



WTO OMC

22 November 2018

## REPORT ON G20 TRADE MEASURES

(MID-MAY 2018 TO MID-OCTOBER 2018)

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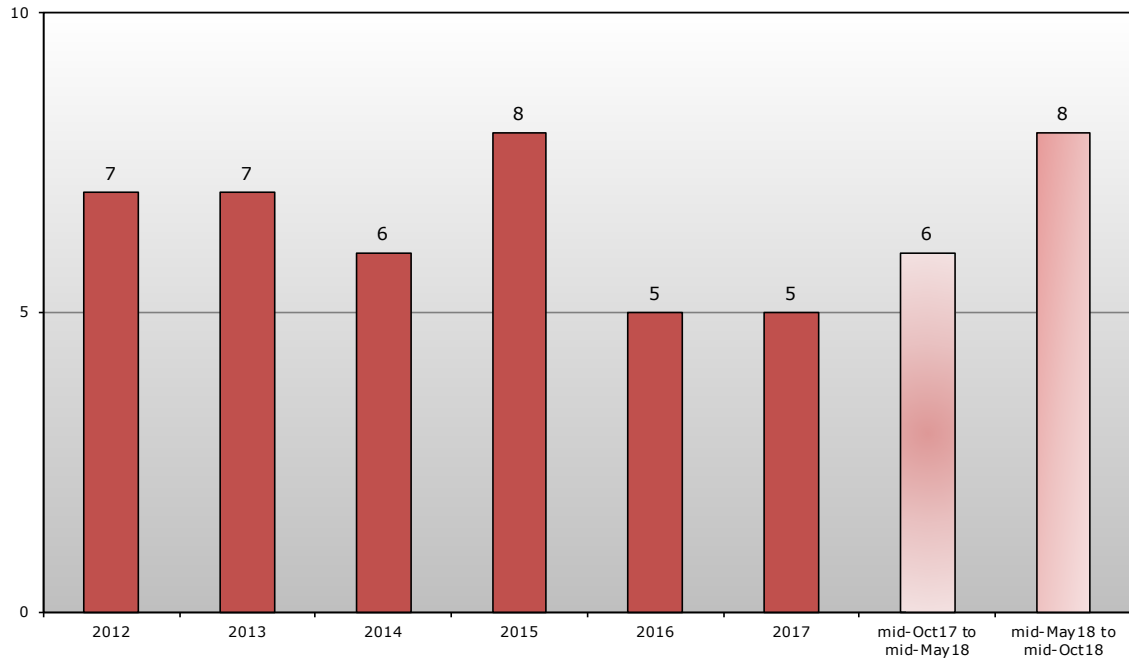
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## KEY FINDINGS

- This Report covers new trade and trade-related measures implemented by G20 economies between 16 May and 15 October 2018. It shows a number of important trends in global trade policy-making. While G20 economies continued to implement trade-facilitating measures, the figures show a significant increase in the number and coverage of trade-restrictive measures. This provides a first factual insight into the trade-restrictive measures imposed in the context of current trade tensions.
- G20 economies applied 40 new trade-restrictive measures during the review period, including tariff increases, import bans and export duties. This equates to an average of eight restrictive measures per month.
- During the review period, the estimated trade coverage of the import-restrictive measures (USD 481 billion) was more than six times larger than that recorded in the previous period and is the largest since it was first calculated in 2012.
- G20 economies also implemented 33 measures aimed at facilitating trade during the review period, including eliminating or reducing import tariffs and export duties. At close to seven trade-facilitating measures per month, this in line with the 2012-17 trend.
- The trade coverage of import-facilitating measures (USD 216 billion) has also risen significantly during this period but is just half that of trade-restrictive measures.
- On trade remedy measures, the review period saw a decrease in initiations of investigations by G20 economies and a stagnation of terminations compared to the previous period. Initiations of anti-dumping investigations remain the most frequent trade remedy action, accounting for almost three-quarters of all initiations. The trade coverage of trade remedy initiations (USD 25 billion) has fallen significantly compared to the previous period. The trade coverage of trade remedy terminations remained equivalent to the previous review period at USD 6 billion.
- The proliferation of trade-restrictive actions 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.
- G20 economies must use all means at their disposal to de-escalate the situation. The WTO will do all it can to support its Members to this end and leadership from the G20 will be essential.

### G20 Trade-restrictive measures

(average per month)

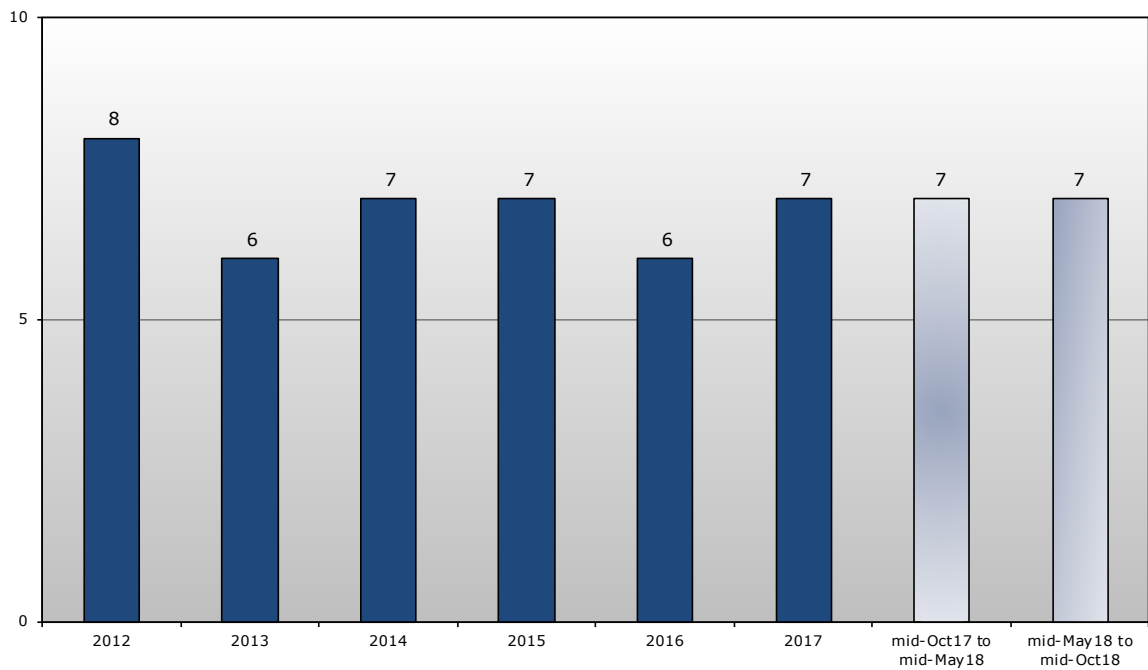


Note: Values are rounded. Changes to averages of previous years reflect continuing fine-tuning and updates of the TMDB.

Source: WTO Secretariat.

### G20 Trade-facilitating measures

(average per month)

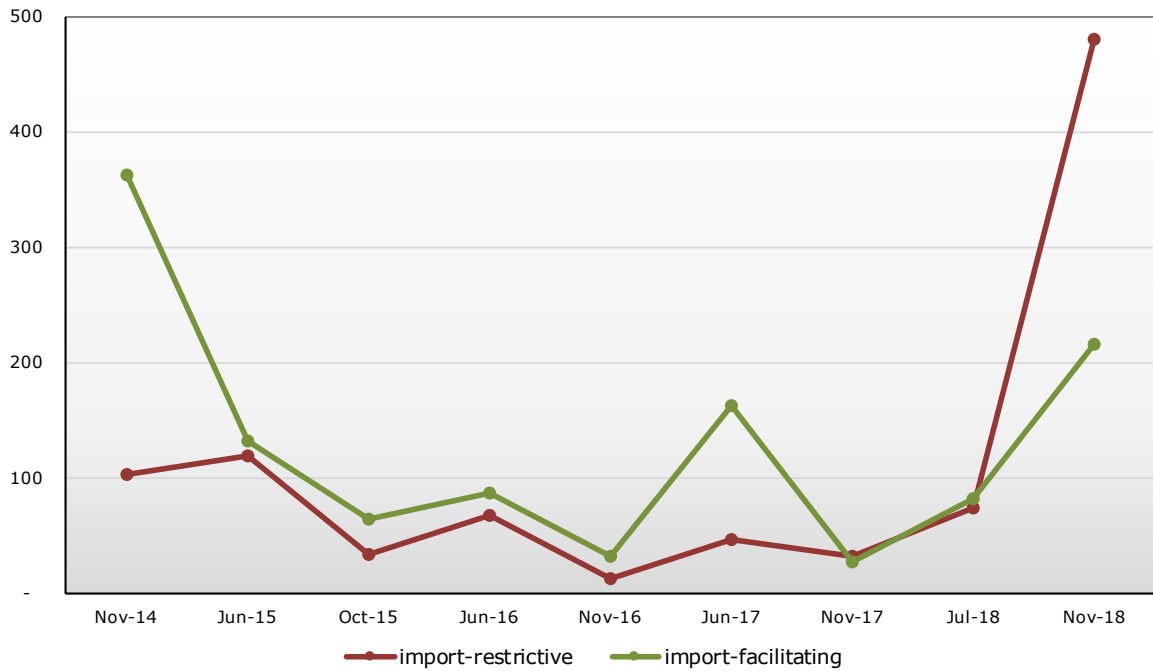


Note: Values are rounded. Changes to averages of previous years reflect continuing fine-tuning and updates of the TMDB.

Source: WTO Secretariat.

### Trade coverage, current and previous reports

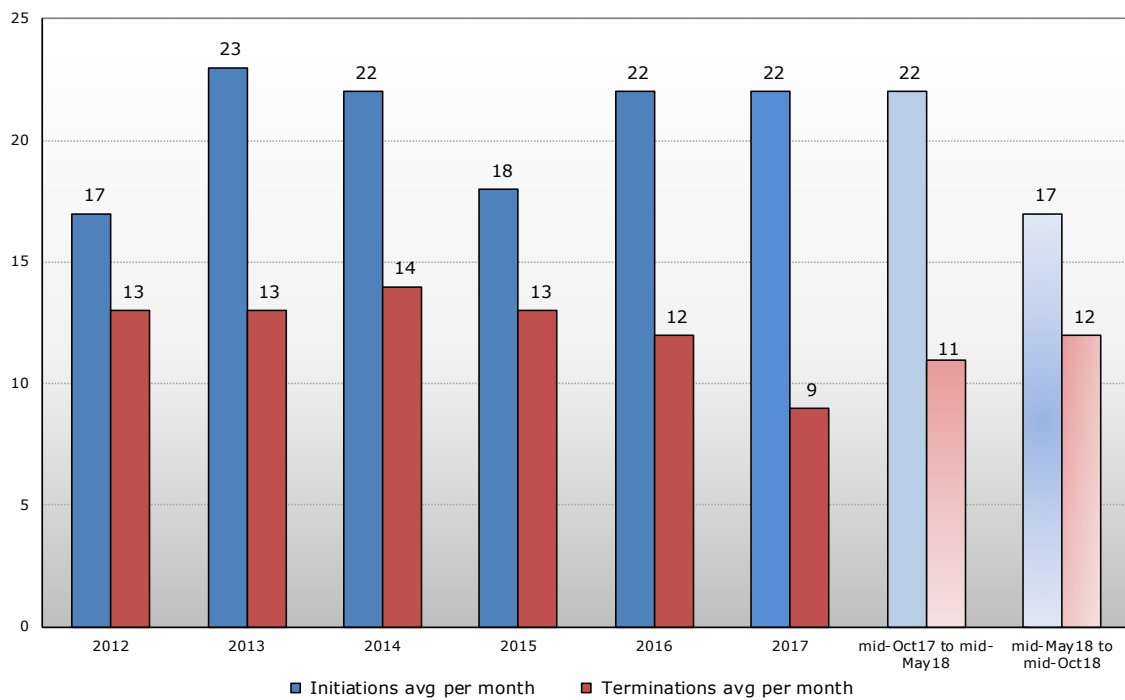
(USD billion)



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. About 79% of the current import-restrictive coverage is associated with bilateral measures between U.S. and China.

Source: WTO Secretariat.

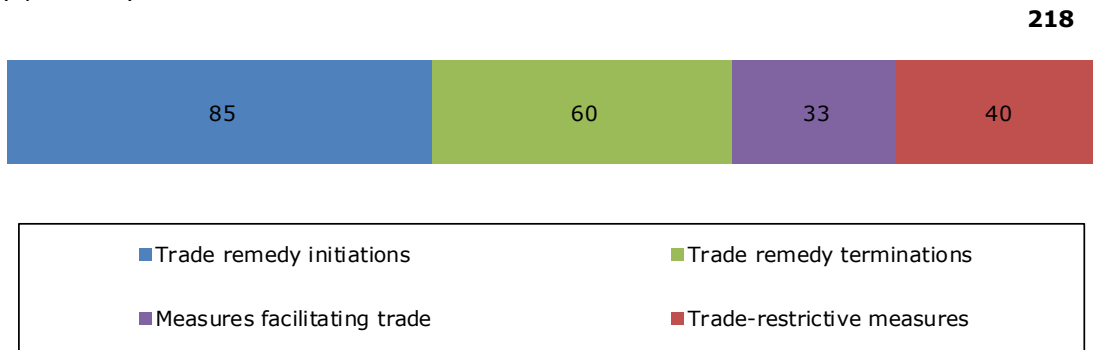
### G20 Trade remedy initiations and terminations



Source: WTO Secretariat.

### G20 measures, mid-May to mid-October 2018

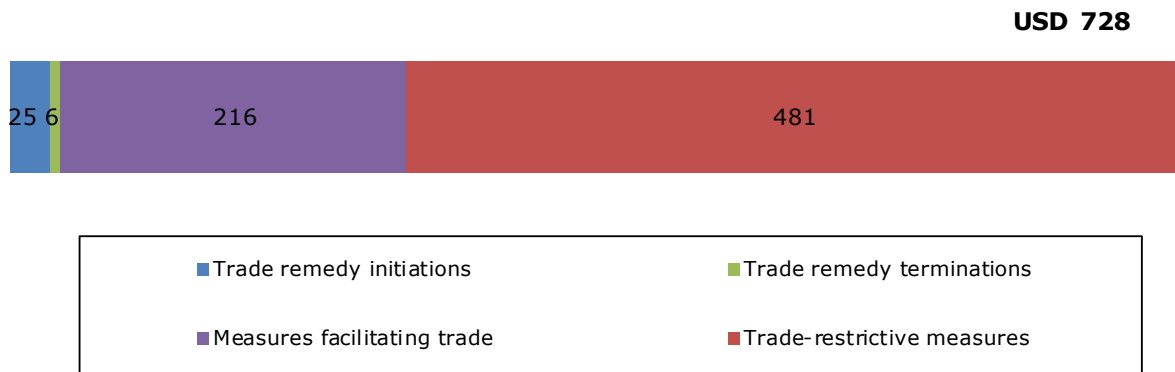
(by number)



Source: WTO Secretariat.

### Trade coverage of G20 measures, mid-May to mid-October 2018

(USD billion)



Source: WTO Secretariat.

### **Box 1 About the WTO Monitoring Report on G20 Trade Measures**

The Trade Monitoring Report is first and foremost a transparency exercise. It is intended to be purely factual and has no legal effect on the rights and obligations of WTO Members. It is without prejudice to Members' negotiating positions and has no legal implication with respect to the conformity of any measure noted in the report with any WTO Agreement or any provision thereof.

The Report aims to shed 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, and to provide an update on the state of global trade. The Report neither seeks to pronounce itself on whether a trade measure is protectionist, nor does it question the right of Members to take certain trade measures. The Reports continue to evolve in terms of the coverage and analysis of trade-related issues, and seek to take into account discussions among G20 economies.

Regarding trade remedy actions, it has been highlighted in discussions among G20 economies, as well as more broadly in the WTO, that some of these measures are taken to address what is perceived by some as a market distortion resulting from trade practices of entities in another trading partner. The WTO Antidumping and Subsidies Agreements permit WTO Members to impose antidumping (AD) or countervailing (CVD) duties to offset what is perceived to be injurious dumping or subsidization of products exported from one Member to another. The Reports are not in a position to establish if, where or when such perceived distortive practices have taken place. The Reports have never categorized the use of trade remedies as protectionist, WTO inconsistent or criticized governments for utilizing them. The main objective of monitoring these measures is to provide added transparency and to identify emerging trends in the application of trade policy measures.

With respect to sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) issues covered in the Reports, it is important to emphasize that they are neither classified nor counted as trade-restrictive or trade-facilitating, and the increasing trend with respect to the number of notifications of such measures is carefully linked to the transparency provisions of the Agreements only. The Reports have consistently underlined the basic premise that an increased number of SPS and TBT notifications do not automatically imply greater use of protectionist or unnecessarily trade-restrictive measures, but rather enhanced transparency regarding these measures. Finally, the Reports clearly emphasize that the SPS and TBT Agreements specifically allow Members to take measures in the pursuit of a number of legitimate policy objectives.

The WTO Secretariat strives to ensure that the Trade Monitoring Reports are factual and objective. Since 2009, the Reports have aimed to provide a nuanced perspective on developments in the area of international trade. For example, the Reports have consistently emphasized that, although the number of specific and often long-term restrictive trade measures remains a source of serious concern, other key factors may influence trade developments. Discussions among G20 economies have also drawn attention to this point and to the fact that, with respect to both, vigilance is required.

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## EXECUTIVE SUMMARY

This is the twentieth WTO Monitoring Report on G20 trade measures.<sup>1</sup> It covers new trade and trade-related measures implemented by G20 economies between 16 May and 15 October 2018.<sup>2</sup> These Reports have been prepared in response to the request by G20 Leaders to the WTO, together with the OECD and UNCTAD, to monitor and report trade and investment measures implemented by G20 economies. The previous Report was issued on 4 July 2018.

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% in the first half of 2018 after having risen 5.4% 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 through mid-October but rising trade policy uncertainty and falling export orders could weigh on trade and output going forward.

Trade should continue to expand in the remainder of 2018 and in 2019 but at a more moderate pace than previously forecast. The WTO trade forecast of 27 September 2018 anticipated world merchandise trade volume growth of 3.9% in 2018, slowing to 3.7% in 2019. Risks to the forecast are tilted to the downside, including a further rise in trade tensions and increased financial volatility as developed economies tighten monetary policy.

More specifically, this Report shows that G20 economies applied 40 new trade-restrictive measures during the review period mainly through tariff increases, import bans and export duties. This equates to an average of eight restrictive measures per month.

The trade coverage of the import-restrictive measures is estimated at USD 480.9 billion. This is six times up on the figure estimated for the previous period, and is the largest coverage recorded by the trade monitoring exercise since May 2012 when this calculation was first made.

G20 economies also implemented 33 new measures aimed at facilitating trade during the review period, including eliminating or reducing import tariffs and export duties. At almost seven trade-facilitating measures per month, this remains almost identical to the average recorded for the previous period and is in line with the 2012-17 trend. In addition, liberalization associated with the 2015 expansion of the WTO's Information Technology Agreement continues to feature as an important contributor to trade facilitation.

The trade coverage of the import-facilitating measures implemented during the review period was estimated at USD 216.2 billion. This is double the trade coverage estimated in the previous Report but just half that of trade-restrictive measures reported for the current review period.

With these data, this Report provides a first factual insight into the trade-restrictive measures imposed in the context of current trade tensions. Figures show that these measures affect hundreds of billions of dollars of imports. The proliferation of trade-restrictive actions 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. G20 economies must use all means at their disposal to de-escalate the situation. The WTO will do all it can to support its Members to this end.

During the review period, G20 economies also continued to initiate a higher number of new trade remedy investigations compared to the number of trade remedy actions they terminated. However, the gap between the number of initiations and the number of terminations narrowed compared to previous years. G20 economies initiated on average 17 trade remedy investigations per month, the second-lowest monthly average since 2012, and terminated 12 trade remedy actions on average, during the review period. Initiations of anti-dumping investigations continued to be the most frequent trade remedy action, accounting for almost three-quarters of all initiations. The main sectors affected by trade remedy initiations during the review period were iron and steel and

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<sup>1</sup> The WTO trade monitoring reports have been prepared by the WTO Secretariat since 2009. G20 members are: Argentina; Australia; Brazil; Canada; China; European Union; France; Germany; India; Indonesia; Italy; Japan; Korea, Republic of; Mexico; the Russian Federation; Saudi Arabia, Kingdom of; South Africa; Turkey; the United Kingdom and the United States.

<sup>2</sup> Unless otherwise indicated in the relevant Section.

products of iron and steel followed by furniture, bedding, mattresses and electrical machinery and parts of thereof. The trade coverage of trade remedy initiations recorded in this Report is estimated at USD 24.7 billion, which is less than half of the trade coverage recorded for such measures during the previous period. The trade coverage of trade remedy terminations recorded in the review period is estimated at USD 5.8 billion, which is similar to the figure reported in the previous Report.

With respect to general economic support measures, a more comprehensive approach has been attempted by the Secretariat to further enhance transparency. However, it was again not possible to establish a balanced and comprehensive annex, mainly because of the low participation and response rate of G20 economies to the request for and verification of such information. The information gathered by the Secretariat clearly suggests that the nature of general economic support measures has evolved considerably over the past decade to include a more strategic application of subsidies. G20 economies may wish to continue their discussion on how transparency on such measures and programmes may be increased as well as how information gathering in this area may be improved.

A range of other subjects are also covered by this Report. In the Sanitary and Phytosanitary (SPS) Committee, G20 economies continued to be very active in notifying their SPS measures, accounting for 67% of all regular notifications since 1995. The objective most frequently identified in the SPS measures notified by G20 economies during the review period was food safety, accounting for 68% of the notifications. Measures maintained by G20 economies are often discussed in the SPS Committee and around 73% of all specific trade concerns (STCs) raised target G20 measures.

Similarly, G20 economies are the most frequent users of the Technical Barriers to Trade (TBT) Committee's transparency mechanisms, submitting almost half of all new regular TBT notifications since 1995. Regulations maintained by G20 members represent around 80% of all measures discussed in the TBT Committee since 1995. During the review period, the main indicated objective of regulations introduced by G20 economies were the protection of human health or safety followed by the protection of the environment. Since 2008 there has been an increase in notified TBT measures mentioning national security as an objective. In both the SPS and TBT Committees, G20 economies have spent considerable time discussing STCs, suggesting that the SPS and TBT Committees are increasingly seen as fora in which trade concerns may be effectively resolved.

The Report provides evidence of the continuous increase of trade concerns raised in the various WTO bodies during the review period. A larger number of trade concerns on measures implemented by G20 members were raised in nearly all Committees and Councils and several trade concerns were raised in successive meetings of the same WTO body, suggesting that these concerns address more profound or persistent problems. As observed in recent Trade Monitoring Reports, several trade concerns were raised in more than one WTO body indicating that these concerns involve technically complex and cross-cutting issues. G20 economies have solicited multiple platforms within the WTO committee structure to address various aspects of such trade concerns and have actively used these Committees to engage trading partners on real or potential areas of trade friction.

The Report shows that although the dispute settlement system remains under pressure, including the ongoing impasse over the appointment of Appellate Body members, Members continue to resort to it as a means of resolving their trade disputes. During the review period, the level of dispute settlement activity remained high and the number of WTO Members requesting consultations in new disputes has increased compared to the previous review period.

In the area of agriculture, policies by G20 economies attracted the majority (71%) of questions raised under the review process of the Committee on Agriculture (AoA). These questions were mainly related to domestic support policies and subsidized exports. Nine G20 economies with scheduled export subsidy reduction commitments have taken steps to modify their schedules pursuant to the December 2015 Nairobi Ministerial Decision on Export Competition.

Work on the implementation of the WTO's Trade Facilitation Agreement continues to advance. Many Members concluded their domestic ratification processes, raising the total number of acceptances to about 84% of the entire WTO membership, including all G20 economies.

On trade in services, various G20 economies have introduced new measures. Many of these measures are horizontal in nature, affecting different modes of supply across several sectors. Among sector specific measures, most relate to communication, financial, and maritime transport services.



In comparison with earlier reports, this review period has seen a greater number of measures affecting Internet and other network-enabled services. Even though the majority of new measures are trade facilitating, a number of them appear to be trade restrictive.

The Report also draws attention to developments in the area of Trade-Related Aspects of Intellectual Property Rights (TRIPS), including the strengthening link between intellectual property (IP) and trade and the development and diversification of national policies to streamline IP into the economy. G20 members are at the forefront of this trend and several of them continued to modernise and fine-tune their IP legislation and administration.

Following MC11, work continued throughout the second half of 2018 to advance negotiations on fisheries subsidies, building on the decision taken by Members in Buenos Aires, as well as on a number of other issues. Groups of Members also continued to pursue their discussions on issues including electronic commerce, investment facilitation, micro, small and medium enterprises (MSMEs), and women's economic empowerment.

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## 1 INTRODUCTION

1.1. This twentieth WTO Monitoring Report reviews trade and trade-related measures implemented by G20 economies during the period 16 May and 15 October 2018.<sup>3</sup> The G20 Trade Monitoring Reports have been prepared in response to the request by G20 Leaders to the WTO, together with the OECD and UNCTAD, to monitor and report on trade and investment measures implemented by G20 economies. The previous Trade Monitoring Report on G20 economies, which covered the period from 16 October 2017 to 15 May 2018, was issued on 4 July 2018.

1.2. This Report is issued under the sole responsibility of the Director-General of the WTO. It is a transparency exercise and intended to be purely factual. It has no legal effect on the rights and obligations of WTO Members. It is without prejudice to any negotiating positions of Members and has no legal implication with respect to the conformity of any measure noted in the Report with any WTO Agreement or any provision thereof.

1.3. The Report seeks to shed 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. It provides an update on the main indicators of the world economy and on the state of global trade. It neither seeks to pronounce itself on whether a trade measure is protectionist, nor does it question the right of Members to take certain trade measures. The Reports have continued to evolve in terms of the coverage and analysis of trade-related issues, taking into account discussions among and input from G20 economies.

1.4. Section 2 of the Report provides an overview of recent economic and trade developments in G20 economies. Section 3 presents an overview of selected trade and trade-related policy trends. Overviews of policy developments in trade in services and trade-related aspects of intellectual property rights are included in Sections 4 and 5, respectively.

1.5. The four annexes to this Report comprise new measures recorded for G20 economies during the review period. Measures implemented outside this period are not included in these annexes. As a result of limited and uneven information provided by G20 economies on their programmes on general economic support and subsidies and the low rate of response to the verification of those measures, it has been again not possible to establish a separate annex of general economic support measures. A summary table, listing all trade measures recorded since the beginning of the trade monitoring exercise in October 2008 with an indication of their status, as updated by G20 delegations, is made available separately, and can be downloaded from the WTO's website.<sup>4</sup> This information is also publicly available through the Trade Monitoring Data Base (TMDB).<sup>5</sup>

1.6. Information on measures included in this Report has been collated from inputs submitted by G20 economies and from other official and public sources. Initial responses to the Director-General's request for information were received from all G20 delegations. These data, as well as information collected from other public and official sources, were returned for verification. Where it has not been possible to confirm the information, this is noted in the Annexes.

1.7. The OECD has contributed two topical boxes to this Report. The first explores two hypothetical trade scenarios and the second box deals with fisheries subsidies. The International Trade Centre has provided a box on how standards certification and export status are interlinked.

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<sup>3</sup> Unless otherwise indicated in the relevant Section. In addition to the trade policy measures implemented during the period under review and captured by this Report, other measures which impact trade flows may have been taken by G20 economies.

<sup>4</sup> [https://www.wto.org/english/tratop\\_e/tpr\\_e/trade\\_monitoring\\_e.htm](https://www.wto.org/english/tratop_e/tpr_e/trade_monitoring_e.htm).

<sup>5</sup> <http://tmdb.wto.org/>.

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## 2 RECENT ECONOMIC AND TRADE DEVELOPMENTS

### 2.1 Overview

2.1. World trade growth slowed during the review period, as trade tensions multiplied and global financial conditions tightened. The volume of merchandise trade as measured by the average of seasonally-adjusted exports and imports was up 3.4% in the first half of 2018, after rising to 5.4% in the second half of 2017. Slower trade growth coincided with a rise in actual and proposed trade measures targeting a variety of exports from large economies. The impact of the new trade measures has been modest through mid-October but the uncertainty that they have generated and continue to generate may already be weighing on trade and output through a reduced pace of investment spending.

2.2. Merchandise exports of developing economies were flat in the first half of the year, and imports of developed countries plateaued similarly. Although developed countries recorded annualized quarter-on-quarter growth of 5.0% in the volume of their exports in Q2, their imports grew just 0.2%. Meanwhile, developing economies' exports were unchanged in the second quarter (0.0%) even as their imports increased at a 5.2% annualized rate.

2.3. Trade growth in the first half of 2018 was stronger in value terms than in volume terms, due to rising prices for traded goods and services. The current US dollar value of world merchandise exports was up 13% year-on-year in the first half of this year, while the value of commercial services imports was up 12%. An important component of export and import prices is energy prices, most of which are composed of oil. These rose approximately 14% between January and September of 2018, according World Bank commodity price statistics.

2.4. Output as measured by gross domestic product (GDP) has remained strong in 2018 despite the slower pace of trade expansion, but growth has become less balanced across countries and regions. GDP growth in the United States accelerated to 4.2% (annualized) in the second quarter, from 2.2% in the first quarter. Meanwhile, growth in the European Union picked up slightly, rising to an annualized rate of 1.8% in Q2 from 1.7% in Q1, but the pace of expansion remained below the 2.5% average of the second half of 2017. Asian economies, including China and Japan, saw GDP growth slow in Q1 before rebounding in Q2. China's year-on-year GDP growth of 6.5% in Q3 was below expectations, due to weakness in its manufacturing sector, but this pace of growth remains high compared to other large economies.

2.5. There are no readily available quarterly figures for world GDP growth, but OECD estimates of G20 growth provide a reasonable approximation. These show global growth moderating to 3.6% at purchasing power parity in Q1, before picking up to 4.1% in Q2.

2.6. Trade should continue to expand in the remainder of 2018 and in 2019, but at a more moderate pace than previously forecast. The Secretariat's most recent trade forecast of 27 September 2018 anticipated world merchandise trade volume growth of 3.9% in 2018, slowing to 3.7% in 2019. Global trade growth in 2018 is likely to fall within a range of from 3.4% to 4.4%, with risks tilted to the downside.

2.7. Trade policy is not the only factor weighing on the global economy. Rising interest rates in developed countries and tighter credit conditions in emerging economies have contributed to increased volatility in financial markets and strong exchange rate fluctuations. These factors are likely to persist in the forecast period. Structural factors, including ageing populations in developed countries and economic rebalancing in China, could weigh on growth over the medium to long term. Constructive engagement between countries to resolve their differences on trade issues would reduce the high level of uncertainty in the current global economy.

### 2.2 Economic Developments

2.8. Historically, world trade has tended to grow faster than world output as measured by GDP. The ratio of world merchandise trade volume growth to world real GDP growth at market exchange rates has averaged around 1.5 since the 1950s, with significant fluctuations over shorter time periods. Referred to as the "elasticity" of trade, this ratio rose above 2.0 in the 1990s, then fell to around 1.0 for several years after the financial crisis, before rebounding to 1.5 in 2017. The elasticity looks

set to drop back to 1.3 in 2018 and 2019, since rising trade tensions are expected to take a greater toll on world trade than on world GDP.

2.9. Since the start of the year, most economic forecasters have predicted a moderation in world GDP growth in 2018 and 2019, following the strong increase of 2017. GDP forecasts have recently been revised slightly downward, although the pace of expansion is still expected to remain strong compared to recent years. Growth has become less balanced, with activity slowing in some regions and accelerating in others. Risks to the outlook have also been accumulating, which could contribute to financial volatility in the coming months and years.

2.10. In the United States, GDP growth accelerated to an annualized rate of 4.2% in Q2, up from 2.2% in the previous quarter. Private final consumption expenditure made the biggest contribution to growth in the latest period, accounting for roughly two thirds of the overall increase. Fixed investment also made a positive contribution although this was cancelled by a fall in inventory investment. Unemployment has continued to decline, dropping to 3.7% in April from 4.4% for the whole of 2017. With inflationary pressures building, and an economy operating at close to potential, the US Federal Reserve has proceeded to raise interest rates, triggering volatility in foreign exchange and financial markets around the world. Managing the normalization of interest rates will continue to be a challenge for the US Federal Reserve in the coming months and years.

2.11. Growth in the euro area was weaker than in the European Union overall, at 1.5% in Q2, down from 1.6% in the previous quarter. Growth picked up to 1.6% in Q2 in the United Kingdom, after a weak 0.4% rise in Q1. Fixed investment in the United Kingdom declined in the second quarter but private consumption remained strong. Growth in fixed investment slowed in Germany, picked up in France, and was stable in Italy in Q2. EU-wide unemployment continues to decline gradually, falling to 6.8% in August, keeping the European Central Bank's plans for monetary tightening on track.

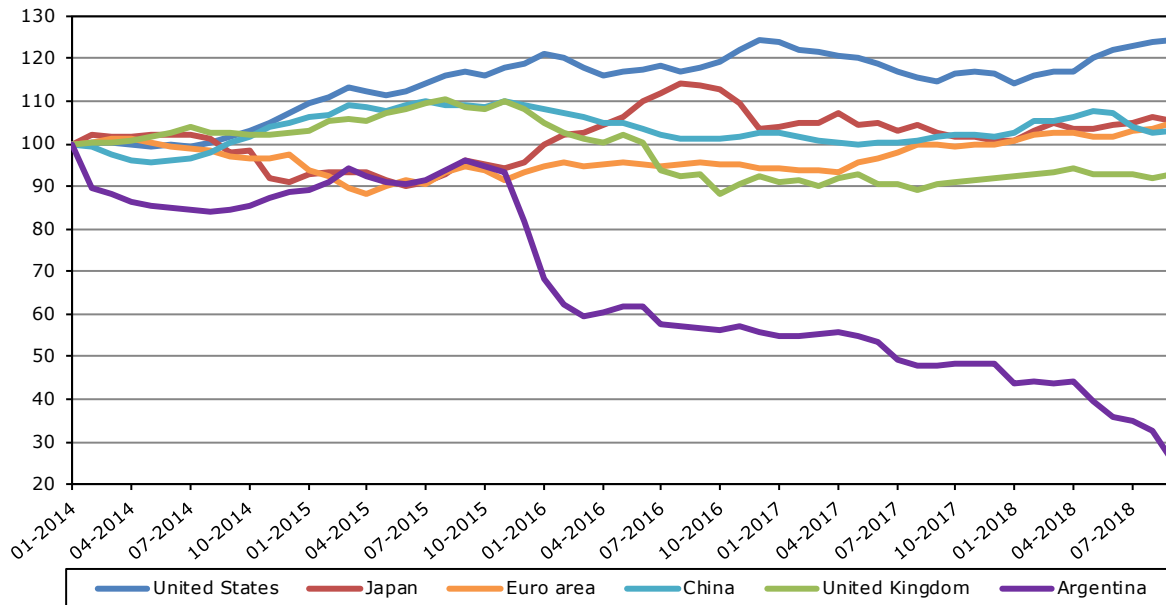
2.12. GDP growth rebounded in Japan, accelerating to 3.0% in Q2 after registering a decline of 0.9% in Q1. The drop in Q1 was caused by stagnant fixed investment, falling inventory investment, and a decline in private consumption, all of which recovered to varying degrees in the second quarter. Japan's unemployment rate remained characteristically low, at 2.4% in August, below the 2.8% average for 2017.

2.13. Quarterly GDP growth in China accelerated to around 7.4% annualized in Q2, after falling to 5.7% in Q1. No harmonized unemployment rate is available for China, but purchasing managers' indices (PMIs) suggest that employers are looking to shed some workers in the face of the uncertainty caused by rising trade tensions. On the other hand, PMIs also point to stronger growth in the services sector, which is a key driver of employment in China. Recently-announced year-on-year GDP growth of 6.5% for China in Q3 was below expectations, due to weak manufacturing output, particularly in the automotive sector, but this pace of growth remains high compared to other large economies.

2.14. South American economies continue to suffer from slow growth and economic crises. Brazil's GDP grew at an annualized rate of 0.7% in the second quarter of 2018, only slightly stronger than the 0.5% increase in the first quarter. Meanwhile, a currency crisis caused Argentina's output to plunge 4.0% in absolute terms in Q2, which is equivalent to an annual rate of 15%. A USD 50 billion line of credit from the IMF has been established to stabilize the Argentine peso and support economic recovery. Monetary tightening in developed countries could trigger further bouts of volatility in emerging economies.

**Chart 2.1 Nominal effective exchange rate indices for selected economies, January 2014-September 2018<sup>a</sup>**

(index, January 2014 = 100)



a Nominal effective exchange rate indices against a broad basket of currencies.

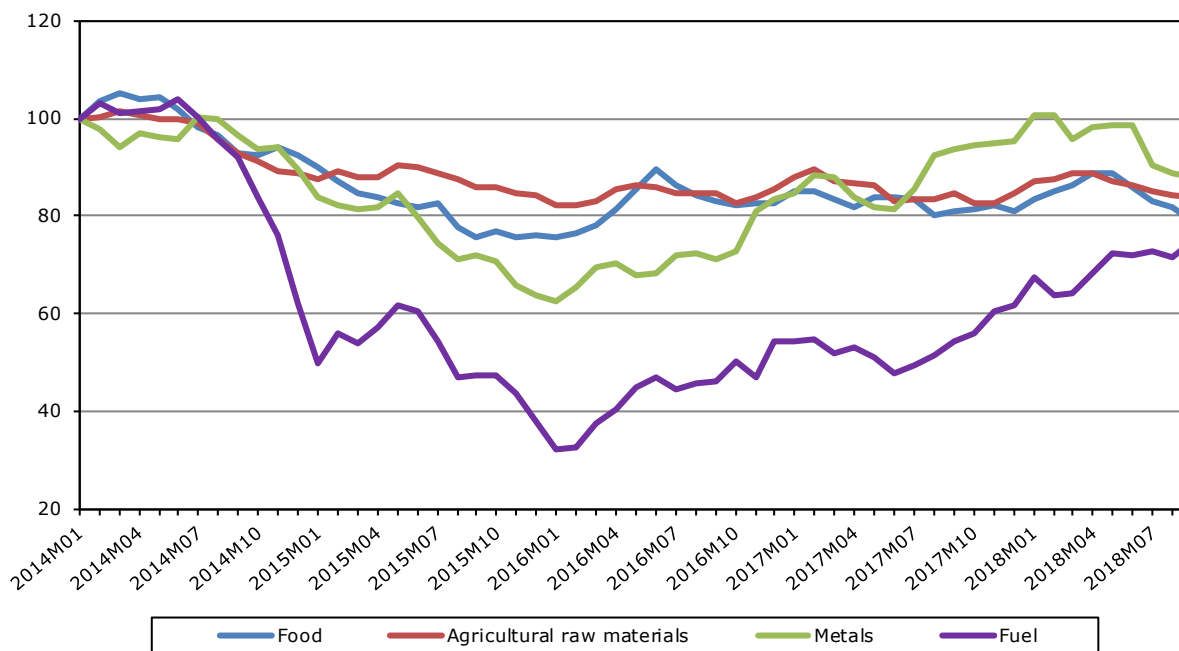
Source: Bank for International Settlements (BIS).

2.15. Fluctuations in prices and exchange rates can strongly influence nominal trade statistics, which are usually expressed in US dollars. Recent developments are illustrated by Chart 2.1, which shows indices of nominal effective exchange rates for selected economies through September 2018. Higher interest rates have put upward pressure on the dollar, which has appreciated by 9.0% against a broad basket of currencies since January 2014. The Japanese yen and the euro recorded smaller increases (4.9% and 4.0%, respectively), while the Chinese yuan has been stable (0.5%). In contrast, capital outflows have triggered a 40.7% decline in the value of the Argentine peso against the currencies of its trading partners over the same period.

2.16. Chart 2.2 shows recent developments in primary commodity prices through September. Oil prices have continued to rise in recent months, while other commodity prices have fallen, possibly in response to an appreciating US dollar. This suggests that the oil price increase represents a relative price change compared to other goods, rather than a change in the value of the denomination currency, the US dollar. In the past, higher oil prices have tended to reduce GDP growth by raising energy costs for firms and squeezing budgets of consumers. However, as the global economy has become less energy intensive, this tendency seems to have diminished. Higher oil prices should also boost revenues of net exporters.

**Chart 2.2 Prices of primary commodities, January 2015-September 2018**

(index, January 2014 = 100)



Source: World Bank Commodity Price Data.

### 2.3 Merchandise Trade

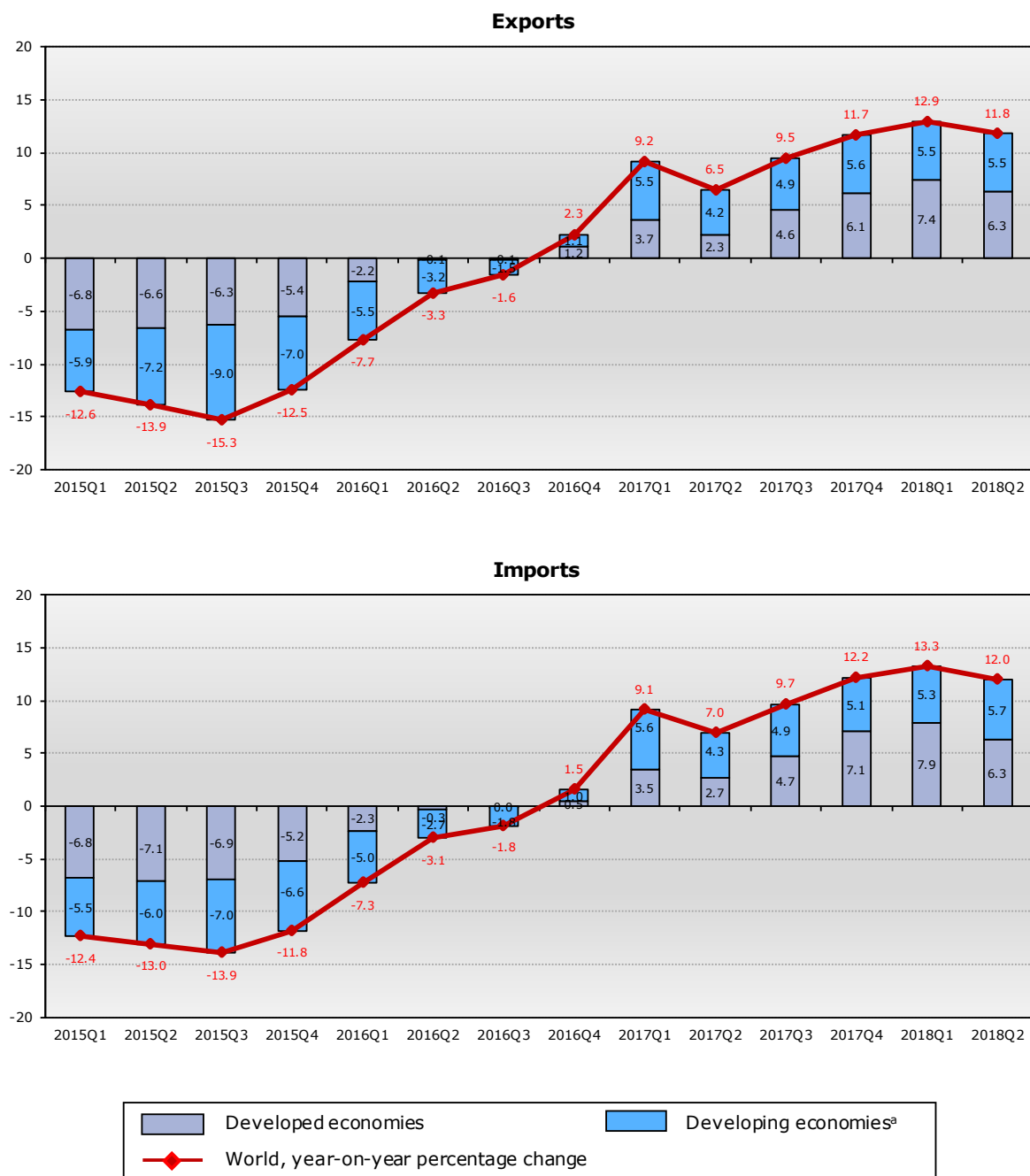
2.17. Chart 2.3 shows year-on-year growth in the dollar value of world merchandise trade (red line), as well as contributions to nominal trade growth from developed and developing economies (stacked bars). World exports were up 11.8% in the second quarter, and imports were up 12.0%. Developing economies were responsible for nearly half of the import increase (5.5 percentage points, or 47%), while developed countries accounted for the rest (6.3 percentage points, or 53%). Developments on the import side were nearly identical, with developed and developing economies each contributing roughly half of the overall increase in trade values.

