result-oriented."

In November, agreement was reached in principle on terms for the United Kingdom's accession to the GPA, in its own right, once it leaves the European Union. The UK offer is intended to replicate its current GPA schedule of commitments as an EU member, with minor technical adjustments. In February 2019, parties to the GPA gave their final approval to the terms for the UK's accession to the pact.

Under the terms of the decision, the UK is covered by the GPA as a member state of the EU until the date of its withdrawal from the EU or, if the EU and the UK conclude a withdrawal agreement that provides for a transition period, until the date of expiry of that transition period. The UK's accession to the GPA will take effect 30 days after the UK government submits its instrument of acceptance.

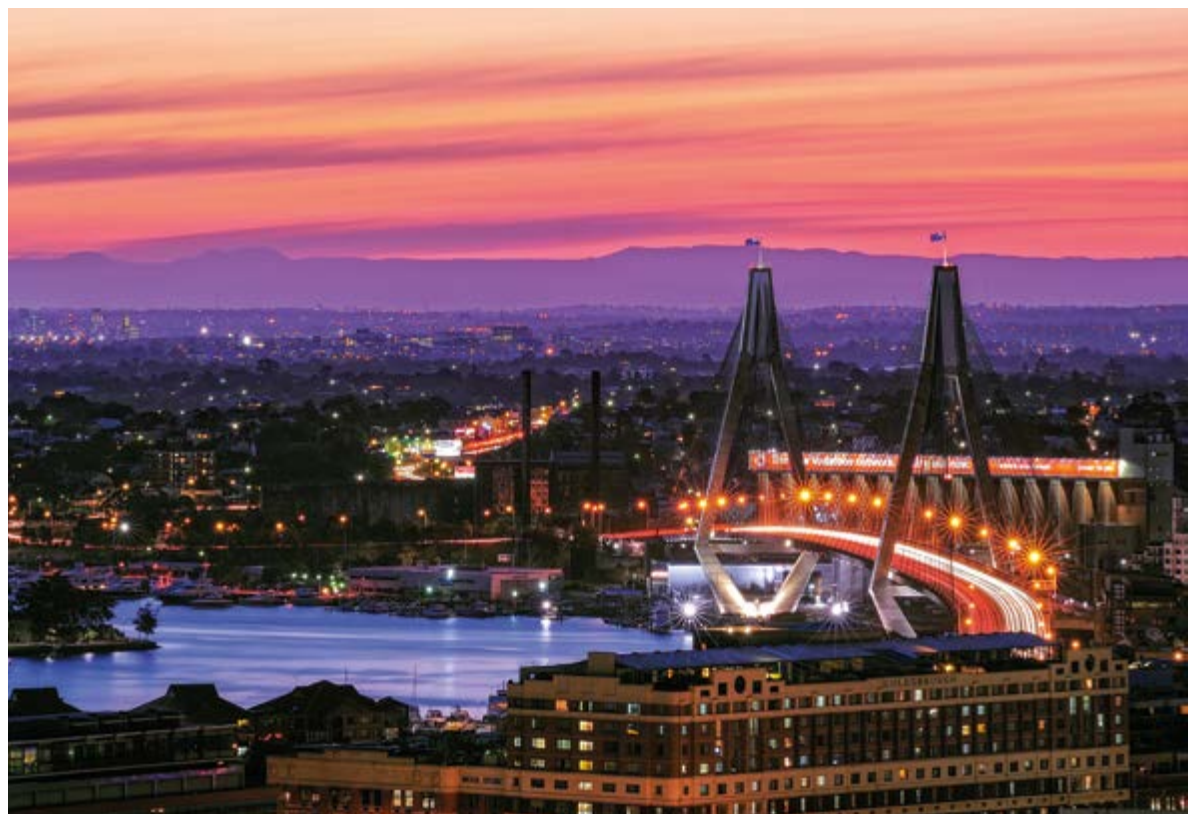
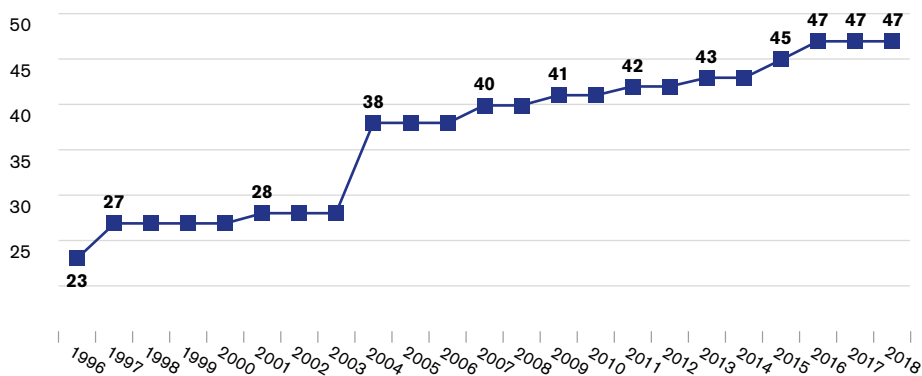


