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In October 2008, less than a month after the collapse of the investment bank Lehman Brothers on

not exhaustive or complete, the inclusion of non-notified measures contributed to a general understanding of compliance with the notification obligation and brought more clarity to trade policy-making.<sup>7</sup> Importantly, and similarly to present-day monitoring reports, the Secretariat notes deliberately refrained from suggesting whether particular actions conformed to GATT obligations, reserving those judgements for the GATT Contracting Parties.<sup>8</sup>

In July 1983, the GATT Council agreed to extend the scope of its special meetings to include monitoring of paragraph 7(i) of the Ministerial Declaration<sup>9</sup> adopted in November 1982, which contained FRPPLWPHQWV<sup>3</sup>WR UHIUDLQ IURP WDNLQJ RU PDLQWDLQLQJ DQ\ PH GATT... to make determined efforts to avoid measures which were RXOG OLPLW RU G<sup>10</sup>VWRUW WU. Originally suggested by the Consultative Group (CG) of Eighteen<sup>11</sup>, the monitoring of these undertakings was adopted by the Council.<sup>12</sup> The immediate upshot of this Council decision was that as of May 1984 the notes by the Secretariat were openly based on notifications made to the GATT, official sources and



### Preparation of the Trade Monitoring Reports

The WTO Secretariat prepares four Trade Monitoring Reports every year, two for the full WTO membership and two for the G20 economies. The former are normally circulated to WTO Members in early July and mid-November and cover approximately six and 12 months, respectively.<sup>21</sup> The report on G20 trade measures is circulated together with a report on G20 investment measures prepared by the OECD and UNCTAD. These reports are generally circulated a couple of weeks before the WTO-wide version and cover approximately six months. The data collection and analysis for the WTO-wide reports constitute the basis for the G20 Trade Monitoring Reports and methodologically the reports are now almost identical.<sup>22</sup>

Figure 1 below provides an overview of the process of collecting and analyzing information on trade measures for the trade monitoring exercise. There are two major approaches to collecting information, i.e. by requesting twice-a-year information directly from WTO Members and Observers and through a continuous Secretariat research process. These approaches are complementary and are characterized by a close collaboration between the Secretariat and WTO Members.

Source: Authors' elaboration.

In March and in September, the DG sends a formal request to all Members and Observers requesting information on measures that have

orders published on Government websites such as ministries, customs offices, Central Banks, regional secretariats, or through other international organizations' websites or reports. Customs  
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midst of a huge financial crisis only a relatively limited number of delegations had the inclination to question this Secretariat initiative. By 2012, the immediate pressure of the crisis had







The following focuses on the initiation of trade remedies and provides some statistics on their use. However, referring to trade remedy initiations here does not categorize them as restrictive or protectionist, but rather provides factual information on their use.

The inclusion and categorization of trade remedy actions in the G20 and WTO-wide Trade Monitoring R



followed by chemicals and textiles (Chart 4). G20 trade restrictions that have been applied on a non-MFN<sup>35</sup> have targeted mainly textiles, followed by minerals and metals, fruits, vegetables, plants, manufactures and animal products.

WTO Members have also been applying general economic support measures to provide assistance to or promote specific sectors of their economies. These measures cover stimulus packages, state aid, dedicated financial support to specific sectors or any sector-specific incentives, loans, loan guarantees, transfers, preferential credit lines, investment insurances, export credit/insurance or tax reductions/rebates. General economic support measures and public subsidies may affect trade or distort competition as certain economic sectors or activities are treated more favourably than others. Many of these would have a negative impact on trade, but for some the trade impact is rather difficult to evaluate. Since the beginning of the monitoring exercise, it has proved very difficult to obtain information on general economic support measures from WTO Members. Since 2015 in particular, the number of Members that have volunteered information on such measures has been disappointingly low. This does not necessarily indicate a decline in the number of these policies but may suggest that countries are less transparent about them. WTO Members may, instead, have increased spending on general economic support measures.

(share of HS 4-digit products)

Source: Authors' calculation .

The analysis of the general economic support measures captured by the monitoring exercise during the period October 2008 - October 2014 has been reported in the following table.



As mentioned previously, since 2015 information provided on general economic support measures for the trade monitoring exercise has been incomplete. Moreover, several measures and programmes identified by the Secretariat have been vigorously contested by the country in question and have had to be omitted from the reports. This underlines the challenge faced by the

The increasing concern regarding what some perceive as the use of discriminatory behind-the-border measures is also reflected in the growing number of Specific Trade Concerns (STCs) <sup>42</sup>



within the multilateral trading system which provides the membership with a credible platform for exchanging views on the very latest trade policy trends, including the threat of protectionism, ensuring high participation is a fundamental challenge. This was true in 2009 and remains equally true in 2018.

The stakeholder relationship between the Secretariat and the membership is fundamental for the credibility and sustainability of the trade monitoring exercise. However, as consultations on the exercise have demonstrated, it also represents a very real constraint. There is no denying that reports and academic initiatives on protectionism outside the institutional and political constraints of the multilateral trading system often have resources and a degree of analytical freedom which is not available to the WTO Secretariat. Nevertheless, academic papers have concluded that the WTO monitoring exercise's factual and sober assessments of developments in global trade policy - making continue to enjoy a high level of credibility compared to "blanket denunciations of rampant protectionism".<sup>44</sup> Be that as it may, in a Member-driven institution such as the WTO it remains a significant and continuous challenge for the Secretariat to push for the ability to report independently and within its mandate, on the one hand, and, on the other, maintain a productive stakeholder relationship with the membership. Both are crucial from a credibility point of view.

The substantive coverage

Regular trade monitoring by the Secretariat was already a feature under the GATT and subsequently became solidly anchored in the WTO's TPR Mechanism. Under both regimes it was as fundamental that the transparency provided by the Trade