2.18. Trade volume growth was mixed in the first half of 2018, as some countries and regions maintained steady upward trends while others stagnated (Chart 2.4). Developing Asia, which includes China, saw exports rise 3.6% and imports jump 7.4% year-on-year in Q2. US export growth was stronger than Developing Asia's in Q2, at 7.1%, while its import growth was weaker, at 4.1%. EU-extra exports were up 3.4% in the second quarter over Q2 of the previous year, and imports were up 1.1%. Intra-EU trade as measured by exports was also up 3.0% in the latest quarter. Japan's exports and imports rose 4.5% and 0.7%, respectively, in Q2. Meanwhile, Brazil recorded a year-on-year decline of 2.1% in its exports, while its imports increased by 9.7%. Despite strong year-on-year increases, quarter-on-quarter growth was weak, with the United States, EU-extra, Japan and Brazil recording declines in import demand in Q2.

2.19. Monthly merchandise trade statistics in current dollar terms are more timely than quarterly statistics in volume terms. These are shown in Chart 2.5 for selected G20 economies through August or September, depending on data availability. Dollar values of exports and imports have been rising in most countries, reflecting a combination of volume growth and higher prices. Nominal trade statistics should be interpreted with caution, since they are strongly affected by changes in prices, including exchange rate fluctuations.

**Chart 2.3 Contributions to year-on-year growth in world merchandise exports and imports, 2015Q1-2018Q2**

(% change in USD values)



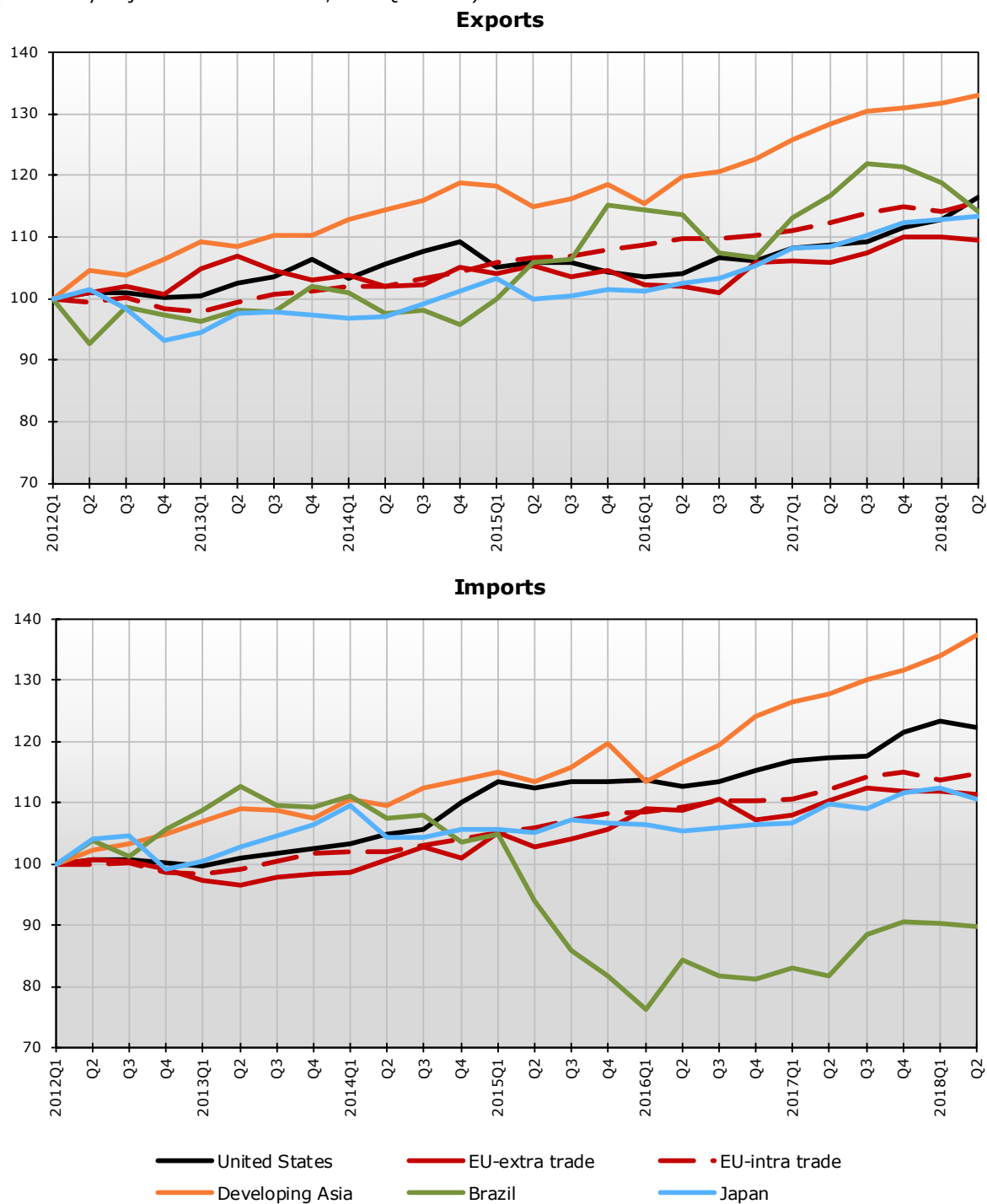
a Includes significant re-exports. Also includes the Commonwealth of Independent States (CIS).

Note: Due to scarce data availability, Africa and Middle East are under-represented in world totals.

Source: WTO Secretariat estimates, based on data compiled from IMF International Financial Statistics; Eurostat Comext Database; Global Trade Atlas; and national statistics.

**Chart 2.4 Volume of exports and imports of selected economies, 2012Q1-2018Q2**

(Seasonally-adjusted volume indices, 2012Q1 = 100)



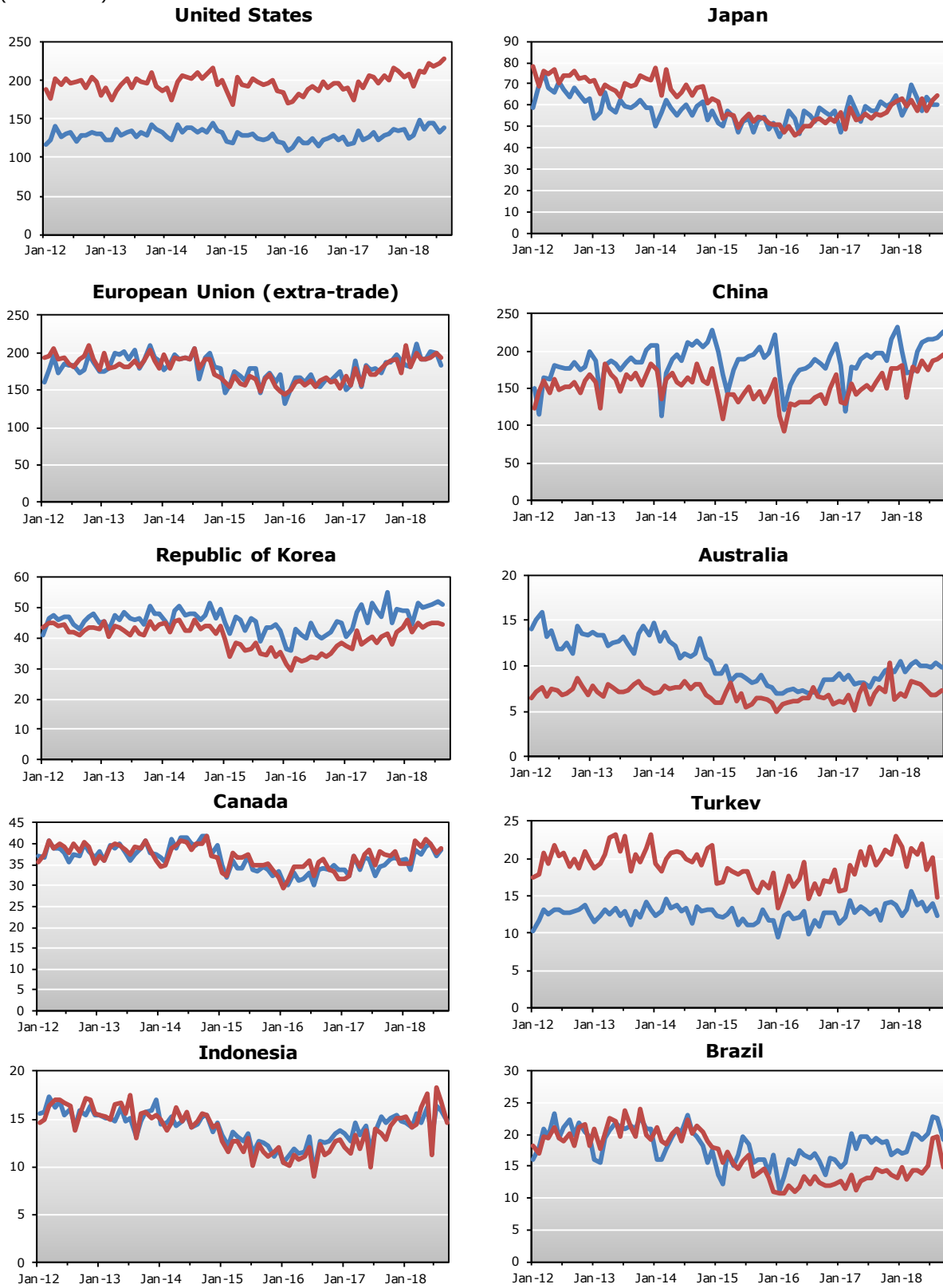
Note: Data for the United States, Japan and the European Union were obtained from national statistical sources, while figures for Brazil and Developing Asia are seasonally-adjusted Secretariat estimates.

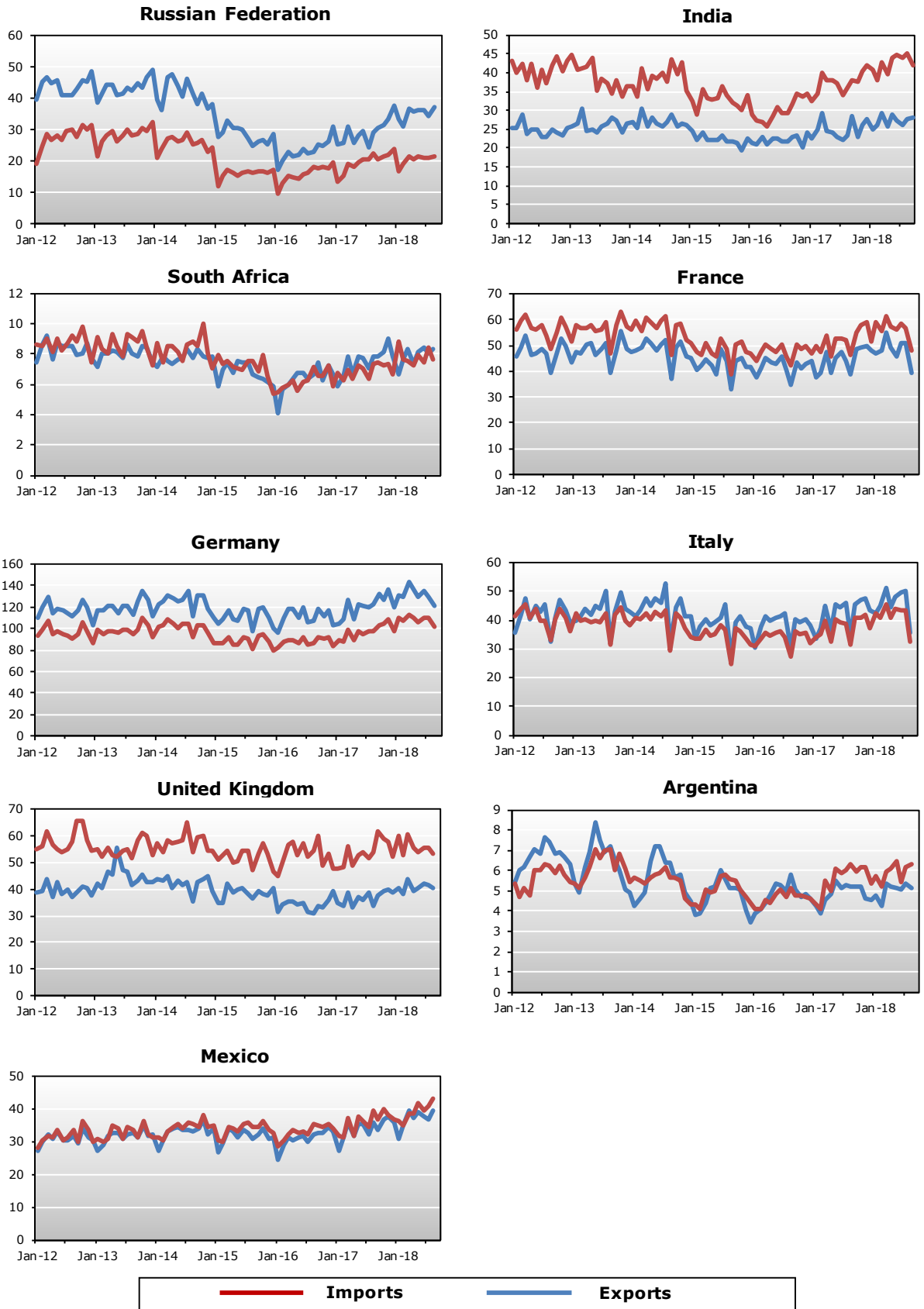
Source: WTO Secretariat and UNCTAD.



**Chart 2.5 Merchandise exports and imports of G20 economies, January 2012-September 2018**

(USD billion)





Source: IMF International Financial Statistics, Global Trade Information Services, Global Trade Atlas database, and national statistics.

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## 2.4 Trade in Commercial Services

2.20. As in the case of merchandise trade, commercial services trade has become more unbalanced, with some countries recording stronger growth in trade flows and others weakening (Chart 2.6). China registered the fastest growth in commercial services' exports among major economies, at 23.1%, followed by the Russian Federation (14.1%), the European Union (12.0%), the United States (5.6%) and India (4.9%). Meanwhile, Japan's exports were flat (0.7%) and Brazil's declined (-2.4%). On the import side, the Russian Federation had the strongest growth in commercial services' trade (9.9%), followed by China (9.4%), India (8.1%), Japan (7.2%), the European Union (5.7%), the United States (4.4%) and Brazil (1.5%).

2.21. At the global level, commercial services' exports were up 9.7% in the second quarter of 2018. The fastest growing component of world services trade in Q2 was goods-related services (11.9% year-on-year), followed by travel (10.9%), other commercial services (9.5%) and transport (8.4%).

2.22. In terms of regional developments, Europe and Asia each posted strong growth in exports (11.0% and 10.9%, respectively), while North America recorded a smaller increase (5.9%). Europe's imports of commercial services increased by 9.9%, with smaller gains recorded for Asia (8.5%) and North America (5.7%). It should be noted that trade statistics in nominal currency terms should be interpreted with caution as they are highly sensitive to exchange rate fluctuations.

## 2.5 Trade Forecast and Economic Outlook

2.23. Leading indicators of merchandise trade point to rising economic uncertainty and weak demand for traded goods in the short run. An index of container port throughput from the Institute for Shipping Economics and Logistics (ISL) was up 2.2% year-on-year in August but remained 1.0% below its all-time high in January, suggesting stagnation in world trade. The export orders component of the IHS-Markit global manufacturing purchasing managers' index has also fallen to 49.7 in September from 54.1 in January, suggesting ongoing weakness in trade (values above 50 indicate expansion, while those below 50 denote contraction).

2.24. An index based on the frequency of phrases related to economic policy uncertainty in press accounts has risen to 248 in September from 113 in January, indicating a sharp rise in uncertainty coinciding with rising trade tensions.<sup>6</sup> These values are relative to a baseline of 100, defined as the average value of the index from 1997 to 2015. Planned investments could be postponed or curtailed due to increased uncertainty, which is important because investment is strongly correlated with world trade due to its high import content.

2.25. Table 2.1 summarizes the WTO's latest trade forecast of 27 September 2018. If current GDP forecasts are realized, the WTO expects world merchandise trade volume growth of 3.9% in 2018 and 3.7% in 2019. Exports of developed economies should grow by 3.5%, while those of developing economies should increase by 4.6%, in 2019. On the import side, in 2018, developed and developing economies should see growth of 3.2% and 4.8%, respectively.

2.26. In recognition of the heightened level of uncertainty in the current policy environment, the trade forecast for the current year has been placed within a range of from 3.4% to 4.4%. Trade growth should be accompanied by world GDP growth at market exchange rates of 3.1% in 2018 and 2.9% in 2019.

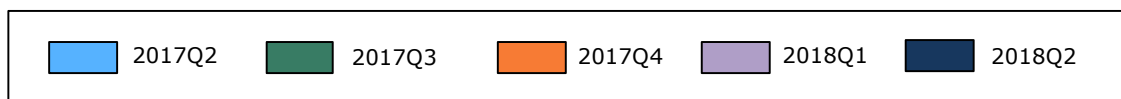
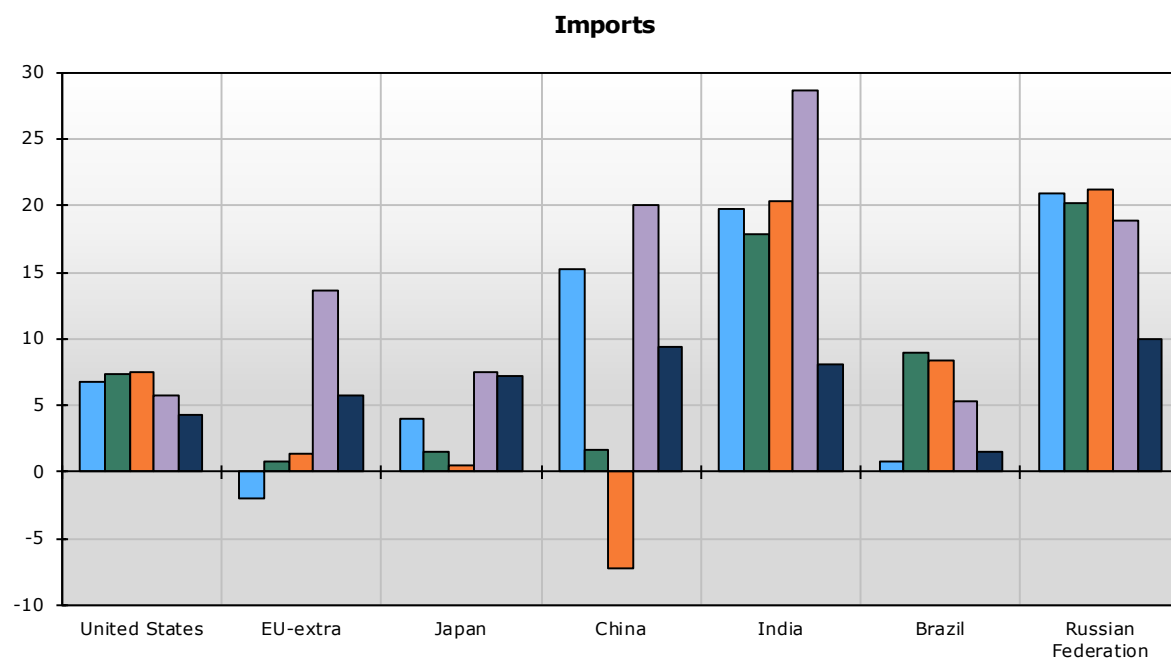
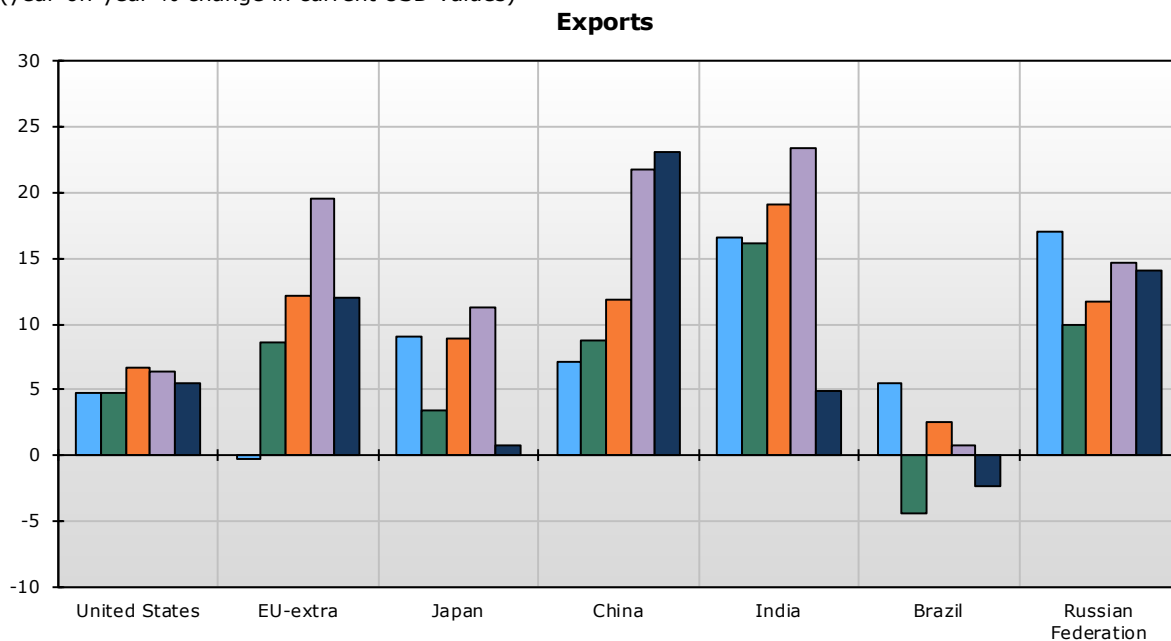
2.27. Risks to the forecast are considerable and firmly weighted to the downside. A further ratcheting up of trade tensions could have direct negative effects on trade, but also beyond. A build-up of economic and financial risks could undermine trade and output and developing and emerging economies could experience capital outflows and financial contagion as developed countries raise interest rates. Geopolitical tensions could threaten resource supplies and upset production networks in certain regions. Finally, structural factors, including ageing populations in developed countries and economic rebalancing in China, could weigh on growth over the medium to long term.

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<sup>6</sup> Sourced from [www.PolicyUncertainty.com](http://www.PolicyUncertainty.com).

**Chart 2.6 Commercial services' exports and imports of selected G20 economies, 2017Q2-2018Q2**

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



Source: WTO and UNCTAD Secretariats.

**Table 2.1 Merchandise trade volume and real GDP growth, 2014-19**

(annual percentage change)

	2014	2015	2016	2017	2018 <sup>a</sup>	2019 <sup>a</sup>
<b>Volume of world merchandise trade<sup>b</sup></b>	2.7	2.4	1.8	4.7	3.9	3.7
<b>Exports</b>						
Developed economies	2.1	2.2	1.1	3.4	3.5	3.3
Developing economies <sup>c</sup>	2.7	1.9	2.5	5.3	4.6	4.5
North America	4.6	0.8	0.6	4.2	5.0	3.6
South and Central America and the Caribbean	-2.1	1.8	2.0	3.3	2.8	2.6
Europe	1.5	2.9	1.2	3.5	2.9	3.2
Asia	4.5	1.4	2.3	6.7	5.5	4.9
Other regions <sup>d</sup>	-1.3	3.5	3.4	0.2	2.6	3.6
<b>Imports</b>						
Developed economies	3.3	4.3	2.1	3.0	3.2	3.0
Developing economies <sup>c</sup>	2.6	0.7	1.6	8.1	4.8	4.5
North America	4.3	5.4	0.0	4.0	4.3	3.6
South and Central America and the Caribbean	-2.5	-6.3	-6.7	4.0	3.6	4.0
Europe	3.0	3.6	3.3	2.5	3.1	3.0
Asia	3.7	3.8	3.5	9.8	5.7	4.9
Other regions <sup>d</sup>	0.7	-4.5	-1.7	3.5	0.5	1.4
<b>Real GDP at market exchange rates</b>	2.8	2.8	2.3	3.0	3.1	2.9
Developed economies	2.0	2.3	1.6	2.3	2.4	2.0
Developing economies <sup>c</sup>	4.3	3.7	3.7	4.3	4.4	4.5
North America	2.6	2.7	1.6	2.3	2.7	2.2
South and Central America and the Caribbean	0.8	-0.8	-1.9	0.8	1.3	2.5
Europe	2.0	2.4	2.0	2.7	2.3	2.1
Asia	4.1	4.3	4.1	4.5	4.5	4.3
Other regions <sup>d</sup>	2.5	1.1	2.1	1.9	2.7	3.0

a Figures for 2018 and 2019 are projections.

b Average of exports and imports.

c Includes the CIS, including associate and former member States.

d Other regions comprise Africa, Middle East and CIS.

Sources: WTO Secretariat for trade, consensus estimates for GDP.

2.28. Box 2.1 below deals with the future of world trade and how digital technologies are transforming global commerce.

**Box 2.1 The future of world trade – how digital technologies are transforming global commerce**

Trade has always been shaped by technology, but the rapid development of digital technologies leveraging the Internet to generate, store, process, and analyse data promises to transform the world economy even more deeply in the years to come. What will be the consequences of this "new digital revolution" on the world economy, and in particular on international trade?

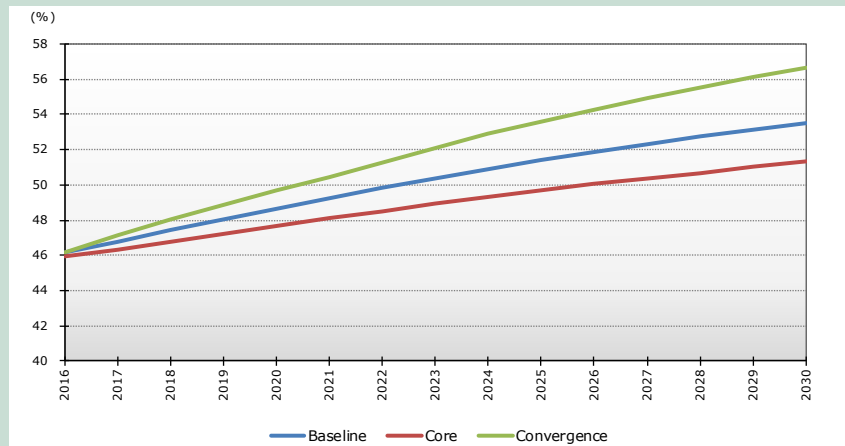
Recent work by the WTO examines how digital technologies – and in particular the Internet of things, artificial intelligence, 3D printing and blockchain – would affect trade costs, the nature of what is traded and the composition of trade.

One of the most significant impacts of digital technologies on international trade is the extent to which they reduce various trade costs, including transport and logistics costs which together account for more than half of the variation in trade costs in agriculture and manufacturing, and for more than 40% of the variation in trade costs in services. WTO projections predict that trade could grow yearly by 1.8-2 percentage points more until 2030 as a result of the falling trade costs, amounting to a cumulated growth of 31 to 34 percentage points over 15 years.

The decline in trade costs can be especially beneficial for MSMEs and for firms from developing countries if appropriate complementary policies are put in place and challenges related to technology diffusion and regulation are addressed. WTO estimates foresee that, in such case, developing countries' share in global trade could grow from 46% in 2015 to 57% by 2030 (Figure 1).

Digital technologies are also blurring the distinction between goods and services and are increasing the importance of data flows and intellectual property. The impact of digital technologies on the composition of trade is four-fold. First, they increase the services component of trade, because of the ease of supplying services digitally, because new services emerge and replace trade in goods, and because international production networks increase the services content of manufacturing goods. WTO estimates predict that the share of services in global trade will grow from 21% to 25% by 2030.

**Figure 1: Developing countries projected share in global exports, 2016-30**



Note: The baseline scenario models the development of the world economy without taking into account digital technologies. Three trends of digitalization, i.e. a more intensive use of capital, a more intensive use of ICT services, and falling trade costs are modelled in the core and convergence scenarios. In the core scenario, these trends happen at a similar pace across all regions. In the convergence scenario, these trends are stronger for countries where digitalization is less advanced.

Source: World Trade Report 2018

Second, digital technologies foster trade in certain types of goods (time-sensitive, certification-intensive and contract-intensive goods), while at the same time reducing trade in digitizable goods (such as CDs, books and newspapers). Digitalization has led to a decline in trade of digitizable goods from 2.7% of total goods trade in 2000 to 0.8% in 2016, a trend which is likely to continue with the advent of 3D printing technology.

Third, digital technologies affect the complexity and length of global value chains, but the overall impact of the "new digital revolution" on global value chains is hard to predict. While the rise of 3D printing is likely to shorten global value chains, trade cost reductions could lead to their expansion.

Fourth, digital technologies change patterns of comparative advantage by increasing the importance of factors such as the quality of digital infrastructure and market size, as well as institutional and regulatory determinants of comparative advantage, including intellectual property protection.

Overall, the expansion of digital trade is likely to entail considerable benefits. Digital technologies can unlock many opportunities for individuals, entrepreneurs and businesses around the world. But they also give rise to many challenges and concerns, including market concentration, loss of privacy, security threats, productivity and the digital divide, which may require the consideration of governments and the international community more broadly.

Source: WTO World Trade Report 2018.

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### 3 TRADE AND TRADE-RELATED POLICY DEVELOPMENTS

#### 3.1 Overview of Trends Identified During the Period Under Review

3.1. The following Section provides analysis of a number of selected trade and trade-related policy developments during the period from mid-May 2018 to mid-October 2018.<sup>1</sup>

3.2. The review period, as has been highlighted earlier, saw a continuation of the sharp escalation of protectionist rhetoric and trade tensions reported in the previous G20 Report.<sup>2</sup> During the previous review period, two trade measures by the United States on steel and aluminium products, following an investigation under Section 232 of the Trade Expansion Act of 1962, and one trade measure in response by China were implemented. The previous Report noted that several measures were announced in response to the above tariffs, but that most of these measures were not scheduled to enter into force before 15 May 2018 and, as a result, did not feature in the Annexes to the Report. Several of these measures have been implemented by various trading partners during the present review period, and are now covered in Annex 3. Measures which were announced but have not yet been implemented are not included in this Report. Similarly, it should be noted that at least one official measure by a G20 member in response to the above-mentioned U.S. measures had to be omitted from this Report at the Member's request. The WTO Secretariat will continue to monitor this situation and seek further information on these measures, including implementation dates and products covered.

3.3. Several of the measures referred to above were raised in various WTO councils and committees during the present review period. This is covered in Section 3.5.

3.4. A total of 218 trade measures were recorded for the G20 economies.<sup>3</sup> This figure includes measures facilitating trade, trade remedy measures and other trade and trade-related measures (restrictive measures).

##### 3.1.1 Measures facilitating trade

3.5. Annex 1 to this Report lists measures which are clearly trade-facilitating.

3.6. During the review period, 33 new measures aimed at facilitating trade were recorded for G20 economies (Table 3.1), including seven of a temporary nature. This represents 15% of the total number of measures recorded. Measures implemented in the context of the ITA Expansion Agreement are also included in these numbers (Box 3.1). The monthly average of 6.6 trade-facilitating measures recorded for the period is almost identical to the average recorded for the previous period, and is broadly in line with the 2012-17 trend. In other words, G20 economies continue to adopt and implement trade-facilitating measures at a rate comparable with previous years.

3.7. Table 3.1 shows that the reduction or elimination of import tariffs continues to make up the bulk of trade-facilitating measures, followed by the elimination of export duties.<sup>4</sup>

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<sup>1</sup> This is the fourth WTO Monitoring Report on G20 trade measures since a methodology change which introduced a separate annex for trade remedy measures (see Box 1). The Report continues to cover and crystalize the same factual information and the same types of measures.

<sup>2</sup> Circulated on 4 July 2018.

<sup>3</sup> See Annexes 1-3. These Annexes do not include SPS and TBT measures which are covered in Sections 3.3 and 3.4. Services measures are analysed in Section 4 and are listed in Annex 4.

<sup>4</sup> For example, elimination of export duties on containers, on wet blue leather, on electromechanical equipment and cultural products.

**Table 3.1 Measures facilitating trade (Annex 1)**

Type of measure	2012	2013	2014	2015	2016	2017	Mid-Oct 17 to mid-May 18 (7 months)	Mid-May 18 to mid-Oct 18 (5 months)
<b>Import</b>	<b>83</b>	<b>62</b>	<b>72</b>	<b>68</b>	<b>62</b>	<b>62</b>	<b>40</b>	<b>29</b>
- Tariff	72	50	59	56	53	50	30	27
- Customs procedures	8	11	9	8	7	10	6	1
- Tax	1	1	0	3	2	2	3	1
- QRs	2	0	4	1	0	0	1	0
<b>Export</b>	<b>7</b>	<b>4</b>	<b>5</b>	<b>19</b>	<b>12</b>	<b>19</b>	<b>7</b>	<b>4</b>
- Duties	3	2	2	10	5	1	1	3
- QRs	3	2	1	2	1	1	0	0
- Other	1	0	2	7	6	17	6	1
<b>Other</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>94</b>	<b>67</b>	<b>78</b>	<b>89</b>	<b>76</b>	<b>81</b>	<b>47</b>	<b>33</b>
<i>Average per month</i>	7.8	5.6	6.5	7.4	6.3	6.8	6.7	6.6

Note: Revisions of the data reflect changes undertaken in the TMDB to fine-tune and update the available information. Facilitating measures now mainly cover Annex 1 measures and those Annex 3 measures which have been reported as terminated by Members.

Source: WTO Secretariat.

3.8. The trade coverage of the import-facilitating measures introduced during the review period was USD 216.2 billion<sup>5</sup>, i.e. 1.59% of the value of G20 merchandise imports or 1.23% of the value of world merchandise imports.<sup>6</sup> This is approximately two and half times more than the trade coverage reported for these measures during the previous period. The HS Chapters within which most of the trade-facilitating measures were taken include vehicles, parts and accessories thereof (HS 87) 40.4%, machinery and mechanical appliances (HS 84) 10.8%, electrical machinery and parts thereof (HS 85) 9.6%, and pharmaceutical products (HS 30) 8.5%.<sup>7</sup>

### Box 3.1 Trade coverage of the ITA Expansion Agreement

The review period covered by this 20<sup>th</sup> WTO Report on G20 Trade Measures includes measures resulting from the implementation of the ITA Expansion Agreement.

According to preliminary estimates, the trade coverage of the import-facilitating measures implemented during the review period in the context of the ITA Expansion Agreement amounted to around USD 541.3 billion, or 4% of the value of G20 merchandise imports.<sup>a</sup> These measures were implemented by Australia, Canada, China, the European Union, Japan<sup>b</sup>, the Republic of Korea and the United States, and are reflected in Annex 1.

Given the very significant trade coverage value of these measures, they have not been included in the figures evaluating the trade coverage of the import-facilitating measures in Section 3.1 as it would undermine the value of any comparison with previous Reports.

For more details on the ITA Expansion Agreement, see Section 3.8.

<sup>a</sup> Calculated at the HS six-digit level and using 2017 import figures.

<sup>b</sup> All duty-free as of July 2016.

Source: WTO Secretariat.

<sup>5</sup> Import-facilitating measures include two measures by China (reduction of import tariffs on certain vehicles and components, and on a variety of products (1,449 tariff lines)), accounting for about 66.1% of the total trade coverage, and two measures by Brazil (temporary reduction of import tariffs on capital goods, informatics and telecom), accounting for 9.9% of the total.

<sup>6</sup> The trade coverage of a measure is calculated to be the value of annual imports of the specific product concerned from countries affected by the measure. Highly-traded goods may significantly influence trade coverage estimates.

<sup>7</sup> These figures do not include import-facilitating measures implemented in the context of the ITA Expansion Agreement.



### 3.1.2 Trade remedy actions

3.9. During the review period, 145 trade remedy actions were recorded for G20 economies (Table 3.2), i.e. two-thirds of all trade measures recorded in this Report.<sup>8</sup> An overview of these trade remedy measures can be found in Annex 2. As can be seen from Table 3.2 below, G20 economies continued to initiate a higher number of new trade remedy investigations than the number of trade remedy actions they terminated.<sup>9</sup> However, the gap between the number of initiations and the number of terminations narrowed somewhat compared to previous years. The monthly average of initiations of trade remedy actions during the review period was the second-lowest since 2012.

3.10. Initiations of anti-dumping (AD) investigations continue to be the most frequent trade remedy action, accounting for almost three-quarters of all initiations. This is slightly lower than the share reported previously. As a share of overall initiations, the monthly average of CVD investigations has increased.

**Table 3.2 Trade remedy actions (Annex 2)**

Type of measure	2012	2013	2014	2015	2016	2017	Mid-Oct 17 to mid-May 18 (7 months)	Mid-May 18 to mid-Oct 18 (5 months)
<b>Initiations</b>	<b>201</b>	<b>278</b>	<b>258</b>	<b>210</b>	<b>262</b>	<b>258</b>	<b>155</b>	<b>85</b>
- AD	166	238	208	175	226	213	122	63
- CVD	22	33	37	31	30	39	27	19
- SG	13	7	13	4	6	6	6	3
<i>Average per month</i>	<i>16.8</i>	<i>23.2</i>	<i>21.5</i>	<i>17.5</i>	<i>21.8</i>	<i>21.5</i>	<i>22.1</i>	<i>17.0</i>
<b>Terminations</b>	<b>161</b>	<b>153</b>	<b>171</b>	<b>151</b>	<b>143</b>	<b>112</b>	<b>77</b>	<b>60</b>
- AD	130	135	144	122	121	91	62	53
- CVD	21	15	21	19	15	11	12	7
- SG <sup>a</sup>	10	3	6	10	7	10	3	0
<i>Average per month</i>	<i>13.4</i>	<i>12.8</i>	<i>14.3</i>	<i>12.6</i>	<i>11.9</i>	<i>9.3</i>	<i>11.0</i>	<i>12.0</i>

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

Note: The information on trade remedy actions from 2012 to mid-June 2018 is based on the semi-annual notifications by G20 economies. For the present review period, the information is also based on the responses and the verifications received directly from G20 economies. Anti-circumvention measures are not included in the above numbers.

Source: WTO Secretariat.

3.11. Although trade remedy actions taken during the review period covered a wide range of products, in the case of initiations of investigations, iron and steel (HS 72) and products of iron and steel (HS 73) combined represented over 40%.<sup>10</sup> Other main sectors were furniture, bedding, mattresses (HS 94) 31.9%, and electrical machinery and parts thereof (HS 85) 14.6%.

3.12. The trade coverage of all trade remedy investigations initiated during the review period was USD 24.7 billion, i.e. 0.18% of the value of G20 merchandise imports, or 0.14% of the value of world merchandise imports (Table 3.3). This is less than half of the trade coverage recorded for such measures during the previous period. For terminations, the trade coverage was valued at USD 5.8 billion (0.04% of the value of G20 merchandise imports, or 0.03% of world merchandise imports), similar to the figure in the previous Report.

<sup>8</sup> A single methodology for the counting of AD and CVD investigations is being applied across the Report, i.e. on the basis of the number of exporting countries or customs territories affected by an investigation or by a termination. Thus, one AD or CVD investigation involving imports from  $n$  countries/customs territories is counted as  $n$  investigations. Similarly, the termination of an AD or CVD action is counted as  $n$  terminations.

<sup>9</sup> Termination means either the termination of the investigation (without imposition of a measure) or the elimination of the imposed measure.

<sup>10</sup> Iron and steel (HS 72) 21.2%; products of iron and steel (HS 73) 19.3%.

**Table 3.3 Share of trade covered by trade remedy initiations**

	Mid-Oct 14 to mid-May 15 <sup>a</sup>	Mid-May to mid-Oct 15 <sup>b</sup>	Mid-Oct 15 to mid-May 16 <sup>b</sup>	Mid-May to mid-Oct 16 <sup>c</sup>	Mid-Oct 16 to mid-May 17 <sup>c</sup>	Mid-May to mid-Oct 17 <sup>d</sup>	Mid-Oct 17 to mid-May 18 <sup>d</sup>	Mid-May to mid-Oct 18 <sup>e</sup>
Share in G20 imports	0.11%	0.10%	0.47%	0.11%	0.20%	0.24%	0.43%	0.18%
Share in total world imports	0.08%	0.08%	0.36%	0.08%	0.15%	0.19%	0.33%	0.14%

- a Based on 2013 import data.  
 b Based on 2014 import data.  
 c Based on 2015 import data.  
 d Based on 2016 import data.  
 e Based on 2017 import data.

Source: WTO Secretariat.

### 3.1.3 Other trade and trade-related measures<sup>11</sup>

3.13. Annex 3 to this Report lists measures which may be considered to have a trade-restrictive effect.

3.14. A total of 40 new trade-restrictive measures were recorded for G20 economies. This amounts to an average of eight restrictive measures per month. It is also the first time since 2015 that the monthly average of trade-restrictive measures outpaces that of trade-facilitating ones. Tariff increases account for around three-quarters of all import-restrictive measures recorded, followed by import bans.<sup>12</sup> On the export side, duties and quantitative restrictions (QRs) were recorded<sup>13</sup> (Table 3.4).

**Table 3.4 Other trade and trade-related measures (Annex 3)**

Type of measure	2012	2013	2014	2015	2016	2017	Mid-Oct 17 to mid-May 18 (7 months)	Mid-May to mid-Oct 18 (5 months)
<b>Import</b>	<b>59</b>	<b>59</b>	<b>45</b>	<b>59</b>	<b>42</b>	<b>39</b>	<b>33</b>	<b>34</b>
- Tariff	25	34	29	35	25	23	25	25
- Customs procedures	25	15	12	18	13	12	5	1
- Tax	3	3	2	3	2	1	2	1
- QRs	4	7	2	3	2	2	1	6
- Other	2	0	0	0	0	1	0	1
<b>Export</b>	<b>10</b>	<b>20</b>	<b>14</b>	<b>23</b>	<b>6</b>	<b>11</b>	<b>4</b>	<b>6</b>
- Duties	1	1	4	5	1	3	2	3
- QRs	5	4	5	4	1	4	1	1
- Other	4	15	5	14	4	4	1	2
<b>Other</b>	<b>9</b>	<b>4</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>2</b>	<b>0</b>
- Other <sup>a</sup>	5	0	0	0	3	2	1	0
- Local content	4	4	9	9	7	10	1	0
<b>Total</b>	<b>78</b>	<b>83</b>	<b>68</b>	<b>91</b>	<b>58</b>	<b>62</b>	<b>39</b>	<b>40</b>
<i>Average per month</i>	6.5	6.9	5.7	7.6	4.8	5.2	5.6	8.0

- a Other than local content measures.

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

Source: WTO Secretariat.

<sup>11</sup> Annex 3 does not include SPS, TBT or services measures, which are dealt with in Sections 3.3, 3.4, and 4 and Annex 4.

<sup>12</sup> For example, import bans on organic chemicals, petroleum coke, biofuels, urea, peas, areca nuts, pepper.

<sup>13</sup> For example, export duties on all HS Chapters, and QRs on tanned leather.

3.15. The measures recorded in Annex 3 cover a very wide range of products. The main sectors affected (HS Chapters) were electrical machinery and parts thereof (HS 85) 18.9%; machinery and mechanical appliances (HS 84) 16%; furniture, bedding, mattresses (HS 94) 7%; and vehicles, parts and accessories thereof (HS 87) 6.8%.

3.16. The trade coverage of the trade-restrictive measures affecting imports introduced during the review period was USD 480.9 billion, i.e. 3.53% of the value of G20 merchandise imports, or 2.73% of the value of world merchandise imports.<sup>14</sup> This is more than six times the trade coverage reported for these measures during the previous period (USD 74.1 billion), and it is the largest coverage estimated by the trade monitoring exercise since calculation of this figure began in May 2012.

**Table 3.5 Share of trade covered by import-restrictive measures (Annex 3)**

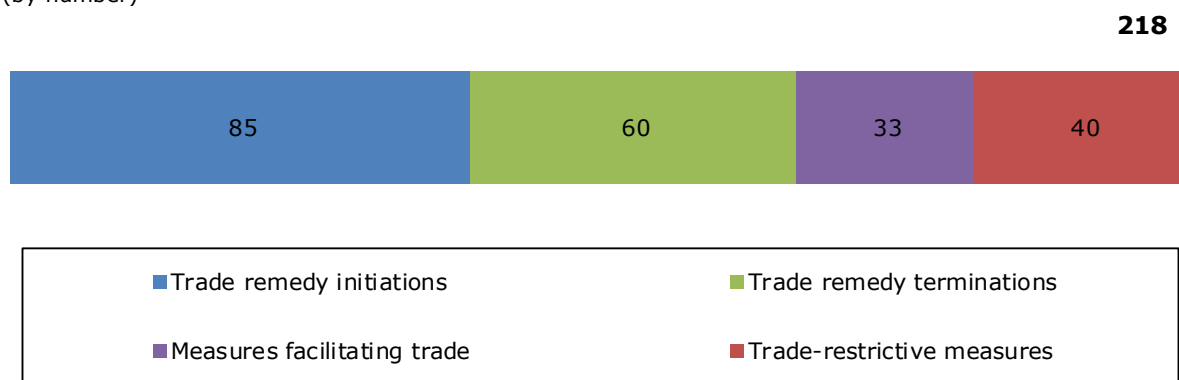
	Mid-Oct 14 to mid-May 15 <sup>a</sup>	Mid-May to mid-Oct 15 <sup>b</sup>	Mid-Oct 15 to mid-May 16 <sup>c</sup>	Mid-May to mid-Oct 16 <sup>c</sup>	Mid-Oct 16 to mid-May 17 <sup>d</sup>	Mid-May to mid-Oct 17 <sup>d</sup>	Mid-Oct 17 to mid-May 18 <sup>d</sup>	Mid-May to mid-Oct 18 <sup>e</sup>
Share in G20 imports	0.93%	0.27%	0.51%	0.11%	0.37%	0.26%	0.61%	3.53
Share in total world imports	0.72%	0.21%	0.40%	0.08%	0.29%	0.2%	0.47%	2.73

- a Based on 2013 import data.
- b Based on 2014 import data.
- c Based on 2015 import data.
- d Based on 2016 import data.
- e Based on 2017 import data.