Figure 18: Growth in GPA membership, 1996-2018



The Republic of North Macedonia applied for accession to the GPA in 2017 and circulated its initial market access offer in February 2018.

In April, Chinese President Xi Jinping said that China would accelerate the process of its accession to the GPA. A Chinese delegation told the Committee that an upcoming revised offer would likely include expanded coverage of sub-central governmental entities (a proposed list of entities whose procurement would be open for competition) and of state-owned enterprises. Russia reported ongoing work on a revised offer and on updating of legislation related to government procurement.

GPA parties see Russia's and China's accessions, on the appropriate terms, as very significant for the Agreement, for the WTO and for the world economy. The accessions of the Kyrgyz Republic and Tajikistan continued to advance.

Another four WTO members – Albania, Georgia, Jordan and Oman – have initiated the process of acceding to the Agreement. Five other WTO members – Afghanistan, Kazakhstan, Mongolia, the Kingdom of Saudi Arabia and Seychelles – have GPA-related commitments in their respective protocols of accession to the WTO.

The GPA is a plurilateral agreement and only the parties to the agreement are bound by it. Any WTO members can apply. Accession negotiations include a review of the candidate's legislative and policy frameworks to ensure full compliance with the GPA and negotiations on market access commitments. Government procurement accounts for about 15 per cent of developed and developing-country economies. Only a part of this is currently covered by the GPA – an estimated US\$ 1.7 trillion annually.

The past decade has witnessed steady growth in the GPA's membership (see Figure 18). Many WTO members are observers to the GPA Committee. Belarus was granted observer status on 27 June 2018, bringing the number of observers to 32.

Monitoring of implementation and legislation

The revised version of the Agreement, adopted in 2012, is in force for all but one of the parties, Switzerland. The latter has assured the Committee that it will provide its acceptance as soon as possible, taking account of relevant internal requirements and legislative procedures.

The revised GPA entered into force on 6 April 2014, extending coverage to approximately 500 additional procurement entities, including local government and sub-central entities, together with new services and other areas of public procurement activities. The GPA's role was strengthened in promoting good governance, battling corruption and protecting the environment.

Continuing progress was made on the WTO's e-GPA web portal. This provides a single entry point for market access information under the revised Agreement together with related information that parties have committed to provide. It offers improved transparency, with the aim of better publicizing market access opportunities. Envisaged further improvements include a module to handle notifications and to facilitate access to related data.

Work programmes

Attention in the work programmes focused on sustainable procurement, the collection and reporting of statistical data and small and medium-sized enterprises. The work programmes, launched in 2014, are intended to promote transparency, improve the Agreement's administration and assist with preparations for possible future negotiations. The revised GPA calls for further negotiations to improve the Agreement and to progressively reduce and eliminate remaining discriminatory measures.