Source: WTO Secretariat.

**Chart 3.1 G20 measures, mid-May to mid-October 2018**

(by number)

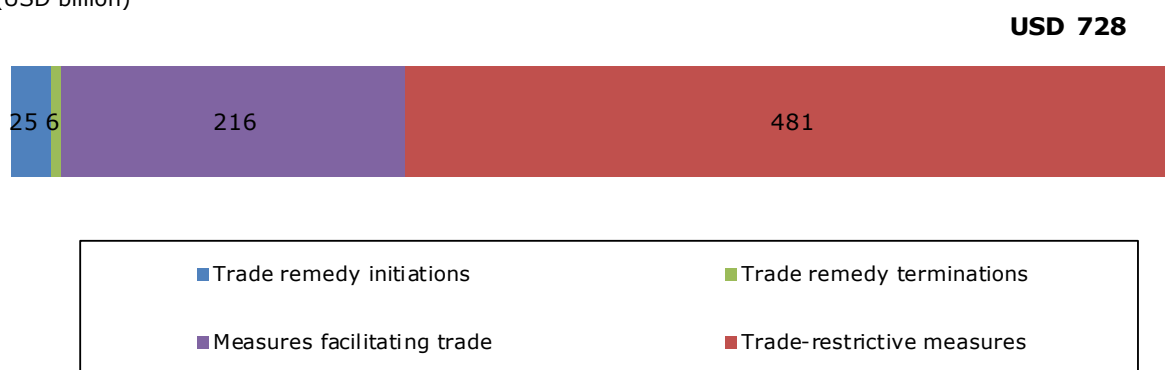


Source: WTO Secretariat.

<sup>14</sup> These figures include three measures by the United States (imposition of additional rates on products from China), accounting for 56.1% of the total; three measures by China (additional rates on products from the United States), accounting for 23.2%; one measure by Indonesia (import taxes on 1,084 tariff lines), accounting for 4.7%; and one measure by Canada (surtax on imports from the United States), accounting for 3.2%.

**Chart 3.2 Trade coverage of G20 measures, mid-May to mid-October 2018**

(USD billion)



Source: WTO Secretariat.

3.17. The above Sections have provided detailed information on the latest trends among the G20 economies in trade policy-making, and has confirmed several findings of previous reports. For example, the numerical importance of trade remedy measures in the overall number of trade and trade-related measures is fully consistent with previous reports. At the same time, the trade coverage of all trade remedy investigations initiated during this review period (USD 24.7 billion) was significantly lower than in the previous G20 Report, and more in line with the coverage seen in 2017.<sup>15</sup>

3.18. This Report has recorded the highest monthly average of trade-restrictive measures by G20 economies since 2012. The estimated trade coverage for these import-restrictive measures is more than double that of import-facilitating measures, and the largest ever recorded by the WTO trade monitoring exercise. Although there is no evidence to suggest that G20 economies are refraining from introducing trade-facilitating measures, including very significant unilateral tariff reductions, these measures make up only 1.59% of G20 merchandise imports compared to 3.53% for restrictive measures. The WTO Secretariat will continue to closely monitor these developments.

3.19. Box 3.2 on trade policy and the global economy was contributed by the OECD.

<sup>15</sup> 30 June 2017 (USD 25.1 billion), 9 November 2017 (USD 29.4 billion) and 4 July 2018 (USD 52.3 billion).

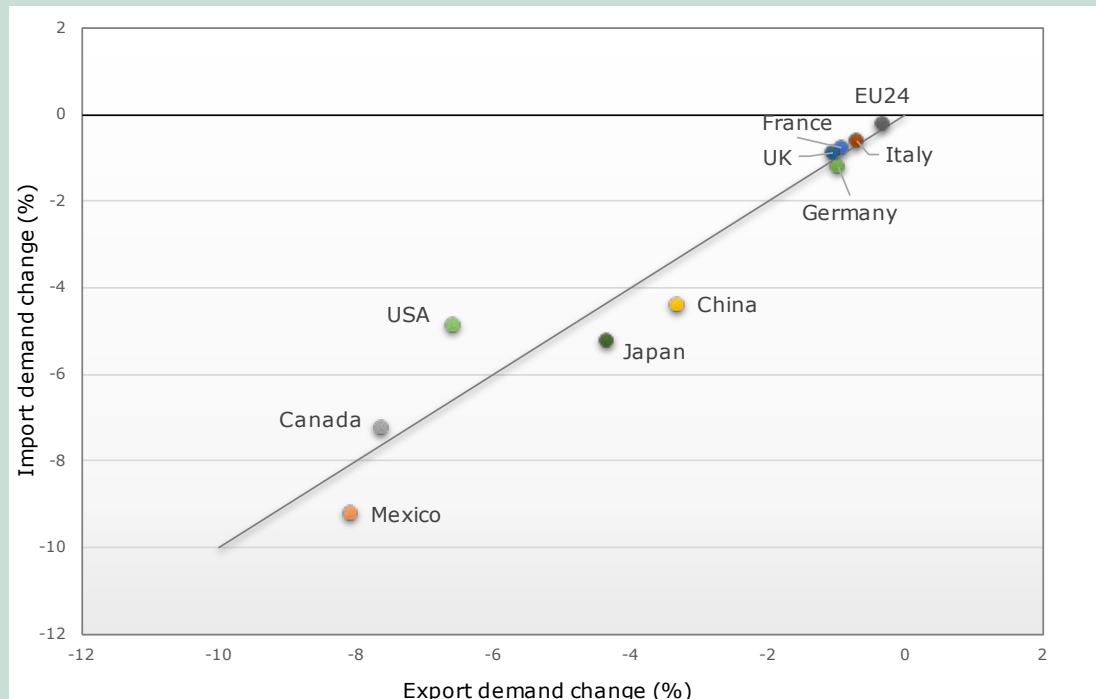
### Box 3.2 Trade policies and the global economy<sup>a</sup>

Trade has been an engine of growth and prosperity, creating jobs, increasing incomes and reducing inequalities around the world. At the same time, more interconnected economies, rapid technological change, and uncertainties around "the future of work" imply significant structural adjustments within (as well as across) all economies, contributing to public scepticism towards trade and globalization, and a retreat to more protectionist policies in many countries.

The potential cost to the world economy of increased border protection are explored in a hypothetical scenario that analyses an increase in tariffs by a trade-weighted average of 22.5 percentage points, to 25%, by six economies, namely Canada, China, the European Union, Japan, Mexico and the United States, against each other's imports in six specific sectors.<sup>b</sup> The sectors are chosen based on a review of those most often targeted in trade disputes. This "market closing" scenario would affect 7% of global trade.

What the results clearly show is that all of the implementing economies would suffer, with both imports and exports declining (Figure 1). NAFTA economies, whose intra-country trade is high, suffer the most, while the EU economies experience smaller declines as they offset some of the cost increase with an increase in intra-EU trade. Other economies in the world (especially Southeast Asia) would expand their trade but, overall, global trade would decline (by 1.5%), as would global household income (by approximately 0.3%). In sectors where tariffs are imposed, trade would be particularly affected, with declines in transport and machinery equipment of around 7%. These are losses due to inefficient reallocation of production, jobs and trade. Falls in capital investment, FDI, R&D and, as a consequence, productivity growth, would follow, reducing trend growth.

Figure 1. Effect of increased trade costs on trade



Source: Authors' estimates.

<sup>a</sup> The OECD Trade Committee is examining alternative international market scenarios, in order to highlight the likely consequences of possible future developments in trade policy. The first two scenarios address tariffs, and are summarized here; subsequent scenario analysis will address "behind-the-border" regulatory measures. Each of these analyses draws upon the OECD METRO model and the latest available data.

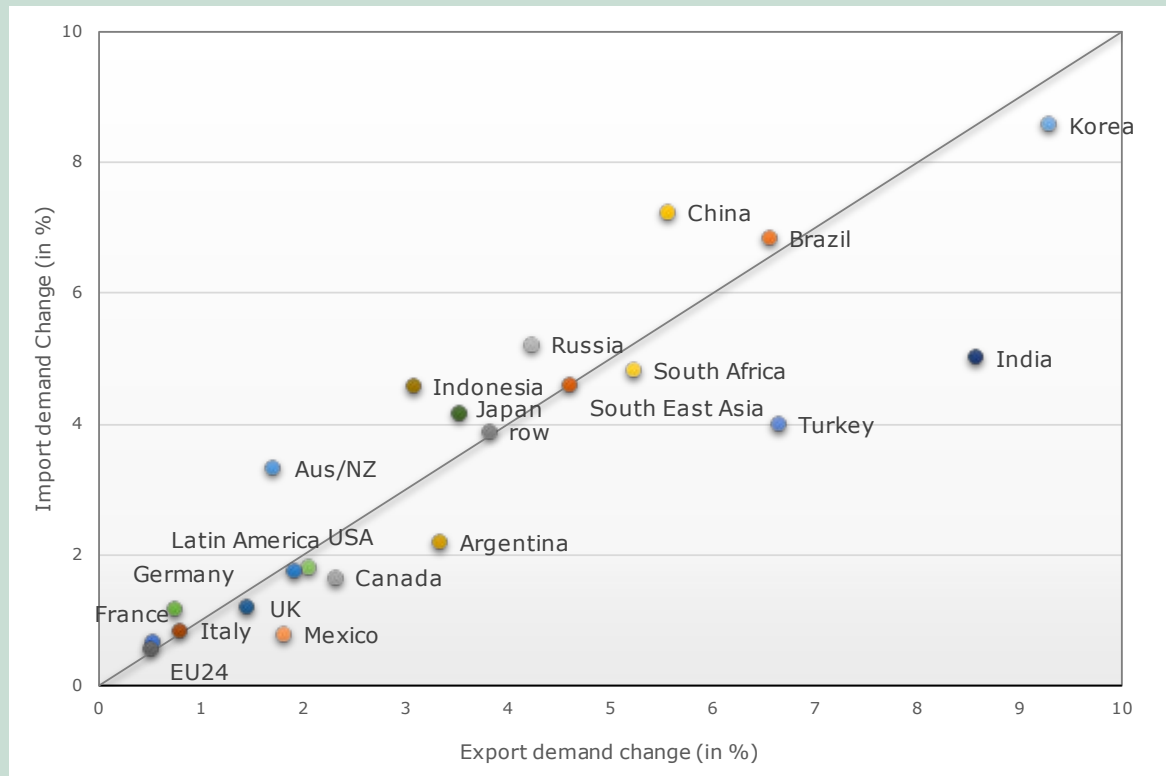
<sup>b</sup> The sectors are cereal grains, oil seeds, meat, machinery and equipment, transport equipment, and motor vehicles and parts. Intra-EU tariffs are not changed.

A second scenario illustrates the benefits of trade liberalization. In this "market opening" scenario directly affecting 41% of world trade, all tariffs are reduced to the lowest level applied across G20 economies (which is almost always 0%). While a larger share of trade would be affected, the overall tariff change would be smaller than in the "market closing" scenario, given that average tariffs in most sectors (average industrial applied tariff across all sectors and all countries were 5.5%, and in the OECD 2.2% in 2015 (OECD, 2018)) are already very low. Yet, this tariff reduction that averages just under 5 percentage points would still lead to large gains in the global economy. Trade would expand by more than 3%, with all economies experiencing growth in both exports and imports (Figure 2). The Republic of Korea would experience the largest increases in trade, having relatively higher initial tariffs.<sup>a</sup> Income would also increase across the board, adding almost 1% to global household income.

These two scenarios illustrate the relatively large gains expected from small declines in tariffs, and the widespread costs associated with higher tariffs on a relatively small share of global trade.

The costs of tariff increases are even higher when compared to the forgone benefits of trade liberalization (Figure 3). Each dollar of the simulated reduction of tariffs, effectively to 0% across G20 economies, increases global household incomes by 0.9 dollars, trade by 1.4 dollars, and global gross production by 1.0 dollar. In contrast, each dollar of new tariffs imposed would decrease global household income by 0.4 dollars, depress trade by 1.0 dollar, and shrink global gross production by 0.6 dollars.

**Figure 2. Increase in trade from tariff reductions**

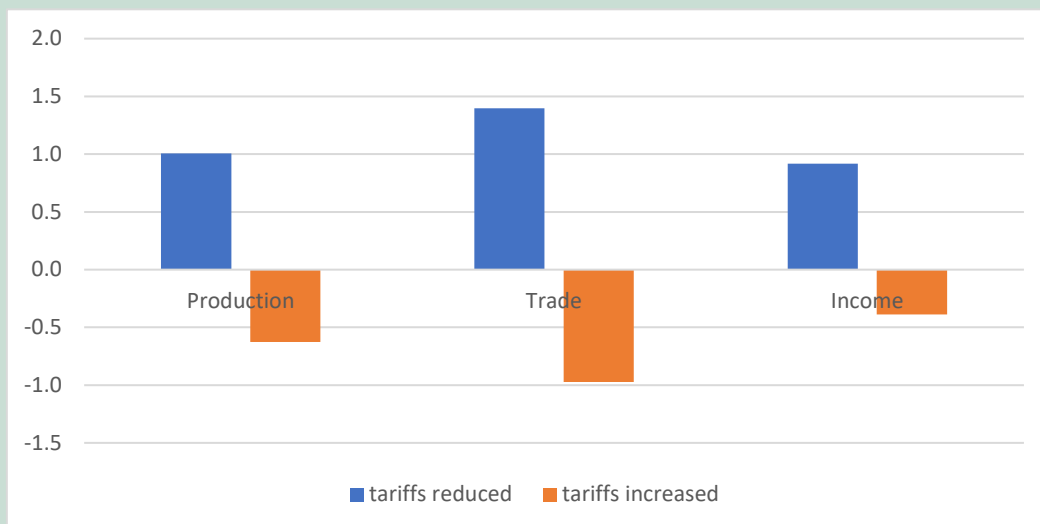


Source: Authors' calculations. Note: all G20 economies except the Kingdom of Saudi Arabia.

<sup>a</sup> The tariff data for the Republic of Korea do not include all the recently-concluded preferential agreements, which result in some reductions of applied rates.

Economies, both individually and collectively, benefit from international commerce, and could benefit much more if remaining tariffs (as well as trade-distorting subsidies and poorly-designed regulatory barriers) were removed. Addressing gaps in the international rule book, fully implementing existing trade rules, and creating an environment at home that is supportive of job seekers and entrepreneurs could contribute to more inclusive growth.

**Figure 3: Global effects per USD of tariff reductions and increases**



Source: Authors' calculations.

Source: OECD (2018), OECD Economic Outlook No. 103, OECD Publishing, Paris.

### 3.2 Trade Remedies<sup>16</sup>

3.20. This Section provides an overview and assessment of trends in the trade remedies actions of G20 economies during the following periods: July-December 2016, January-June 2017, July-December 2017 and January-June 2018.<sup>17</sup> It also includes an evaluation of these periods on a six-month and 12-month basis, in order to show trends over time.

#### Anti-Dumping Actions<sup>18</sup>

3.21. The most recent data (January-June 2018), show an increase of 23% in the number of antidumping investigations initiated by G20 members compared to the previous six-month period (July-December 2017) with 111 antidumping investigations initiated in the most recent period, compared with 90 during the previous six months (Table 3.6).

3.22. However, looking at 12-month data, the number of investigations during the period July 2017-June 2018 is lower than the previous comparable period. During the July 2017-June 2018 period, there were decreases in the number of investigations initiated by Argentina; Australia; Brazil; Canada; the European Union; India; Indonesia; Japan; Korea, Rep. of; Turkey and the United States compared to July 2016-June 2017. In the same period, an increase was seen in the number of investigations initiated by China (from 12 to 23), Mexico (from 6 to 8), Russian Federation (from two to five), and the Kingdom of Saudi Arabia (from one to three).

<sup>16</sup> This Section (as all other Sections in this Report) is without prejudice to the right of Members to take trade-remedy actions under the WTO.

<sup>17</sup> These periods are selected because they coincide with the Member's semi-annual reporting periods.

<sup>18</sup> AD and countervailing investigations are counted on the basis of the number of exporting countries or customs territories affected by an investigation. Thus, one AD or countervailing investigation involving imports from  $n$  countries/customs territories is counted as  $n$  investigations.

**Table 3.6 Initiations of antidumping investigations by G20 members**

G20 Member	July-Dec 2016	Jan-June 2017	July-Dec 2017	Jan-June 2018	July 2016-June 2017	July 2017-June 2018
Argentina	17	4	4	14	21	18
Australia	6	12	4	11	18	15
Brazil	7	5	2	7	12	9
Canada	11	8	6	5	19	11
China	3	9	15	8	12	23
European Union	9	3	6	2	12	8
India	21	34	15	28	55	43
Indonesia	7	0	1	0	7	1
Japan	1	2	0	0	3	0
Korea, Republic of	4	3	4	2	7	6
Mexico	5	1	7	1	6	8
Russian Federation <sup>a</sup>	1	1	0	5	2	5
Saudi Arabia, Kingdom of <sup>b</sup>	0	1	3	0	1	3
Turkey	13	6	2	6	19	8
United States	13	34	21	22	47	43
<b>Total</b>	<b>118</b>	<b>123</b>	<b>90</b>	<b>111</b>	<b>241</b>	<b>201</b>

a Investigations are initiated at the level of the Eurasian Economic Union on behalf of all of its members collectively.

b Investigations are initiated at the level of the GCC on behalf of all of its members collectively.

Source: WTO Secretariat.

**Table 3.7 Number of AD measures imposed by G20 members**

G20 Member	July-Dec 2016	Jan-June 2017	July-Dec 2017	Jan-June 2018	July 2016-June 2017	July 2017-June 2018
Argentina	1	1	1	12	2	13
Australia	2	9	5	5	11	10
Brazil	8	6	4	6	14	10
Canada	2	10	0	2	12	2
China	8	2	3	9	10	12
European Union	4	7	4	2	11	6
India	10	31	16	27	41	43
Indonesia	0	2	1	1	2	2
Japan	2	0	1	2	2	3
Korea, Republic of	2	0	4	3	2	7
Mexico	5	2	0	6	7	6
Russian Federation <sup>a</sup>	1	0	1	0	1	1
Saudi Arabia, Kingdom of <sup>b</sup>	0	1	0	0	1	0
Turkey	5	2	8	8	7	16
United States	26	23	10	24	49	34
<b>Total</b>	<b>76</b>	<b>96</b>	<b>58</b>	<b>107</b>	<b>172</b>	<b>165</b>

a Measures are imposed by the Eurasian Economic Union on behalf of all of its members.

b Measures are imposed at the level of the Gulf Cooperation Council on behalf of all of its members.

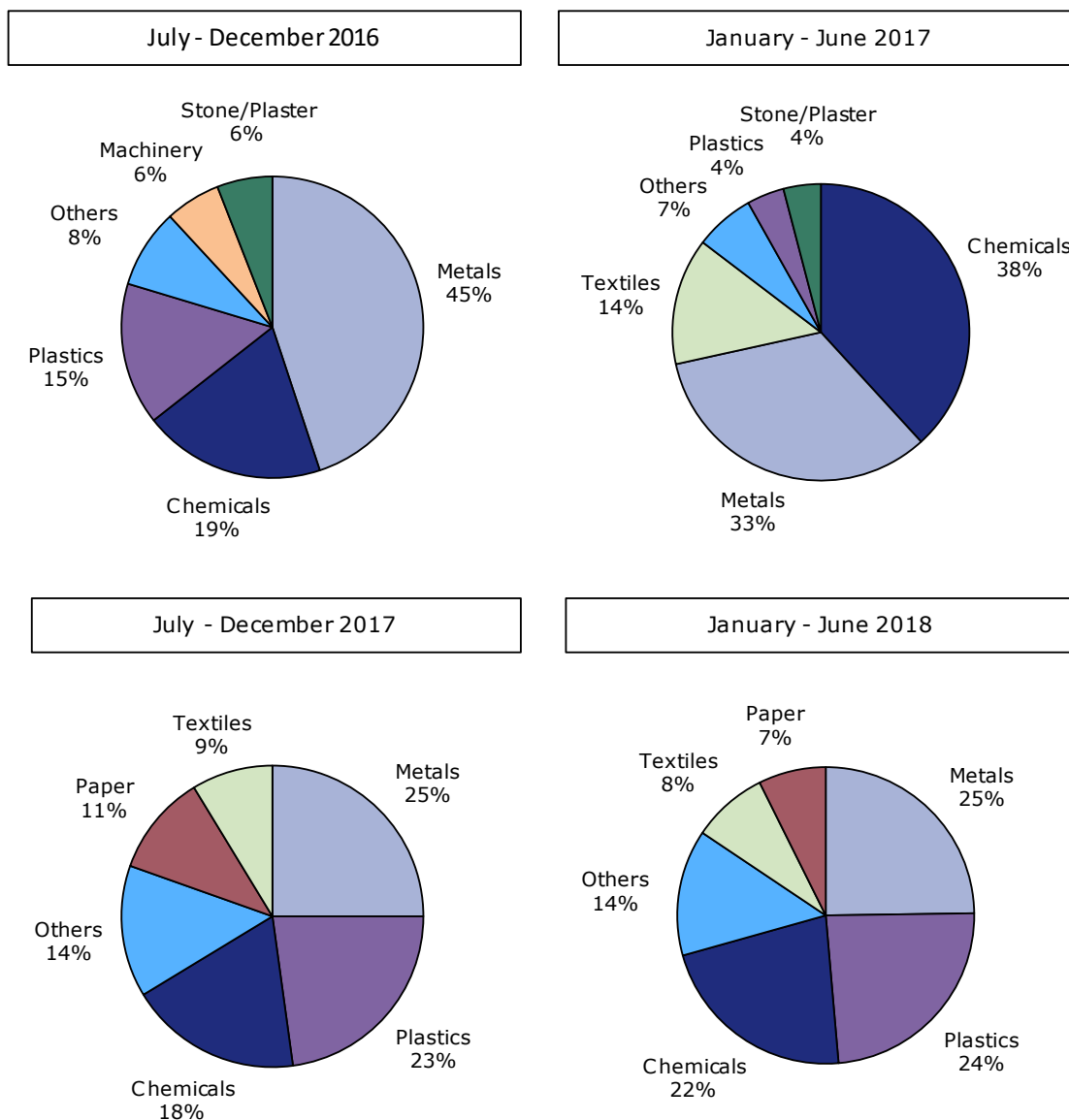
Source: WTO Secretariat.

3.23. In terms of product breakdown, except for the second six-month period, metal products accounted for the largest share of initiations, i.e. between 25-45% of all investigations. This sector accounted for 53 initiations in the second half of 2016 then dropped to 41 initiations in the first half of 2017 and to 23 initiations in the second half of 2017 before increasing to 27 in the first half of 2018. Steel products (HS Chapters 72 and 73) accounted for the vast majority of these investigations (126 out of 143) – 87%. In many instances, a single importing Member initiated investigations on



the same steel product from a number of different sources simultaneously, i.e. ten steel products account for 102 of the investigations over these periods. China continues to be the most frequent target of G20 investigations on metal products with 18 investigations during July 2017-June 2018, followed by the European Union (Italy, Greece, Spain and Germany) with seven and India with 5 investigations each. The United States initiated 19 investigations in this sector during July 2017-June 2018, followed by Brazil and Argentina with five each.

**Chart 3.3 Anti-dumping duty initiations by G20 members, by product**



Note: Values are rounded.

Source: WTO Secretariat.

3.24. Chemical products accounted for the third-largest share of AD initiations in the first half of 2018. The number of initiations on chemical products significantly decreased from 70 during July 2016-June 2017 to 41 during July 2017-June 2018. India was the principal driver behind these initiations, opening 35% of the 111 new investigations of products in this sector over the 24 months examined. China was again the most targeted Member by initiations in this sector during July 2017-June 2018 (5 out of 41), with the remainder affecting a wide range of exporting countries or customs territories.

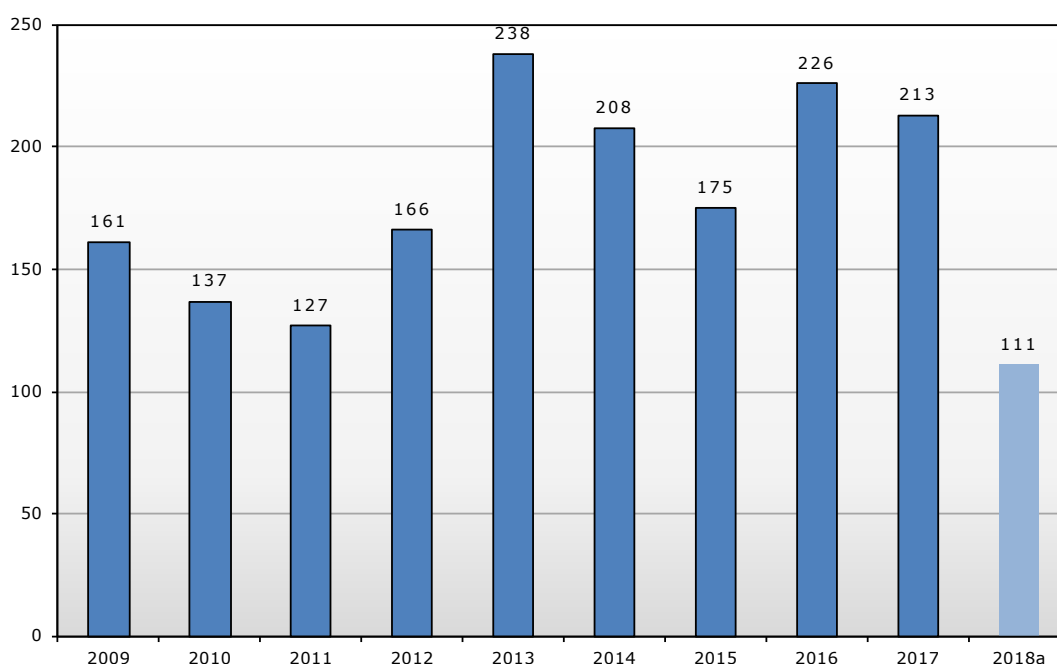
3.25. Plastics and rubber accounted for 24% of all initiations during July 2017-June 2018. India initiated 23 of the 70 new investigations in this sector over the 24 months from July 2016 to

June 2018. Textiles, which accounted for 8% of all initiations during the entire reporting period, ranked fourth.

3.26. Although antidumping investigations do not necessarily lead to the imposition of measures, a rise in the number of investigations initiated is an early indicator of a likely rise in the number of measures imposed. Over the 24 months covered in this Section, a total of 337 antidumping measures were imposed by G20 members (as shown in Table 3.7). However, as it can take up to 18 months for an antidumping investigation to be concluded, these measures may not necessarily be the result of initiations in the same period.

3.27. Since the first monitoring report was circulated in September 2009, antidumping activities of G20 members initially declined through 2011, then rebounded, peaking in 2013, with 238 new investigations initiated (Chart 3.2).<sup>19</sup> Following a downward trend in 2014 and 2015, the number of initiations increased again in 2016 reaching 226, dropping to 213 in 2017. The number of new investigations in the first half of 2018 stands at 111.

**Chart 3.4 AD investigations by G20 members (2009-2018<sup>a</sup>)**



a Data for 2018 relate to the January to June period.

Source: WTO Secretariat.

### Countervailing Duty Actions

3.28. As shown in Table 3.8, the countervailing duty actions of G20 members increased in the most recent period (January-June 2018) compared with the three preceding six-month periods.

3.29. A variety of sectors were affected by countervailing investigations over the four periods, with metal products remaining the most targeted, accounting for 31 of the 77 initiations by G20 members over the 24 months examined. Twenty-five of these investigations targeted steel products. Virtually all of the investigations involving the metal sectors were conducted concurrently with an AD investigation on the same product.

3.30. Chemicals accounted for the next-largest number of investigations with 16 initiations. The plastic sector was in third place with twelve initiations. The remaining investigations covered a range of goods including paper, textiles, foodstuffs, live animals and wood products.

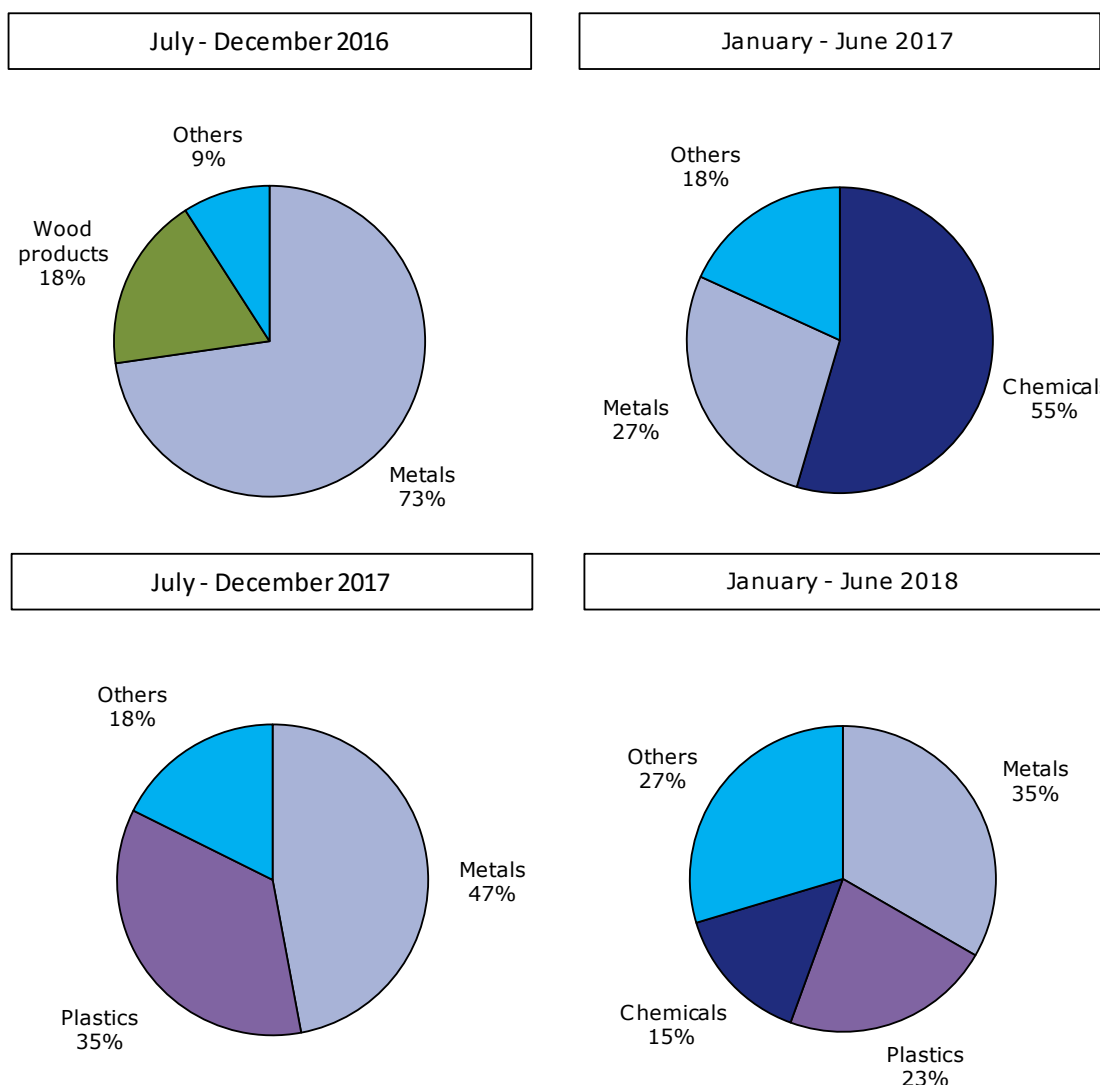
<sup>19</sup> While 2013 shows an important increase in activity, the number of initiations is still significantly below the peaks seen in 1999-2002.

**Table 3.8 Initiations of countervailing duty investigations by G20 members**

G20 Member	July-Dec 2016	Jan-June 2017	July-Dec 2017	Jan-June 2018	July 2016- June 2017	July 2017- June 2018
Australia	5	0	0	2	5	2
Brazil	1	0	1	0	1	1
Canada	1	5	6	4	6	10
China	0	1	0	1	1	1
European Union	0	0	2	1	0	3
India	0	0	0	1	0	1
Turkey	0	0	0	1	0	1
United States	4	16	8	17	20	25
<b>Total</b>	<b>11</b>	<b>22</b>	<b>17</b>	<b>27</b>	<b>33</b>	<b>44</b>

Source: WTO Secretariat.

**Chart 3.5 Countervailing duty initiations by G20 members, by product**



Note: Values are rounded.

Source: WTO Secretariat.

3.31. Over the 24 months covered in this Section, a total of 48 CV were imposed by G20 members (as shown in Table 3.9). However, as it can take up to 18 months for a countervail investigation to be concluded, these measures may not necessarily be the result of initiations in the same period.

**Table 3.9 Number of CVD measures imposed by G20 members**

G20 Member	July-Dec 2016	Jan-June 2017	July-Dec 2017	Jan-June 2018	July 2016-June 2017	July 2017-June 2018
Australia	1	2	1	0	3	1
Brazil	0	0	0	1	0	1
Canada	1	1	0	1	2	1
China	0	1	0	1	1	0
European Union	0	1	0	0	1	0
India	0	0	1	0	0	1
United States	12	9	2	13	21	15
<b>Total</b>	<b>14</b>	<b>14</b>	<b>4</b>	<b>16</b>	<b>28</b>	<b>20</b>

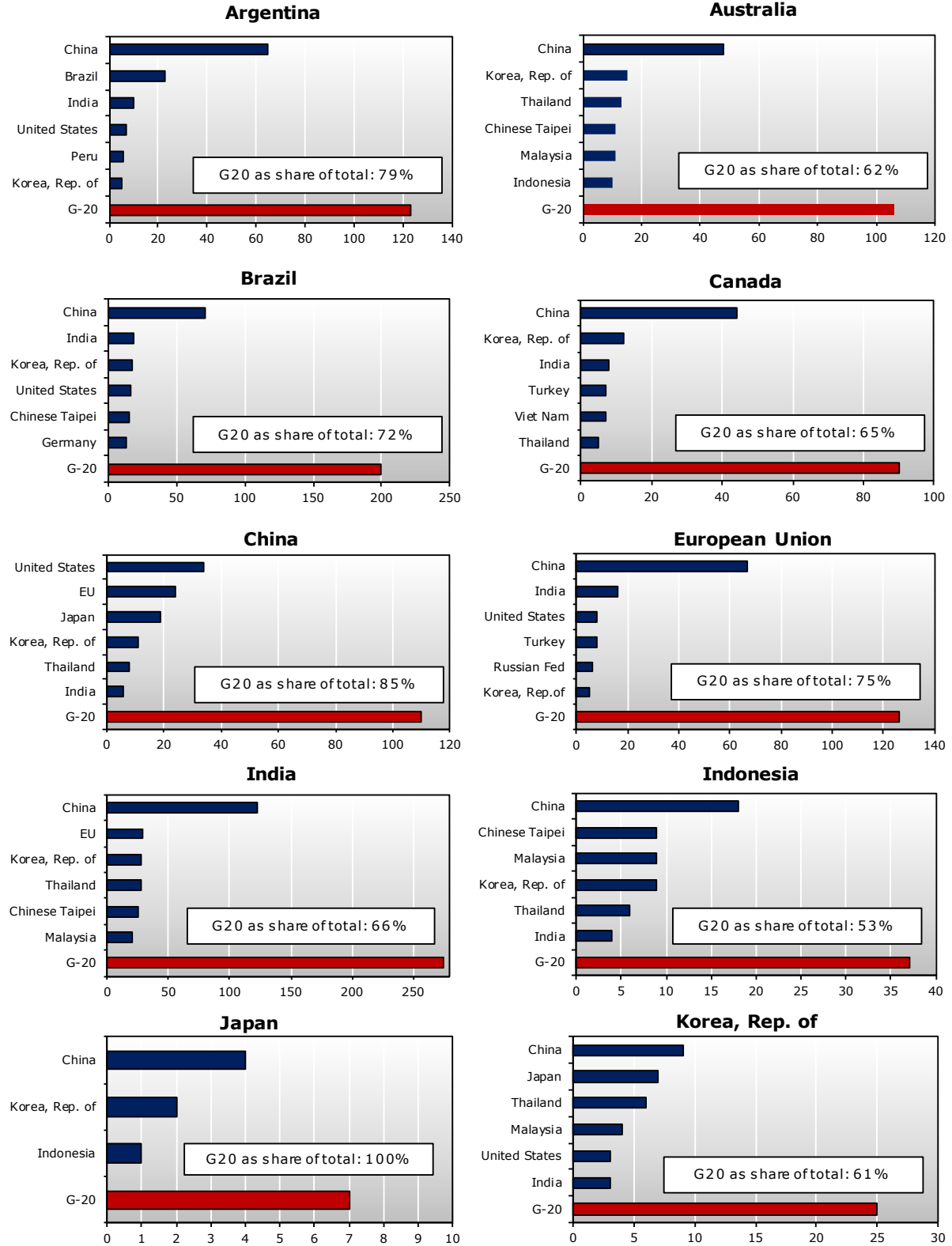
Source: WTO Secretariat.

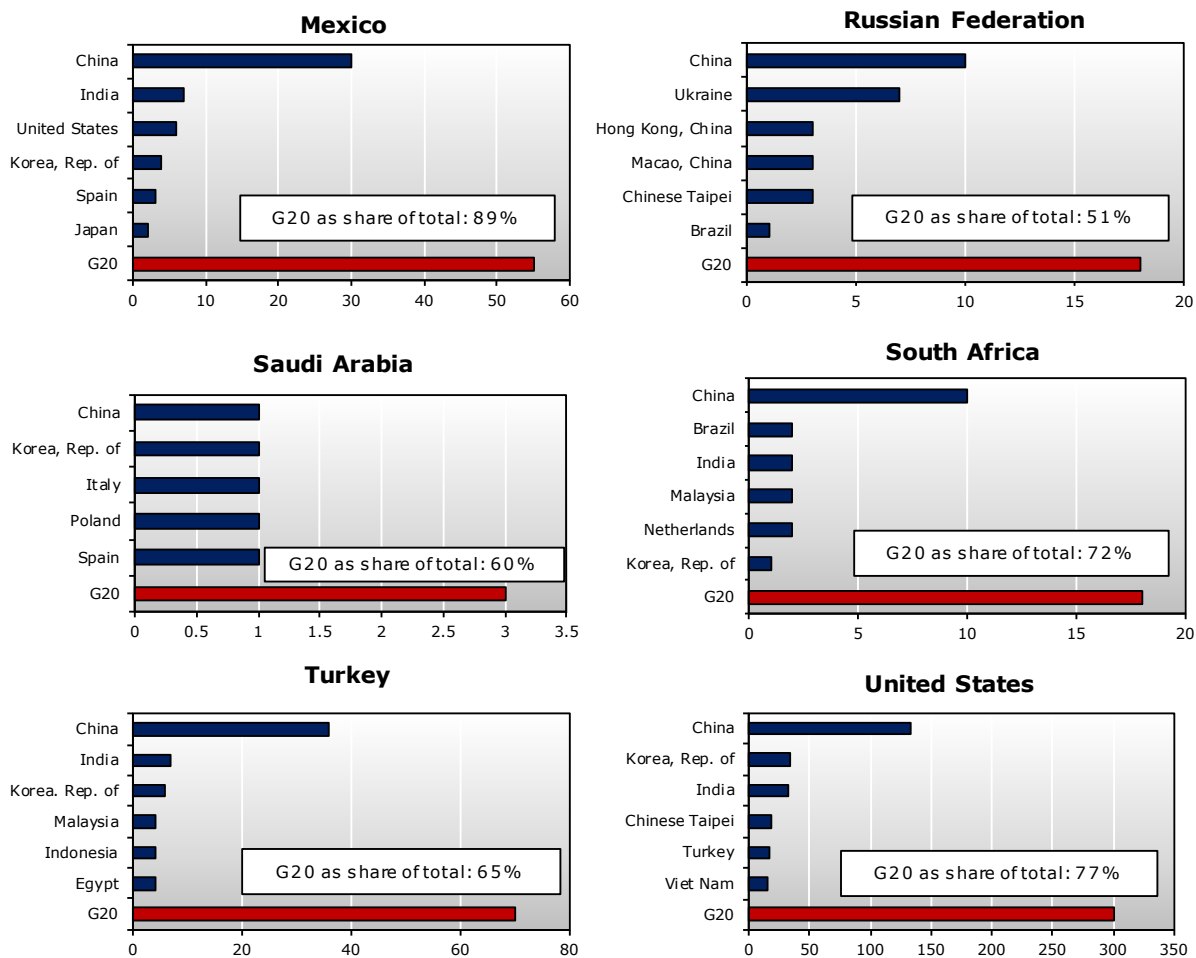
### AD and CV by Trading Partner

3.32. Chart 3.4 shows the top six trading partners targeted by trade remedy initiations (excluding SGs) as reported by each G20 member between 2008 and 2018 (January-June 2018). China remained, by far, the exporter most targeted by initiations reported during this period – accounting for one-third of the reported initiations. The second-most targeted exporter during this period – the Republic of Korea – accounted for 7% of total initiations. The share of G20 initiations involving products from other G20 members accounted for approximately 71% of total initiations. In all reporting periods, initiations on products from other G20 members accounted for at least 50% of each individual G20 member's total initiations.

**Chart 3.6 AD and countervailing initiations by trading partner, 2008-June 2018**

(Number of initiations January 2008-June 2018\*)





Note: Argentina, Indonesia, Japan, Republic of Korea and Kingdom of Saudi Arabia (at GCC level) initiated AD investigations only.

Source: WTO Secretariat.

### Sunset Reviews

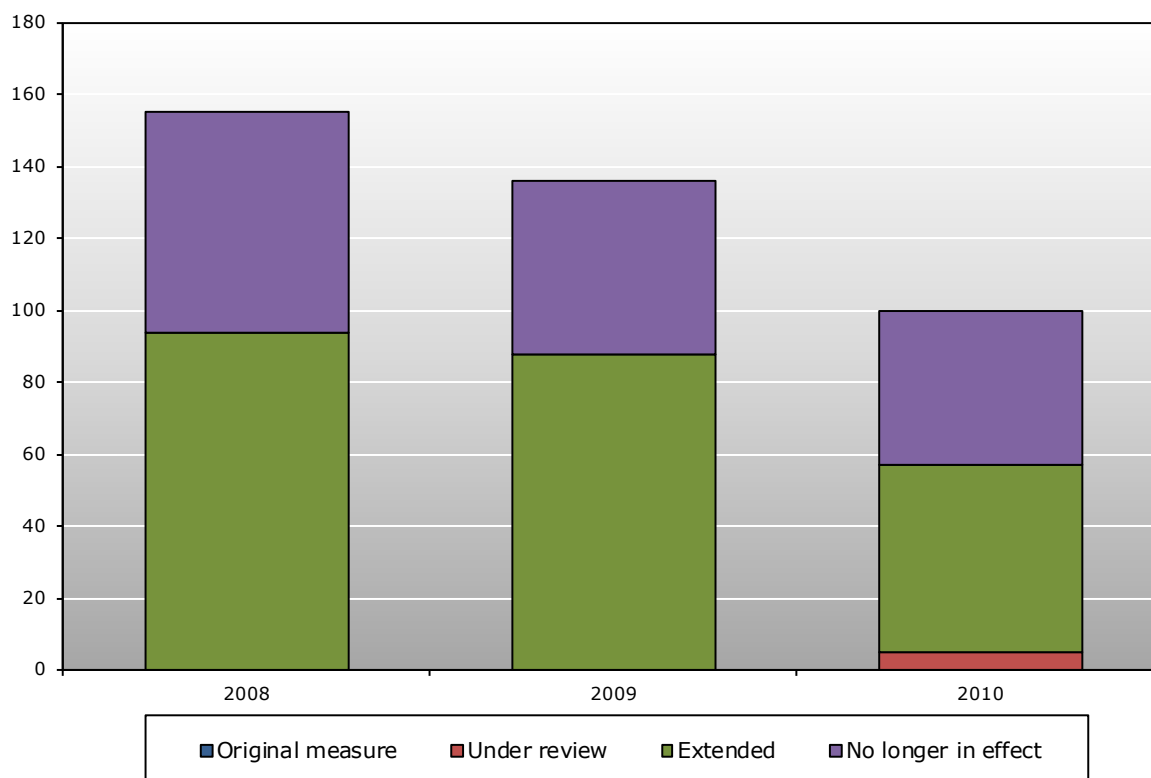
3.33. This Section examines the effect the global financial crisis may have had on AD (AD) and countervailing actions (CVD) of G20 members by analysing the extent to which measures imposed following the financial crisis have been extended or have expired (or otherwise terminated). In other words, it attempts to explore the extent to which, if at all, the financial crisis might have contributed to the imposition of a measure. Consequently, this Section examines measures imposed as a result of investigations initiated in 2008, before the financial crisis, as well as 2009 and 2010, when the full effects of the financial crisis were being felt.<sup>20</sup>

3.34. The relevant WTO Agreements stipulate that AD and CV can remain in force only for as long as necessary to counteract injury caused by dumped or subsidised imports, and must expire no later than five years after their imposition unless it is determined, through a review, that removal of a measure would likely lead to a continuation or recurrence of dumping or subsidisation and injury. In such a case, the measure can be extended for up to a further five years. This review process is often referred to as a sunset review. Investigating authorities generally invite applications for a sunset review before a measure expires and, in the absence of a review, they allow the measure to lapse.

<sup>20</sup> Given the application requirements for AD and countervail investigations, it is assumed that investigations in response to the financial crisis would not have been initiated before January 2009.

3.35. As of 30 June 2018, measures imposed by G20 members as a result of investigations initiated in 2008-2010 are in various stages of their lifecycle. Some measures are under review<sup>21</sup>, some have been extended and some have expired. There are no measures that are still within their initial five-year imposition period. Chart 3.5 shows the status of total AD and CVD measures resulting from investigations initiated by G20 economies in 2008, 2009 and 2010, as at 30 June 2018.

**Chart 3.7 Status of measures resulting from AD and CVD investigations initiated by G20 members in 2008, 2009 and 2010, as at 30 June 2018**



Source: WTO Secretariat.

3.36. The 155 measures resulting from investigations initiated in 2008 by G20 members have now been subject to expiry action (either a sunset review or termination), along with the 136 measures for 2009 and the 100 measures for 2010 (five of these are currently under review).

**Table 3.10 Proportion of expiring measures that were subject to a sunset review for G20 members (based on the year the investigation was initiated)**

Expiring measures	Investigation initiated in		
	2008	2009	2010 <sup>a</sup>
Not reviewed	33%	28%	22%
Reviewed	67%	72%	78%

a Only 73 measures resulting from investigations initiated in 2010 have so far expired or been subject to review.

Source: WTO Secretariat.

3.37. Table 3.10 shows the proportion of measures that were due to expire for which a sunset review has been conducted (measures not reviewed will automatically expire). For measures resulting from investigations initiated in 2009, 72% were reviewed, slightly higher than the 67%

<sup>21</sup> A sunset review must be initiated prior to the expiration date of the measure, but the measure may remain in force after this date pending the outcome of the review.

found for 2008. For the 2010 measures, 78% were reviewed. There is insufficient information to determine whether the financial crisis might have influenced these figures.

3.38. As at 30 June 2018, 104 sunset reviews had been completed by G20 members for measures resulting from investigations initiated in 2008, 98 for 2009 and 64 for 2010, as shown in Table 3.11. Available information shows that the importing Member determined that expiry of the measure would lead to a continuation or recurrence of dumping/subsidisation and injury, and thus extended the measures for 90% of both the 2008 and 2009 measures, and for 66% of the 2010 measures. Again, there is insufficient information to determine whether the financial crisis might have influenced these figures.

**Table 3.11 Results from completed reviews by G20 members (based on the year the investigation was initiated)**

	Investigation initiated in		
	2008	2009	2010 <sup>a</sup>
Number of completed reviews	104	98	64
Measure extended	90%	90%	66%
Expiry of measure	10%	10%	22%

a Only 73 measures resulting from investigations initiated in 2010 have so far expired or been subject to review.

Source: WTO Secretariat.

### Safeguard Measures

3.39. Safeguard ("SG") measures are intended to be temporary measures taken in response to increased imports of goods that are causing serious injury, and are imposed on products from all exporting countries.<sup>22</sup> As a result, SGs are subject to different rules and timelines than AD and CVD measures and therefore are not directly comparable to them.

3.40. Table 3.12 and Table 3.13 show the SG initiations and impositions by G20 members on a July-December and January-June cycle. The trend over these periods seems to be increasing. In fact, the July 2017-June 2018 imposition figure of five measures is more than double the two measures imposed during the July 2016-June 2017 period.

**Table 3.12 SG investigation initiations by G20 members**

G20 Member	July-Dec 2016	Jan-June 2017	July-Dec 2017	Jan-June 2018	July 2016-June 2017	July 2017-June 2018
China	1	0	0	0	1	0
European Union	0	0	0	1	0	1
India	0	0	1	0	0	1
Indonesia	0	0	0	1	0	1
Saudi Arabia, Kingdom of <sup>a</sup>	1	0	1	0	1	1
South Africa <sup>b</sup>	1	0	0	1	1	1
Turkey	0	2	0	1	2	1
United States	0	2	0	0	2	0
<b>Total</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>7</b>	<b>6</b>

a Investigations are initiated at the level of the GCC.

b Notified by South Africa, but investigations are initiated at the level of the SACU.

Source: WTO Secretariat.

<sup>22</sup> With exception of special & differential treatment as provided for developing countries in Article 9.1 of the Safeguards Agreement.



**Table 3.13 SG measure impositions by G20 members**

G20 Member	July-Dec 2016	Jan-June 2017	July-Dec 2017	Jan-June 2018	July 2016-June 2017	July 2017-June 2018
	A	B	C	D	A+B	C+D
China	0	1	0	0	1	0
India	1	0	0	0	1	0
Saudi Arabia, Kingdom of <sup>a</sup>	0	0	0	1	0	1
South Africa <sup>b</sup>	0	0	1	0	0	1
Turkey	0	0	1	0	0	1
United States	0	0	0	2	0	2
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>5</b>

a Measures are imposed at the level of the GCC.

b Notified by South Africa, but measures are imposed at the level of the SACU.

Note: Some notifications are ambiguous about the timing when the measure takes effect. For those notifications, Members sometimes subsequently file an additional notification clarifying, *ex post*, the timing of the taking effect. For this reason, the number of impositions indicated in past reports can differ from the figures indicated in the most recent report.

Source: WTO Secretariat.

3.41. Table 3.14 shows annual data on the number of SG initiations and impositions by G20 members since 2010. Although the 2018 data cover up to June, the upward trend seems also confirmed compared to recent years. However, from a longer perspective, the number of initiations and impositions remain relatively low compared to the most recent peaks observed in 2014.

3.42. Finally, although falling outside the July 2017-June 2018 reporting period, the Eurasian Economic Union initiated an investigation on steel products in August 2018, and Canada initiated an investigation on steel products in October 2018.

**Table 3.14 Total G20 Safeguard Initiations and Impositions**

	2010	2011	2012	2013	2014	2015	2016	2017	Jan-June 2018
Total G20 initiations	10	7	13	7	13	4	6	6	4
Total G20 impositions	0	9	4	2	9	4	2	3	3

Source: WTO Secretariat.

### 3.3 Sanitary and Phytosanitary (SPS) Measures<sup>23</sup>

3.43. Under the SPS Agreement, WTO Members are obliged to provide an advance notice of intention to introduce new or modified SPS measures<sup>24</sup>, or to notify immediately when emergency measures are imposed. The main objective of complying with the SPS notification obligations is to inform other Members about new or changed regulations that may significantly affect trade. Therefore, an increased number of notifications does not automatically imply greater use for protectionist purposes, but rather enhanced transparency regarding these measures.

<sup>23</sup> Information presented in this Section has been retrieved from the SPS Information Management System (SPS IMS: <http://spsims.wto.org>). This Section is based on notifications to the WTO for the period 1 May 2018 to 30 September 2018, and builds on the previous G20 report (4 July 2018), which covered notifications up to the end of April 2017. Specific trade concerns (STCs) are only raised at SPS Committee meetings. The information in this Section summarizes the STCs raised at the 12–13 July 2018 SPS Committee meeting.

<sup>24</sup> Transparency obligations are contained in Article 7 and Annex B of the SPS Agreement. Annex B requires that Members notify measures whose content is not substantially the same as that of an international standard, guideline or recommendation, and when the measure may have a significant effect on trade. However, the Recommended Procedures for Implementing the Transparency Provisions of the SPS Agreement, adopted by the SPS Committee in 2008 (G/SPS/7/Rev.4), recommend that Members also notify measures which are based on relevant international standards, and provide a broad interpretation of effects on trade.

3.44. G20 economies rank amongst the main "notifiers" of SPS measures, accounting for 67% of total regular notifications (including addenda), and 35% of emergency notifications, submitted to the WTO from 1 January 1995 to 30 September 2018.

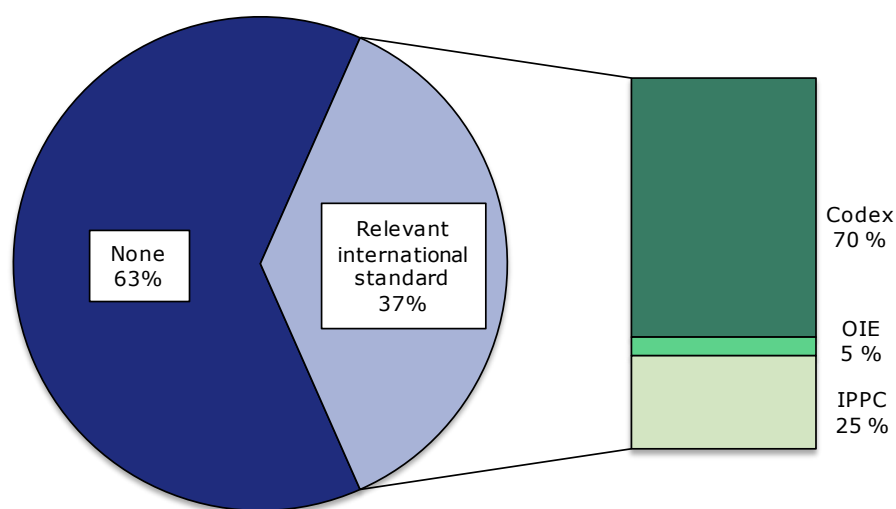
3.45. For the period 1 May to 30 September 2018<sup>25</sup>, Brazil, Canada, Japan and the United States submitted the most notifications to the WTO, accounting for 47% of notifications submitted by G20 economies in that period.

3.46. Many G20 economies are following the recommendation to notify SPS measures, even when these are based on a relevant international standard, thereby substantially increasing transparency. Of the 243 regular notifications (excluding addenda) made by G20 economies from 1 May to 30 September 2018, 37% indicated that an international standard, guideline or recommendation was relevant to the notified measure (out of which, 70% referred to Codex Alimentarius (Codex), 25% to the International Plant Protection Convention (IPPC) and 5% to the World Organisation for Animal Health (OIE) – see Chart 3.6). Furthermore, the notification formats include an entry asking whether the notified regulation conforms to the relevant international standard. Of the notifications that identified a relevant international standard, 57% indicated that the measure was in conformity with, or substantially the same as, the existing international standard, guideline or recommendation. It may be worth noting that the remaining 43% of notifications, which did not indicate that the measure was in conformity with the existing international standard, had identified Codex as the relevant international standard-setting body. Regarding emergency notifications for the same period, all but two of the emergency measures notified by G20 members were indicated as being in conformity with a relevant international standard, guideline or recommendation.

3.47. The objective most frequently identified in the SPS measures notified by G20 members during the reviewed period is food safety, accounting for 68% of the notifications.<sup>26</sup> Food safety is a particularly important objective in the G20 members' notifications, as the vast majority of notified measures are related to maximum residue limits (MRLs) and pesticides, and in many notifications both keywords were utilized.

3.48. Measures maintained by G20 economies are often discussed in the SPS Committee. Moreover, the top ten Members in terms of complaints about measures they maintain are all G20 members. The specific trade concerns (STCs) raised in the SPS Committee on measures maintained by G20 economies account for 73% of all STCs raised to date.

**Chart 3.8 Regular SPS notifications (excluding addenda) and international standards**



Source: WTO Secretariat.

<sup>25</sup> For the SPS Section, the review period covers 1 May 2018 to 30 September 2018.

<sup>26</sup> The objective of an SPS measure falls under one or more of the following categories: (i) food safety; (ii) animal health; (iii) plant protection; (iv) protection of humans from animal/plant pests or diseases; and (v) protection of territory from other damages from pests. Members are required to identify the purpose of the measure in their notifications. It is not uncommon for more than one objective to be identified for a measure.

3.49. A total of 21 out of 26 STCs were raised or discussed in the SPS Committee meeting of July 2018 in relation to measures maintained by G20 members. Six were raised for the first time, and 15 had been discussed in previous Committee meetings.

3.50. The new STCs raised at the July 2018 SPS Committee meeting regarding measures applied by G20 economies relate to:

- lack of transparency and undue delays in Indonesia's approval procedures for animal products (raised by the European Union);
- EU Commission Decision 2002/994/EC on animal products (raised by China);
- EU restrictions on poultry meat and poultry meat preparations (Regulation (EU) No. 2018/700) (raised by Brazil);
- the Russian Federation's restrictions on beef and swine meat<sup>27</sup> (raised by Brazil);
- EU review of legislation on veterinary medicinal products (raised by Argentina and the United States). This STC was supported by five Members; and
- new EU definition of the fungicide Folpet (raised by China).

3.51. Of the 15 previously-raised STCs regarding measures applied by G20 members and discussed in the July 2018 SPS Committee meeting, eight address persistent problems that have been discussed at least five times:

- general import restrictions due to Bovine Spongiform Encephalopathy (BSE) applied by certain Members, including several G20 economies. This STC (No. 193) was initially raised by the European Union in June 2004 and subsequently by the United States in February 2007. It has been subsequently discussed 33 times in the Committee, gathering the support of three other Members;
- EU revised proposal for the categorization of compounds as endocrine disruptors (raised by Argentina, China and the United States in March 2014, and by India in March 2018). This STC (No. 382) has been subsequently discussed 11 times in the Committee, and has gathered the support of 40 Members;
- the Russian Federation's import restrictions on processed fishery products from Estonia and Latvia (raised by the European Union in July 2015). This STC (No. 390) has been subsequently discussed nine times in the Committee;
- China's proposed amendments to the implementation regulations on the safety assessment of agricultural GMOs (raised by Paraguay and the United States in July 2015). This STC (No. 395) has been subsequently discussed seven times in the Committee;
- China's AQSIQ official certification requirements for food imports<sup>28</sup> (previously raised as Lack of transparency for certain SPS measures) (raised by Israel and the United States in March 2004). This STC (No. 184) has been subsequently discussed six times in the Committee, and has gathered the support of 13 Members;
- China's import restrictions due to Highly Pathogenic Avian Influenza (raised by the European Union in March 2016). This STC (No 406) has been subsequently discussed six times in the Committee;

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<sup>27</sup> Document G/SPS/N/RUS/145.

<sup>28</sup> Document G/TBT/N/CHN/1209.

- the Russian Federation's import restrictions on certain animal products from the European Union (Germany) (raised by the European Union in June 2016). This STC (No. 411) has been subsequently discussed six times in the Committee; and
- U.S. seafood import monitoring programme (raised by China in October 2016). This STC (No. 415) has been subsequently discussed five times in the Committee, and has gathered the support of two Members.

3.52. For the reviewed period, among the 21 STCs raised due to measures implemented by G20 members, 12 concerned measures covering food safety, four concerned animal health, four related to other types of concerns (i.e. control, inspection and approval procedures), and one related to plant health.

### Box 3.3 Enhancing monitoring and transparency in SPS and TBT

Accessing relevant information on SPS or TBT product requirements in export markets can represent a significant challenge, in particular for SMEs. The WTO helps address this potential trade barrier through a combination of transparency requirements included in the SPS and TBT Agreements and online tools that make information easily accessible: the SPS and TBT Information Management Systems (SPS/TBT IMSs) and ePing.

WTO Members are required to notify proposed SPS and TBT measures if they may significantly affect international trade. Each year, the WTO receives in excess of 3,500 such notifications.

Publicly available online tools assist stakeholders in finding notifications of relevance to their trade:

- SPS IMS [www.spsims.wto.org](http://www.spsims.wto.org),
- TBT IMS [www.tbtime.wto.org](http://www.tbtime.wto.org), and
- ePing [www.epingalert.org](http://www.epingalert.org).

The SPS/TBT IMSs are search-platforms that, among other things, help identify, SPS or TBT notifications by using parameters such as products, notifying Member and objective. The ePing is an online alert system allowing users (governments, economic operators, civil society) to receive daily or weekly email alerts about SPS and TBT notifications covering products and markets of interest to them.

Timely access to notifications is crucial given the 60-day period that normally should be provided for submitting comments on regulations, usually still in draft-form. The ePing platform also facilitates dialogue among the public and private sectors to discuss and share information on notifications of concern, allowing stakeholders to address potential trade problems at an early stage of the regulatory lifecycle.

Source: WTO Secretariat.

### 3.4 Technical Barriers to Trade (TBT)<sup>29</sup>

3.53. The G20 economies are the most frequent users of the TBT Committee's transparency mechanisms. Together, they have submitted almost half of all TBT notifications since 1995.<sup>30</sup> Regulations maintained by G20 members also represent the vast majority (around 80%) of all measures discussed in the TBT Committee since 1995.

3.54. Under the TBT Agreement, WTO Members are required to notify their intention to introduce new or modified TBT measures, or to notify adopted emergency measures immediately. The principal objective of complying with the TBT notification obligations is to inform other Members about new or changed regulations that may significantly affect trade.<sup>31</sup> As a result, an increased number of

<sup>29</sup> For the TBT Section, the review period covers 1 May to 30 September 2018.

<sup>30</sup> Since 1995, over 25,250 new (regular) notifications of TBT measures have been submitted by WTO Members, around 10,850 of which (43%) by G20 economies. Overall, around 32,850 new (regular) and follow-up (revisions, addenda, etc.) notifications of TBT measures have been submitted by WTO Members since 1995, around 15,500 of which (47%) by G20 economies.

<sup>31</sup> Under the TBT Agreement, WTO Members are not *required* to notify *all* proposed TBT measures (technical regulations or conformity assessment procedures). Rather, as a minimum, they are only required to notify those measures that may have a *significant effect on trade* of other Members and are *not in accordance with* a relevant international standard (in the case of technical regulations), or relevant guides or recommendations issued by international standardizing bodies (in the case of conformity assessment procedures). However, the TBT Committee, in its Sixth Triennial Review, encouraged Members, "for the purpose of enhancing predictability and transparency in situations where it is difficult to establish or foresee whether a draft technical regulation or conformity assessment procedure may have a 'significant effect on trade of other Members', to notify such measures."

notifications does not necessarily imply greater use of trade-restrictive measures. Rather, TBT notification obligations are meant to promote enhanced transparency regarding measures taken to address legitimate policy objectives, e.g. the protection of human, animal or plant life or health, or the environment.<sup>32</sup>

3.55. From 1 May to 30 September 2018, G20 economies submitted 276 new regular notifications of TBT measures<sup>33</sup> out of 949 by all WTO Members (almost 30%). The top-five notifying G20 members – covering around 62% of all new G20 notifications – were the Kingdom of Saudi Arabia (41), European Union (36)<sup>34</sup>, United States of America (35), Brazil (32), and Mexico (28). Of these 276 new regular notifications, the majority indicated as main objectives<sup>35</sup> the protection of human health or safety and the protection of environment. The remaining notifications related to consumer information, labelling, prevention of deceptive practices and consumer protection, and quality requirements.

3.56. Although national security does not feature among the most indicated objectives, since 2008 (with the exception of 2012) there has been a marked increase in TBT measures notified in which national security is mentioned as an objective. Among the 51 regular notifications indicating national security as their objective, 35 (69%) were submitted by G20 economies.<sup>36</sup> The partial data from 2018 (up until 30 September 2018), however, indicates a significant notification drop trend as compared to the last two years.

3.57. G20 economies notified 184 (47%) "follow-up notifications"<sup>37</sup> out of 388 submitted by all WTO Members during the review period. The continuing and frequent use by Members of this type of notifications is a positive development as it increases transparency and predictability across the measures' regulatory lifecycle.

3.58. WTO Members use the TBT Committee as a forum for discussing trade issues related to specific measures (technical regulations, standards or conformity assessment procedures) maintained by other Members. As for SPS measures, these are referred to "STCs" and normally relate to proposed draft measures notified to the TBT Committee, or to the implementation of existing measures. STCs are frequently discussed in the regular meetings of the TBT Committee, with almost 60 STCs discussed per meeting in recent years. Issues raised in such STCs can range from simple requests for additional information and clarification, to questions on the consistency of measures with TBT Agreement disciplines. Depending on the extent of the trade-restrictiveness and importance of the issue to the Members raising the STC, the same measure may come up at one or more meetings of the TBT Committee. For example, an STC may be discussed at only one meeting as a *new* STC, and subsequently a resolution to the trade concern may be found. Alternatively, an STC may be discussed at subsequent meetings, as a *previously-raised* STC. Previously-raised STCs are usually reserved for long-standing and more serious concerns. Since 1995, Members have raised 562 *new* STCs.

3.59. Regulations maintained by G20 economies have continued to represent the majority of the measures discussed – both as *new* STCs and *previously raised* STCs – in the TBT Committee meeting that took place during the review period in June 2018. A total of 62 STCs were discussed in this

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<sup>32</sup> TBT Agreement obligations are also subject to 25 separate Special and Differential Treatment (S&D) provisions, conferring developing country Members, and LDC Members in particular, with certain flexibilities. The TBT Agreement contains more S&D provisions than any other WTO agreement apart from the GATT 1994.

<sup>33</sup> Viewed at: <http://tbtims.wto.org>.

<sup>34</sup> Thirty-one EU-wide regular notifications plus five notifications from certain individual EU member States: France (3), Italy (1), and the United Kingdom (1).

<sup>35</sup> A TBT measure may pursue a variety of legitimate objectives, although historically the majority falls under one of the following categories: the protection of human, animal or plant life or health, or the environment. Members are required to identify the purpose of the measure in their notifications. It is not uncommon that more than one objective is identified for a measure.

<sup>36</sup> Including notifications with respect to measures from the EU (2) plus notifications from Finland (2), France (1) and Lithuania (1).

<sup>37</sup> Follow-up notifications are called "addenda", "corrigenda", or "supplements". They can also be in the form of "revisions" when the original measure has been substantially re-drafted prior to adoption or entry into force. A revision replaces the original notification. They are linked to the original notification of a measure, and include additional pertinent information, such as the extension of a notification comment period (addenda), the withdrawal or revocation of a measure (addenda), or when a measure is substantially redrafted prior to adoption or entry into force (revision), or when the adopted final text of a measure becomes available (addenda). See G/TBT/35 for further information on different types of TBT notifications.

meeting, 8 of which were *new*, while the remaining 54 were *previously raised*. The majority (6 out of 8) of the new STCs discussed in the review period concerned measures maintained by G20 members and covered a wide range of products/issues (Table 3.15).

**Table 3.15 New STCs concerning G20 measures raised in the TBT Committee meeting of June 2018**

New STCs-G20 measures
<b>Brazil:</b> Draft Technical Resolution n° 51, 7 April 2017 on labelling of beverages, wine, and grape derivatives (ID 557) ( <i>raised by European Union</i> );
<b>India:</b> Testing and Certification of telegraph (The Indian telegraph (Amendment) Rules, 2017) (ID 558) ( <i>raised by United States</i> );
<b>United States:</b> TSA Certification on security screening equipment (ID 559) ( <i>raised by China</i> );
<b>United States:</b> Energy Conservation Program: Energy Conservation Standards for Compressors (ID 560) ( <i>raised by China</i> );
<b>Indonesia:</b> Regulation of the Chairman of NADFC RI No.14 of 2016 on The Safety and Quality Standard of Alcoholic Beverages (ID 561) ( <i>raised by Mexico</i> );
<b>Indonesia:</b> Indonesian National Standard SNI 2973: 2011 and the certification requirements for the import of biscuits, as notified under the WTO Agreement on technical barriers to trade on 20th April 2016 (ID 564) ( <i>raised by Switzerland</i> ).

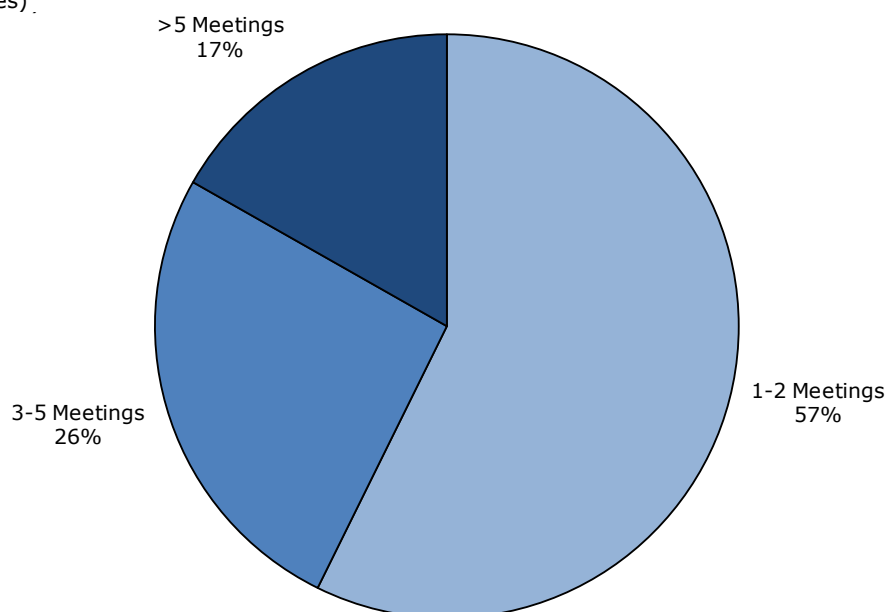
Source: WTO Secretariat.

3.60. As in previous periods, the vast majority (almost 80%) of the 54 *previously raised* STCs discussed during the review period concerned measures maintained by G20 economies, namely China (16), the European Union (12)<sup>38</sup>, India (6) the Russian Federation (5)<sup>39</sup>, Indonesia (2), and the Republic of Korea (1).

3.61. Overall, the majority of STCs (57%) have been raised at one or two Committee meetings, whereas 26% were raised three to five times and 17% were raised more than five times (Chart 3.7). The share of "persistent" STCs, i.e. those raised more than five times, decreased in 2017 in comparison with 2016.

**Chart 3.9 STCs raised in the TBT Committee, 1995-2017**

(number of times)



Source: WTO Secretariat. Twenty-Third Annual Review of the Implementation and Operation of the TBT Agreement, G/TBT/40 (12 March 2018), Chart 27.

<sup>38</sup> Including STCs with respect to measures from Ireland (1) and Italy (1).

<sup>39</sup> Including one "joint STCs" with respect to measures taken by the Russian Federation, Kazakhstan, and the Kyrgyz Republic.

3.62. During the review period, eight persistent STCs that were raised more than 16 times were discussed in the June 2018 Committee meeting (Table 3.16). All of these "persistent" STCs concerned measures by G20 members.

**Table 3.16 Persistent STCs raised between 1 May 2018 and 30 September 2018**

Persistent STCs
<b>India:</b> Pneumatic tyres and tubes for automotive vehicles (ID 133) – raised <u>35 times since 2006</u>
<b>India:</b> New Telecommunications-related Rules (Department of Telecommunications, No. 842-725/2005-VAS/Vol. III (3 December 2009); No. 10-15/2009-AS-III/193 (18 March 2010); and No. 10-15/2009-AS.III/Vol. II/(Pt.)/(25-29) (28 July 2010); Department of Telecommunications, No. 10-15/2009-AS.III/Vol. II/(Pt.)/(30) (28 July 2010) and accompanying template, "Security and Business Continuity Agreement") (ID 274) – raised <u>23 times since 2010</u>
<b>China:</b> Provisions for the Administration of Cosmetics Application Acceptance (ID 296) – raised <u>23 times since 2011</u>
<b>China:</b> Requirements for information security products, including, <i>inter alia</i> , the Office of State Commercial Cryptography Administration (OSCCA) 1999 Regulation on commercial encryption products and its on-going revision and the Multi-Level Protection Scheme (MLPS) (ID 294) – raised <u>22 times since 2011</u>
<b>Korea, Republic of:</b> Regulation on Registration and Evaluation of Chemical Material (ID 305) – raised <u>19 times since 2011</u>
<b>Indonesia:</b> Technical Guidelines for the Implementation of the Adoption and Supervision of Indonesian National Standards for Obligatory Toy Safety (ID 328) – raised <u>19 times since 2011</u>
<b>Russian Federation:</b> Draft Technical Regulation on Alcohol Drinks Safety (published on 24 October 2011) (ID 332) – raised <u>19 times since 2012</u>
<b>European Union:</b> Draft Implementing Regulations amending Regulation (EC) No. 607/2009 laying down detailed rules for the application of Council Regulation (EC) No 479/2008 as regards protected designations of origin and geographical indications, traditional terms, labelling and presentation of certain wine sector products (ID 345) raised <u>17 times since 2012</u>

Source: WTO Secretariat.

3.63. Various new and previously-raised STCs discussed during the review period involved regulations on vehicles and/or their related products. Box 3.4 takes a closer look at these types of measures as notified to, and discussed in, the TBT Committee over the years.

### Box 3.4 Regulations on vehicles and the TBT Agreement

Vehicles<sup>a</sup> are among the top most traded products worldwide. Global exports amounted to USD 1,448.03 billion in 2017 with Germany, Japan and the United States as the largest vehicle exporters (USD 258.29 billion, USD 146.23 billion and USD 130.18 billion, respectively). The top vehicle importer is the United States, with imports worth USD 294.56 billion in 2017, while the value of vehicles imported by Germany and China amounted to USD 124.57 billion and USD 79.25 billion, respectively.<sup>b</sup>

From January 1995 to October 2018, WTO Members had submitted a total of 1,180 new notifications to the TBT Committee related to vehicles or parts and/or accessories thereof.<sup>c</sup> These were made by 73 WTO Members. From 1996 until the end of 2010, the number of TBT notified measures on vehicles increased from 14 to 142, setting a record for the total number of vehicles-related notifications. The largest share of these measures refers to the need to protect human health and safety and are notified by WTO Members from Asia, followed by those from North America. Notifications made by the United States and China constituted a significant part of these vehicles-related notifications, amounting to 14% and 10% of the total, respectively. Canada, the Kingdom of Saudi Arabia and the European Union also regularly notify measures related to vehicles.

WTO Members have increasingly used the TBT Committee meetings to raise and discuss concerns regarding vehicles.<sup>d</sup> Between January 1995 and October 2018, 25 such concerns were raised in relation to measures maintained mostly by the European Union, the Republic of Korea, China, the United States and the Kingdom of Saudi Arabia.<sup>e</sup> These concerns were about motor vehicles in general, passenger cars, and tyres, and involved measures whose objectives were mainly about the protection of human health and safety as well as the environment. The issues more commonly mentioned by WTO Members<sup>f</sup> when raising vehicle-related concerns are transparency, trade-restrictiveness, and the use (or non-use) of international standards.

<sup>a</sup> Vehicles are listed in Chapter 87 of the Harmonized System.

<sup>b</sup> Data source: ITC Trade Map.

<sup>c</sup> TBT notifications are included when the text mentions vehicles (excluding railway or tramway rolling – stock) and parts and accessories thereof. Revisions, supplements, and addenda to the notifications are not counted.

<sup>d</sup> Specific trade concerns are included when the text mentions vehicles (excluding railway or tramway rolling – stock) and parts and accessories thereof.

<sup>e</sup> Overall, concerns about vehicles-related measures taken by 28 WTO Members were subject to discussions.

<sup>f</sup> A total of 16 WTO members raised vehicles-related concerns.

Source: WTO Secretariat.

3.64. Box 3.5 on how standards certification and export status are interlined was contributed by the ITC.

### Box 3.5 Certification: A Door to International Markets

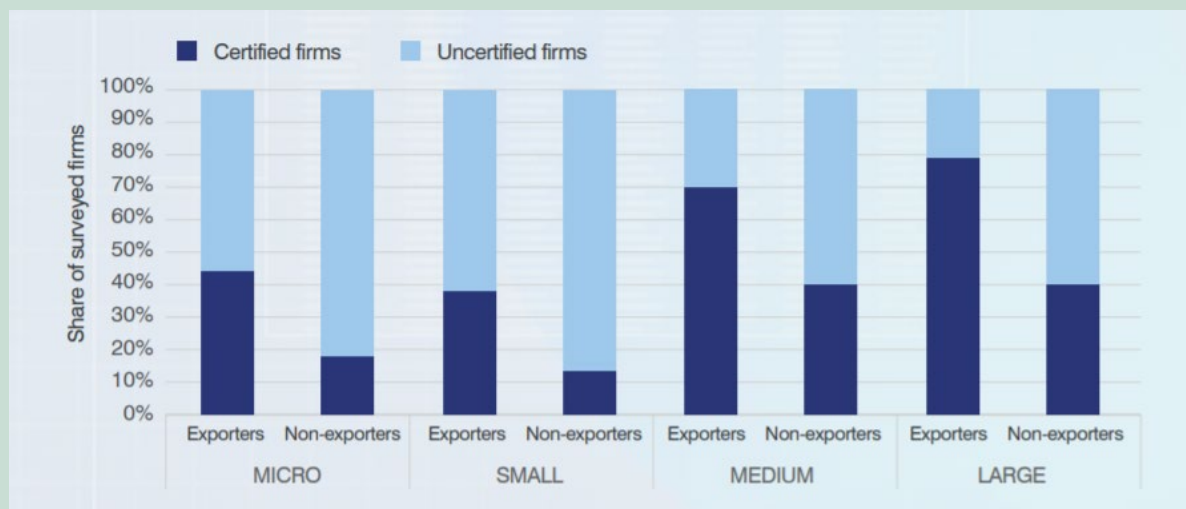
Standards are essential for businesses to participate in international trade and integrate into value chains. They determine whether products are safe, and make it possible for inputs produced and processed by multiple actors in different locations to be reliably compatible with each other. However, navigating the growing maze of official and private standards is not easy, especially for SMEs where the costs of complying with standards and regulations weigh disproportionately.<sup>a</sup>

A series of recent data-gathering exercises by the International Trade Centre (ITC) show how crucial complying with international standards is for SMEs desiring to expand their local and global base. Empirical evidence from ITC also provides suggestions on how institutions working in the area of quality assurance can support SMEs in their efforts to become certified.

#### Certification and export status are deeply interlinked

Investing in standards and regulations is worth the effort, despite the costs, as it can make a firm more competitive and better able to export and participate in value chains. The economic literature has shown how certification raises not only firms' growth,<sup>b</sup> but also the likelihood they will export.<sup>c</sup> Firm-level evidence from the ITC SME Competitiveness Survey in French-speaking African countries confirms that certification and export status are positively related, irrespective of the sector or firm size.<sup>d</sup> At the same time, smaller firms tend to find it harder to bear the financial, administrative or other costs associated with obtaining and maintaining certification.

#### Exporters and large firms are more likely to hold an international certificate



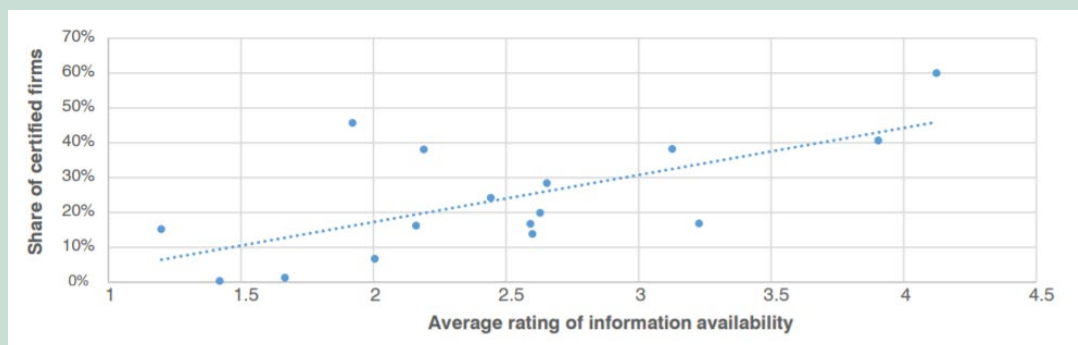
Source: SME Competitiveness Survey in 16 French-speaking African countries (2018).

#### Bridging the information gap is a prerequisite to being certified

Trade and Investment Support Institutions (TISIs) have a key role to play in ensuring that standards promote 'better' trade, rather than become a bottleneck. One of the greatest impediments to the successful entry of developing country SMEs into international markets is their relative lack of access to information about market opportunities and requirements. This is confirmed by findings from the SME Competitiveness Survey in French-speaking Africa. Results support a positive relationship between the extent to which firms perceive information availability and certification. The survey also finds that smaller businesses report experiencing more trouble accessing information on standards and certification, which may be a contributing factor in their lower certification rate.<sup>e</sup>



### Certification is related to the availability of information



Source: SME Competitiveness Survey in 16 French-speaking African countries (2018).

### Training can facilitate knowledge transfer and promote certification as well as exporting

Institutions working in the area of quality assurance can help firms, especially smaller ones, to obtain much needed information on how to get quality certificates. Quality-related training can be an effective tool to transfer knowledge. An ITC study in 14 Latin American countries analysed the effectiveness of services offered by Latin American support institutions in obtaining quality certificates as well as exporting. Firms that have received assistance in obtaining quality certification are not only more likely to be certified, they are also three times more likely to export.<sup>f</sup>

### Firms receiving quality-related training are more likely to be certified



Source: Popova, Rollo, & Virdee, 2018.

These findings confirm that trade and investment support institutions can bridge information gaps that prevent firms from getting quality certificates and entering export markets. Transmitting knowledge about quality certification and related processes remains key to promoting certification. To this end, the ITC continues to provide support to the Standards and Trade Development Facility, a global partnership that supports developing countries in building their capacity to implement SPS standards, guidelines and recommendations as a means to improve their human, animal, and plant health status and ability to gain or maintain access to markets.

<sup>a</sup> International Trade Centre 2016, "SME Competitiveness Outlook 2016: Meeting the Standard for Trade." Geneva, Switzerland.

<sup>b</sup> Terlaak, A. & King, A.A. (2006) The effect of certification with the ISO 9000 Quality Management Standard: A signaling approach. *Journal of Economic Behavior & Organization*. [Online] 60 (4), 579–602. Available at doi:10.1016/j.jebo.2004.09.012.

<sup>c</sup> Martincus, C.V., Carballo, J. & Gallo, A. (2010) The impact of export promotion institutions on trade: Is it the intensive or the extensive margin? *IDB Working Paper Series*. 199, 15, Otsuki, T. (2011) Effect of ISO standards on exports of firms in Eastern Europe and Central Asia: An application of the control function approach. *Osaka School of International Public Policy: Discussion paper*. (DP-2011-E-005), 11, Goedhuys, M. & Sleuwaegen, L. (2016) International standards certification, institutional voids and exports from developing country firms. *International Business Review*. [Online] 25 (6), 1344–1355. Available at doi:10.1016/j.ibusrev.2016.04.006.

<sup>d</sup> ITC (2018). Promoting SME Competitiveness in Francophone Africa: Standards open doors to trade. ITC. Geneva. Available at <http://www.intracen.org/publication/SME-Competitiveness-Francophone-Africa/>.

<sup>e</sup> ITC (2018). Promoting SME Competitiveness in Africa: Data for de-risking investment. ITC. Geneva. Available at <http://www.intracen.org/publication/SME-Competitiveness-in-Africa/>.

<sup>f</sup> Popova, A., Rollo, V., & Virdee, J. (2018). The impact of quality related business trainings in Latin America. ITC Working Paper, No. WP-01-2018.E. Geneva: International Trade Centre; Available at <http://www.intracen.org/ITC-WPS/2018/>.

Source: International Trade Centre.

### 3.5 Trade Concerns Raised in Other Bodies<sup>40</sup>

3.65. A number of trade concerns raised in formal meetings of various WTO bodies involved G20 members. This Section provides a factual overview of such concerns raised between mid-May and mid-October 2018. The trade concerns covered in this Section have neither the status nor the procedural framework of the STCs raised in the SPS and TBT Committees. Nevertheless, they provide an interesting and up-to-date insight into the trade issues which are being discussed across the WTO and, as such, add important transparency. This Section does not reproduce the full substantive description of the trade concerns outlined by WTO Members regarding G20 measures, but provides a reference to the formal meeting(s) where a particular issue featured. For the full account and context of concerns, the formal records of the respective WTO bodies can be consulted. The list of concerns and issues mentioned in this Section is not exhaustive, and is limited to measures implemented by G20 economies.<sup>41</sup>

3.66. At the 26 July 2018 meeting of the *General Council*<sup>42</sup>, concerns were raised on China's economic model and implications for the WTO<sup>43</sup> (raised by the United States).

3.67. At the meeting of the *Council for Trade in Goods* (CTG) on 3-4 July 2018<sup>44</sup>, new trade concerns were raised on: (i) the EU registration of the terms "Danbo" and "Havarti" as geographical indications (GIs) (raised by the United States and Uruguay); (ii) the selective tax on certain imported products imposed by the Kingdom of Saudi Arabia (raised by the European Union, Switzerland and the United States); (iii) India's measures relating to sugar exports (raised by Australia and Thailand); (iv) India's quantitative restrictions on imports of certain pulses (raised by Australia, Canada and the United States); and (v) the US Federal Communications Commission (FCC) announcement on purchasing communication equipment or services (raised by China).

3.68. At the same meeting, concerns were again expressed on: (i) the US Section 232 investigations and measures on imports of steel and aluminium, and the U.S. investigation initiated on 23 May 2018 on imports of automobiles, including cars, SUVs, vans, trucks, and automotive parts (raised by Japan and the Russian Federation); (ii) Indonesia's Import and Export Policies, including local content requirements, export restrictions, technical regulations, and new requirements for soybeans (raised by the European Union, Japan and the United States); (iii) the US measures relating to imports of fish and seafood products – the US Seafood Import Monitoring Programme (SIMP) – (raised by China and the Russian Federation); (iv) India's customs duties on additional ICT products covered by the ITA (raised by Canada, China, the European Union, Japan, Norway and the United States); (v) the European Union's (Croatia) regulation on the import and sale of certain oil products (raised by the Russian Federation); (vi) China's measures restricting imports of scrap materials (raised by the United States); (vii) China's customs duties on certain integrated circuits (raised by the European Union and Japan); (viii) China's draft new export control law (raised by Japan and the European Union); (ix) the Russian Federation's trade restricting practices (raised by the European Union); (x) the US civil aviation security measures (raised by China); and (xi) the EU amendments to Directive 2009/28/EC on renewable energy (raised under "Other Business" by Malaysia).

3.69. At the 9 October 2018 meeting of the *Committee on Market Access*<sup>45</sup>, new and persistent trade concerns were raised on: (i) Australia's market access prohibition on 5G equipment (raised by China); (ii) the EU enlargement negotiations under Article XXIV:6 of the GATT 1994 to include Croatia (raised by the Russian Federation); (iii) the EU renegotiations of tariff rate quotas under Article XXVIII of the GATT 1994 (raised by the Russian Federation); (iv) the rectifications and modifications of the United Kingdom's Schedule XIX (raised by the Russian Federation); (v) India's customs duties on telecommunication and other products (raised by Canada, China, the European Union, Japan, Norway, Chinese Taipei and the United States); (vi) India's quantitative restrictions on certain pulses (raised by Australia, Canada, the European Union and the

<sup>40</sup> This Section does not include SPS and TBT Committees (covered separately). Some of the trade concerns raised may subsequently have become the subject of a dispute.

<sup>41</sup> G20 economies are encouraged to communicate to the WTO's Trade Policy Review Division issues on non-tariff measures which they have raised in WTO bodies and which they believe are relevant to the monitoring effort.

<sup>42</sup> Document WT/GC/M/173 (forthcoming).

<sup>43</sup> Documents WT/GC/W/745 and 746.

<sup>44</sup> Document G/C/M/132 (forthcoming).

<sup>45</sup> Document G/MA/M/68 (forthcoming).

United States); (vii) the selective tax on certain imported products imposed by the Kingdom of Saudi Arabia (raised by the European Union, the United States and Switzerland); (viii) China's custom duties on certain integrated circuits (raised by the European Union, Japan and Chinese Taipei); and (ix) the Russian Federation's quantitative restriction on birch logs (raised by the European Union).

3.70. At the meeting of the *Committee of Participants on the Expansion of Trade in Information Technology Products* on 16 May 2018<sup>46</sup>, trade concerns continued to be raised regarding a series of duty increases announced in India's customs notifications on certain ICT products, for which India had undertaken a binding obligation to provide duty-free treatment in its WTO schedule of concessions (raised by Canada; China; the European Union; Japan; the Republic of Korea; Norway; Chinese Taipei; and the United States). In addition, concerns were repeated with respect to China's application of tariffs on multi component integrated circuits (MCOs), as a result of their reclassification under the 2017 nomenclature of the Harmonized System, that were previously duty free by virtue of China's commitments under the ITA Expansion Agreement (raised by the European Union, Japan, Chinese Taipei and the United States).