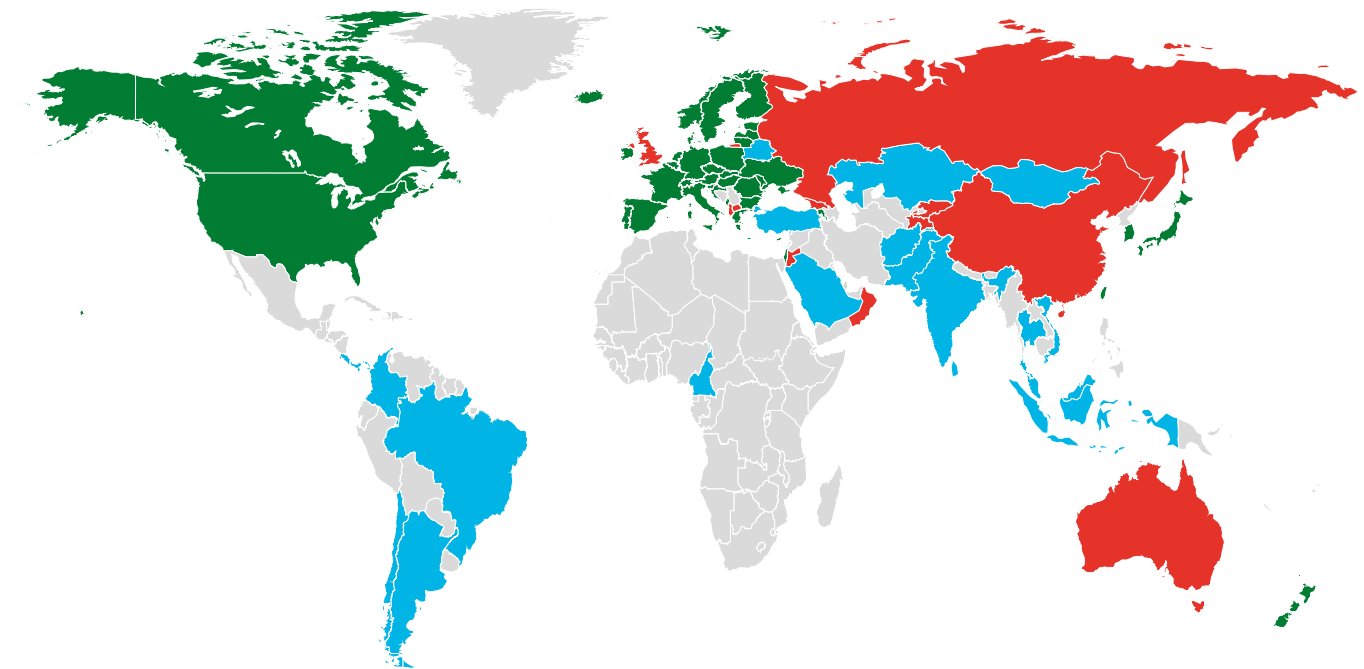
Technical assistance and international cooperation

The WTO Secretariat carried out an intensive programme of technical assistance, including two global workshops, two regional workshops and eight national seminars. The two global workshops were held in Geneva and focused on accessions, implementation of the GPA and governance issues.

The two regional workshops were held in Thailand and in Moldova. National seminars were organized for Afghanistan, Belarus, Brazil, China, Kazakhstan, Moldova, the Philippines and Seychelles.

In Central and Eastern Europe, the WTO Secretariat continued its cooperation with the European Bank for Reconstruction and Development on technical assistance. Collaboration has also been strengthened with the Commercial Law Development Programme of the US Department of Commerce and other international organizations, including the Organisation for Economic Co-operation and Development, the World Bank and other regional development banks.