3.71. At the meeting of the *Committee on Rules of Origin* on 15-16 October 2018<sup>47</sup>, trade concerns were raised on Indonesia's extension of AD duties on hot-rolled coil, originally applied to the Russian Federation, to also cover products from Kazakhstan (raised by Kazakhstan).

3.72. At the meetings of the *Committee on Agriculture (CoA)* on 11-12 June and 25-26 September 2018<sup>48</sup>, many questions and concerns were raised with respect to G20 members' individual notifications, and on implementation-related issues. In the period from 1 May to 10 October 2018, 173 questions were discussed, including on individual notifications (89 questions), on Article 18.6 issues (76 questions on 29 implementation-related issues), and on overdue notifications (8 questions). Additional details regarding these questions and concerns can be found in Section 3.6 of this Report.

3.73. At the meeting of the *Trade-Related Investment Measures (TRIMs) Committee* on 1 June 2018<sup>49</sup>, new or continuing issues were raised, as per Table 3.17.

**Table 3.17 Concerns raised at the TRIMs Committee**

Measure implemented by	Member(s) raising the concern
<b>Argentina</b>	
Act 27,263 on the development and strengthening of auto-parts <sup>a</sup>	Mexico
<b>China</b>	
Local content in cybersecurity measures (including provisions on insurance system informatization) <sup>b</sup>	European Union; United States
<b>Indonesia</b>	
Requirements for 4G LTE mobile devices <sup>c</sup>	European Union; Japan; United States
Provisions in the energy sector (mining, oil and gas) <sup>d</sup>	Canada; European Union; Japan; United States
Industry Law and Trade Law <sup>e</sup>	European Union; Japan
Minimum local product requirement for modern retail sector <sup>f</sup>	European Union; Japan
Measures relating to investment in the telecommunications sector <sup>g</sup>	Japan
Requirements for dairy importation and distribution	European Union; United States

<sup>46</sup> Document G/IT/M/68.

<sup>47</sup> Document G/RO/M/71 (forthcoming).

<sup>48</sup> Questions and responses to the issues raised under the review process in the CoA meetings on 11-12 June 2018 and 25-26 September 2018 are available in G/AG/W/181, issued on 18 July 2018, and G/AG/W/184, issued on 14 September 2018 (questions only).

<sup>49</sup> Minutes G/TRIMS/M/44.

Measure implemented by	Member(s) raising the concern
<b>Russian Federation</b>	
Measures implementing the Russian Federation's import substitution policy <sup>h</sup>	European Union; United States
<b>Turkey</b>	
Localization policy in the pharmaceutical sector	European Union; United States

- a See documents G/TRIMS/Q/ARG/1; G/TRIMS/Q/ARG/2; G/TRIMS/Q/ARG/3; G/TRIMS/Q/ARG/4; and G/TRIMS/Q/ARG/5.
- b See document G/TRIMS/Q/CHN/1.
- c See documents G/TRIMS/W/148 and G/TRIMS/W/162.
- d See documents G/TRIMS/W/70; G/TRIMS/W/74; G/TRIMS/W/79; G/TRIMS/W/88; G/TRIMS/W/100; G/TRIMS/W/108; G/TRIMS/W/123; G/TRIMS/W/128; G/TRIMS/W/137; and G/TRIMS/W/137/Corr.1.
- e See documents G/TRIMS/W/138; G/TRIMS/W/140; G/TRIMS/W/157; and G/TRIMS/W/158.
- f See documents G/TRIMS/W/139; G/TRIMS/W/141; G/TRIMS/W/159; and G/TRIMS/W/161.
- g See documents G/TRIMS/W/61; G/TRIMS/W/63; G/TRIMS/W/71; G/TRIMS/W/75; G/TRIMS/W/78; G/TRIMS/W/80; G/TRIMS/W/86; G/TRIMS/W/96; G/TRIMS/W/104; G/TRIMS/W/131; G/TRIMS/W/154; G/TRIMS/W/160; and G/TRIMS/Q/IDN/1.
- h See documents G/TRIMS/Q/RUS/4; G/TRIMS/Q/RUS/5; G/TRIMS/Q/RUS/6; G/TRIMS/Q/RUS/7; G/TRIMS/Q/RUS/8; and G/TRIMS/Q/RUS/9.

Source: WTO Secretariat.

3.74. At the meeting of the *Working Party on State Trade Enterprises* (STEs) on 31 May 2018<sup>50</sup>, trade concerns were raised on: (i) the continued non-notification of STEs by the Russian Federation (raised by the European Union and the United States); and (iii) the non-notification of STEs by China (raised by the United States).

3.75. At the meeting of the *Committee on Trade and Environment* (CTE) on 28 June 2018, Indonesia expressed concerns on the effects on palm oil consumption and trade from what they considered to be misconceptions regarding sustainability aspects of palm oil production. Other delegations (Malaysia, Cote d'Ivoire) shared similar concerns.<sup>51</sup>

3.76. At the meeting of the *Council for Trade in Services* (CTS) held on 30 May 2018, under "Other Business", concerns were reiterated about cybersecurity measures by China (raised by Japan).<sup>52</sup> The concerns were repeated under an item on the agenda at the meeting of the Council held on 12 October 2018 (raised by Japan and the United States).<sup>53</sup> As part of its reply, China expressed concerns about measures implemented by the United States that China alleges may affect other Members' cybersecurity interests.<sup>54</sup>

3.77. The above Section provides ample evidence of the continuous increase of trade concerns raised in various WTO bodies between mid-May and mid-October 2018. A large number of trade concerns on measures implemented by G20 members were raised in nearly all Committees and Councils and several trade concerns were raised in successive meetings of the same WTO body. The latter may suggest that these concerns address more profound or persistent problems and that the formal meetings of the relevant WTO committee are considered important platforms for calling attention to specific concerns. As observed in recent Trade Monitoring Reports, several trade concerns were raised in more than one WTO body during the review period, suggesting that these concerns involve technically complex and cross-cutting issues. It may also provide an indication that WTO Members are soliciting multiple platforms within the WTO committee structure to address various aspects of such trade concerns. Systemically, this is significant because of the increased transparency which it brings, but also because it demonstrates that Members are actively using the WTO committees to engage trading partners on real or potential areas of trade friction.

<sup>50</sup> Minutes G/STR/M/33.

<sup>51</sup> Document WT/CTE/M/65.

<sup>52</sup> Document S/C/M/135.

<sup>53</sup> Document S/C/M/136 (forthcoming). The United States also circulated a communication entitled "Measures adopted and under development by China relating to its Cybersecurity Law – Questions to China" (document S/C/W/378).

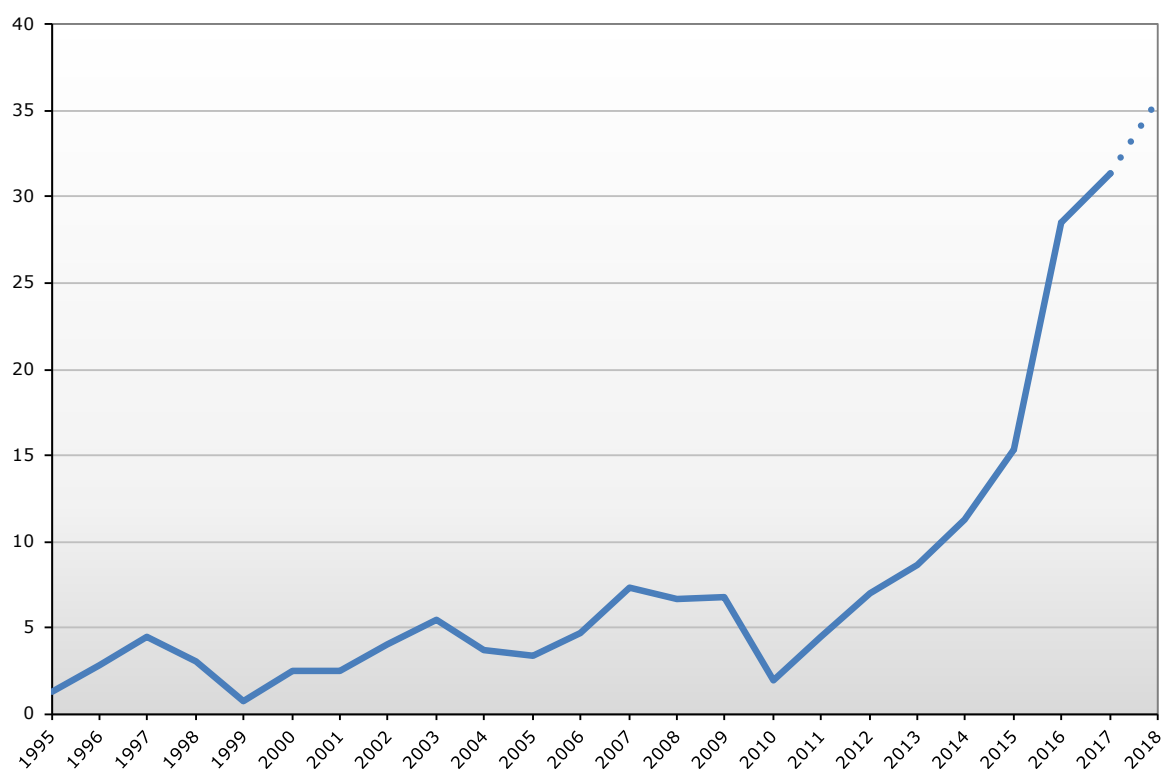
<sup>54</sup> Document S/C/M/136 (forthcoming).

### 3.6 Policy Developments in Agriculture

3.78. During the June and September 2018 meeting of the Committee on Agriculture (CoA), 29 out of 40 implementation-related issues (Art. 18.6) were raised on policies implemented by G20 members. Chart 3.8 shows an increasing trend since 2011 in the average number of questions raised per meeting under Article 18.6 on policies maintained by G20 economies. This trend has continued in 2018, with an average of 36 implementation-related questions posed to G20 members per meeting. These numbers include questions that were repeated from one meeting to the next because responses were not provided within the relevant time-frames.

3.79. Some of the issues raised were discussed for the first time, whereas others had been discussed one or more times in previous years. Out of the 29 implementation-related issues concerning policies implemented by G20 members, 14 were discussed for the first time during the two meetings that took place during the period under review (Table 3.18).<sup>55</sup> Questions raised (71%) related to domestic support policies targeting producers of cereals, seaweed, sugar and wine, including the Republic of Korea's support for seaweed producers, China's premium contributions for rice, corn and wheat seeds; the Russian Federation's modification of excise taxes on wine; and India's sugar and rice policies. A few questions were raised on domestic support policies of a more general nature i. e. the EU's Common Agricultural Policy (CAP) reform, the EU's amendments to the income stabilization tool, India's proposed domestic support programmes, the US proposed domestic support measures and its commodity credit corporation funds. Three questions sought clarification in the area of export subsidies, including India's Merchandise Exports from India Scheme (MEIS), India's skim milk powder export subsidies and Turkey's export subsidies. One question was raised in relation to a measure implemented by Indonesia that restricted, or had the potential to restrict, imports of horticultural products.

**Chart 3.10 Average number of questions posed to G20 members under Article 18.6<sup>a</sup>**



a 2018 data covers up to the September 2018 CoA meeting.

Source: WTO Secretariat.

<sup>55</sup> The complete list of questions and answers can be accessed through the Agriculture Information Management System at <http://agims.wto.org> by using the ID numbers (Table 3.18) in the function "Search Q&A Submitted Since 1995".

**Table 3.18 Article 18.6 issues discussed for the first time in the June and September 2018 CoA meetings**

Question Summary	Question raised by	Products	Number of questions	Number of meetings the issue was discussed	CoA meetings	ID Number
U.S. Proposed domestic support measures	Australia, Canada, European Union, India, Japan, New Zealand	Swine, milk, fresh vegetables, wheat, corn, coarse grains	6	1	88	88030, 88048, 88028, 88047, 88029, 88098
India's sugar policies	Australia, Brazil, European Union	Sugar, cane or beet sugar, other	6	2	87	87002, 87079
India's skim milk powder export subsidies	Australia, European Union, New Zealand, United States	Dairy, milk, milk powders, butter, cheese, other	3	1	88	88070, 88037, 88122, 88040
India's Merchandise Exports from India Scheme (MEIS)	Australia, New Zealand, United States	India's Merchandise Exports from India Scheme (MEIS)	2	1	88	88123, 88038, 88067
Indonesia's import restrictions on horticultural products	Japan, United States		2	2	87, 88	88036, 87020
China's premium contributions for rice, corn and wheat seeds	Canada	Wheat, corn, rice	1	1	88	88102
EU's CAP reform	New Zealand		1	1	88	88062
India's proposed domestic support programmes	European Union		1	1	88	88041
Republic of Korea's support for seaweed producers	China		1	1	88	88034
Russia Federation's modification of excise taxes on wine	European Union	Alcoholic beverages	1	1	88	88031
Turkey's export subsidies	European Union	Poultry, eggs, fresh vegetables, processed vegetables, cut flowers	1	1	88	88059
U.S. Commodity Credit Corporation funds	Canada		1	1	87	87104

Question Summary	Question raised by	Products	Number of questions	Number of meetings the issue was discussed	CoA meetings	ID Number
India's rice procurement	European Union	Rice	1	1	87, 88	88046, 88130, 88129, 88128, 88127, 88039, 88042, 88043, 87078
EU – Amendments to Income Stabilisation Tool	India		1	1	87	87080

Source: WTO Secretariat.

3.80. Other measures discussed related to follow-up questions on persistent areas of concern (Table 3.19). A number of these issues have been raised in the CoA multiple times. Brazil's domestic support programmes have been raised in 22 CoA meetings while Canada's new milk ingredient class and its wine sale policy attracted a total of 45 and 20 questions, respectively, with a number of these co-sponsored by two or three WTO Members. India's pulse policies have been discussed in five CoA meetings, generating a total of 25 questions. Similarly, the Russian Federation's railway subsidy for exports has also been discussed repeatedly in the CoA. Other recurrent issues included policies affecting market access of dairy, rice and soybean, including Indonesia's dairy import system and soybean imports as well as the Republic of Korea's rice import. The modification of the UK agricultural schedule of commitments figured for the second time in the agenda of the CoA.

**Table 3.19 Questions previously raised under Article 18.6**

Question Summary	Question raised by	Products	Number of questions	Number of meetings the issue was discussed	CoA meetings	ID Number
Canada's New Milk Ingredient Class	Australia, India, New Zealand, United States	Dairy, milk, milk powders, butter, cheese, other	45	10	79, 80, 81, 82, 83, 84, 85, 86, 87, 88	88120, 88121, 88065, 88064, 88061, 87015, 87063, 87064, 87065, 87159, 87160, 86002, 86030, 86033, 85002, 85003, 85004, 85005, 85006, 85008, 85011, 85051, 85052, 85053, 85054, 85055, 85056, 84012, 84018, 84020, 84021, 84022, 84023, 84025, 84027, 84029, 84030, 84035, 84111, 84107, 84031, 83054, 83039, 82012, 82059, 82013, 82001, 81001, 81009, 81049, 81054, 81055, 81056, 80003, 80005, 80006, 80025, 79035

Question Summary	Question raised by	Products	Number of questions	Number of meetings the issue was discussed	CoA meetings	ID Number
India's pulses policies	Australia, Canada, Russian Federation, Ukraine, United States	Processed vegetables	25	5	84, 85, 86, 87, 88	88060, 88066, 88092, 88095, 88109, 87001, 87017, 87073, 87074, 87087, 87088, 87077, 87070, 87071, 87072, 87075, 87076, 86061, 86062, 86063, 86065, 86039, 86035, 85064, 84044
Brazil's domestic support programmes	United States, Ukraine	Wheat, corn, rice, malt, coarse grains, cotton	22	22	65, 66, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 83, 84, 85, 86, 87	87014, 87062, 86031, 85049, 84073, 83038, 81008, 80024, 79001, 78002, 77066, 76039, 75023, 74021, 73026, 72051, 71028, 70007, 69027, 68007, 66002, 65011
Canada's wine sale policy	Australia, European Union, New Zealand, United States	Alcoholic beverages	20	10	79, 80, 81, 82, 83, 84, 85, 86, 87, 88	88096, 87016, 87066, 86034, 85012, 85057, 84017, 84106, 84033, 84112, 84105, 83007, 83041, 83104, 83135, 82057, 82002, 81003, 81011, 81024, 81046, 81047, 81097, 80008, 80009, 80094, 80095, 79003
Russian Federation's railway subsidy for exports	Australia, Canada, European Union, Ukraine, United States	Cereals, wheat, corn, rice, malt, coarse grains	9	4	85, 86, 87, 88	88073, 87022, 87098, 86010, 86068, 86067, 86038, 86047, 85036
Indonesia's dairy import system	New Zealand, United States	Dairy, milk, milk powders, butter, cheese, other	6	4	84, 86, 87, 88	88035, 88071, 87018, 87089, 86046, 84075
Republic of Korea's rice imports	Australia, Thailand, United States	Rice	6	5	23, 78, 86, 87, 88	88045, 87090, 86036, 23006, 78020, 78024
India's minimum support prices	Australia, Canada, European Union	Cereals, wheat, corn, rice, malt, coarse grains	5	2	86, 87	87068, 86004, 86005, 86074, 86066



Question Summary	Question raised by	Products	Number of questions	Number of meetings the issue was discussed	CoA meetings	ID Number
U.S. dairy policies	Canada	Dairy, milk, milk powders, butter, cheese, other	4	3	85, 86, 87	87105, 87106, 86084, 85079
Indonesia's soybean imports	United States	Oilseeds	3	3	86, 87, 88	88097, 87019, 86048
EU intervention stocks of skim milk powder	Australia, Canada, New Zealand	Milk powders	3	3	85, 86, 87	87069, 86003, 86032, 85059
European Union's sugar policies	Australia	Sugar, cane or beet sugar, other	3	3	84, 87, 88	88063, 87067, 84037
U.S. support to the cotton sector	Brazil, European Union	Cotton	2	2	86, 87	87103, 86069
United Kingdom – Modification of agricultural schedule of commitments	Indonesia, India		2	2	83, 88	88011, 83069

Source: WTO Secretariat.

3.81. Regarding the review of notifications, timely and complete notifications are essential for effective monitoring of the implementation of commitments. Twelve distinct notification requirements are applicable in agriculture covering the following areas: market access, domestic support, export subsidies, export prohibitions or restrictions and the follow-up to the Marrakesh NFDC Decision. The applicability of a notification requirement to a Member is largely dependent on its specific commitments under the Agreement on Agriculture (AoA). Out of the 12 notification requirements, the following five are "regular" or "annual" notification requirements: (i) imports under tariff and other quotas (MA:2); (ii) special SGs (MA:5); (iii) domestic support (DS:1); (iv) export subsidies (ES:1); and (v) total exports (ES:2). Annual notifications are required to be submitted no later than a certain number of days following the end of the year in question, in accordance with the deadlines set out in document G/AG/2.

3.82. The majority of G20 members have a relatively high level of compliance with their transparency obligations under the AoA. Twelve out of the 16 economies covered by this Report<sup>56</sup> have a compliance level between 90% and 100% (Table 3.20). For the remaining five G20 economies the average level of compliance varies between 24% (Turkey) and 80 % (China). Questions were raised in the CoA concerning the lack of notifications, specifically from China, India and Turkey. Recently, Indonesia and South Africa made efforts to get up to date with their notification requirements. In particular, Indonesia submitted 26 notifications covering the implementation years 2012 to 2017 of MA:2, MA:5 and DS:1; the implementation years 2013 to 2016 of NF:1 and the implementation years 2016 to 2017 of ES:1 and ES:2. South Africa submitted the implementation years 2015 and 2016 of ES:1 and ES:2.

<sup>56</sup> The European Union and its member States are counted as one; France, Germany, Italy and the United Kingdom are included in the EU statistics as they do not have separate notification obligations under the AoA.

**Table 3.20 G20 compliance with notification requirements<sup>a</sup>**

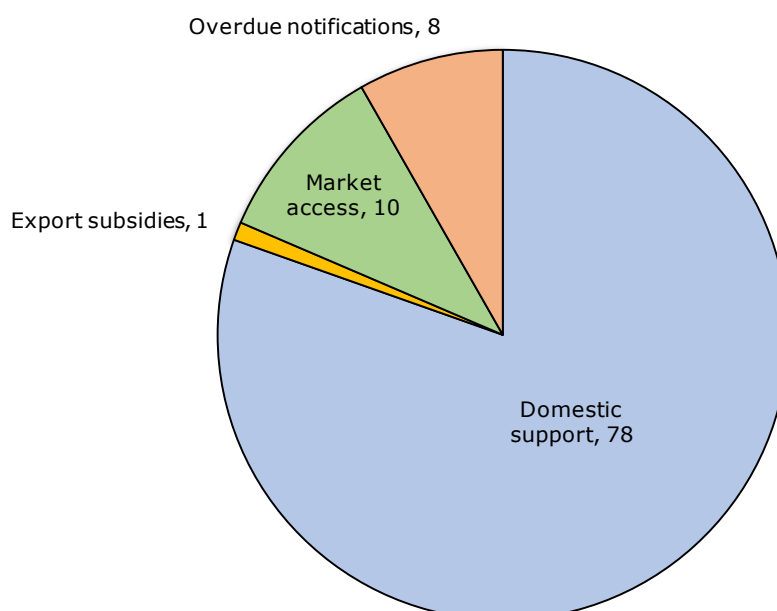
Country Name	MA:2	MA:5	DS:1	ES:1	ES:2	Average
Brazil	100		100	100	100	100
Mexico	100	100	100	100	100	100
Russian Federation	100		100	100		100
Indonesia	100	100	100	100	100	100
European Union	100	100	95	100	100	99
Australia	100	100	91	100	100	98
Japan	100	100	91	100		98
South Africa	100	91	91	100	100	96
Canada	100	100	91	95	95	96
United States	95	95	95	95	95	95
Argentina			91	91	91	91
Republic of Korea	95	100	77	86		90
China	87		67	87		80
India	50		100	68		73
Saudi Arabia, Kingdom of			55	64		59
Turkey			45	0	27	24

a Data cover notifications up to 10 October 2018.

Source: WTO Secretariat.

3.83. From 1 May to 10 October 2018, G20 economies submitted 48 notifications (including addenda and corrigenda). A total of 89 questions were posed during the June and September CoA meetings concerning these and previously submitted notifications. These questions accounted for 68% of all notification-related questions raised in the CoA in that period. As seen in Chart 3.9, during the review period many questions concerned notifications related to domestic support, followed by questions on market access. There were eight questions raised concerning outstanding notifications from Turkey and India in relation to their domestic support policies.

**Chart 3.11 Number of questions concerning notifications by G20 members (June and September 2018 CoA meetings)<sup>a</sup>**



a The complete set of questions and answers can be accessed through the Agriculture Information Management System at <http://aqims.wto.org> by using the ID numbers in the function "Search Q&A Submitted Since 1995".

Source: WTO Secretariat.

3.84. Further to the Nairobi Ministerial Decisions, the Committee held its annual dedicated discussion in the field of export competition at its June meeting. The discussion was based on the Secretariat's background document<sup>57</sup>, which included the answers to a questionnaire sent to WTO Members, information from export subsidy (ES:1) and food aid (ES:3) notifications, and relevant notifications to the Working Party on State Trading Enterprises. The June-dedicated discussions provided an opportunity for WTO Members to have a focused exchange on issues related to the implementation of the Decision on Export competition. They also had the possibility to ask questions in connection with the Decision on Export Competition at any meeting of the CoA. During the June and September CoA meetings, WTO Members posed a total of 31 questions regarding G20 policies in the area of export subsidies, export credits, export credit guarantees or insurance programmes, agricultural exporting State Trading Enterprises and international food aid (Table 3.21).<sup>58</sup> A number of these questions requested clarifications on how G20 economies intended to ensure compliance of their policies with the relevant provisions of the Nairobi Decision on Export Competition.<sup>59</sup> The complete set of questions and answers can be accessed through the Agriculture Information Management System (AG IMS) by using the ID numbers provided in the table below.<sup>60</sup>

**Table 3.21 Questions on export competition (June and September 2018 CoA meetings)**

ID number	Question raised by	Question answered by	Areas
87043	United States	Argentina	Export credits, export credit guarantees or insurance programmes
87003	European Union	Australia	Export credits, export credit guarantees or insurance programmes
87004, 87044, 87012	European Union, Norway, United States	Brazil	Export subsidies; export credits, export credit guarantees or insurance programmes
87005, 87045, 87046	European Union, United States	Canada	Export subsidies; export credits, export credit guarantees or insurance programmes; international food aid
87006, 87047, 87048, 87049	European Union, United States	China	Export credits, export credit guarantees or insurance programmes; agricultural exporting state trading enterprises; international food aid
87050, 87051, 87052	United States	European Union	Export credits, export credit guarantees or insurance programmes; agricultural exporting state trading enterprises; international food aid
88088, 87007, 87053	European Union, United States	India	Export subsidies; export credits, export credit guarantees or insurance programmes
88089, 87054	United States	Indonesia	Export credits, export credit guarantees or insurance programmes
88090, 87055	China, United States	Japan	Export credits, export credit guarantees or insurance programmes
87057	United States	Korea, Republic of	Export credits, export credit guarantees or insurance programmes
87009, 87058	European Union, United States	Russian Federation	Export credits, export credit guarantees or insurance programmes; agricultural exporting state trading enterprises
88116, 87010, 87060, 87135	European Union, United States	Turkey	Export credits, export credit guarantees or insurance programmes; international food aid
87011, 87013	European Union, Norway	United States	Export subsidies; international food aid

Source: WTO Secretariat.

3.85. Several WTO Members with scheduled export subsidy reduction commitments have taken steps to modify their schedules pursuant to the December 2015 Nairobi Ministerial Decision on Export Competition. Out of the nine G20 economies with export subsidy reduction commitments Australia has certified its revised export subsidy schedule and Canada, the European Union, South Africa and

<sup>57</sup> G/AG/W/125/Rev.8 and addenda.

<sup>58</sup> G/AG/W/166.

<sup>59</sup> WT/MIN(15)/45.

<sup>60</sup> In the AG IMS (<http://agims.wto.org/>), select the function "Search Q&A Submitted Since 1995" and input the ID number of the question concerned.

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the United States have submitted to the WTO revised draft schedules containing modifications pursuant to the Decision.

3.86. Article 18.7 of the Agreement on Agriculture establishes that "Any Member may bring to the attention of the Committee on Agriculture any measure which it considers ought to have been notified by another Member". Additionally, under the CoA agreed working procedures, "Counternotifications under Article 18:7 of the Agreement shall be considered by the Committee at the earliest opportunity". During the review period, and for the first time since the Committee's inception, a WTO Member submitted a counter-notification regarding another Member's domestic support policies. The counter-notification, submitted by the United States<sup>61</sup>, addressed certain measures of India's market price support to rice and wheat during marketing years 2010/11 through 2013/14, covered by India's DS:1 notifications G/AG/N/IND/10 and G/AG/N/IND/11. The United States also posed questions on this matter during the June 2018 CoA meeting. The questions, corresponding answers and Members' follow up comments can be found in Section 5 of document G/AG/W/181.

### **3.7 General Economic Support**

3.87. At the July 2018 informal TPRB meeting, several Members expressed concern about the absence of an annex on general economic support measures and the negative impact that this had on the overall transparency surrounding the application of such measures.

3.88. The creation of the WTO trade monitoring exercise in October 2008 to a large extent was triggered by the rise of a plethora of general economic support measures in response to the global financial crisis, in particular a number of high-profile economic bail-out packages. The November 2016 Trade Monitoring Report provided a brief historical overview of the trends in the implementation of these measures as recorded since 2008 and concluded that although the large economy-wide subsidies and high-profile bail-out packages of the early years of the financial crisis were no longer wide-spread, there was equally no evidence that governments had turned their back on subsidization as a policy tool, particularly in certain strategic industries or sectors.

3.89. In trade monitoring reports since July 2017, the Secretariat has been unable to justify the inclusion of a separate annex on general economic support measures. This was partly a reflection of the low participation and response rate of WTO Members to the request for information on general economic support measures and partly because such an annex would have been biased against those Members that generally publish detailed information of such measures and programmes. In addition, compounding the scarcity of information on general economic support measures volunteered by Members, many delegations also insisted on excluding such measures identified by the Secretariat from public sources and for which verification was sought. Generally, the requests for excluding such measures did not provide any specific reason. The decision to not include a separate annex on general economic support measures in the most recent reports was taken because such an annex would most likely not have presented a balanced and credible account of recent developments and policies in the area.

3.90. In preparing for this Report, the Secretariat attempted to extend the research of policies and programmes which could be characterized as general economic support or subsidies. The objective of this extended research was to introduce additional transparency with respect to general economic support measures, a point made by several delegations at the informal meeting of the TPRB on trade monitoring in July. From a practical point of view, this meant extending the monitoring of measures to also include policies and programmes implemented by Export-Import (EXIM) Banks and Export Credit Agencies (ECAs). It is important to emphasize that the trade monitoring exercise does not make any judgement as to the WTO compatibility of such measures and this was specifically highlighted in the request for verification of such measures. Equally significant is repeating the point made in previous reports that it remains difficult to ascertain the impact on trade of specific general economic support measures. Although it is possible that such measures may affect trade in some way, it is by no means straightforward to conclude that they restrict or facilitate trade or that they distort competition.

3.91. Despite the Secretariat's attempt at a more comprehensive approach in gathering general economic support information, the response rate to the original request for information as well as in

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<sup>61</sup> WTO document G/AG/W/174 dated 9 May 2018.

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the verification of specific support measures was disappointing and uneven. For this Report, the Secretariat requested verification of 176 economic support measures taken by G20 economies. Requests for deletion were received for about 13% of these measures. Three G20 economies did not reply to the request for verification of their measures. Overall, the Secretariat gathered a very diverse range of general economic support measures which have aided sectors, including transportation, mining, energy and electricity, agriculture and aid schemes to assist SMEs. Many of these were multiyear programmes with financial disbursements staggered over the lifetime of the project. Other measures were one off grants or aid schemes. In monetary terms, programmes ranged from USD 100,000 to more than USD 50 billion.

3.92. The universe of general economic support and various subsidy programmes has evolved significantly over the past decade, including in the way that governments participate in and assist with the promotion of domestic economic entities. An important part of this changing picture is seen in export credits and this was further confirmed by the measures identified by the Secretariat. For example, an unambiguous strategic shift can be observed in the increasingly proactive behaviour and strategic activities of ECAs and EXIM Banks since, and perhaps in response to, the global financial crisis. This may be partly in response to those ECAs operating outside the OECD Arrangement on Officially Supported Export Credits and therefore not subject to the export credit disciplines contained therein.

3.93. The strategic application of trade policy measures is not a new phenomenon. However, the manner and frequency with which governments now appear to seek to gain a strategic edge in international politics through trade policy are issues which seem to have changed since the global financial crisis. This notion of using trade as a tool to achieve strategic influence has also been referred to as the "weaponization" of trade.<sup>62</sup>

3.94. Discussions among Members in July reinforced the concern that some delegations appear reluctant to enhance transparency in this area and that the universe of general economic support measures is much greater than what the monitoring exercise has managed to capture to date. G20 economies may wish to continue their discussion on how transparency on general economic support measures may be increased, which measures shall be recorded and how information gathering in this area may be improved.

### **3.8 Other Selected Trade Policy Issues**

3.95. The following Section provides a brief overview of other selected trade policy issues where important developments took place during the review period including follow-up to a number of issues which saw outcomes at MC11 in Buenos Aires.

#### **Regional Trade Agreements (RTAs)**

3.96. The G20 economies account for a major share of today's RTA activities. Over half of the RTAs notified and in force involve at least one G20 economy. A number of them also actively continue to negotiate new RTAs. While not yet in force the EU and Japan signed what will become the world's largest RTA (with the parties accounting for nearly a third of the world's GDP). Following the withdrawal of the United States from the Trans-Pacific Partnership (TPP) Agreement, 11 parties signed the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) Agreement on 8 March 2018. Entry into force for both these agreements is expected in 2019 following the completion of ratification procedures. On the African Continent, 44 countries signed the African Continental Free Trade Agreement (AfCFTA) on 21 March 2018; it will need to be ratified by at least 22 parties before it enters into force. Other key ongoing negotiations include those between the EU and MERCOSUR; the Regional Comprehensive Economic Partnership (RCEP) which includes G20 members such as Australia, China, India, Japan and the Republic of Korea and is also aiming for completion of negotiations by the end of 2018; while the EAEU, which includes the Russian Federation, is also involved in negotiations with several partners.

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<sup>62</sup> The Weaponization of Trade: The Great Unbalancing of Politics and Economics, Perspectives, Rebecca Harding and Jack Harding, 2017.

3.97. With regard to existing RTAs, some have been recently renegotiated. The RTAs principally involve the United States such as U.S.-Korea and the North American Free Trade Agreement (NAFTA, which has been renamed the United States-Mexico-Canada Agreement, USMCA.

### Trade Facilitation

3.98. Members continued to submit acceptance instruments with regard to the Trade Facilitation Agreement (TFA) which had entered into force on 22 February 2017. During the review period, two additional notifications were submitted, bringing the total number of ratifications to 138. This corresponds to 84% of the total acceptance instruments Members are expected to provide. All G20 economies had already ratified the TFA by the time of the last report.

3.99. In general, WTO Members have remained active in the presentation of additional notification commitments. Ten Members submitted category A notifications, including Indonesia. An additional 16 WTO Members notified commitments that require additional time for implementation, again including Indonesia. Eleven WTO Members presented category C notifications. Notifications were also made on the transparency side.

### ITA Expansion

3.100. Under the ITA Expansion Agreement, import duties will be eliminated on 201 high-tech products whose annual trade is estimated at USD 1.3 trillion, accounting for approximately 10% of world trade in goods. Negotiations were conducted by 26 participants, representing 55 WTO Members<sup>63</sup> and accounting for approximately 90% of world trade in these products. The ITA Expansion covers new generation IT products, including multi-component integrated circuits (MCOs), touch screens, GPS navigation equipment, portable interactive electronic education devices, video game consoles, and medical equipment, such as magnetic resonance imaging products and ultra-sonic scanning equipment.

3.101. The third tariff cut<sup>64</sup> was scheduled to take place by 1 July 2018, subject to the completion of domestic procedural requirements. According to preliminary estimates by the WTO Secretariat, 95.4% of Participants' import duties of these products will be fully eliminated by 2019, with longer implementation periods (five or seven years) for a very limited number of sensitive products. The ITA Expansion Agreement is open to any other WTO Member wishing to join it. The new tariff commitments will be recorded in each Participant's WTO schedule of concessions and applied on an MFN basis, which means that all 164 WTO Members will benefit from duty-free market access for the covered products. G20 economies participating in the ITA Expansion have completed the procedures for modifying their WTO schedules, and the ITA Expansion concessions have become effective.

### Trade Financing

3.102. The global trade finance gap, as measured by the Asian Development Bank (ADB), remained close to USD 1.5 trillion. The alternatives to bank financing are scarce in many developing countries and trade transactions are most often abandoned if such financing is unavailable, according to the ADB. Half of the USD 1.5 trillion trade finance gap is in developing Asia with another significant gap in Africa. Around 60% of trade finance requests by SMEs are rejected, against only 7% for multinational companies. According the Global Enabling Trade Report of the World Economic Forum, lack of trade finance is among the top three obstacles to exporting for half of the countries in the world.

3.103. The Director-General addressed the WTO Working Group on Trade, Debt and Finance on 8 June 2018, to take stock of the efforts of the international community, including the WTO, multilateral development banks (MDBs) and international regulatory bodies, to addressing the challenges outlined in his 2016 report "Trade and SMEs". In this he had recommended that MDBs

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<sup>63</sup> The G20 members in the ITA Expansion Agreement are Australia; Canada; China; the European Union; France; Germany; Italy; Japan; Korea, Rep. of; the United Kingdom and the United States. The UK commitments with respect to the ITA and the ITA expansion have been circulated in their draft Schedule (G/MA/TAR/RS/570), which is currently under review by Members in accordance with the 1980 Procedures for Rectification and Modification of Schedules.

<sup>64</sup> The first and second tariff cuts took place on 1 July 2016 and 1 July 2017, respectively.

dedicate increased resources to their trade finance facilitation programs, capacity-building support be enhanced, a dialogue with trade finance regulators be opened, and trade finance gaps be analysed. MDBs have been mobilizing increased resources for trade finance. In 2017, total financing and guarantees provided by MDBs under trade finance facilitation programs in developing countries reached close to USD 30 billion, up from approximately USD 22 billion in 2016. With the recovery of global trade flows forecasted in 2018, demand for MDBs credit and guarantee facilities is likely to rise further.

3.104. A positive development was the increase in the exposure of MDBs towards exporting and importing SMEs. For example, in 2017 the ADB supported trade transactions from more than 2,800 SMEs in countries such as Myanmar, Pakistan and Bangladesh. In the spring of 2018, ADB increased by USD 350 million the limit of guarantees to be provided under its program. The ADB is considering an increase in the guarantee coverage for its own trade finance facilitation program, from 50% to 100% guarantee coverage.

3.105. Reducing the knowledge gap in local banking sectors for handling trade finance instruments remained a priority. Professional organizations from the private sector have been cooperating with MDBs to pool training initiatives where useful and courses provided by the IFC, ITFC, EBRD, and the ADB in cooperation with the ICC Academy have boosted the capacity-building work on trade finance.

3.106. MDBs also requested a regulatory dialogue with the Financial Stability Board (FSB) regarding the global phenomenon of de-risking which affects all cross-border banking flows and all regions. De-risking can disrupt essential cross-border financial services and lead to financial exclusion for certain categories of customers, particularly SMEs. According to the FSB, some of the most affected countries are in the Caribbean, the Pacific Islands, the Middle East, some subregions of Africa, and in Central and developing East Asia. As de-risking affects trade finance, financial exclusion leads to trade exclusion potentially jeopardizing the supply of essential imports and the shipment of essential exports in the affected countries.

3.107. At the recent Annual Meetings of the World Bank and IMF in Indonesia, the WTO and several partner organizations committed themselves to continue finding ways to close the gaps in trade finance provision.

### **Government Procurement**

3.108. At present, the Agreement on Government Procurement (GPA) has 19 parties, comprising 47 WTO Members. Another 32 WTO Members/Observers participate as observers in the Committee on Government Procurement. Nine G20 economies (Canada, the European Union, France, Germany, Italy, Japan, the Republic of Korea, the United Kingdom and the United States) are formally covered by the GPA, while another nine (Argentina, Australia, Brazil, China, India, Indonesia, the Russian Federation, the Kingdom of Saudi Arabia and Turkey) are observers in the GPA Committee. The negotiation on Australia's GPA membership was successfully concluded in October 2018. Subsequently, Australia will become a fully-fledged GPA party when the necessary domestic ratification procedures are completed. China and the Russian Federation are continuing to pursue their respective accessions to the Agreement as parties. In addition, the United Kingdom has initiated negotiations on its accession to the GPA, in its own right, for the post-Brexit period (currently, the United Kingdom participates in the GPA as an EU member state). Intensive discussions are under way. A clear desire has been expressed by both the United Kingdom and the GPA Parties that the United Kingdom continues to participate in the GPA post-Brexit, on the appropriate terms.

3.109. Solid progress has been made in the Committee in relation to its agreed Work Programmes, which were adopted at the time of the conclusion of the renegotiation of the Agreement in 2012. The Work Programmes are intended broadly to: (i) promote transparency with respect to Parties' implementation of the Agreement; (ii) facilitate, where relevant, improvements in the administration of the Agreement; and (iii) contribute, where appropriate, to preparations for future negotiations that are called for in the revised GPA. Discussions focused, in particular, on the Work Programmes dealing with: (i) the promotion of sustainability in Parties' procurement processes; (ii) the collection and reporting of statistical data; and (iii) access to government procurement activities by SMEs. A draft report on sustainable procurement was circulated in the Committee on 1 October 2018.

## Dispute Settlement

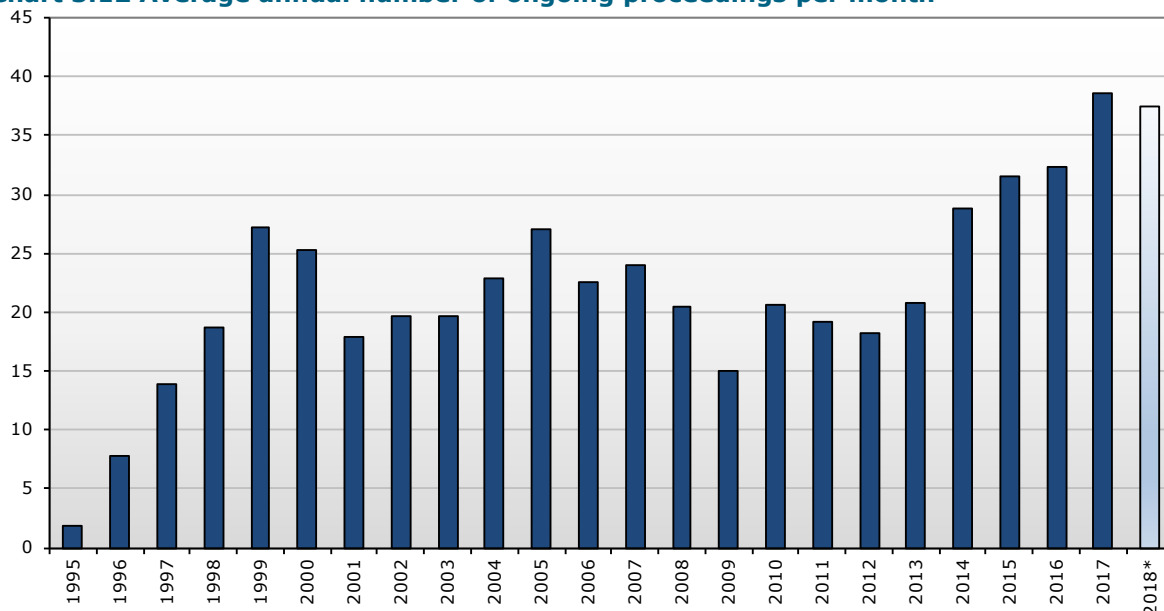
3.110. During the review period, the level of dispute settlement activity remained high, with, on average, 39 ongoing panel, appellate and arbitration proceedings each month (see Chart 3.10 below). Eleven panel and Appellate Body reports were circulated during this period. Eight of the circulated reports were issued by panels (including three reports in compliance proceedings) and three were issued by the Appellate Body. By mid-October 2018, an additional 17 panel proceedings and eleven appeals were ongoing. In four cases, WTO Members were requesting authorization to suspend concessions or other obligations in disputes where they claimed that responding parties have failed to make their measures consistent with their WTO obligations.

3.111. Although the dispute settlement system remains under pressure, including as a result of the ongoing impasse over the appointment of Appellate Body members, WTO Members continue to resort to it as a means of resolving their trade disputes. During the review period, Members requested consultations in 19 new disputes, compared to 13 such requests filed during the previous review period. Eight new panels and one compliance panel were established. In addition, five new panels and one compliance panel were composed during the review period, with further eight panels being in composition as of mid-October 2018.

3.112. The number of disputes pending before the Appellate Body has steadily increased over the last year. By mid-October 2018, eleven appeals were pending, including two exceptionally large appeals: the compliance proceedings in one of the large civil aircraft cases and the appeals of the panel reports in Australia – Tobacco Plain Packaging. From September 2017 to September 2018, the Appellate Body issued seven reports.

3.113. The subject matter of disputes brought to the WTO continues to span a wide range of agreements, including the GATT 1994, the AD Agreement, the SCM Agreement, the SPS Agreement, the TBT Agreement, the GATS, the TRIPS Agreement and the Agreement on Agriculture. A high number of the recently filed complaints concerned provisions of the Safeguards Agreements, as well as Articles I, II and XIX of the GATT 1994. As in previous years, both developed and developing country Members have been involved in dispute settlement proceedings, as complainants, respondents and third parties.

**Chart 3.12 Average annual number of ongoing proceedings per month**



\* 2018 data based on the average of the number of active disputes from January to September.

Note: Several disputes are counted as one if they deal with the same subject matter. Annual averages are calculated on the basis of the number of ongoing proceedings per month (January to December) over the yearly period concerned (e.g. in 2017, 39 proceedings were ongoing per month, on average).

Source: WTO Secretariat.



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## Trade and Environment

3.114. Debates at recent meetings of the Committee on Trade and Environment (CTE) have raised important global issues at the intersection between trade and environmental policies. For instance, delegations have discussed and shared information on, *inter alia*, their trade-related climate mitigation policies, approaches regarding the inclusion of environmental provisions in regional trade agreements, strategies to promote a sustainable ocean economy, efforts to ensure the sound management of chemicals and wastes, the promotion of green and biological products and sustainability certification schemes, experiences in the efficient use of natural resources, as well as their actions on fossil fuel subsidy reform.<sup>65</sup>

3.115. On climate change, several delegations presented the trade elements of their nationally determined contributions under the Paris Agreement. Delegations were also briefed on developments taking place in other forums with potential trade effects, such as at the International Maritime Organization or the United Nations Framework Convention on Climate Change. Several delegations expressed their interest in discussing trade and climate change in a more focused manner at the CTE. Some other delegations believed climate change should not be discussed in the WTO as the issues under the Paris Agreement were delicate, and part of a balanced and long-term process of negotiation.<sup>66</sup>

3.116. Regarding fossil fuel subsidy reform, several delegations<sup>67</sup> acknowledged the importance of fossil fuel subsidy reform, shared their experience in this area, and supported continued discussions of the topic in the CTE, including any potential role for the WTO. Some other delegations noted that the phasing out of inefficient fossil fuel subsidies that encouraged wasteful consumption was a voluntary G20 initiative not linked to the WTO, and were of the view that the WTO was not the appropriate venue to discuss such matters. At the 28 June 2018 CTE meeting<sup>68</sup> discussions continued on this topic, with the signatories to the Statement on Fossil Fuel Subsidy Reform delivered at MC11 last year (WT/MIN(17)/54) briefing the CTE on the initiative.

## Fishery Subsidies

3.117. During the reporting period, work on fisheries subsidies in the Negotiating Group on Rules intensified, with a view to fulfilling the MC11 Ministerial Decision to complete these negotiations in 2019. This work, which has taken place on the basis of agreed work programmes, has involved a range of activities, including technical discussions and workshops, thematic discussions, streamlining of the working texts, and a structured brainstorming process using Incubator Groups. The aim of these activities is to increase the understanding of Members' differences of view, and to develop ideas to bridge the gaps. The work in 2019 will aim to build upon these elements to develop specific solutions that can attract consensus.

3.118. The Ministerial Decision incorporates the main elements of SDG Target 14.6 including its deadline. It instructs Members to engage constructively in the fisheries subsidies negotiations with a view to adopting, by the next WTO's Ministerial Conference, comprehensive and effective disciplines that prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU fishing recognizing that appropriate and effective special and differential treatment for developing country Members and LDC Members should be an integral part of these negotiations.

3.119. Box 3.6 on fishery subsidies was contributed by the OECD.

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<sup>65</sup> See Annual Report 2017, WT/CTE/24. See also, Minutes of the June 2018 CTE meeting, WT/CTE/M/65.

<sup>66</sup> See Annual Report 2017, WT/CTE/24, paragraph 21.

<sup>67</sup> Annual Report 2017, WT/CTE/24, paragraphs 12-13.

<sup>68</sup> See Minutes of the June 2018 CTE meeting, WT/CTE/M/65, paras. 1.1-1.19.

### Box 3.6 Fisheries Subsidies – Government Support Amounts to 20% of Earnings

Fisheries policies in 38 countries (33 OECD and 5 other important fishing economies) transferred USD 13 billion to fishers in 2015. This means that for every dollar earned by fishers (the value of their landings), an additional 20 cents were provided as some form of public support. Of these transfers, on average, 47% was provided through measures likely to increase fishing effort, most importantly policies that lower the price of fuel. The balance of support, approximately 53%, was spent on general services support to the sector. General services support includes such things as port infrastructure and the cost of fisheries management (see full list below<sup>a</sup>). The OECD Review of Fisheries regularly reports on how the support is provided and how it has evolved over time, as well as providing context related to other policies, management and developments in the fishing sector.

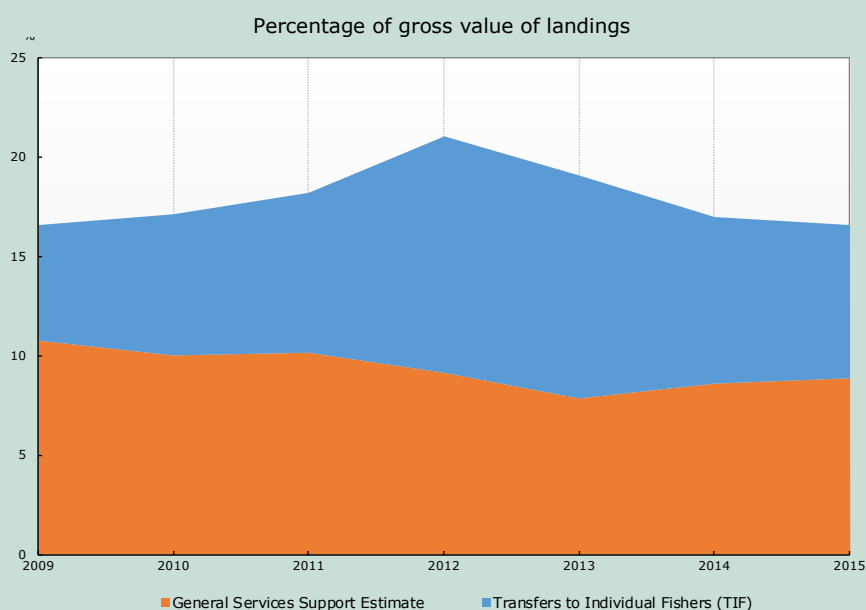
As illustrated in the figure below, the OECD Fisheries Support Estimate (FSE) database<sup>b</sup> shows a decline in overall support since 2012 and a shift from transfers to individual fishers (TIF) towards general services support policies (GSSE), measures less likely to increase fishing effort.

Overall, policy efforts to restore threatened fish stocks have had mixed results. Concerns regarding the sustainability of global fisheries are reflected in the fact that some 40% of fish stocks with measurable management targets set by governments are failing to meet those targets. And that story is incomplete, as many more stocks are not measured in a manner that will lead to an accurate assessment.

Harvests of wild fish continue to trend downward in aggregate. In some cases, this is due to the effects of declining fish stocks, while in other cases, greater control of overfishing has also contributed. The increasing value of fish products has moderated the effects of reduced landings on revenue. However, unit values and value of landings have both been declining since their peak in 2011.

Global aquaculture production (includes aquatic plants), by contrast, continues to display strong growth, and already exceeds the volume of catch from wild fisheries. Average annual aquaculture growth has accelerated and now averages 2.1% per year. Globally, it is even more rapid, at 6% per year. Moreover, average prices of aquaculture products are also increasing, providing an extra boost to the value of the aquaculture sector. Most governments have policies in place to further support the development of aquaculture as a source of nutritious food and a contributor to local economic development.

**Evolution of budgetary support to fisheries, 2009-15**



<sup>a</sup> General services includes payment for access to other countries' waters, provision of infrastructure, marketing and promotion, transfers supporting fishing communities, education and training, research and development, management of resources, and a miscellaneous category for other forms not otherwise classified.

<sup>b</sup> The FSE contains data on budgetary policies supportive of the fisheries sector and are classified using a consistent method. The FSE includes all OECD member countries with significant marine fisheries as well as other economies, totalling 38 countries to date. This includes programmes that provide payments to individual fishers such as payments for modernisation or decommissioning of fishing vessels. It also includes policies that provide an overall benefit to the sector, such as investments in port infrastructure or monitoring, control and surveillance (MCS). Non-budgetary support such as excise tax exemptions for fuel use is also included when it is directed at the fishing sector.

Source: OECD.

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## Electronic Commerce

3.120. Discussions on electronic commerce in the WTO are continuing under two parallel tracks – multilaterally under the General Council and its relevant subsidiary bodies, as well as under the Joint Statement on e-commerce initiative. At the multilateral level, efforts are ongoing to reinvigorate the 1998 Work Programme on Electronic Commerce as agreed by Ministers at the 11<sup>th</sup> Ministerial Conference in Buenos Aires. At its session in July 2018, the General Council reviewed progress in the Work Programme based on reports submitted by the Chairs of the Goods, Services and TRIPS Councils and the Committee on Trade and Development. In addition, India and South Africa submitted a document, *Moratorium on Customs Duties on Electronic Transmissions: Need for a re-think*. The General Council Chair continues to consult with Members on how best to discuss the moratorium.

3.121. Under the Joint Statement on the e-commerce initiative, exploratory discussions among a group of Members towards future negotiations on trade-related aspects of e-commerce are continuing. Discussions are grouped into four themes: enabling digital trade/e-commerce, openness and digital trade/e-commerce, trust and digital trade/e-commerce, and cross-cutting issues including development, transparency and cooperation. While the initiative was endorsed by a diverse group of more than 70 Members, participation in the discussions is open to all Members. Other Members have expressed opposition to these discussions, often on the grounds that they are not part of the current negotiating mandate.

## Investment Facilitation

3.122. The Joint Ministerial Statement on Investment Facilitation for Development<sup>69</sup> co-sponsored by a group of 70 WTO Members at MC11 called for the start of "structured discussions with the aim of developing a multilateral framework on investment facilitation". According to the proponents, investment facilitation was about creating a more efficient, predictable and "investment-friendly" business climate – by making it easier for investors to establish operations and conduct their day-to-day business – and that such an agreement could facilitate global investment in the same way that the WTO was helping to facilitate global trade with its Trade Facilitation Agreement. However, other Members opposed discussions of investment facilitation in the WTO, mostly on the grounds that it is not part of the current negotiating mandate.

3.123. Between mid-May and mid-October 2018, three meetings, organized by the proponents<sup>70</sup>, were held and addressed the following topics: (i) improving the transparency and predictability of investment measures, (ii) streamlining and speeding up administrative procedures and requirements and (iii) enhancing international cooperation, information sharing, the exchange of best practices, and relations with relevant stakeholders, including dispute prevention.

## Micro, Small & Medium Enterprises (MSMEs)

3.124. Since MC11, the 88 WTO Members of the Informal Working Group on MSMEs – the so-called Friends of MSMEs – have met regularly to follow the road map of thematic sessions that was developed at the beginning of 2018. Some Members oppose or do not support discussions on this issue noting that it is not part of the original Doha Round discussions and that focusing on DDA issues should be the priority. The discussions in the Informal Working Group on MSMEs aim to identify a set of concrete, horizontal and non-discriminatory measures that Members could take to strengthen MSME participation in global trade. The Group, led by a nine Member Coordinating Committee<sup>71</sup>, has held four open-ended meetings since May 2018 to discuss issues related to access to information, trade finance, trade facilitation and logistics, and technical assistance and capacity building. Forthcoming meetings include follow-up sessions on trade finance and trade facilitation as well as a discussion on how digital technologies can help MSMEs join global markets. To date, the

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<sup>69</sup> WT/MIN(17)/59.

<sup>70</sup> On 28 June, 23 July and 21 September.

<sup>71</sup> The Coordinating Committee consists of Uruguay, as general coordinator, and eight co-coordinators: Bahrain; Côte d'Ivoire; El Salvador; Hong Kong, China; Nigeria; Pakistan; the Philippines; and Switzerland.

Friends of MSMEs, which represent all major regions and all levels of development, account for almost 79% of world exports and 65% of global GDP.

### **Women's Economic Empowerment**

3.125. In December 2017, 121 WTO Members and Observers agreed to support the Buenos Aires Declaration on Trade and Women's Economic Empowerment. This was the first collective initiative in the history of the Organization to increase the participation of women in trade. The Declaration provides a platform to better understand the links between trade and women's empowerment. The signatories to the Buenos Aires Declaration on Trade and Women's Economic Empowerment have committed to organize a series of six thematic workshops (from March 2018 to June 2019) to explore how trade can promote women's economic empowerment and to share their best practices and national experiences along with case stories from the private sector. Three workshops have already taken place. During these discussions Members first outlined the importance of gender-based analysis in trade, examined the current body of work and discussed ways how best to advance this work. Some Members oppose discussions on this issue, noting that the empowerment of women is not a trade issue.

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## 4 POLICY DEVELOPMENTS IN TRADE IN SERVICES

4.1. Between mid-May and mid-October 2018, a number of new measures affecting trade in services were adopted by G20 economies. While most of these measures are trade-facilitating, some appear to be trade-restricting. Annex 4 provides additional information on 28 entries for new measures from Argentina, Australia, Brazil, China, the European Union, France, India, Indonesia, Japan, the Russian Federation, the Kingdom of Saudi Arabia, the United Kingdom, and the United States.

### Measures affecting supply through commercial presence

4.2. Some G20 economies introduced changes to their investment policy that affect the supply through commercial presence (mode 3) across various sectors. For example, China released a new Negative List for foreign investment, which provides for 22 opening-up measures in various sectors, and reduces, from 63 to 48, the number of activities where foreign investment is restricted or prohibited. With respect to services sectors, the new Negative List, for example, increases the foreign shareholding limit to 51% in securities companies, security investment fund management companies, futures companies, and life insurance companies. It also removes restrictions on the construction and operation of petrol stations, as well as on grain purchasing and wholesaling, and repeals the prohibition on investment in Internet cafes.

4.3. The United Kingdom adopted a new measure that lowers the threshold for the review of mergers and takeovers in certain key strategic sectors relating to national security. Transactions involving military use and dual use technologies, as well as computing hardware and quantum technology will be subject to review where the UK turnover of the target exceeds GBP 1 million (previously GBP 70 million) or where the acquirer obtains an equity stake of 25% or more. In the United States, the Foreign Investment Risk Review Modernization Act (FIRRMA) expands the jurisdiction and powers of the Committee on Foreign Investment in the United States (CFIUS), which reviews foreign investments for potential national security issues. FIRRMA expands the scope of CFIUS' purview by covering "emerging or foundational technologies", as well as non-controlling investments by foreign entities that involve critical technologies, infrastructure or personal data of American citizens.

### Communication services

4.4. A number of G20 economies adopted new measures in relation to the communication sector or to Internet and other network-enabled services. For instance, China adopted a new E-Commerce Law on 31 August 2018. Among other things, the Law prohibits e-commerce operators from abusing their dominant position to exclude or restrict competition. It also provides that platform operators shall be liable to consumers if they fail to verify the qualifications of operators on their platforms or to protect consumers' safety in respect of goods or services that may affect human health.

4.5. The European Union's new General Data Protection Regulation (GDPR) entered into force on 25 May 2018, strengthening the rights of data subjects and imposing new requirements on organizations that process personal data. France enacted a new data protection law, which broadens the supervisory power of the French Data Protection Authority (CNIL) and transposes the Police Justice Directive into French law. The law complements the GDPR by addressing the processing of data related to criminal convictions, security measures, health data, genetic data, biometric data, and social security numbers.

4.6. In India, the Department of Telecommunications (DoT) approved the recommendations on net neutrality put forward by the Telecom Regulatory Authority of India (TRAI). The new policy directives issued by the DoT provide that Internet access services should not discriminate against, restrict, or interfere in the treatment of content, including through blocking, degrading, slowing down, or granting preferential speeds or treatment to any content.

## Other services sectors

4.7. With respect to financial services, since 28 June 2018, China allows foreign investors to engage in the insurance agency and public insurance loss adjustment businesses. Another new measure in China removed foreign ownership limits on new financial asset investment companies established by commercial banks.

4.8. Indonesia's Trade Ministry Regulation No. 82 of 2017 required that Indonesian insurance companies and Indonesian-flag vessels be used for the maritime transport of exports of coal and crude palm oil, and for imports of rice. Amendments to the regulation, effective since 1 August 2018, provide that Indonesian insurance companies must be utilized without exception, thereby removing the possibility to obtain insurance from foreign companies even if domestic services are not available. The amendments also introduced additional requirements for the verification of compliance before imports or exports are made. A technical search procedure, which is to be conducted by authorized surveyors, must be carried out before the loading of goods for import or export.

4.9. With respect to maritime transport, the Russian Federation established, on 3 August 2018, an open register of ships, which provides for the granting of the right to sail under the national flag of the Russian Federation to ships that are owned by foreign citizens, foreign legal entities or legal persons registered in accordance with the Federal Law on International Companies. In India, since 22 May 2018, foreign-flag ships no longer require a licence to engage in coastal shipping trade in India, for the carriage by sea of specified agricultural, fisheries, animal husbandry and horticultural commodities. China now allows foreign services suppliers to set up wholly-owned enterprises to operate international shipping transportation, international ship management business, international shipping agencies, international maritime cargo handling business, and international maritime container station and depot services.

4.10. In relation to postal and courier services, Argentina increased, from USD 1,000 to USD 3,000, the maximum limit for purchases abroad that are imported through courier services. The maximum limit for sending products abroad under the same modality remains at USD 1,000. The new limit applies to goods not exceeding 50 kg that are imported through the import regime for suppliers of postal and courier services. The European Union adopted a new measure aimed at improving regulatory oversight and transparency of tariffs, supporting competition, and increasing consumer confidence in cross-border e-commerce. Among other things, it requires all parcel delivery service providers to submit to the national regulatory authority of the member State in which they are established specific information about the characteristics of services offered, as well as their general terms and conditions, including complaints procedures for users and any potential limitations of liability.

4.11. With respect to medical services, China's authorities issued new guidelines to further regulate online medical diagnoses and treatment. Among other things, the guidelines allow licensed medical institutes to provide online services. For its part, Japan adopted new legislation allowing casino gambling at integrated resorts. A maximum of three licences will be granted for the establishment of casinos along with facilities for meetings, incentive travel, conventions and exhibitions.

## Services supplied through the movement of natural persons

4.12. Australia launched, on 1 July 2018, the Global Talent Scheme (GTS), a 12-month pilot scheme providing businesses with a way to sponsor overseas workers to fill highly-skilled and specialized positions that cannot be filled by Australian workers or through other visa programmes. The United Kingdom exempted non-EU doctors and nurses from the UK Tier 2 visa cap, while, in May 2018, Brazil increased the validity of its Short-Term Technical Visa to 180 cumulative, rather than consecutive, days per year, and now allows foreign nationals travelling under the visa to provide technical assistance to multiple companies. Finally, in the Kingdom of Saudi Arabia, a prohibition on foreign workers in 12 additional sectors gradually enter into force from September 2018.

4.13. Table 4.1 presents information on air services agreements (ASAs) concluded or amended during the period under review by G20 economies. These include both new ASAs and revisions of pre-existing ones. As far as can be assessed from available sources, the vast majority of these ASAs provides for access conditions that are more liberal than was previously the case.

**Table 4.1 Air Transport Agreements concluded or amended by G20 members during the reporting period (May to October 2018)**

Parties		Date of signature	Source
United States	Jamaica	10.05.2018	<a href="http://www.jamaicaobserver.com/latestnews/Ja,_US_sign_agreement_to_amend_2008_air_transport_accord?profile=1228">http://www.jamaicaobserver.com/latestnews/Ja,_US_sign_agreement_to_amend_2008_air_transport_accord?profile=1228</a>
Japan	Papua New Guinea	16.05.2018	<a href="https://postcourier.com.pg/japan-png-sign-air-service-agreement/">https://postcourier.com.pg/japan-png-sign-air-service-agreement/</a>
EU (Austria)	Bangladesh	17.05.2018	<a href="http://www.theindependentbd.com/post/150933">http://www.theindependentbd.com/post/150933</a>
Canada	Serbia	21.05.2018	<a href="https://www.exyuaviation.com/2018/09/belgrade-toronto-flights-expected-in.html">https://www.exyuaviation.com/2018/09/belgrade-toronto-flights-expected-in.html</a>
EU (Portugal)	Ethiopia	June 2018	<a href="http://www.2merkato.com/news/alerts/5386-ethiopia-signs-an-air-service-bilateral-agreement-with-portugal">http://www.2merkato.com/news/alerts/5386-ethiopia-signs-an-air-service-bilateral-agreement-with-portugal</a>
Japan	Nepal	18.06.2018	<a href="https://thehimalayantimes.com/business/nepal-japan-sign-amended-air-service-agreement/">https://thehimalayantimes.com/business/nepal-japan-sign-amended-air-service-agreement/</a>
Australia	India	22.06.2018	<a href="https://centreforaviation.com/news/australia-and-india-sign-new-air-services-agreement-liberalising-access-to-six-cities-on-each-side-813873">https://centreforaviation.com/news/australia-and-india-sign-new-air-services-agreement-liberalising-access-to-six-cities-on-each-side-813873</a>
India	Philippines	July 2018	<a href="http://www.bworldonline.com/direct-flights-to-india-expected-to-boost-two-way-visitor-traffic/">http://www.bworldonline.com/direct-flights-to-india-expected-to-boost-two-way-visitor-traffic/</a>
Canada	UAE	27.07.2018	<a href="https://markets.businessinsider.com/news/stocks/canada-expands-air-transport-agreements-with-egypt-and-the-united-arab-emirates-1027407920">https://markets.businessinsider.com/news/stocks/canada-expands-air-transport-agreements-with-egypt-and-the-united-arab-emirates-1027407920</a>
Canada	Egypt	27.07.2018	<a href="https://markets.businessinsider.com/news/stocks/canada-expands-air-transport-agreements-with-egypt-and-the-united-arab-emirates-1027407920">https://markets.businessinsider.com/news/stocks/canada-expands-air-transport-agreements-with-egypt-and-the-united-arab-emirates-1027407920</a>
Brazil	EU (United Kingdom)	14.08.2018	<a href="https://www.ainonline.com/aviation-news/air-transport/2018-08-15/brazil-pushes-bilateral-open-skies-deals-eu-countries">https://www.ainonline.com/aviation-news/air-transport/2018-08-15/brazil-pushes-bilateral-open-skies-deals-eu-countries</a>
Brazil	EU (Netherlands)	14.08.2018	<a href="https://www.ainonline.com/aviation-news/air-transport/2018-08-15/brazil-pushes-bilateral-open-skies-deals-eu-countries">https://www.ainonline.com/aviation-news/air-transport/2018-08-15/brazil-pushes-bilateral-open-skies-deals-eu-countries</a>
Brazil	EU (Luxembourg)	14.08.2018	<a href="https://www.ainonline.com/aviation-news/air-transport/2018-08-15/brazil-pushes-bilateral-open-skies-deals-eu-countries">https://www.ainonline.com/aviation-news/air-transport/2018-08-15/brazil-pushes-bilateral-open-skies-deals-eu-countries</a>
EU (Italy)	Rwanda	20.08.2018	<a href="https://www.newtimes.co.rw/news/rwanda-italy-agreement">https://www.newtimes.co.rw/news/rwanda-italy-agreement</a>

Source: WTO Secretariat.

## 5 POLICY DEVELOPMENTS IN TRADE AND INTELLECTUAL PROPERTY

5.1. During the period under review, the link between intellectual property (IP) and trade was further strengthened as more G20 members have developed their own national strategies to streamline IP into the economy (Box 5.1). G20 economies continued to modernize and fine-tune their IP legislation and administration as shown in Box 5.2. Technological innovation and the need to protect and enforce intellectual property rights in the digital economy are consolidating the relevance of IP for trade and economic development.

### Box 5.1 National IP Strategies

#### **Kingdom of Saudi Arabia<sup>a</sup>**

In July 2018, the Saudi Authority for Intellectual Property launched its strategy which is based on eight objectives, namely developing and following up the implementation of a national strategy for intellectual property, developing and updating IP laws and regulations, providing IP products and services with high quality, increasing IP awareness, providing IP information and cooperating with other bodies concerned with enforcing IPRs. The Saudi Intellectual Property Authority was established in 2017, as part of the National Transformation Program 2020.

#### **South Africa<sup>b</sup>**

Phase I of the Intellectual Property Policy of South Africa was launched in August 2018. The objectives of the Policy are: to consider the development dynamics and improve how IP supports small institutions and vulnerable individuals in society, including in the domain of public health; to nurture and promote a culture of innovation, by enabling creators and inventors to reach their full potential and contribute towards improving the competitiveness of the industry; to promote South African arts and culture; and to solidify South Africa's various international obligations, such as the Convention on Biological Diversity (CBD) and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation (Nagoya Protocol on ABS), in the service of genetic resources and the associated traditional knowledge.

<sup>a</sup> Submission by the Kingdom of Saudi Arabia for the WTO Trade Monitoring Report.

<sup>b</sup> Submission by South Africa for the WTO Trade Monitoring Report.

Source: WTO Secretariat.

### Box 5.2 Domestic Legislation and Administrative Developments

#### **Australia<sup>a</sup>**

In August 2018, the IP law was amended to clarify parallel imports of trademarked goods and repeal the requirement for patentees to provide the Commonwealth with financial information relating to patents with extended terms.

#### **Indonesia<sup>b</sup>**

In July 2018, a regulation was issued to allow patent holders to postpone compliance with the local manufacturing requirement set out in Article 20 of the Patent Law.

#### **Kingdom of Saudi Arabia<sup>c</sup>**

In July 2018, the Saudi Cabinet approved the accession to the WIPO Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled. A royal decree has been prepared in this regard. In September and October 2018, the Saudi Authority for Intellectual Property signed cooperation memoranda of understanding with the Korean Intellectual Property Office and United States Patent and Trademark Office.

#### **Mexico<sup>d</sup>**

In March 2018, Mexico amended its Industrial Property Law by: introducing a new specific regime for geographical indications, in addition to the one of denominations of origin; strengthening the right of inventors and designers to be named in patent/design application; reducing the period of protection for industrial designs from 15 non-renewable years to 5 renewable years, for a maximum of 25 years; regulating the priority of inter-related patent applications; establishing a non-extendable period of one month for trademark opposition; and increasing penal sanctions for trademark counterfeiting.



### **Turkey<sup>e</sup>**

In November 2017, Turkey amended its Copyright Law to take account of digital developments, improve transparency of collecting societies and address problems related to licensing. In May 2018, the Turkish Patent and Trademark Office established the Industrial Property Valuation, Engineering and Consultancy Corporation, who is responsible for raising awareness on IP valuation, facilitate commercialization of IPRs and assist innovators.

<sup>a</sup> Submission by Australia for the WTO Trade Monitoring Report.

<sup>b</sup> Submission by Indonesia for the WTO Trade Monitoring Report.

<sup>c</sup> Submission by the Kingdom of Saudi Arabia for the WTO Trade Monitoring Report.

<sup>d</sup> Submission by Mexico for the WTO Trade Monitoring Report.

<sup>e</sup> Submission by Turkey for the WTO Trade Monitoring Report.

Source: WTO Secretariat.

5.2. On a bilateral and regional level, G20 economies continued to implement and negotiate a network of trade agreements that contain substantive IP provisions. Currently, 74% of the regional trade agreements (RTAs) in force and notified to the WTO contain specific IP provisions. Over time, the conclusion and implementation of RTAs have further developed the interconnection between IP and trade in goods and services, and the links between the IP system and other normative areas, such as investment, e-commerce, and competition policy. Notable provisions on IP standards and work programmes were contained in several agreements reached during the review period, including the African Continental Free Trade Area<sup>1</sup>, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the United States-Mexico-Canada Agreement (USMCA).<sup>2</sup>

### **TRIPS Council**

5.3. During the review period, the TRIPS Council met once, on 5 and 6 June 2018. At that meeting, many G20 economies engaged in discussions on the scope and modalities on non-violation and situation complaints under the TRIPS Agreement. As in previous meetings, WTO Members actively shared their national experiences and engaged in constructive policy discussions on two themes, namely (i) IP and Innovation; and (ii) IP and the Public Interest. On this occasion discussions focused on specific agenda items on IP Improving Lives<sup>3</sup> and the role competition law and policy play in promoting public health objectives.<sup>4</sup>

5.4. During the review period, four G20 economies<sup>5</sup> notified legislative measures under Article 63.2 with most of them providing the rationale for these. These measures provided insights into recent legislative changes in the areas of copyrights and related rights, trademarks, geographical indications, industrial designs, patents, undisclosed information and trade secrets, plant variety protection and enforcement. Notably, Canada notified the Act to Implement the Comprehensive Economic and Trade Agreement signed with the European Union.<sup>6</sup>

### **TRIPS-related Discussions in Trade Policy Reviews**

5.5. During the review period, the Trade Policy Reviews of one G20 economy, China, took place. Members engaged in detailed discussions on intellectual property issues and trade policy, including IPRs in the China Manufacturing 2025 Plan, national treatment, special supervision campaign, action plan on IPR protection, protection of domain names, patent applications, protection, and review, compulsory licences, trademark registration, protection of well-known trademarks and other various marks, protection of geographical indications, notices on copyright protection of online works, copyright registration and management, protection of copyright and related rights, new plant varieties, undisclosed information and trade secrets on pharmaceuticals, technical researchers, enforcement, appeals and disputes and participation in WIPO Treaties.

<sup>1</sup> Viewed at: <https://au.int/en/pressreleases/20180321/au-member-countries-create-history-massively-signing-afcfta-agreement-kigali>; and Articles 6 to 8 as seen in <https://www.tralac.org/documents/resources/african-union/1870-agreement-establishing-the-afcfta-kigali-draft-text-march-2018-1/file.html>.

<sup>2</sup> Viewed at: <https://ustr.gov/about-us/policy-offices/press-office/fact-sheets/2018/october/united-states%E2%80%93mexico%E2%80%93canada-trade-fa-1>.

<sup>3</sup> Document IP/C/W/642.

<sup>4</sup> Document IP/C/W/643.

<sup>5</sup> Canada, Japan, Mexico and the United States.

<sup>6</sup> Documents IP/N/1/CAN/18 and 19.

## ANNEX 1

### MEASURES FACILITATING TRADE<sup>1</sup>

(MID-MAY 2018 to MID-OCTOBER 2018)

#### Confirmed information<sup>2</sup>

Measure	Source/Date	Status
<b>Argentina</b>		
Elimination of import tax surcharges on "high cube" containers	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución No. 65/2018 Administración General de Puertos (15 May 2018)	Effective 21 May 2018
Elimination of export tax surcharges on "high cube" containers	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución No. 65/2018 Administración General de Puertos (15 May 2018)	Effective 21 May 2018
Reduction of import tariffs (to 2%) on certain parts and accessories of motor vehicles not locally produced in Mercosur, destined for transformation by local industries (128 tariff lines at 8 digit-level in NCM 4009; 4016; 7304; 7608; 7616; 8409; 8412; 8413; 8414; 8418; 8419; 8481; 8482; 8483; 8501; 8505; 8507; 8512; 8533; 8536; 8537; 8539; 8547; 8708; 9026; 9027; 9031; 9032; 9401)	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución No. 67/2018 Secretaría de Industria, Ministerio de Producción (12 July 2018)	Effective 20 July 2018
Amendments introduced to the list of imported capital goods (326 tariff lines at 8-digit level in NCM Chapters 84; 85; 86; 87; 90) not locally produced (Mercosur Common External Tariff set at 2%)	Permanent Delegation of Argentina to the WTO (25 October 2018) and Nomenclatura Común del Mercosur – Decreto No. 837/2018 (19 September 2018)	Effective 20 September 2018
Amendments introduced in the list of machinery, equipment and goods granted a temporary reduction of import tariffs (130 tariff lines at 8-digit level in NCM Chapters 73; 84; 85; 86; 87; 88; 94) destined for local transformation and then for export	Permanent Delegation of Argentina to the WTO (25 October 2018) and Decreto No. 854/2018 – Importaciones (25 September 2018)	Effective 26 September 2018
Amendments introduced to the national list of exemptions to the Mercosur Common Tariff (89 tariff lines at 8-digit level in NCM Chapters 15; 22; 28; 29; 31; 32; 37; 38; 39; 40; 45; 48; 54; 55; 59; 64; 70; 72; 73; 76; 84; 85; 87) (e.g. palm kernel or babassu oil, whiskies, organic chemicals, mineral or chemical fertilizers, insecticides, plastics and articles thereof, rubber and articles thereof, corks and stoppers, paper and paperboard, synthetic filament yarn and staple fibres, footwear, woven fabrics, iron and steel, articles of iron and steel, aluminium plates, machinery and mechanical appliances, electrical machinery and equipment, motor vehicles, motorcycles, vehicle parts and accessories)	Permanent Delegation of Argentina to the WTO (25 October 2018) and Nomenclatura Común del Mercosur – Decreto No. 847/2018 (25 September 2018)	Effective 26 September 2018
Amendments introduced to the list of informatics and telecommunications goods (186 tariff lines at 8-digit level in NCM Chapters 74; 84; 85; 90) granted elimination of import tariffs	Permanent Delegation of Argentina to the WTO (25 October 2018) and Nomenclatura Común del Mercosur – Decreto No. 864/2018 (26 September 2018)	Effective 27 September 2018

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

<sup>2</sup> This Section includes information which has either been provided by the Member concerned or has been confirmed at the request of the Secretariat.

Measure	Source/Date	Status
<b>Australia</b>		
Further reduction of import tariffs under the Expansion of the Information Technology Agreement (ITA) (86 tariff lines at 6-digit level, in HS Chapters 32; 35; 37; 39; 49; 59; 84; 85; 90; 95)	WTO document G/MA/W/117/Add.2, 26 January 2016	Effective 1 July 2018
<b>Brazil</b>		
All exports procedures processed through the Brazilian Single-Window of Foreign Trade system. As from July 2018, export operations required to use the Single Export Declaration (Documento Único de Exportação - DUE)	Permanent Delegation of Brazil to the WTO (25 October 2018)	Effective 1 July 2018
Elimination of export taxes on wet blue leather (NCM Chapter 41) (originally implemented in May 2001)	Permanent Delegation of Brazil to the WTO (25 October 2018) and Camex Resolution No. 65/2018 (12 September 2018)	Effective 13 September 2018
Trade facilitation measures through the gradual implementation of the single-window platform for all import operations	Permanent Delegation of Brazil to the WTO (25 October 2018)	Effective October 2018
Temporary elimination of import tariffs on 557 capital goods tariff lines, and 40 informatics and telecommunications goods tariff lines (NCM Chapters 73; 84; 85; 90; 94), through the "ex-out" regime (mechanism designed to temporarily reduce import tariffs on capital goods and informatics and telecommunications equipment not locally produced)	Permanent Delegation of Brazil to the WTO (25 October 2018) and Camex Resolution Nos. 37/2018, 38/2018 (5 June 2018) and 44/2018, 45/2018 (28 June 2018)	Effective until 31 December 2019
Temporary reduction (to 2%) of import tariffs on monochloroacetic acids (NCM 2915.40.10), under an import quota of 4,500 tonnes (effective 25 May 2018 to 24 May 2019); on isocyanates (NCM 2929.10.10), under an import quota of 23,000 tonnes (effective 25 May 2018 to 24 May 2019); on certain mixtures of odoriferous substances (NCM 3302.90.90), under an import quota of 1,250 tonnes (effective 25 May 2018 to 24 May 2019); on certain polymers of vinyl chloride (NCM 3904.90.00), under an import quota of 3,794 tonnes (effective 25 May 2018 to 24 May 2019); on poly(methylene phenyl isocyanate) (crude MDI, polymeric MDI) (NCM 3909.31.00), under an import quota of 105,000 tonnes (effective 25 May 2018 to 24 May 2019); on certain self-adhesive laminates (NCM 3919.90.90), under an import quota of 200 tonnes (effective 25 May 2018 to 24 May 2019); on certain films of polymers of propylene (NCM 3920.20.19), under an import quota of 600 tonnes (effective 25 May 2018 to 24 May 2019); on preparations suitable for infants or young children, put up for retail sale (NCM 1901.10.90), under an import quota of 502 tonnes (effective 29 June 2018 to 28 June 2019); on certain organic chemicals (ametrina) (NCM 2933.69.91), under an import quota of June 2019); on lignin sulphonates (NCM 3804.00.20), under an import quota of 72,000 tonnes (effective 29 June 2018 to 28 June 2019); on other yarn of polyesters partially oriented (NCM 5402.46.00), under an import quota of 97,500 tonnes (effective 29 June 2018 to 28 June 2019); on casein (NCM 3501.10.00), under an import quota of 317 tonnes (effective 29 June 2018 to 28 August 2018); on photographic film in rolls	Permanent Delegation of Brazil to the WTO (25 October 2018), Camex Resolution Nos. 35/2018 (24 May 2018), 43/2018 (28 June 2018), 46/2018 (3 July 2018), 48/2018 (23 July 2018), 51/2018 (3 August 2018), 57/2018 (22 August 2018), 63/2018, 64/2018 (10 September 2018) and 67/2018 (21 September 2018), and Secex Portaria Nos. 27/2018, 28/2018 (28 May 2018), 32/2018 (29 June 2018), 34/2018 (5 July 2018), 39/2018 (24 July 2018), 44/2018 (7 August 2018), 47/2018 (24 August 2018) and 50/2018 (20 September 2018)	Effective: see individual dates in measure

Measure	Source/Date	Status
<p>for x-ray (NCM 3702.10.20), under an import quota of 500 tonnes (effective 29 June 2018 to 28 December 2018); on certain amine-function compounds (NCM 2921.19.23), under an import quota of 26,282 tonnes (effective 14 August 2018 to 13 August 2019); on acrylic or modacrylic (NCM 5503.30.00), under an import quota of 9,000 tonnes (effective 14 August 2018 to 13 August 2019); on uncoated paper and paper board weighing more than 150 g/m<sup>2</sup> but less than 225 g/m<sup>2</sup> (NCM 4805.92.90), under an import quota of 31,985 tonnes (effective 4 July 2018 to 3 July 2019); on flax tow and waste (NCM 5501.30.00), under an import quota of 6,240 tonnes (effective 4 July 2018 to 3 July 2019); on high tenacity yarn of polyesters, whether or not textured (NCM 5402.20.00), under an import quota of 8,400 tonnes (effective 24 July 2018 to 23 July 2019); on hope cones, neither ground nor powdered nor in the form of pellets (NCM 1210.20.10), under an import quota of 1,800 tonnes (effective 23 August 2018 to 22 August 2019); on o-, m-, p-phenylenediamine, diaminotoluenes, and their derivatives; salts thereof (NCM 2921.51.33), under an import quota of 10,440 tonnes (effective 23 August 2018 to 22 August 2019); on acrylic or modacrylic filament tow (NCM 5501.30.00), under an import quota of 6,240 tonnes (effective 23 August 2018 to 22 August 2019); on shelled walnuts (NCM 0802.22.00), under an import quota of 2,500 tonnes (effective 23 August 2018 to 31 December 2018); on yarn of viscose rayon, untwisted or with a twist not exceeding 120 turns/m (NCM 5403.31.00), under an import quota of 1,249 tonnes (effective 20 September 2018 to 19 September 2019); (to 6%) on pigments and preparations based on titanium dioxide (NCM 3206.11.10), under an import quota of 100,000 tonnes; and (to 2%) on pigments (tipo rutilo) (NCM 3206.11.10), under an import quota of 9,672 tonnes (effective 12 September 2018 to 11 September 2019). Temporary elimination of import tariffs (from 6%) on not-alloyed unwrought aluminium (NCM 7601.10.00), under an import quota of 282,500 tonnes (effective 4 July 2018 to 3 July 2019); (from 10%) on sardines (NCM 0303.53.00), under an import quota of 50,000 tonnes (effective 6 August 2018 to 5 February 2019); and on vaccines for humans (dengue) (NCM 3002.20.29), under an import quota of 1 million doses (effective 23 August 2018 to 22 February 2019)</p>		

Measure	Source/Date	Status
Elimination of import tariffs (from 20%) on certain fairground amusements equipment (NCM 9508.90.90) (effective until 6 October 2018); (from 6%) on extracts of glands or other organs or of their secretions (NCM 3001.20.90) (effective 4 July 2018); and (from 2%) on immunological products, put up in measured doses or in forms or packings for retail sale (NCM 3002.15.90) (effective 4 July 2018). Reduction of import tariffs (from 18% to 2%) on artificial filament yarn of viscose rayon, untwisted or with a twist not exceeding 120 turns/m (NCM 5403.31.10) (effective 2 October 2018)	Permanent Delegation of Brazil to the WTO (25 October 2018) and Camex Resolution Nos. 36/2018 (4 June 2018), 46/2018 (3 July 2018) and 71/2018 (2 October 2018)	Effective: see individual dates in measure
Temporary elimination of import tariffs (from 18%) on lithium-ion accumulators (NCM 8507.60.00) (effective 24 July 2018 to 31 December 2021); and (from 35%) on fire fighting vehicles (NCM 8705.30.00) (effective 24 July 2018)	Permanent Delegation of Brazil to the WTO (25 October 2018) and Camex Resolution No. 49/2018 (23 July 2018)	
Temporary elimination of import tariffs on 930 capital goods tariff lines, and 68 informatics and telecommunications goods tariff lines (NCM Chapters 84; 85; 87; 89; 90; 94), through the "ex-out" regime	Permanent Delegation of Brazil to the WTO (25 October 2018) and Camex Resolution Nos. 54/2018, 55/2018 (10 August 2018), 60/2018, 61/2018 (31 August 2018), 72/2018 and 73/2018 (5 October 2018)	Effective until 30 June 2020
<b>Canada</b>		
Further reduction of import tariffs under the Expansion of the Information Technology Agreement (ITA) (56 tariff lines at 8-digit level, in HS Chapters 35; 37; 39; 84; 85; 88; 90)	WTO document G/MA/W/117/Add.3, 28 January 2016	Effective 1 July 2018
<b>China</b>		
Further reduction of import tariffs under the Expansion of the Information Technology Agreement (ITA) (289 tariff lines at 8-digit level, in HS Chapters 32; 35; 37; 39; 49; 59; 84; 85; 88; 90)	WTO document G/MA/W/117/Add.4, 28 January 2016 and Permanent Delegation of China to the WTO (29 October 2018)	Effective 1 July 2018
Reduction of import tariffs (to 15%) on certain vehicles (139 tariff lines) (HS Chapter 87) and (to 6%) on certain components (79 tariff lines)	Permanent Delegation of China to the WTO (25 October 2018). Viewed at: <a href="http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201805/P020180522506508786661.pdf">http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201805/P020180522506508786661.pdf</a>	Effective 1 July 2018

Measure	Source/Date	Status
Reduction of import tariffs on certain products (1,449 tariff lines), e.g. fish and crustaceans; prepared foodstuffs; pasta; preparations of cereals; preparations of vegetables and fruits; miscellaneous edible preparations; waters; pharmaceutical products; printing ink; perfumery and cosmetic preparations; soaps; plastics and articles thereof; rubber and articles thereof; articles of leather; travel goods; furskins and artificial fur; plaining materials; paper and paperboard; carpets; articles of apparel and clothing accessories; blankets; bed linen; footwear; headgear and parts thereof; umbrellas; prepared feathers and down and articles made of feathers or of down; ceramic products; glass and glassware; articles of jewellery; articles of iron or steel; copper household articles; aluminium household articles; tools, implements, cutlery, spoons and forks, of base metals, parts thereof of base metal; miscellaneous articles of base metal; machinery and mechanical appliances; electrical machinery and equipment; bicycles and other cycles; optical fibres; frames and mounting for spectacles; cameras; clocks and watches and parts thereof; musical instruments; mattresses; skis; miscellaneous manufactured articles; and paintings (HS Chapters 03; 16; 19; 20; 21; 22; 30; 32; 33; 34; 36; 37; 39; 40; 42; 43; 44; 46; 48; 49; 57; 58; 59; 61; 62; 63; 64; 65; 66; 67; 69; 70; 71; 73; 74; 76; 82; 83; 84; 85; 87; 90; 91; 92; 94; 95; 96; 97)	Permanent Delegation of China to the WTO (25 October 2018), and State Council Tariff Commission Circular (2018-4) on reduction of import tariff for certain consumables. Viewed at: <a href="http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201805/t20180531_2914284.html">http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201805/t20180531_2914284.html</a>	Effective 1 July 2018
VAT rebate rates increased on exports of certain electromechanical and cultural products (in Chapters HS 28; 29; 32; 34; 35; 38; 39; 40; 44; 48; 49; 68; 70; 72; 73; 74; 75; 76; 78; 80; 81; 82; 83; 84; 85; 87; 89; 90; 91; 93; 94; 96)	Permanent Delegation of China to the WTO (25 October 2018)	Effective 15 September 2018
<b>European Union</b>		
Further reduction of import tariffs under the Expansion of the Information Technology Agreement (ITA) (126 tariff lines at 8-digit level, in HS Chapters 35; 37; 39; 84; 85; 88; 90)	WTO document G/MA/W/117/Add.7/Rev.1, 20 February 2017	Effective from 1 July 2018
<b>India</b>		
Elimination of import tariffs on auxiliary textile machinery (HS 8448)	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 72/2018-Customs, Ministry of Finance – Department of Revenue (28 September 2018)	Effective 28 September 2018
Decrease of import tariffs on certain machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus (HS 8517.62.90; 8517.69.90)	Notification No. 75/2018-Customs, Ministry of Finance - Department of Revenue (11 October 2018)	Effective 12 October 2018
<b>Korea, Rep. of</b>		
Further reduction of import tariffs under the Expansion of the Information Technology Agreement (ITA) (443 tariff lines at 10-digit level, in HS Chapters 32; 35; 37; 39; 59; 63; 84; 85; 88; 90)	WTO document G/MA/W/117/Add.13, 28 January 2016	Effective 1 July 2018
<b>Mexico</b>		
Temporary elimination of import tariffs on meat of swine chilled or frozen (HS 0203), under an import quota of 350,000 tonnes	Permanent Delegation of Mexico to the WTO (26 October 2018), and Diario Oficial de la Federación (Official Journal), 5 June 2018	Effective 5 June 2018