Figure 19: Market coverage, members and observers of the GPA



- Parties to the GPA: 19 parties, which together cover 47 WTO members. The European Union and its member states are counted as one.
- WTO members in the process of GPA accession: Albania, Australia, China, Georgia, Jordan, the Kyrgyz Republic, the Republic of North Macedonia, Oman, the Russian Federation, Tajikistan and the United Kingdom in its own right.
- Other observer countries: Afghanistan, Argentina, Kingdom of Bahrain, Belarus, Brazil, Cameroon, Chile, Colombia, Costa Rica, India, Indonesia, Kazakhstan, Malaysia, Mongolia, Pakistan, Panama, Kingdom of Saudi Arabia, Seychelles, Sri Lanka, Thailand, Turkey and Viet Nam.



Trade and women's empowerment

- The WTO and the World Bank are carrying out research to build knowledge on the impact of trade measures on women.
- The WTO marked International Women's Day 2018 with a week-long series of events and a high-level session on "Delivering opportunities for women".
- The WTO has developed its first training module on trade and gender.

Background on trade and women's empowerment

In 2017, the WTO appointed a Trade and Gender Focal Point tasked with coordinating work among divisions, taking stock of what the WTO is doing and considering opportunities for further work and new initiatives. The WTO seeks to build a more inclusive trading system that will allow more women to participate in trade and to reap its benefits. It seeks to raise awareness on the link between trade and gender, facilitate WTO members' actions on trade and gender, generate new data on the impact of trade on women and provide training to government officials and to women entrepreneurs.

The WTO held a high-level event to mark International Women's Day.

Research work on trade and gender

The WTO and the World Bank are working together on a research project, launched in 2017, to build knowledge on how trade measures impact women. This research will provide new data on the links between trade and gender. Based on its findings, both organizations will launch a flagship report on trade and gender in 2019.

In December, the Netherlands, the World Bank and the WTO organized a conference on "Closing the Gender Gaps: The Buenos Aires Declaration on Women and Trade at Year One". At the 11th Ministerial Conference in Buenos Aires, WTO members joined for the first time a collective initiative to increase the participation of women in trade (see page 53).

The one-year-on conference provided a forum for discussion on innovative research on gender and trade, with specific application to the challenges of women traders and entrepreneurs in developing countries. It highlighted the need for reliable data and statistics to enable a sound analysis of the gender effects of trade policies.

Another research project was launched by the WTO on how trade-related development decisions can improve women's engagement in the global economy. The first part of this research focuses on how market access instruments, notably Generalized System of Preference (GSP) schemes, can help to foster women's empowerment. It looks at the examples of the European Union's Everything but Arms scheme

with Bangladesh and the US African Growth and Opportunity Act (AGOA) scheme with Kenya. This study will be published in 2019.

The WTO Secretariat has started to include gender issues in some of its reports and publications, such as in the World Trade Statistical Review 2018 and its G20 and WTO-wide trade monitoring reports. Some WTO members have been using their trade policy reviews to highlight policy developments that contribute to women's empowerment (see page 102).

International Women's Day 2018

The WTO marked International Women's Day on 8 March 2018 with a week of events, including exhibitions, debates and training sessions on issues such as female leadership and organizational culture. Speakers at a high-level event – "Delivering opportunities for women" – said more must be done to unlock trade's potential to deliver a more inclusive society. Opening the event, DG Azevêdo underlined the role of trade and the WTO and the work still to be done to overcome challenges, such as discriminatory laws, poor working conditions and lack of access to education and training, which can hinder women's full participation in trade.

Training module on trade and gender

The WTO's technical assistance plan 2018-19 includes a section on gender, giving a mandate to the WTO to develop a training module on trade and gender. The objective is to focus on "trade policy with the aim to raise awareness and enhance the aptitude of policy makers to incorporate gender considerations in their analysis and trade policy development or negotiations".

The WTO's Trade and Gender Focal Point has developed a training module, which looks at the intersection between trade and women's economic empowerment. It examines this question in the context of WTO rules and members' different perspectives on how these rules can be reflected in trade policies. The module contains concrete examples, case stories and WTO members' best practices. It will be used as a training tool in various technical assistance activities.