Measure	Source/Date	Status
Creation of two tariff lines, resulting in the elimination of import tariffs on I and H sections of iron or non-alloy steel (perfiles) (HS 7216.32.04; 7216.33.02)	Permanent Delegation of Mexico to the WTO (26 October 2018) and Diario Oficial de la Federación (Official Journal), 17 August 2018	Effective 18 August 2018
<b>Russian Federation (for Eurasian Economic Union)</b>		
Temporary elimination of import tariffs (from 3%) on precious metal ores and concentrates (effective 24 June 2018 to 30 June 2020); (from 12.5%) on silver (effective 24 June 2018 to 30 June 2020), (from 12%-12.5%) on gold (effective 24 June 2018 to 30 June 2020); (from 12%-15%) on platinum (effective 24 June 2018 to 30 June 2020); (from 3%-8%) on fish and crustaceans (effective 1 September 2018 to 31 December 2019); (from 3%) on cocoa pastel (effective 1 September 2018 to 31 December 2019); (from 5%) on cocoa butter (effective 1 September 2018 to 31 December 2019); (from 15%) on waste and scrap of precious metals (effective 1 September 2018 to 31 December 2019); (from 5%) on compressors used in refrigerating equipment (effective 1 September 2018 to 31 December 2019); (from 5%) on sultanas, veering sheets, magnetrons (effective 1 September 2018 to 31 May 2019); (from 7.5%) chemical wood pulp, soda or sulphate, other than dissolving grades (effective 1 September 2018 to 31 May 2019); (from 85%) cases of base metal (effective 1 September 2018 to 31 May 2019); (from 10%) on dials (effective 1 September 2018 to 31 May 2019); (from 5%) on photographic plates and film, cruise ships (effective 1 September 2018 to 31 December 2018); (from 5%) on natural calcium phosphates, natural aluminium calcium phosphates and phosphatic chalk (effective 1 September 2018 to 4 January 2019); (from 3%) on lead ores and concentrates (effective 1 September 2018 to 24 May 2019); (from 5%) on parts of railways or tramways locomotive or rolling-stock (effective 1 September 2018 to 30 June 2020); (from 3%) on parts suitable for use solely or principally with spark-ignition internal combustion piston engines (effective 1 September 2018 to 31 December 2020); (from 5%) turbo-propellers jets (effective 1 September 2018 to 31 December 2020); (from 5%) on paints and varnishes, stamping foils, turbines for aircraft (effective 1 September 2018 to 31 August 2019); (from 14%) on rods of optical glass (effective 1 September 2018 to 31 August 2019); (from 6.5%) on organic surface-active agents (other than soap); surface- active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap (effective 1 September 2018 to 28 February 2019); (from 5%) on frames (effective 1 September 2018 to 31 August 2020); (from 8%) on cases, clock or watch parts (effective 1 September 2018 to 31 May 2019); (from 5%) on nuts (effective 2 September 2018 to 31 August 2021); (from	Permanent Delegation of the Russian Federation to the WTO (26 October 2018)	Effective: see individual dates in measure

Measure	Source/Date	Status
<p>5%) on industrial fatty alcohols (effective 2 September 2018 to 31 August 2021); (from 6.5%) on acrylic polymers in primary forms (effective 28 July 2018 to 31 August 2021); (from 6.5%) on certain articles of plastic (effective 17 August 2018 to 31 August 2019); (from 8%) on transformers (effective 31 August 2018 to 31 December 2020); (from 6%) on fish and crustaceans (effective 1 September 2018 to 31 December 2019); (from 5%) on hydrides and nitrides, terephthalic acid and its salts, halides and halide oxides of non-metals, artificial staple fibres (effective 1 September 2018 to 31 December 2019); (from 3%) on organo-inorganic compounds (effective 1 September 2018 to 31 December 2019); (from 8%) on military transport aircraft (effective 1 September 2018 to 31 December 2019); (from 10%) on fruit or nut purée (effective 1 September 2018 to 31 December 2018); (from 5%) on fluoride of aluminium (effective 1 September 2018 to 31 December 2020); (from 6.5%) on super-absorbents (effective 1 September 2018 to 31 December 2020); (from 7%) on pressure-reducing valves (effective 1 September 2018 to 31 December 2020); (from 8%) on transformers (effective 1 September 2018 to 31 December 2020); (from 5% on ether-alcohols (effective 1 September 2018 to 31 March 2019); (from 5%) on inorganic tanning substances and tanning preparations (effective 1 September 2018 to 30 June 2019); (from 6.2%) on polyethylene (effective 1 September 2018 to 30 September 2018); (from 6.5%) on cylinders (effective 1 September 2018 to 31 August 2019); (from 5%) on high-tenacity yarn of nylon or other polyamides (effective 1 September 2018 to 31 July 2019); (from 10%) on vessels (effective 23 September 2018 to 31 December 2019); and on certain furskins and artificial fur; manufactured thereof (HS 4301; 4302) (effective 12 October 2018 to 30 September 2020)</p>		
<p>Temporary reduction of import tariffs (from 10%-13% to 5%) on watch straps, bands and bracelets, and parts thereof; (from 10% to 5%) on springs, including hair-springs, plates and bridges</p>	<p>Permanent Delegation of the Russian Federation to the WTO (26 October 2018)</p>	<p>Effective 1 September 2018 to 31 May 2020</p>



Measure	Source/Date	Status
<p>Reduction of import tariffs (from 20%, but not less €0.5/kg to 17%, but not less €0,43/kg) on homogenized preparations; (from 10.8% but not less than €0.054/kg to 10% but not less than €0.05/kg) on mango chutney; (from €0.04/l to €0.018/l on beer; (from 7.9% to 6.5%) on waxes and polishes, creams and similar preparations, for footwear or leather; (from 8.8% to 6.5%) on propellant powders, fireworks, liquid or liquefied-gas fuels, ferro-cerium and other pyrophoric alloys in all forms; (from 7.9% to 6.5%) on tall oil fatty acids; (from €15.84/1,000 units to €15/1,000 units) on cans; (from 11.7%, but not less than €0.55/ kg to 10%) on mattress supports; (from 13.3%. but not less than €0.48/kg to 12%) on mattresses; (from 15%, but not less than €0.96 euro/kg) on articles of bedding and similar furnishing; (from 6.3% to 5.5%) on ethylene glycol; (from 8.8% to 6.5%) on prepared explosives, other than propellant powders, safety fuses; detonating fuses; percussion or detonating caps, igniters, electric detonators, matches; (from 8.8%, but not less than €0.13/kg to 6.5%, but less than €0.096/kg) on floor coverings of plastics; (from 6%, but not less than €0.13/kg to €0.096/kg) on floor polymers of vinyl chloride; (from 20%, but not less than €0.33 – €0.78/cm<sup>3</sup> volume of engine to 17%) on motor cars and other motor vehicles; (from 25%, but not less than €0.4 – €1/cm<sup>3</sup> volume of engine to 22%, but not less than €0.36 – €0.88/cm<sup>3</sup> volume of engine) on motor cars and other motor vehicles; (from 12.9% – 16.4% to 11.4% – 15.7%) on helicopters; (from 12.9% to 11.4%) on aeroplanes; (from 14.6% to 13.6%) on aeroplanes and other aircraft; on seats; and on furniture and parts thereof</p>	<p>Permanent Delegation of the Russian Federation to the WTO (26 October 2018)</p>	<p>Effective 1 September 2018</p>
<b>SACU – Southern African Customs Union</b>		
<p>Elimination of import tariffs (from 10%) on canola seeds (HS 1205.10.20) (effective 25 May 2018); on slings and the like, of rope of a diameter not exceeding 4 mm (excluding that of wire plated, coated or clad with copper and that identifiable as conveyor belt cord) (HS 7312.90.10) (effective 15 June 2018); and on ethylene-alpha-olefin copolymers (HS 3901.40) (effective 3 August 2018)</p>	<p>Permanent Delegation of South Africa to the WTO (25 October 2018), and International Trade Administration Commission Notice Nos. R. 538 – Government Gazette No. 41651 (25 May 2018), R. 603 – Government Gazette No. 41705 (15 June 2018), and R. 794 –Government Gazette No. 41812 (3 August 2018)</p>	<p>Effective: see individual dates in measure</p>
<b>United States of America</b>		
<p>Tariff reclassifications resulting in the elimination of import tariffs on LG Chromebase (HS 8471.49.00) (effective 23 June 2018); on knife care set (HS 6815.99.20) (effective 15 August 2018); and on floor sinks (HS 7324.90.00) (effective 11 July 2018)</p>	<p>US Customs and Border Protection 19 CFR PART 177 – Customs Bulletin and Decisions, Vol. 52 Nos. 23 (23 June 2018), 28 (11 July 2018) and 33 (15 August 2018)</p>	<p>Effective: see individual dates in measure</p>
<p>Further reduction of import tariffs under the Expansion of the Information Technology Agreement (ITA) (92 tariff lines at 8-digit level, in HS Chapters 32; 35; 37; 39; 85; 90; 94)</p>	<p>WTO document G/MA/W/117/Add.24, 28 January 2016</p>	<p>Effective 1 July 2018</p>

## ANNEX 2

### TRADE REMEDIES<sup>1</sup>

(MID-MAY 2018 TO MID-OCTOBER 2018)

#### Confirmed information<sup>2</sup>

Measure	Source/Date	Status
<b>Argentina</b>		
Termination on 17 May 2018 (without measure) of anti-dumping investigation on imports of plates, sheets, film, foil and strip of poly(methyl methacrylate), non-cellular and not reinforced, laminated, supported or similarly combined with other materials (NCM 3920.51.00; 3926.90.90) from Brazil and China (initiated on 8 December 2016)	WTO document G/ADP/N/314/ARG, 27 September 2018	
Termination on 7 June 2018 (without measure) of anti-dumping investigation on imports of metal protection grilles (NCM 8414.90.20) from China and Chinese Taipei (investigation initiated on 8 December 2016)	WTO document G/ADP/N/314/ARG, 27 September 2018	
Initiation on 14 June 2018 of anti-dumping investigation on imports of voltage isolators (NCM 8535.30.17; 8535.30.18; 8535.30.19; 8535.30.27; 8535.30.28; 8535.30.29) from Italy	WTO document G/ADP/N/314/ARG, 27 September 2018	
Initiation on 29 June 2018 of anti-dumping investigation on imports of parenteral solutions (NCM 3004.90.99) from Brazil and Mexico	WTO document G/ADP/N/314/ARG, 27 September 2018; and Resolución No. 47/2018, Ministerio de Producción y Trabajo (5 October 2018)	Provisional duty imposed on 9 October 2018
Initiation on 29 June 2018 of anti-dumping investigation on imports of aluminium radiators (NCM 7615.10.00) from China, Italy and Spain	WTO document G/ADP/N/314/ARG, 27 September 2018	
Termination on 7 September 2018 (without measure) of anti-dumping investigation on imports of textured yarn of polyesters (NCM 5402.33.00) from India and Indonesia (initiated on 13 September 2017)	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución No. 529/2018 Secretaría de Comercio, Ministerio de Producción (5 September 2018)	
Initiation on 24 September 2018 of anti-dumping investigation on imports of central heating boilers other than those of heading HS 8402 (NCM 8403.10.10) from Italy and Slovak Republic	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución No. 35/2018 Secretaría de Comercio, Ministerio de Producción y Trabajo (20 September 2018)	
Initiation on 28 September 2018 of anti-dumping investigation on imports of certain polyesters ( <i>resina de poliéster insaturadas alcídicas sin aceite</i> ) (NCM 3907.91.00) from Brazil	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución No. 46/2018 Secretaría de Comercio, Ministerio de Producción y Trabajo (26 September 2018)	

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

<sup>2</sup> This Section includes information which has either been provided by the Member concerned or has been confirmed at the request of the Secretariat.

Measure	Source/Date	Status
Termination on 4 October 2018 (without measure) of anti-dumping investigation on imports of phthalic anhydride and bis(2-ethylhexyl) phthalates "DOP" (NCM 2917.32.00; 2917.35.00) from Chile; Korea, Rep. of and Mexico (initiated on 5 April 2017)	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución No. 45/2018, Ministerio de Producción y Trabajo (3 October 2018)	
Termination on 5 October 2018 (without measure) of anti-dumping investigation on imports of ceramic sanitary ware (NCM 6910.10.00; 6910.90.00) from China (initiated on 20 May 2017)	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución No. 56/2018 Secretaría de Comercio, Ministerio de Producción y Trabajo (4 October 2018)	
<b>Australia</b>		
Initiation on 4 June 2018 of anti-dumping investigation on imports of PVC flat electrical cables (HS 8544.49.20) from China	WTO document G/ADP/N/314/AUS, 28 August 2018	
Initiation on 4 June 2018 of countervailing investigation on imports of PVC flat electrical cables (HS 8544.49.20) from China	WTO document G/SCM/N/334/AUS, 12 September 2018	
Initiation on 25 June 2018 of anti-dumping investigation on imports of ammonium nitrate (HS 3102.30.00) from China, Sweden and Thailand	WTO document G/ADP/N/314/AUS, 28 August 2018; and Australia Customs Anti-Dumping Notice No. 2018/166 (24 October 2018)	Provisional duty imposed on 25 October 2018
Termination on 24 July 2018 (without measure) of anti-dumping investigation on imports of certain aluminium extrusions (HS 7604.10.00; 7604.21.00; 7604.29.00; 7608.10.00; 7608.20.00; 7610.10.00; 7610.90.00) from China and Thailand (initiated on 19 October 2017)	Permanent Delegation of Australia to the WTO (25 October 2018) and Australia Customs Anti-Dumping Notice No. 2018/120 (24 July 2018)	
Termination on 5 August 2018 of anti-dumping duties on imports of aluminium zinc coated steel (HS 7210.61.00) from Korea, Rep. of (investigation initiated on 5 September 2012. Provisional and definitive duties imposed on 6 February and 5 August 2013)	Permanent Delegation of Australia to the WTO (25 October 2018) and Australia Customs Anti-Dumping Notice No. 2018/97 (17 July 2018)	
<b>Brazil</b>		
Temporary suspension on 21 May 2018 of countervailing duties on imports of hot-rolled steel (NCM 7208.10.00; 7208.25.00; 7208.26.10; 7208.26.90; 7208.27.10; 7208.27.90; 7208.36.10; 7208.36.90; 7208.37.00; 7208.38.10; 7208.38.90; 7208.39.10; 7208.39.90; 7208.40.00; 7208.53.00; 7208.54.00; 7208.90.00; 7225.30.00; 7225.40.90) from China (investigation initiated on 21 November 2016 and definitive duty imposed on 21 May 2018)	WTO document G/SCM/N/334/BRA, 3 September 2018	
Termination on 21 May 2018 of anti-dumping duties on imports of one piece crank (NCM 8714.96.00) from China (imposed on 11 October 2007. Duties suspended from 23 May 2014 to 22 May 2016)	WTO document G/ADP/N/314/BRA, 11 September 2018	
Temporary suspension on 19 June 2018 of anti-dumping duties on imports of basic refractories (NCM 6902.10.18; 6902.10.19) from China and Mexico (investigation initiated on 2 July 2012 and definitive duty imposed on 19 December 2013)	WTO document G/ADP/N/314/BRA, 11 September 2018	
Temporary suspension on 13 July 2018 of anti-dumping duties on imports of unrefined salt "sal grosso" (NCM 2501.00.19) from Chile (investigation initiated on 12 March 2010 and definitive duty imposed on 8 September 2011)	Permanent Delegation of Brazil to the WTO (25 October 2018) and Camex Resolution No. 47/2018 (12 July 2018)	
Termination on 17 July 2018 of anti-dumping duties on imports of manual hoist up to 3 tons without lever (NCM 8425.19.10) from China (imposed on 24 August 2007)	Permanent Delegation of Brazil to the WTO (25 October 2018) and Secex Circular No. 64/2017 (30 November 2017)	

Measure	Source/Date	Status
Temporary suspension on 20 September 2018 of anti-dumping duties on imports of graphite electrodes (NCM 8545.11.00; 3801.10.00) from China (imposed on 9 April 2009)	Permanent Delegation of Brazil to the WTO (25 October 2018) and Camex Resolution No. 66/2018 (20 September 2018)	
Termination on 1 October 2018 of anti-dumping duties on imports of optical frames with or without lenses (NCM 9003.11.00; 9003.19.10; 9003.19.90; 9004.90.10; 9004.90.90) from China (imposed on 8 October 2007)	Permanent Delegation of Brazil to the WTO (25 October 2018) and Secex Circular No. 64/2017 (30 November 2017)	
<b>Canada</b>		
Initiation on 18 May 2018 of anti-dumping investigation on imports of certain sucker rods (HS 8413.91.00) from China	WTO document G/ADP/N/314/CAN, 14 September 2018; and Canada Border Service Agency Notices SR 2018 IN (16 August 2018)	Provisional duty imposed on 16 August 2018
Initiation on 18 May 2018 of countervailing investigation on imports of certain sucker rods (HS 8413.91.00) from China	WTO document G/SCM/N/334/CAN, 19 September 2018; and Canada Border Service Agency Notices SR 2018 IN (16 August 2018)	Provisional duty imposed on 16 August 2018
Initiation on 25 May 2018 of anti-dumping investigation on imports of certain cold-rolled steel (HS 7209; 7211; 7225) from China; Korea, Rep. of and Viet Nam	WTO document G/ADP/N/314/CAN, 14 September 2018; and Canada Border Service Agency Notice CRS 2018 IN (23 August 2018)	Provisional duty imposed on 23 August 2018
Initiation on 25 May 2018 of countervailing investigation on imports of certain cold-rolled steel (HS 7209; 7211; 7225) from China; Korea, Rep. of and Viet Nam	WTO document G/SCM/N/334/CAN, 19 September 2018; and Canada Border Service Agency Notice CRS 2018 IN (23 August 2018)	Provisional duty imposed on 23 August 2018
Initiation on 21 June 2018 of anti-dumping investigation on imports of certain 54-inch gypsum board (HS 6809.11.00) from the United States	WTO document G/ADP/N/314/CAN, 14 September 2018; and Canada Border Service Agency Notice GB2 2018 IN (23 August 2018)	Terminated on 23 August 2018 (without measure)
Initiation on 20 July 2018 of anti-dumping investigation on imports of certain carbon steel welded pipe (HS 7306.30.00) from Pakistan, Philippines, Turkey and Viet Nam	Permanent Delegation of Canada to the WTO (26 October 2018) and Canada Border Service Agency Notice CSWP3 2018 IN (20 July and 18 October 2018)	Provisional duty imposed on 18 October 2018
Initiation on 26 July 2018 of anti-dumping investigation on imports of corrosion-resistant steel sheet (HS 7210.30.00; 7210.69.00; 7212.50.00; 7210.49.00; 7210.69.00; 7225.91.00; 7212.20.00; 7225.92.00; 7212.30.00; 7226.99.00; 7210.61.00) from China; India; Korea, Rep. of and Chinese Taipei	Permanent Delegation of Canada to the WTO (26 October 2018) and Canada Border Service Agency Notice COR 2018 IN (26 July 2018)	
Initiation on 21 September 2018 of anti-dumping investigation on imports of nitisonbe capsules (HS 3004.90.00) from Sweden	Permanent Delegation of Canada to the WTO (26 October 2018) and Canada Border Service Agency Notice NIT 2018 IN (21 September 2018)	
Initiation on 11 October 2018 of safeguard investigation on imports of certain steel products (HS 7208; 7210; 7211; 7212; 7213; 7214; 7223; 7225; 7226; 7227; 7304; 7305; 7306)	WTO document G/SG/N/6/CAN/4, 15 October 2018; and Permanent Delegation of Canada to the WTO (26 October 2018)	Provisional duty imposed on 25 October 2018
<b>China</b>		
Termination on 18 May 2018 of anti-dumping investigation on imports of grain sorghum (HS 1007.90.00) from the United States (investigation initiated on 4 February 2018, provisional duty imposed on 18 April 2018)	WTO document G/ADP/N/314/CHN, 23 October 2018	
Termination on 18 May 2018 of countervailing investigation on imports of grain sorghum (HS 1007.90.00) from the United States (investigation initiated on 4 February 2018, provisional duty imposed on 18 April 2018)	WTO document G/SCM/N/334/CHN, 22 October 2018	

Measure	Source/Date	Status
Termination on 8 June 2018 of anti-dumping duties on imports of sulfamethoxazole (HS 2935.00.30) from India (imposed on 16 June 2007)	WTO document G/ADP/N/314/CHN, 23 October 2018	
Initiation on 23 July 2018 of anti-dumping investigation on imports of stainless steel billet and hot-rolled stainless steel plate (coil) (HS 7218.91.00; 7218.99.00; 7219.11.00; 7219.12.00; 7219.13.12; 7219.13.19; 7219.13.22; 7219.13.29; 7219.14.12; 7219.14.19; 7219.14.22; 7219.14.29; 7219.21.00; 7219.22.00; 7219.23.00; 7219.24.10; 7219.24.20; 7219.24.30; 7220.11.00; 7220.12.00) from the European Union; Indonesia; Japan and Korea, Rep. of	Permanent Delegation of China to the WTO (25 October 2018) and MOFCOM Announcement No. 62/2018 (23 July 2018)	
<b>European Union</b>		
Initiation on 23 May 2018 of anti-dumping investigation on imports of solar glass (HS 7007.19.80) from Malaysia	WTO document G/ADP/N/314/EU, 23 October 2018	
Initiation on 24 May 2018 of anti-dumping investigation on imports of hot-rolled steel sheet piles (HS 7301.10.00) from China	WTO document G/ADP/N/314/EU, 23 October 2018	
Termination on 5 June 2018 (without measure) of anti-dumping investigation on imports of ferro-silicon (HS 7202.21.00; 7202.29.10; 7202.29.90) from Egypt and Ukraine (investigation initiated on 2 August 2017) WTO document G/ADP/N/314/EU, 23 October 2018	WTO document G/ADP/N/314/EU, 23 October 2018	
Termination on 23 July 2018 (without measure) of anti-dumping investigation on imports of low carbon-ferro-chrome (HS 7202.49.50) from China, Russian Federation and Turkey (initiated on 23 June 2017)	Commission Implementing Decision No. 2018/1037 (20 July 2018)	
Initiation on 13 August 2018 of anti-dumping investigation on imports of mixtures of urea and ammonium nitrate (HS 3102.80.00) from the Russian Federation, Trinidad and Tobago and the United States	Commission Notice 2018/C 284/08 (13 August 2018)	
Termination on 22 August 2018 (without measure) of anti-dumping investigation on imports of silicon (HS 2804.69.00) from Bosnia and Herzegovina and Brazil (initiated on 19 December 2017)	Commission Implementing Decision No. 2018/1193 (21 August 2018)	
Termination on 3 September 2018 of anti-dumping duties on imports of crystalline silicon photovoltaic modules or panels and cells and wafers of the type used in crystalline silicon photovoltaic modules or panels with a thickness not exceeding 400 µm (HS 3818.00.10; 8501.31.00; 8501.32.00; 8501.33.00; 8501.34.00; 8501.61.20; 8501.61.80; 8501.62.00; 8501.63.00; 8501.64.00; 8541.40.90) from China (investigation initiated on 6 September 2012. Provisional and definitive duties imposed on 5 June and 5 December 2013 (undertaking and provisional measures amended on 3 August 2013))	Commission Notice 2018/C 310/06 (3 September 2018)	
Termination on 3 September 2018 of countervailing duties on imports of crystalline silicon photovoltaic modules or panels and cells and wafers of the type used in crystalline silicon photovoltaic modules or panels with a thickness not exceeding 400 µm (HS 3818.00.10; 8501.31.00; 8501.32.00; 8501.33.00; 8501.34.00; 8501.61.20; 8501.61.80; 8501.62.00; 8501.63.00; 8501.64.00; 8541.40.90) from China (investigation initiated on 8 November 2012, provisional and definitive duties imposed on 6 June and 5 December 2013)	Commission Notice 2018/C 310/07 (3 September 2018)	

Measure	Source/Date	Status
Termination on 8 September 2018 of countervailing duties on imports of stainless steel wires "SSW" (HS 7223.00.19; 7223.00.99) from India (investigation initiated on 10 August 2012. Provisional and definitive duties imposed on 8 May and 7 September 2013)	Commission Notice 2018/C 315/11 (7 September 2018)	
Initiation on 28 September 2018 of anti-dumping investigation on imports of welded tubes, pipes and hollow profiles of square or rectangular cross-section, of iron other than cast iron or steel other than stainless (HS 7306.61.92; 7306.61.99) from the former Yugoslav Republic of Macedonia, the Russian Federation and Turkey	Commission Notice 2018/C 347/06 (28 September 2018)	
<b>India</b>		
Termination on 16 May 2018 (without measure) of anti-dumping investigation on imports of meta-phenylene diamene-4-sulphonic acid "MPDSA" (HS 2922.29.26) from China (initiated on 24 January 2018)	WTO document G/ADP/N/314/IND, 4 October 2018	
Termination on 1 June 2018 of anti-dumping duties on imports of digital offset printing plates (HS 3701.30.00; 3704.00.90; 3705.10.00; 7606.91.90; 7606.92.90; 8442.50.20) from China (investigation initiated on 13 June 2011. Provisional and definitive duty imposed on 4 June and 3 December 2012)	WTO document G/ADP/N/314/IND, 4 October 2018	
Termination on 6 June 2018 of anti-dumping duties on imports of plain gypsum plaster boards (HS 6809.11.00; 6809.19.00; 6809.90.00) from China, Indonesia, Thailand, and the United Arab Emirates (investigation initiated on 21 July 2011. Provisional and definitive duties imposed on 7 June 2012 and 12 April 2013)	WTO document G/ADP/N/314/IND, 4 October 2018	
Termination on 7 June 2018 (without measure) of anti-dumping investigation on imports of sodium dichromate (HS 2841.30.00) from Kazakhstan, the Russian Federation, South Africa and Turkey (initiated on 4 July 2017)	WTO document G/ADP/N/314/IND, 4 October 2018	
Initiation on 14 June 2018 of anti-dumping investigation on imports of saccharin (HS 2925.11.00) from Indonesia	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 6/13/2018-DGAD – (Case No. OI-10/2018) Ministry of Commerce and Industry – Directorate General of Anti-Dumping and Allied Duties (14 June 2018)	
Termination on 30 June 2018 (without measure) of anti-dumping investigation on imports of belting fabric (HS 5910.00.90) from China (initiated on 23 August 2017)	WTO document G/ADP/N/314/IND, 4 October 2018	
Termination on 30 July 2018 (without measure) of anti-dumping investigation on imports of sodium nitrite (HS 2834.10) from the Russian Federation (initiated on 19 December 2017)	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 6/29/2017-DGAD, Ministry of Commerce and Industry, Department of Commerce (30 July 2018)	
Initiation on 9 August 2018 of countervailing investigation on imports of welded stainless steel pipes and tubes (HS 7306.40.00; 7306.61.10; 7306.11.00; 7306.21.00) from China and Viet Nam	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 6/22/2018-DGAD – (Case No. OI-8/2018) Ministry of Commerce and Industry – Directorate General of Trade Remedies (9 August 2018)	

Measure	Source/Date	Status
Initiation on 10 August 2018 of countervailing investigation on imports of saccharin (HS 2925.11.00) from China	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 6/18/2018-DGAD – (Case No. (CVD) 5/2018) Ministry of Commerce and Industry – Directorate General of Trade Remedies (10 August 2018)	
Initiation on 14 August 2018 of countervailing investigation on imports of fluoroelastomers "FKM" (HS 3904.69.90) from China	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 6/21/2018-DGTR – (Case No. (CVD) 7/2018) Ministry of Commerce and Industry – Directorate General of Trade Remedies (14 August 2018)	
Initiation on 14 August 2018 of anti-dumping investigation on imports of high speed steel of non-cobalt grade (HS 7228.10.10; 7228.10.90) from Brazil, China and Germany	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 6/23/2018-DGTR, Department of Commerce – Directorate General of Trade Remedies (14 August 2018)	
Initiation on 27 August 2018 of countervailing investigation on imports of atrazine technical (HS 3808.91.99; 3808.93.90; 3808.99.90) from China	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 6/19/2018-DGAD – (Case No. (CVD) 6/2018) Ministry of Commerce and Industry – Directorate General of Trade Remedies (27 August 2018)	
Termination on 6 September 2018 of anti-dumping duties on imports of graphite electrodes of all diameters (HS 3801.10.00; 3801.90.00; 8311.90.00; 8535.40.10; 8545.11.00; 8545.19.00; 8545.90.90; 8547.10.90) from China (investigation initiated on 20 May 2013 and definitive duty imposed on 13 February 2015)	Permanent Delegation of India to the WTO (25 October 2018), and Notification No. 44/2018-Customs (ADD) Ministry of Finance, Department of Revenue (6 September 2018)	
Initiation on 10 September 2018 of countervailing investigation on imports of continuous cast copper wire rods (HS 7407.10.10; 7407.10.20; 7408.11.90; 7408.19.20; 7408.19.90; 7409.11; 7409.19) from Indonesia, Malaysia, Thailand and Viet Nam	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. No. 6/17/2018-DGAD – (Case No. OI (CVD) 4/2018) Ministry of Commerce and Industry – Directorate General of Trade Remedies (10 September 2018)	
<b>Indonesia</b>		
Initiation on 9 October 2018 of safeguard investigation on imports of aluminium foil (HS 7607.11.00; 7607.19.00)	WTO document G/SG/N/6/IDN/29, 12 October 2018	
<b>Korea, Republic of</b>		
Initiation on 18 May 2018 of anti-dumping investigation on imports of stainless steel bar (HS 7222.11; 7222.19; 7222.20; 7222.30) from Italy and Chinese Taipei	WTO document G/ADP/N/314/KOR/Rev.1, 22 October 2018	
<b>Mexico</b>		
Initiation on 28 August 2018 of anti-dumping investigation on imports of aluminium foil coils (HS 7607.11.01) from China	Permanent Delegation of Mexico to the WTO (26 October 2018) and Diario Oficial de la Federación (Official Journal), 28 August 2018	
<b>Russian Federation (for Eurasian Economic Union)</b>		
Termination on 14 June 2018 of anti-dumping duties on imports of light commercial vehicles (HS 8704.21.31; 8704.21.91) from Germany, Italy and Turkey (investigation initiated on 16 November 2011 and definitive duty imposed on 15 June 2013)	WTO document G/ADP/N/314/RUS, 4 October 2018	

Measure	Source/Date	Status
Initiation on 29 June 2018 of anti-dumping investigation on imports of zinc plated or coated flat-rolled steel products (HS 7210.49; 7210.61; 7212.30; 7212.50; 7225.92) from China and Ukraine	WTO document G/ADP/N/314/RUS, 4 October 2018	
Initiation on 7 August 2018 of safeguard investigation on imports of certain flat-rolled steel products (HS 7208; 7209; 7210; 7211; 7212; 7225; 7226)	WTO document G/SG/N/6/RUS/5, 4 September 2018	
<b>SACU – Southern African Customs Union</b>		
Initiation on 17 August 2018 of anti-dumping investigation on imports of clear float glass with a thickness of 3 mm to 6 mm (HS 7005.29.17; 7005.29.23; 7005.29.25; 7005.29.35) from the Kingdom of Saudi Arabia and the United Arab Emirates	Permanent Delegation of South Africa to the WTO (25 October 2018)	
Termination on 24 August 2018 of anti-dumping investigation on imports of shocktubes (HS 3603.00) from China (initiated on 3 July 2009)	Permanent Delegation of South Africa to the WTO (25 October 2018)	
<b>Turkey</b>		
Initiation on 22 May 2018 of anti-dumping investigation on imports of polystyrene (HS 3903.19.00) from Iran, Islamic Rep. of	WTO document G/ADP/N/314/TUR, 18 September 2018	
<b>United States of America</b>		
Initiation on 16 May 2018 of anti-dumping investigation on imports of certain quartz surface products (HS 6810.99.00; 6810.11.00; 6810.19.12; 6810.19.14; 6810.19.50; 6810.91.00; 6815.99.40; 2506.10.00; 2506.20.00) from China	WTO document G/ADP/N/314/USA, 18 September 2018	
Initiation on 16 May 2018 of countervailing investigation on imports of certain quartz surface products (HS 6810.99.00; 6810.11.00; 6810.19.12; 6810.19.14; 6810.19.50; 6810.91.00; 6815.99.40; 2506.10.00; 2506.20.00) from China	WTO document G/SCM/N/334/USA, 27 September 2018	
Termination on 5 June 2018 of countervailing investigation on imports of citric acid and certain citrate salts (HS 2918.14.00; 2918.15.10; 2918.15.50; 3824.99.92) from Thailand (investigation initiated on 30 June 2017 and provisional duty imposed on 3 November 2017)	WTO document G/SCM/N/334/USA, 27 September 2018	
Initiation on 18 June 2018 of anti-dumping investigation on imports of steel propane cylinders (HS 7311.00.00) from China, Chinese Taipei and Thailand	WTO document G/ADP/N/314/USA, 18 September 2018	Terminated on 26 June 2018 on imports from Chinese Taipei
Initiation on 18 June 2018 of countervailing investigation on imports of certain steel propane cylinders (HS 7311.00.00) from China	WTO document G/SCM/N/334/USA, 27 September 2018	
Termination on 18 June 2018 of anti-dumping duties on imports of solid agricultural grade ammonium nitrate (HS 3102.30.00) from Ukraine (imposed on 12 September 2001)	WTO document G/ADP/N/314/USA, 18 September 2018	
Initiation on 10 July 2018 of anti-dumping investigation on imports of certain steel racks (HS 7326.90.86; 9403.20.00; 9403.90.80; 7308.90.30; 7308.90.60; 7308.90.95) from China	Department of Commerce, International Trade Administration A-570-088, Federal Register/Vol 83 FR No. 33195 (17 July 2018)	
Initiation on 10 July 2018 of countervailing investigation on imports of certain steel racks (HS 7326.90.86; 9403.20.00; 9403.90.80; 7308.90.30; 7308.90.60; 7308.90.95) from China	Department of Commerce, International Trade Administration C-570-089, Federal Register/Vol 83 FR No. 33201 (17 July 2018)	



Measure	Source/Date	Status
Termination on 21 July 2018 of countervailing duties on imports of certain new pneumatic off-the-road tires (HS 4011.20.10; 4011.20.50; 4011.61.00; 4011.62.00; 4011.63.00; 4011.69.00; 4011.92.00; 4011.93.40; 4011.93.80; 4011.94.40; 4011.94.80; 4011.99.45; 4011.99.85; 8424.90.90; 8431.20.00; 8431.39.00; 8431.49.10; 8431.49.90; 8432.90.00; 8433.90.50; 8503.00.95; 8708.70.05; 8708.70.25; 8708.70.45; 8709.90.00; 8716.90.10; 8716.90.50) from Sri Lanka (investigation initiated on 10 February 2016. Provisional and definitive duties imposed on 20 June 2016 and 6 March 2017)	Department of Commerce, International Trade Administration C-542-801, Federal Register/Vol 83 FR No. 35213 (25 July 2018)	
Termination on 3 August 2018 of countervailing duties on imports of supercalendered paper (HS 4802.61.30; 4802.62.30; 4802.62.60; 4802.69.30) from Canada (investigation initiated on 26 March 2015. Provisional and definitive duties imposed on 3 August and 10 December 2015)	Department of Commerce, International Trade Administration C-122-854, Federal Register/Vol 83 FR No. 32268 (12 July 2018)	
Termination on 9 August 2018 of anti-dumping duties on imports of stainless steel bar (SSB) (HS 7222.10.00; 7222.11.00; 7222.19.00; 7222.20.00; 7222.30.00) from Brazil and Japan (imposed on 21 February 1995) and Spain (imposed on 2 March 1995)	Department of Commerce, International Trade Administration A-351-825, A-533-810, A-588-833 and A-469-805, Federal Register/Vol 83 FR No. 49910 (3 October 2018)	
Initiation on 28 August 2018 of anti-dumping investigation on imports of certain steel wheels 12 to 16.5 inches in diameter (HS 8716.90.50) from China	Department of Commerce, International Trade Administration A-570-090, Federal Register/Vol 83 FR No. 45095 (5 September 2018)	
Initiation on 28 August 2018 of countervailing investigation on imports of certain steel wheels 12 to 16.5 inches in diameter (HS 8716.90.50) from China	Department of Commerce, International Trade Administration C-570-091, Federal Register/Vol 83 FR No. 45100 (5 September 2018)	
Initiation on 25 September 2018 of anti-dumping investigation on imports of strontium chromate (HS 2841.50.91; 3212.90.00) from Austria and France	Department of Commerce, International Trade Administration A-433-813 and A-427-830, Federal Register/Vol 83 FR No. 49543 (2 October 2018)	
Initiation on 9 October 2018 of anti-dumping investigation on imports of mattresses (HS 9404.21.00; 9404.29.10; 9404.29.90; 9401.40.00; 9401.90.50) from China	Department of Commerce, International Trade Administration A-570-092, Federal Register/Vol 83 FR No. 52386 (17 October 2018)	
Initiation on 10 October 2018 of anti-dumping investigation on imports of refillable stainless steel kegs (HS 7310.10.00; 7310.29.00) from China, Germany and Mexico	Department of Commerce, International Trade Administration A-570-093, A-428-846 and A-201-849, Federal Register/Vol 83 FR No. 52195 (16 October 2018)	
Initiation on 10 October 2018 of countervailing investigation on imports of refillable stainless steel kegs (HS 7310.10.00; 7310.29.00) from China	Department of Commerce, International Trade Administration C-570-094, Federal Register/Vol 83 FR No. 52192 (16 October 2018)	
Initiation on 11 October 2018 of anti-dumping investigation on imports of aluminium wire and cables (HS 8544.49.90; 8544.42.90) from China	Department of Commerce, International Trade Administration A-570-095, Federal Register/Vol 83 FR No. 52811 (18 October 2018)	
Initiation on 11 October 2018 of countervailing investigation on imports of aluminium wire and cables (HS 8544.49.90; 8544.42.90) from China	Department of Commerce, International Trade Administration C-570-096, Federal Register/Vol 83 FR No. 52805 (18 October 2018)	

**ANNEX 3**

**OTHER TRADE AND TRADE-RELATED MEASURES<sup>1</sup>**

(MID-MAY 2018 TO MID-OCTOBER 2018)

**Confirmed information<sup>2</sup>**

Measure	Source/Date	Status
<b>Argentina</b>		
Temporary export duties (derechos de exportación) on certain products, e.g. soya beans flours; soya-bean oils and its fractions; certain animal and vegetable fats and oils; residues and waste from the food industries, prepared animal fodder (NCM 1208.10.00; 1507.10.00; 1507.90.19; 1507.90.90; 1517.90.90; 1518.00.90; 2302.50.00; 2304.00.10; 2304.00.90; 2308.00.00; 2309.90.10; 2309.90.60; 2309.90.90)	Permanent Delegation of Argentina to the WTO (25 October 2018) and Decreto 757/2018 (DCTO-2018-APN-PTE-Posiciones arancelarias) (14 August 2018)	Effective 15 August 2018 to 28 February 2019
Inclusion of 2 new tariff lines "undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher; ethyl alcohol and other spirits, denatured, of any strength" (NCM 2207.10.10; 2207.10.90) to the list of products requiring non-automatic import licensing requirements	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución Ministerio de Comercio – Secretaría de Comercio Nos. 507/2018 (27 August 2018) and 526/2018 (3 September 2018)	Effective 27 August 2018
Temporary suspension of the registration (registración) requirement from the sworn declaration requirement (Declaración Jurada de Ventas al Exterior "DJVE") for the export of certain products (e.g. flours and meals of soya beans; soya bean oil and its fractions; residues and waste from the food industries; prepared animal fodder; cereals; other worked grains of oat; certain oil seeds and oleagineous fruits, whether or not broken; certain animal fats and oils; oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soyabean oils; and oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats and oils (NCM 1002; 1004; 1008; 1104; 1207; 1208; 1507; 1515; 1518; 2302; 2304; 2306; 2309)	Permanent Delegation of Argentina to the WTO (25 October 2018) and Resolución Ministerio de Agroindustria Nos. 249/2018 (13 August 2018) and 290/2018 (31 August 2018)	Effective 13 August 2018
Temporary increase of export duties (derechos de exportación) for all products (NCM Chapters 01 to 99). Certain capital goods exempted	Permanent Delegation of Argentina to the WTO (25 October 2018) and Decreto Nos. 793/2018 (DCTO-2018-793-APN-PTE-Derechos de exportación. Modificación) (3 September 2018) and Nomenclatura Común del Mercosur 865/2018 (27 September 2018)	Effective 4 September 2018 to 31 December 2020

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

<sup>2</sup> This Section includes information which has either been provided by the Member concerned or has been confirmed at the request of the Secretariat.

Measure	Source/Date	Status
<p>Amendments introduced to the list of products granted temporary authorization to increase the Mercosur Common External Tariff (but not above their bound levels), (90 tariff lines at 8-digit level in NCM Chapters 7; 9; 11; 15; 21; 22; 23; 24; 29; 33; 36; 38; 40; 44; 64; 68; 71; 73; 82; 83; 84; 85; 87; 89; 90; 92; 94; 95; 96) (e.g. garlic; roasted coffee; wheat gluten; olive oil and its fractions; margarine; miscellaneous edible preparations; waters, wines; preparations of a kind used in animal feeding; unmanufactured tobacco; fireworks; herbicides, anti-sprouting products and plant-growth regulators; new rubber pneumatic tyres; wood and articles of wood; parts of footwear; granite; refractory bricks; imitation jewellery; articles of iron and steel; miscellaneous articles of base metal; machinery and mechanical appliances; electrical machinery and equipment; motorcycles; boats; sunglasses; musical instruments; miscellaneous manufactured articles)</p>	<p>Permanent Delegation of Argentina to the WTO (25 October 2018) and Nomenclatura Común del Mercosur – Decreto No. 847/2018 (25 September 2018)</p>	<p>Effective 26 September 2018</p>
<b>Brazil</b>		
<p>Increase of import tariffs (from 2% to 14%) on acyclic ethers and their halogenated, sulphonated, nitrated or nitrosated derivatives (sevoflurano) (NCM 2909.19.20); (from 8% to 14%) on certain pharmaceutical products (sevoflurano) (NCM 3003.90.97; 3004.90.97)</p>	<p>Permanent Delegation of Brazil to the WTO (25 October 2018) and Camex Resolution No. 71/2018 (2 October 2018)</p>	<p>Effective 2 October 2018</p>
<b>Canada</b>		
<p>Imposition of countermeasures (surtaxes of 25% and 10%) against the United States in response to U.S. tariffs imposed on Canadian steel and aluminium products. Surtax of 25% on 131 steel tariff lines (in HS Chapters 7206; 7207; 7208; 7209; 7210; 7211; 7212; 7213; 7214; 7215; 7216; 7217; 7218; 7221; 7222; 7223; 7224; 7225; 7226; 7227; 7228; 7229; 7304; 7305; 7306), surtax of 10% on 19 aluminium tariff lines (in HS Chapters 7604; 7610; 7611; 7612; 7613; 7615; 7616); and surtax of 10% on 79 tariff lines (in Chapters HS 0403; 0901; 1602; 1702; 1704; 1806; 1905; 2001; 2007; 2009; 2103; 2104; 2202; 2208; 3304; 3305; 3307; 3401; 3402; 3406; 3506; 3808; 3923; 3924; 4412; 4802; 4811; 4818; 4822; 4909; 7321; 8418; 8419; 8422; 8433; 8450; 8903; 9401; 9404; 9504; 9608)</p>	<p>Permanent Delegation of Canada to the WTO (26 October 2018) and Canada Gazette, Part II, Volume 152, Number 14, United States Surtax Order (Steel and Aluminium): SOR/2018-152 (28 June 2018); Canada Border Service Agency Customs Notice 18-08 Surtaxes Imposed on Certain Products Originating in the United States (29 June 2018)</p>	<p>Effective 1 July 2018</p>
<b>China</b>		
<p>Imposition of an additional 25% <i>ad valorem</i> rate of duty on certain agricultural goods, automobiles, aquatic products (545 tariff lines) (HS Chapter 02; 03; 04; 05; 07; 08; 10; 11; 12; 14; 16; 20; 22; 23; 24; 52; 87) from the United States</p>	<p>Permanent Delegation of China to the WTO (25 October 2018), and Notice of the Customs Tariff Commission of the States Council (Tariff Commission Circular 2018-3). Viewed at: <a href="http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201806/t20180616_2930325.html">http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201806/t20180616_2930325.html</a></p>	<p>Effective 6 July 2018</p>

Measure	Source/Date	Status
<p>Imposition of an additional 25% <i>ad valorem</i> rate of duty on certain chemical products, medical equipment and energy products (333 tariff lines) (HS Chapter 23; 26; 27; 29; 34; 35; 39; 40; 44; 45; 47; 51; 52; 55; 63; 70; 71; 72; 73; 74; 75; 76; 79; 80; 81; 85; 87; 89; 90) from the United States</p>	<p>Permanent Delegation of China to the WTO (25 October 2018), and Notice of the Customs Tariff Commission of the States Council (Tariff Commission Circulars 5/2018 and 7/2018. Viewed at: <a href="http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201806/t20180616_2930325.html">http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201806/t20180616_2930325.html</a>; <a href="http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201808/t20180808_2983770.html">http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201808/t20180808_2983770.html</a>; and <a href="http://english.mofcom.gov.cn/article/newsrelease/significantnews/201808/20180802775598.shtml">http://english.mofcom.gov.cn/article/newsrelease/significantnews/201808/20180802775598.shtml</a></p>	<p>Effective 23 August 2018</p>
<p>Further increase of import tariffs (to 10%) on 3,571 tariffs lines (in HS Chapters 01; 02; 03; 04; 05; 06; 07; 08; 09; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21; 22; 23; 25; 26; 27; 28; 29; 30; 31; 32; 33; 34; 35; 37; 38; 39; 40; 41; 42; 43; 44; 45; 46; 47; 48; 49; 50; 51; 52; 53; 54; 55; 56; 57; 58; 59; 60; 61; 62; 63; 64; 65; 66; 67; 68; 69; 70; 71; 72; 73; 74; 75; 76; 78; 79; 80; 81; 82; 83; 84; 85; 86; 89; 90; 91; 92; 93; 94; 95; 96; 97); (to 20%); and (to 5%) on 1,636 tariffs lines (in HS Chapters 01; 04; 05; 07; 09; 11; 12; 13; 15; 16; 17; 18; 19; 20; 21; 22; 23; 25; 26; 28; 29; 30; 31; 32; 33; 34; 35; 36; 37; 38; 39; 40; 41; 43; 44; 47; 48; 49; 52; 54; 55; 56; 57; 58; 59; 60; 61; 62; 63; 64; 65; 66; 67; 68; 69; 70; 71; 72; 73; 74; 75; 76; 78; 79; 80; 81; 82; 83; 84; 85; 86; 87; 88; 89; 90; 91; 92; 93; 94; 95; 96; 97) on imports from the United States</p>	<p>Permanent Delegation of China to the WTO (25 October 2018), and Announcement of the Taxation Committee Nos. 6/2018 and 8/2018. Viewed at: <a href="http://www.mofcom.gov.cn/article/ae/ai/201808/20180802772616.shtml">http://www.mofcom.gov.cn/article/ae/ai/201808/20180802772616.shtml</a>; <a href="http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201808/t20180803_2980950.html">http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201808/t20180803_2980950.html</a> ; and <a href="http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201809/t20180918_3022592.html">http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201809/t20180918_3022592.html</a></p>	<p>Effective 24 September 2018</p>
<b>European Union</b>		
<p>Imposition of additional <i>ad valorem</i> import custom duties (25%) on certain products, e.g. on vegetables; on maize (corn); on rice; on prepared foods obtained by swelling or roasting of cereals or cereal products; on vegetables, fruit, nuts and other edible parts of plants; on fruit juices and vegetables juices; on undenatured ethyl alcohol; on tobacco and manufactured tobacco substitutes; on beauty or make-up preparations and preparations for the care of the skin; on articles of apparel and clothing accessories; on bed linen, table linen, toilet linen and kitchen linen; on footwear; on iron and steel; on articles of iron and steel; on aluminium and articles thereof; on motorcycles; on yachts and other vessels for pleasure or sports; (to 10%) on playing cards (HS 9504.40.00) from the United States (in Chapters 07; 10; 19; 20; 22; 24; 33; 61; 62; 63; 64; 72; 73; 76; 87; 89; 95)</p>	<p>WTO document WTO document G/SG/N/12/EU/1, 18 May 2018; and Commission Implementing Regulation Nos. 2018/724 (16 May 2018) and 2018/886 (20 June 2018)</p>	<p>Effective on 22 June 2018</p>

Measure	Source/Date	Status
<b>India</b>		
Increase of import tariffs (to 100%) on walnuts in shell (HS 0802.31.00) and (to 40%) on protein concentrates and textured protein substances (HS 2106.10.00)	Permanent Delegation of India to the WTO (25 October 2018), and Notification Nos. 45/2018-Customs and 46/2018- Customs, Ministry of Finance (Department of Revenue) (23 May 2018)	Effective 23 May 2018
Imports of natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip (HS 4001) only permitted through sea ports in Chennai and Nhava Sheva (Jawaharlal Nehru). Port restrictions not applicable for imports under Advance Authorization	Permanent Delegation of India to the WTO (25 October 2018), and Notification No. 11/2015-2020, Ministry of Commerce and Industry – Department of Commerce (12 June 2018)	Effective 12 June 2018
Increase of import tariffs (to 35% on soya-bean oil and its fractions; crude and edible grade oils (e.g. of ground-nut, olive, sunflower-seed, coconut (copra), rape, colza, mustard, and other fixed vegetables fats); (to 45%) on refined and edible grade oils (e.g. ground-nut, olive, sunflower-seed, coconut (copra), rape, colza, mustard, and other fixed vegetables fats) (HS 1507; 1508; 1509; 1510; 1512; 1513; 1514; 1515; 1516; 1517; 1518)	Permanent Delegation of India to the WTO (25 October 2018), and Notification No. 47/2018-Customs-Ministry of Finance (Department of Revenue) (14 June 2018)	Effective 14 June 2018
Further increase of import tariffs (to 70%) on certain chickpeas (garbanzos) (HS 0713.20.10; 0713.20.20; 0713.20.90); (to 40%) on lentils (HS 0713.40.00); (to Rs 42/Kg) on almonds in shell, (to Rs 120/Kg) on shelled almonds (HS 0802.12.00); (to 120%) on walnuts in shell (HS 0802.31.00); (to 75%) on apples (HS 0808.10.00); (to 20%) on phosphoric acid (HS 2809.20.10), on certain diagnostic or laboratory reagents (HS 3822.00.90), and grain-oriented silicon-electrical steel (HS 7225.11.00); (to 17.5%) on boric acid (HS 2810.00.20) and on certain miscellaneous chemical products (HS 3824.99.90); (to 27.5%) on flat-rolled products of iron or non-alloy steel of a thickness of less than 0.5 mm (HS 7210.12.10; 7210.12.90); (to 22.5%) on certain flat-rolled products of stainless steel, of a width of 600 mm or more (HS 7219.12.00, 7219.13.00; 7219.21.90; 7219.90.90); (to 25%) on certain articles of iron and steel (HS 7307.29.00; 7307.99.90; 7308.90.90; 7310.29.90; 7318.15.00; 7318.16.00; 7318.29.90; 7320.90.90; 7325.99.99; 7326.19.90; 7326.90.99)	Permanent Delegation of India to the WTO (25 October 2018), and Notification No. 48/2018-Customs – Ministry of Finance (Department of Revenue) (20 June 2018)	Effective 20 June 2018
Import prohibition on oxytocin (HS 2937.19.00; 2937.29.00; 2937.90.19; 2937.90.90; 3004)	Permanent Delegation of India to the WTO (25 October 2018), and Notification No. 19/2015-2020 (12 July 2018) – Ministry of Commerce and Industry (Department of Commerce)	Effective 12 July 2018
Addition of Vishakhapatnam port to the list of 15 existing ports/inland container depots through which imports of new vehicles is permitted (HS 87)	Permanent Delegation of India to the WTO (25 October 2018)	Effective 12 July 2018

Measure	Source/Date	Status
Increase of import tariffs (to 20%) on certain textiles and textile articles (504 tariff lines at 8-digit), e.g. woven fabrics; wadding of textile materials and articles thereof; nonwovens; carpets and other textile floor coverings; impregnated, coated, covered or laminated textile fabrics; articles of apparel and clothing accessories (HS 5310; 5407; 5601; 5603; 5701; 5702; 5703; 5704; 5705; 5901; 5910; 6004; 6103; 6104; 6105; 6106; 6108; 6109; 6110; 6111; 6114; 6115; 6116; 6117; 6201; 6203; 6204; 6205; 6206; 6209; 6210; 6212; 6217; 6301)	Permanent Delegation of India to the WTO (25 October 2018), and Notification No. 53/2018-Customs (16 July 2018)- Ministry of Finance (Department of Revenue)	Effective 16 July 2018
Amendments introduced to the policy condition of "pepper" (HS 0904.11; 0904.12), resulting in an exemption of the import prohibition for: (i) imports under the Advance Authorization scheme; (ii) imports by 100% Export Oriented Units (EOUs); and (iii) imports by units in the Special Economic Zones. As from 17 September 2018, imports of long pepper (HS 0904.11.10) are also exempted	Permanent Delegation of India to the WTO (25 October 2018)	Effective 25 July 2018
Amendments introduced to the import policy of areca nut (HS 0802.80.10), resulting in an import prohibition, except for imports with a minimum import price c.i.f. equal or above Rs 251/kg	Permanent Delegation of India to the WTO (25 October 2018)	Effective 25 July 2018
Amendments introduced to the policy condition of urea (HS 3102.10.00), resulting in an exemption of the import prohibition for: imports of urea for industrial/non-agricultural/technical grade	Permanent Delegation of India to the WTO (25 October 2018)	Effective 27 July 2018
Increase of import tariffs (to 15%) on screw or SIM socket/other mechanical items (metal) for cellular mobile phones (HS 7318.15.00; 7326.90.99)	Permanent Delegation of India to the WTO (25 October 2018), and Notification No. 57/2018-Customs-Ministry of Finance (Department of Revenue) (7 August 2018)	Effective 7 August 2018
Increase of <i>ad valorem</i> import tariffs (from 10% to 20%) on 328 tariff lines of carpets, apparels and other textiles products (HS Chapters 57; 61; 62)	Permanent Delegation of India to the WTO (25 October 2018), and Notification No. 58/2018-Customs-Ministry of Finance (Department of Revenue) (7 August 2018)	Effective 7 August 2018
Import prohibition on petroleum coke (HS 2713.11.00; 2713.12.00). Imports exempted only for cement, lime kiln, calcium carbide, and gasification industries, when used as feed stock or in the manufacturing process. As from 28 August 2018, imports of petroleum bitumen and other residues of petroleum oils exempted (HS 2713.20.00; 2713.90.00)	Permanent Delegation of India to the WTO (25 October 2018), and Notification Nos. 25/2015-2020 (17 August 2018) and 30/2015-2020 (28 August 2018)- Ministry of Commerce and Industry (Department of Commerce)	Effective 17 August 2018
Amendments introduced to the import policy of biofuels (HS 2207.20.00; 2710.20.00; 3826.00.00), resulting in an import restriction. Imports for non-fuel purposes exempted	Permanent Delegation of India to the WTO (25 October 2018)	Effective 21 August 2018
Amendments introduced to the import policy of peas (including yellow peas, green peas, dun peas and kaspas peas) (HS 0713.10.00), resulting in an extension of the import restriction of until 30 September 2018	Permanent Delegation of India to the WTO (25 October 2018)	Effective 30 August 2018

Measure	Source/Date	Status
Increase of import tariffs (to 15%) on baths, shower-baths, sinks, wash-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics; articles for the conveyance or packing of goods, stoppers, lids, caps and other closures of plastics; tableware, kitchenware, other household articles and hygienic or toilet articles, of plastic; new pneumatic rubber tyres for motor cars; leather travel goods, handbags and similar containers; (to 25%) footwear; (to 20%) jewellery, goldsmiths' and silversmiths' wares and other articles; air conditioning machines; refrigerators, freezers and other refrigerating or freezing equipment; laundry-type washing machines; (to 10%) compressors of a kind used in refrigerating equipment; (from 2.5% to 7.5%) on cut and polished coloured gemstones; diamonds and non-industrial diamonds; (to 10%) all goods other than: (i) speakers and (ii) the following parts of cellular mobile phones (namely microphone, wired headset and receiver); and (from zero to 5%) on aviation turbine fuel (HS 3922; 3923; 3924; 3926; 4011.10.10; 4202; 6401; 6402; 6403; 6404; 6405; 7113; 7114; 8414.30.00; 8414.80.11; 8415.10; 8415.20; 8415.81; 8415.82; 8415.83; 8418.10.90; 8418.21.90; 8418.29.00; 8450.11.00; 8450.12.00; 8450.19.00; 71; 8518; 2710.19.20)	Permanent Delegation of India to the WTO (25 October 2018), and Notification F. Nos. 67/2018-Customs, 68/2018-Customs, 69/2018-Customs and 70/2018-Customs, Ministry of Finance – Department of Revenue (26 September 2018)	Effective 27 September 2018
Increase of import tariffs (to 20%) on other apparatus for transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network) (HS 8517.61.00; 8517.69.00)	Notification No. 74/2018-Customs, Ministry of Finance – Department of Revenue (11 October 2018)	Effective 12 October 2018
<b>Indonesia</b>		
Increase of import taxes on certain products (1,084 tariff lines at 8-digit in Chapters 09; 10; 11; 12; 16; 17; 18; 19; 20; 21; 22; 27; 32; 33; 34; 35; 36; 39; 40; 42; 43; 44; 46; 57; 58; 59; 61; 62; 63; 64; 65; 66; 67; 68; 69; 70; 71; 73; 76; 82; 84; 85; 87; 89; 90; 91; 92; 94; 95; 96)	Permanent Delegation of Indonesia to the WTO (25 October 2018)	Effective 13 September 2018
Increase of export taxes on mineral products; ores, slag and ash; mineral fuels and lignite (70 tariff lines at 8-digit in Chapters 25; 26; 27)	Permanent Delegation of Indonesia to the WTO (25 October 2018)	Effective 13 September 2018
<b>Mexico</b>		
Amendments introduced in the Law of general taxes of import and export resulting in the temporary increase of import tariffs on certain iron and steel, and products of iron and steel (HS Chapters 72 and 73)	Permanent Delegation of Mexico to the WTO (26 October 2018)	Effective 5 July 2018 to 31 January 2019
Temporary increase of import tariffs (to 15%) on certain semi-finished products of iron or non-alloy steel (planchón de acero) (HS 7207.12.01; 7207.12.99; 7224.90.02)	Permanent Delegation of Mexico to the WTO (26 October 2018), and Diario Oficial de la Federación (Official Journal), 17 August 2018	Effective 17 August 2018 to 30 November 2018

Measure	Source/Date	Status
<b>Russian Federation</b>		
Further extension of the temporary export ban on tanned leather (HS 4104.11; 4104.19) (originally effective from 1 February 2017 to 1 August 2017)	Permanent Delegation of the Russian Federation to the WTO (26 October 2018)	Effective 10 June 2018
Suspension of substantially equivalent concessions and other obligations under GATT 1994 to the trade with the United States in the form of an increase in tariffs on selected products (e.g. tools for tapping or threading; tools for drilling; tools for milling; tools for boring or broaching; tools for turning; hoods; cranes; trucks fitted with lifting or handling equipment; bulldozers; machining centres; lathes (including turning centres) for removing metal; machine-tools; valves and similar appliances; motor vehicles for the transport of goods; optical fibres, optical fibre bundles and cables) (79 tariff lines at 10-digit level, in Chapters 82; 84; 87; 90)	WTO document G/SG/N/12/RUS/2, 22 May 2018; Permanent Delegation of the Russian Federation to the WTO (26 October 2018); and Decree No. 788 of the Government of the Russian Federation (6 July 2018)	Effective 5 August 2018
<b>Russian Federation (for Eurasian Economic Union)</b>		
Temporary increase of import tariffs on injection-moulding machines	Permanent Delegation of the Russian Federation to the WTO (26 October 2018)	Effective 1 September 2018 to 15 December 2019
<b>Turkey</b>		
Suspension of substantially equivalent concessions and other obligations under GATT 1994 to the trade with the United States in the form of an increase in tariffs on selected products (e.g. nuts (HS 0802); rice (HS 1006); food preparations (HS 2106.90); undenatured ethyl alcohol of an alcoholic strength of < 80% (HS 2208); unmanufactured tobacco (HS 2401); mineral fuels, mineral oils and products of their distillation (HS 2701; 2704.00; 2713.11); beauty or make-up preparations and preparations for the care of the skin (HS 3304); plastics and articles thereof (HS 3904.10; 3908.10; 3926); fuel wood (HS 4401); paper and paperboard (HS 4802; 4804; 4811); artificial filament tow of cellulose acetate (HS 5502.10); iron or steel structures and parts of structures (HS 7308.90); nuclear reactors, boilers, machinery and mechanical appliances (HS 8413.70; 8479.89); motor cars and other motor vehicles (HS 8703); apparatus based on the use of x-rays (HS 9022.19))	WTO documents G/SG/N/12/TUR/6, 22 May 2018 and G/SG/N/12/TUR/6/Suppl.1, 15 August 2018	Effective 21 June 2018
Implementation of registration procedures on exports of worked grains of wheat, maize and barley (effective 1 September 2018), and rice and rye (effective 28 September 2018) (HS 1006; 1103; 1104). Customs declarations to be registered by the Exporter Union before export, and registered customs declaration to be presented to customs within 30 days	Permanent Delegation of Turkey to the WTO (26 October 2018)	Effective: see individual dates in measure



Measure	Source/Date	Status
<b>United States of America</b>		
<p>Imposition of an additional duty of 25% on a list of 818 products from China</p>	<p>Permanent Delegation of the United States to the WTO (29 October 2018); Office of the USTR, Docket No. USTR-2018-0005 – Notice of Determination and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301 (3 April 2018). Viewed at: <a href="https://ustr.gov/sites/default/files/files/Press/Releases/301FRN.pdf">https://ustr.gov/sites/default/files/files/Press/Releases/301FRN.pdf</a>; and Office of the USTR, Docket No. USTR-2018-0018 – Notice of Action and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (20 June 2018)</p>	<p>Effective 6 July 2018</p>
<p>Tariff reclassifications resulting in the increase of import tariffs (to 5%) on natamycin (HS 3808.92.50) ; (to 1.5%) on cordierite pizza stones (HS 7116.20.40); (to 30%) on glass candle jar (HS 7013.99.50); (to 6.5%) on butadiene rubber (HS 3902.90.00); (to 4.6%) on jump smart trampoline and trampoline safety enclosures (HS 9506.91.00)</p>	<p>US Customs and Border Protection 19 CFR PART 177 – Customs Bulletin and Decisions, Vol. 52 No. 28 (11 July 2018)</p>	<p>Effective 11 July 2018</p>
<p>Second tranche under Section 301 of tariffs (additional 25% <i>ad valorem</i> duty) on products of China, e.g. lubricating preparations; additives for lubricating oils; plastics and articles thereof; rubber and articles thereof; glass rods of fused quartz or other fused silica; iron or steel structures; stranded wire, cables of aluminium not electrically insulated; machinery and mechanical appliances; electrical machinery and equipment and parts thereof; railway or tramway locomotives; railway or tramway track fixtures and fittings and parts thereof; vehicles other than railway or tramway; optical, photographic, measuring, checking, precision, medical instruments and apparatus, parts and accessories thereof (HS 2710; 3403; 3811; 3901; 3902; 3903; 3904; 3905; 3906; 3907; 3908; 3909; 3910; 3911; 3912; 3913; 3914; 3916; 3917; 3919; 3920; 3921; 7002; 7308; 7614; 8406; 8407; 8408; 8419; 8420; 8424; 8432; 8433; 8455; 8464; 8465; 8466; 8473; 8475; 8483; 8486; 8501; 8503; 8507; 8511; 8529; 8533; 8536; 8537; 8541; 8542; 8543; 8544; 8601; 8602; 8605; 8606; 8607; 8701; 8704; 8705; 8711; 8901; 9001; 9014; 9025; 9027; 9028; 9029; 9030), related to the forced transfer of American technology and IP (279 tariff lines at 8-digit level)</p>	<p>Permanent Delegation of the United States to the WTO (29 October 2018); United States Trade Representative Resource Centre (August 2018). Viewed at: <a href="https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/august/ustr-finalizes-second-tranche">https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/august/ustr-finalizes-second-tranche</a></p>	<p>Effective 23 August 2018</p>

Measure	Source/Date	Status
An additional 10% <i>ad valorem</i> duty on products of China, e.g. (5,745 tariff lines at 8-digit level in HS Chapters 02; 03; 04; 05; 07; 08; 10; 11; 12; 14; 15; 16; 17; 19; 20; 21; 22; 23; 24; 25; 26; 27; 28; 29; 31; 32; 33; 34; 35; 36; 37; 38; 39; 40; 41; 42; 43; 44; 45; 46; 47; 48; 50; 51; 52; 53; 54; 55; 56; 57; 58; 59; 60; 65; 67; 68; 69; 70; 71; 72; 73; 74; 75; 76; 78; 79; 80; 81; 82; 83; 84; 85; 86; 87; 88; 89; 90; 91; 94; 96)	Permanent Delegation of the United States to the WTO (29 October 2018); Office of the USTR, Docket No. USTR-2018-0026 – Billing Code 3290-F8, Request for Comments Concerning Proposed Modification of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation (10 July 2018) and Press Release (September 2018). Viewed at: <a href="https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018_0.pdf">https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018_0.pdf</a> and <a href="https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/september/ustr-finalizes-tariffs-200">https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/september/ustr-finalizes-tariffs-200</a>	Effective 24 September 2018

### Recorded, but non-confirmed information<sup>3</sup>

Measure	Source/Date	Status
<b>Russian Federation (for Eurasian Economic Union)</b>		
Temporary increase (to 5%) of import tariffs on certain types of components of double-decker passenger railcars of locomotive traction	Eurasian Economic Commission press release (24 April 2018)	Effective for two years

<sup>3</sup> This Section includes information which has been obtained from public sources but has not yet been confirmed by the delegation concerned.

## ANNEX 4

### MEASURES AFFECTING TRADE IN SERVICES<sup>1</sup>

(Mid-May 2018 to mid-October 2018)

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<b>MEASURES AFFECTING VARIOUS SECTORS</b>					
<b>China</b>					
<p>China's new E-Commerce Law was published on 31 August 2018. It refers to e-commerce as activities of selling goods and providing services through the Internet or other information network. It covers, <i>inter alia</i>, registration, data protection, rights and interests of intellectual property rights holders, competition and consumer protection.</p> <p>It stipulates the responsibilities and obligations of e-commerce operators, and requires them to register with the government agency, the Administration of Industry and Commerce (AIC), and pay taxes on their e-commerce revenue. It prohibits any e-commerce operator from abusing its dominant position to exclude or restrict competition. Platform operators are liable to consumers if they fail to verify the qualifications of operators on their platforms or to protect consumers' safety in respect of goods or services that may affect human health.</p>	Modes 1-3	Internet and other network-enabled services	<p>E-Commerce Law</p> <p>Viewed at:  <a href="http://www.npc.gov.cn/npc/xinwen/2018-08/31/content_2060172.htm">http://www.npc.gov.cn/npc/xinwen/2018-08/31/content_2060172.htm</a></p>	Effective 1 January 2019	YES

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

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<p>The Government released a new Negative List for foreign investment, which provides for 22 opening-up measures in various sectors, and reduces, from 63 to 48, the number of activities where foreign investment is restricted or prohibited.</p> <p>As regards services sectors, the new Negative List, e.g.:</p> <ul style="list-style-type: none"> <li>- increases the foreign shareholding limit to 51% in securities companies, security investment fund management companies, futures companies, and life insurance companies. In 2021, all restrictions in the financial sector, including foreign ownership limits, are to be withdrawn;</li> <li>- removes limits on foreign investment in passenger railway transport, international maritime transport, and international shipping agency companies;</li> <li>- removes restrictions on the construction and operation of petrol stations, and on grain purchasing and wholesaling;</li> <li>- repeals the prohibition on investment in Internet cafes;</li> <li>- eliminates restrictions on investment in surveying and mapping companies.</li> </ul> <p>At the same time, the revised Negative List further clarifies restrictions on foreign investment in certain services sectors.</p>	Mode 3	Various sectors	Special Administrative Measures (Negative List) for Foreign Investment Access (2018 Edition) (Order of the NDRC and the MOFCOM No.18 of 2018)	Effective 28 July 2018	YES

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
A new Circular extended across the territory the corporate income tax incentives for advanced technology service enterprises (ATSEs) that provide, e.g., computer and information services, research and development technical services, cultural activity-related technical services, and medical services linked to traditional Chinese medicine.	Mode 3	Various sectors	Circular of the Ministry of Finance, State Administration of Taxation, Ministry of Commerce, Ministry of Science and Technology and National Development and Reform Commission on Promoting the Nationwide Implementation of Income Tax Policy for Technologically Advanced Service Enterprises in Pilot Areas of Service Trade Innovation and Development (Cai Shui [2018] No. 44)  Viewed at: <a href="https://home.kpmg.com/cn/en/home/insights/2018/06/china-tax-weekly-update-22.html">https://home.kpmg.com/cn/en/home/insights/2018/06/china-tax-weekly-update-22.html</a>	Issued on 19 May 2018	YES
<b>European Union</b>					
The new General Data Protection Regulation (GDPR), which entered into force on 25 May 2018, overhauls the EU data protection regime by strengthening data subject rights and imposing new requirements on organizations that process personal data.	Modes 1-3	Internet and other network-enabled services	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016  Viewed at: <a href="http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32016R0679">http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32016R0679</a>	Effective 25 May 2018	YES
<b>France</b>					
France enacted a new data protection law, which broadens the supervisory power of the French Data Protection Authority (CNIL) in accordance with Article 57(1) of the GDPR, and transposes the Police-Justice Directive into French Law. The law complements the GDPR by addressing the processing of data related to criminal convictions, security measures, health data, genetic data, biometric data, and social security numbers. Under this law, class action lawsuits can, in accordance with Article 80(1) of the GDPR, be lodged to claim compensation, including for material and moral damage related to data protection breaches. The law applies to data subjects residing in France regardless of the location of the data controller.	Modes 1-3	Internet and other network-enabled services	Law No. 2018-493  Viewed at: <a href="https://www.cnil.fr/fr/entree-en-vigueur-de-la-nouvelle-loi-informatique-et-libertes">https://www.cnil.fr/fr/entree-en-vigueur-de-la-nouvelle-loi-informatique-et-libertes</a>  <a href="https://www.legifrance.gouv.fr/eli/loi/2018/6/20/JUSC1732261L/jo/texte">https://www.legifrance.gouv.fr/eli/loi/2018/6/20/JUSC1732261L/jo/texte</a>	Effective 21 June 2018	YES

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<b>Indonesia</b>					
<p>The Government implemented two amendments to Regulation 82 of 2017, which mandate the utilization of vessels controlled by Indonesian shipping companies, and the procurement of insurance from Indonesian insurance companies, in relation to the export of coal and crude palm oil, and the import of rice and goods of government procurement.</p> <p>The first amendment provides that Indonesian insurance companies must be utilized without exception, thereby removing the possibility of obtaining insurance from foreign companies even if domestic services are not available. With respect to the mandatory utilization of vessels controlled by Indonesian shipping companies, the effective date has been postponed to 1 May 2020.</p> <p>The second amendment introduces additional requirements for the verification of compliance with Regulation 82 before imports or exports are effected. A technical search procedure must be carried out before the loading of goods for import or export, and can only be conducted by authorized surveyors. An importer or exporter must submit an application to the designated surveyor to organize the verification procedure.</p>	Modes 1-3	Maritime transport services and insurance services	<p>Ministry of Trade Regulation No. 48/2018 (the "First Amendment Regulation") and Ministry of Trade Regulation No. 80/2018 (the "Second Amendment Regulation") to amend Ministry of Trade Regulation No. 82/2017 on the Utilisation of Indonesian Sea Carriage and Insurance for Export of Certain Goods (Regulation 82/2017)</p> <p>Viewed at:  <a href="https://www.lexology.com/library/detail.aspx?q=95493964-68d0-4055-b1ba-e5e3db776813">https://www.lexology.com/library/detail.aspx?q=95493964-68d0-4055-b1ba-e5e3db776813</a></p>	Effective 1 August 2018	

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<b>United Kingdom</b>					
New legislation lowers the threshold for the review of mergers and takeovers in certain key strategic sectors relating to national security. Transactions involving military use and dual use technologies, as well as computing hardware and quantum technology, will be subject to review where the UK turnover of the target exceeds GBP 1 million (previously GBP 70 million), or where the acquirer obtains an equity stake of 25% or more.	Mode 3	All sectors	Viewed at: <a href="https://www.gov.uk/government/news/new-merger-and-takeover-rules-come-into-force">https://www.gov.uk/government/news/new-merger-and-takeover-rules-come-into-force</a>	Effective 11 June 2018	YES
<b>United States</b>					
A new law expands the jurisdiction and powers of the Committee on Foreign Investment in the United States (CFIUS), which reviews foreign investments for potential national security issues.  FIRRMA expands the scope of CFIUS' purview by covering "emerging or foundational technologies", as well as non-controlling investments by foreign entities that involve critical technologies, infrastructure or personal data of American citizens. CFIUS is no longer voluntary, as the reporting of certain transactions is now mandatory.	Mode 3	All sectors	Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA)  Viewed at: <a href="https://home.treasury.gov/sites/default/files/2018-08/The-Foreign-Investment-Risk-Review-Modernization-Act-of-2018-FIRRMA_0.pdf">https://home.treasury.gov/sites/default/files/2018-08/The-Foreign-Investment-Risk-Review-Modernization-Act-of-2018-FIRRMA_0.pdf</a>	Effective 13 August 2018. Certain provisions of the new law will become effective after implementation regulations are adopted.	
On 28 June 2018, the State of California adopted the California Privacy Act of 2018, providing users with control over their personal information. It affords Californian residents the right to be informed of the types of information collected, the purpose of collection, and whether their personal information is sold or disclosed, and to whom. It also establishes the right to delete personal information, opt out of the sale of personal information, and receive equal service and pricing from a business.	Modes 1-3	Internet and other network-enabled services	California Consumer Privacy Act 2018  Viewed at: <a href="https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB375">https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB375</a>	Effective 1 January 2020	

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<b>POSTAL AND COURIER SERVICES</b>					
<b>Argentina</b>					
The Government increased, from USD 1,000 to USD 3,000, the maximum limit for purchases abroad that are imported through courier services. The maximum limit for sending products abroad under the same modality remains at USD 1,000. The new limit applies to goods not exceeding 50 kg that are imported through the import regime for suppliers of postal and courier services.	Modes 1-3	Postal and courier services	AFIP General Resolution 4259/2018  Viewed at: <a href="https://www.cronista.com/negocios/La-AFIP-actualizo-el-monto-tope-para-recibir-productos-del-exterior-20180601-0079.html">https://www.cronista.com/negocios/La-AFIP-actualizo-el-monto-tope-para-recibir-productos-del-exterior-20180601-0079.html</a>  <a href="https://www.argentina.gob.ar/normativa/resoluci%C3%B3n-4259-2018-311069/texto">https://www.argentina.gob.ar/normativa/resoluci%C3%B3n-4259-2018-311069/texto</a>	Effective 1 June 2018	YES
<b>European Union</b>					
A new measure aims to establish regulatory principles and rules necessary to improve the regulatory oversight and transparency of tariffs, to support competition, and to increase consumer confidence in cross-border e-commerce. It requires all parcel delivery service providers to submit to national regulatory authority of the Member State in which they are established the information about the characteristics of services offered, as well as their general terms and conditions, including complaints procedures for users and any potential limitations of liability.  All cross-border parcel delivery service providers shall also provide the public list of tariffs for the delivery of single-piece postal items each calendar year. On the basis of the public lists of tariffs, the national regulatory authority shall undertake an assessment, identify those cross-border tariffs that it considers to be unreasonably high, and submit its assessment to the EU Commission. The Commission shall then publish the non-confidential version of such assessment.	Modes 1-3	Postal and courier services	Regulation 2018/644 on cross-border parcel delivery services  Viewed at: <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0644&amp;from=NL">https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0644&amp;from=NL</a>	Effective 22 May 2018	YES



Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<b>TELECOMMUNICATIONS/ICT/AUDIOVISUAL SERVICES</b>					
<b>Australia</b>					
A new measure requires foreign persons with an interest of 2.5% or more in certain regulated media assets to notify the Australian Communications and Media Authority (ACMA). The new notification requirement aims to improve transparency with respect to foreign investment in Australian media companies. It applies to media companies holding a commercial television broadcasting licence or a commercial radio broadcasting licence, as well as companies publishing certain newspapers.	Mode 3	Audiovisual services	Broadcasting Legislation Amendment (Foreign Media Ownership, Community Radio and Other Measures) Act 2018 ("Registration Act")  Viewed at: <a href="http://www.mondaq.com/australia/x/732934/broadcasting+film+television+radio/THE+NEW+FOREIGN+OWNERSHIP+OF+AUSTRALIAN+MEDIA+INTERESTS+REGISTER+AN+OVERVIEW">http://www.mondaq.com/australia/x/732934/broadcasting+film+television+radio/THE+NEW+FOREIGN+OWNERSHIP+OF+AUSTRALIAN+MEDIA+INTERESTS+REGISTER+AN+OVERVIEW</a>	Effective 1 September 2018	YES
<b>India</b>					
The Department of Telecommunications (DoT) approved the recommendations on net neutrality put forward by the Telecom Regulatory Authority of India (TRAI). The new policy directives issued by the DoT provide that Internet access services are to be governed by a principle that restricts any form of discrimination, restriction, or interference in the treatment of content, including practices like blocking, degrading, slowing down, or granting preferential speeds or treatment to any content. The new measure does not apply to critical IoT or specialized services, including autonomous vehicles and remote surgery operations.	Mode 3	Telecommunication services	Policy Directives on Net Neutrality DoT letter no. 12-30/NT/2015/OTT(Pt), dated 31 July 2018  Viewed at: <a href="http://www.dot.gov.in">www.dot.gov.in</a>  <a href="https://traigov.in/sites/default/files/CP_NetNeutrality2017_01_04.pdf">https://traigov.in/sites/default/files/CP_NetNeutrality2017_01_04.pdf</a>	31 July 2018	YES

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
The TRAI issued an amendment to the interconnection regulations, which allows a service provider to request additional ports at a point of interconnection (POI) if the expected utilization of the POI over a 60-day period is likely to be more than 85%. Every service provider will now be required to deliver to its interconnecting service providers a forecast of "busy-hour" outgoing traffic for the following six months at each POI.	Mode 3	Telecommunication services	The Telecommunication Interconnection (Amendment) Regulations, 2018  Viewed at: <a href="https://traai.gov.in/sites/default/files/RegulationEngTIAR05072018.pdf">https://traai.gov.in/sites/default/files/RegulationEngTIAR05072018.pdf</a>  <a href="https://www.traai.gov.in/sites/default/files/PRNo73Eng05072018.pdf">https://www.traai.gov.in/sites/default/files/PRNo73Eng05072018.pdf</a>	5 July 2018	YES
The DoT issued a notice clarifying that tower companies are covered by the Right of Way (RoW) rules introduced in November 2016. The rules simplified the process for operators to secure permissions to install infrastructure or purchase land from state governments, by establishing a nationwide, standardized framework of procedures for granting approvals and settling disputes within a specific time-frame.	Mode 3	Telecommunication services	Viewed at: <a href="http://www.dot.gov.in/sites/default/files/1P-1RoWOrder_0.PDF">http://www.dot.gov.in/sites/default/files/1P-1RoWOrder_0.PDF</a>	Effective 22 May 2018	YES
<b>FINANCIAL SERVICES</b>					
<b>China</b>					
The Government now allows foreign investors to engage in the insurance agency business and the public insurance loss adjustment business in China.	Mode 3	Insurance services	Notice on Allowing Foreign Investors to Engage in the Insurance Agency Business in China; Notice on Allowing Foreign Investors to Engage in the Public Insurance Loss Adjustment Business in China.  Viewed at: <a href="https://www.clydeco.com/insight/article/cb-irc-issues-notices-allowing-foreign-invested-insurance-agencies-and-loss">https://www.clydeco.com/insight/article/cb-irc-issues-notices-allowing-foreign-invested-insurance-agencies-and-loss</a>	Effective 28 June 2018	YES

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
A new measure removes foreign ownership limits on new financial asset investment companies established by commercial banks. The caps on foreign holdings in such financial institutions were previously 20% for a single overseas institution and 25% for group investors.	Mode 3	Banking and other financial services	Measures for the Administration of Financial Asset Investment Companies (for Trial Implementation)  Viewed at: <a href="https://www.moodysanalytics.com/regulatory-news/june-29-18-cbirc-issues-rules-for-financial-asset-management-companies-in-china">https://www.moodysanalytics.com/regulatory-news/june-29-18-cbirc-issues-rules-for-financial-asset-management-companies-in-china</a>	Effective 29 June 2018	YES
A new measure removed the limit on foreign ownership in Chinese banks and financial asset management companies, uniting the ownership proportion rule for domestic and foreign capital.	Mode 3	Banking and other financial services	Decision of China Banking and Insurance Regulatory Commission on Annuling and Amending Some Rules  Viewed at: <a href="https://www.jqknews.com/news/60508-China_cancels_restrictions_on_foreign_shareholding_of_Chinese_banks_and_financial_Asset_Management_Co.html">https://www.jqknews.com/news/60508-China_cancels_restrictions_on_foreign_shareholding_of_Chinese_banks_and_financial_Asset_Management_Co.html</a>	Effective 23 August 2018	YES
<b>Saudi Arabia, Kingdom of</b>					
Saudi Arabia adopted a series of new measures in relation to financial services: - the Capital Market Authority's Board of Commissioners updated information on the rules for qualified foreign financial institutions' investment in listed securities; - the Board approved amendments to the Instructions for Listed Companies Announcements, aimed at enhancing the level of transparency and disclosure adequacy in the capital market; - the Board approved the amendment of paragraph (C) of Article 5 of the "Procedures and Instructions Related to Listed Companies with Accumulated Losses Reaching 20% or More of their Share Capital". The amendment clarifies the periods to be announced by the company in accordance with Article 150 of the Companies Law; - the Board approved the instructions on the Price Stabilization Mechanism for Initial Public Offerings.	Mode 3	Financial services	Viewed at: <a href="https://cma.org.sa/en/Market/NEWS/Pages/CMA_N_2424.aspx">https://cma.org.sa/en/Market/NEWS/Pages/CMA_N_2424.aspx</a>  <a href="https://cma.org.sa/en/Market/NEWS/Pages/CMA_N_2437.aspx">https://cma.org.sa/en/Market/NEWS/Pages/CMA_N_2437.aspx</a>  <a href="https://cma.org.sa/en/Market/NEWS/Pages/CMA_N_2448.aspx">https://cma.org.sa/en/Market/NEWS/Pages/CMA_N_2448.aspx</a>  <a href="https://cma.org.sa/en/Market/NEWS/Pages/CMA_N_2447.aspx">https://cma.org.sa/en/Market/NEWS/Pages/CMA_N_2447.aspx</a>	June-August 2018	YES

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<b>HEALTH AND MEDICAL SERVICES</b>					
<b>China</b>					
China's health authorities issued new guidelines to further regulate online medical diagnoses and treatment. The guidelines allow medical institutes that are licensed to practice to provide online services. Medical staff providing online services must be registered in the national e-registration system, and physicians must possess at least 3 years of independent clinical experience. The guidelines also provide that patients must first receive a diagnosis in person before accessing online medical diagnosis and treatment services.	Modes 1-3	Health and medical services	Viewed at: <a href="http://en.nhfpc.gov.cn/2018-09/17/c_73776.htm">http://en.nhfpc.gov.cn/2018-09/17/c_73776.htm</a>	Effective 14 September 2018	YES
<b>RECREATIONAL SERVICES</b>					
<b>Japan</b>					
Japan adopted new legislation allowing casino gambling at integrated resorts. A maximum of three development plans will be allowed to grant licences for the establishment of casinos along with MICE facilities (meetings, incentive travel, conventions and exhibitions hotels).	Mode 3	Gambling services	Integrated Resort Implementation Law  Viewed at: <a href="https://asia.nikkei.com/Business/Five-things-to-know-about-Japan-s-new-casino-law">https://asia.nikkei.com/Business/Five-things-to-know-about-Japan-s-new-casino-law</a>	Adopted on 20 July 2018	YES
<b>TRANSPORT SERVICES</b>					
<b>China</b>					
Foreign services suppliers may set up wholly-owned enterprises in China to operate international shipping transportation, international ship management business, international shipping agencies, international maritime cargo handling business, and international maritime container station and depot services. The measure effectively extends nationally increased foreign limits that had been put in place for the country's free trade zones in January 2018.	Mode 3	Maritime transport services	Notice of the State Council on Effectively Replicating and Promoting the Fourth Group of Experience in the Reform Pilot Programs of Pilot Free Trade Zones (Guo Fa [2018] No. 12) and Special Administrative Measures (Negative List) for Foreign Investment Access (2018 Edition) (Order of the NDRC and the MOFCOM No. 18 of 2018)	Issued on 23 May and 28 June 2018, respectively. To be implemented after the revision of the Regulations on International Maritime Transport.	YES

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<b>India</b>					
A foreign-flag ship is no longer required to obtain a licence from the Director General of Shipping to engage in coastal shipping trade in India for the carriage by sea of specified agricultural, fisheries, animal husbandry and horticultural commodities.	Modes 1-2	Maritime transport services	General Order (No. 2 of 2018) with respect to the Relaxation under Section 407 of the Merchant Shipping Act, 1958, for coastal movement of agriculture, horticulture, fisheries and animal husbandry commodities  Viewed at: <a href="http://www.dgshipping.gov.in/WriteReadData/News/201805230236156996537GeneralOrderNo02of2018_sd.pdf">http://www.dgshipping.gov.in/WriteReadData/News/201805230236156996537GeneralOrderNo02of2018_sd.pdf</a>	Effective 22 May 2018	YES
<b>Russian Federation</b>					
New amendments establish an open register of ships, which provides for the granting of the right to sail under the national flag of the Russian Federation to ships that are owned by foreign citizens, foreign legal entities or legal persons registered in accordance with the Federal Law on International Companies.	Mode 3	Maritime transport services	Amendments to the Merchant Shipping Code as regards the formation of the Russian Open Register of Ships  Viewed at: <a href="http://en.kremlin.ru/acts/news/copy/58219">http://en.kremlin.ru/acts/news/copy/58219</a>	Effective 3 August 2018	YES
<b>SERVICES SUPPLIED THROUGH THE MOVEMENT OF NATURAL PERSONS</b>					
<b>Australia</b>					
The Global Talent Scheme (GTS), a new 12-month pilot scheme, was launched on 1 July 2018 to provide businesses with a way to sponsor overseas workers to fill highly-skilled and specialized positions that cannot be filled by Australian workers or through other visa programmes, in particular the Temporary Skill Shortage (TSS) visa. The GTS provides faster processing and more flexible concessions, and is not restricted to the occupations lists used in the TSS visa. Once a GTS agreement is in place, employers can sponsor overseas workers for a 4-year TSS visa, and workers can apply for permanent residence after 3 years.	Mode 4	All sectors	Viewed at: <a href="https://www.homeaffairs.gov.au/trav/work/skilledvisas/visas-for-innovation">https://www.homeaffairs.gov.au/trav/work/skilledvisas/visas-for-innovation</a>	Effective July 2018	YES

Measure	Mode(s) of supply	Sectoral classification	Source	Date	Verified by Member
<b>Brazil</b>					
Brazil's Ministry of Labour increased the validity of its Short-Term Technical Visa to 180 cumulative, rather than consecutive, days per year, and allows foreign nationals travelling under the visa to provide technical assistance to multiple companies.	Mode 4	All sectors	Viewed at: <a href="https://www.fragomen.com/insights/alerts/technical-visa-rules-relaxed">https://www.fragomen.com/insights/alerts/technical-visa-rules-relaxed</a>	Effective May 2018	YES
<b>Saudi Arabia, Kingdom of</b>					
The Ministry of Labour and Social Development introduced a new prohibition on foreign workers in 12 additional sectors: automobile and mobile shops; shops selling home furniture and ready-made office materials; sale outlets of ready-made garments; children's clothes and men's suppliers; watch shops; optical stores; electrical and electronics shops; medical equipment stores; outlets selling car spare parts; building material shops; outlets selling all types of carpets; household utensils shops; and pastry shops.	Mode 4	Various sectors	Ministerial decision  Viewed at: <a href="https://www.financialexpress.com/world-news/big-setback-to-indians-saudi-arabia-bans-foreign-workers-in-12-sectors-check-full-list-of-expatriates-affected/1054178/">https://www.financialexpress.com/world-news/big-setback-to-indians-saudi-arabia-bans-foreign-workers-in-12-sectors-check-full-list-of-expatriates-affected/1054178/</a>  <a href="https://www.lexology.com/library/detail.aspx?q=8a369bc1-b793-42db-9902-93475690a6d4">https://www.lexology.com/library/detail.aspx?q=8a369bc1-b793-42db-9902-93475690a6d4</a>	To be effective from 11 September 2018, 9 November 2018 and 7 January 2019, depending on the sector.	YES
<b>United Kingdom</b>					
Non-EU doctors and nurses are exempt from the UK Tier 2 visa cap.	Mode 4	Health and medical services	Viewed at: <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/726265/Tier_2_Policy_Guidance_07_2018_Revised.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/726265/Tier_2_Policy_Guidance_07_2018_Revised.pdf</a>	Effective 6 July 2018	YES