



## Digest Content

- WTO members show restraint in trade-restrictive measures despite economic uncertainty
- South Africa initiates WTO dispute complaint challenging EU citrus fruit measures
- Arbitrators notify award in EU-Türkiye pharmaceuticals dispute
- Members urged to find new ways to rejuvenate agriculture negotiations
- WTO Director-General Ngozi Okonjo-Iweala calls for more support for sustainable fisheries

### **WTO members show restraint in trade-restrictive measures despite economic uncertainty<sup>1</sup>**

The Director-General's mid-year report on trade-related developments covering mid-October 2021 to mid-May 2022 shows WTO members continued to exercise restraint in imposing trade restrictions.

During the review period covered by the report, the estimated trade coverage of the regular (non-COVID-19-related) import-facilitating measures introduced by WTO members (USD 603.2 billion) far exceeded the trade coverage of import-restrictive measures (USD 23.5 billion).

A total of 230 new trade-facilitating and 109 trade-restrictive measures were recorded. These include 32 export restrictions (estimated at USD 69.6 billion) and 18 import-facilitating measures (USD 38.3 billion) put in place in response to the war in Ukraine.

The Secretariat's ongoing monitoring shows that since the start of the war in late February, 30 members and observers have introduced 55 measures prohibiting or restricting exports of food, feed, fuels and fertilizers. Of these, 15 measures have since been phased out.

The report highlights that the global economic outlook has deteriorated since February as a result of the war in Ukraine, prompting the WTO to downgrade its forecasts for world trade over the next two years. The WTO, in its latest forecast of 12 April 2022, expects merchandise trade volume growth of 3.0% in 2022, down from 4.7% in the previous forecast from last October.

Since the outbreak of the COVID-19 pandemic, 436 trade and trade-related measures regarding goods have been implemented by WTO members and observers. Of these, 288 (66%) were of a trade-facilitating nature and 148 (34%) were trade-restrictive. Export restrictions account for 82% of all COVID-19 trade-restrictive measures. Around 73% of COVID-19 export restrictions have been phased out.

<sup>1</sup> [https://www.wto.org/english/news\\_e/news22\\_e/trdev\\_27jul22\\_e.htm](https://www.wto.org/english/news_e/news22_e/trdev_27jul22_e.htm)



In the services sector, the Secretariat has recorded 155 COVID-19-related measures introduced by members and observers since the outbreak of the pandemic. Only two new measures were reported since mid-October 2021 and five were reported as terminated.

Regarding the war in Ukraine, the Secretariat identified 71 specific trade and trade-related sanctions imposed by 43 WTO members and one observer on the Russian Federation in the area of trade in goods.

Furthermore, 75 services trade and trade-related sanctions imposed on the Russian Federation by 39 WTO members were also identified. In the area of intellectual property, several WTO members implemented measures and sanctions that might indirectly affect the maintenance and licensing of intellectual property rights (IPRs).

Overall, the stockpile of import restrictions in force has grown steadily since 2009 — both in value terms and as a percentage of world imports. By mid-May 2022, some 8.9% of global imports continued to be affected by import restrictions implemented since 2009 and which are still in force.

Despite the review period ending on 15 May 2022, the report also makes brief reference to the successful conclusion of the MC12 in June, where ministers secured a series of unprecedented multilaterally negotiated outcomes. This included an agreement on curbing harmful fisheries subsidies, the WTO response to emergencies, including a waiver of certain requirements concerning compulsory licensing for COVID-19 vaccines, food security, WTO reform and the extension of the moratorium on e-commerce customs duties.

### **South Africa initiates WTO dispute complaint challenging EU citrus fruit measures<sup>2</sup>**

South Africa has requested WTO dispute consultations with the European Union concerning certain measures imposed by the European Union on the importation of South African citrus fruit. The request was circulated to WTO members on 29 July.

South Africa is challenging recently enacted changes to EU phytosanitary requirements for the importation of oranges and other citrus products related to the pest *Thaumatotibia leucotreta*, known as false codling moth. South Africa claims the EU measures appear to be inconsistent with various provisions of the WTO's Agreement on the Application of Sanitary and Phytosanitary Measures and the General Agreement on Tariffs and Trade 1994.

This is the first-ever WTO dispute settlement case initiated by South Africa. Further information is available in document WT/DS613/1.

### **Arbitrators notify award in EU-Türkiye pharmaceuticals dispute<sup>3</sup>**

On 25 July 2022, arbitrators circulated to WTO members their award in which they reviewed certain findings of the WTO dispute panel ruling in “Turkey — Certain Measures

<sup>2</sup> [https://www.wto.org/english/news\\_e/news22\\_e/ds613rfc\\_29jul22\\_e.htm](https://www.wto.org/english/news_e/news22_e/ds613rfc_29jul22_e.htm)

<sup>3</sup> [https://www.wto.org/english/news\\_e/news22\\_e/disp\\_25jul22\\_e.htm](https://www.wto.org/english/news_e/news22_e/disp_25jul22_e.htm)



Concerning the Production, Importation and Marketing of Pharmaceutical Products” (DS583). The three arbitrators were appointed by the European Union and Türkiye in accordance with Article 25 of the WTO’s Dispute Settlement Understanding (DSU).

The panel report was issued to the parties on a confidential basis on 11 November 2021. On 20 December 2021, the EU asked the panel to suspend its work and not to circulate its report. On 22 March 2022, the EU and Türkiye notified the WTO Dispute Settlement Body (DSB) that they had agreed on procedures for “arbitration under Article 25 of the DSU to decide any appeal from any final report” in this dispute. On 25 April 2022, Türkiye initiated arbitration to “appeal” certain panel findings, making public the final panel report as issued to parties.

The arbitrators recommended that Türkiye bring into conformity the measures that were found to be inconsistent in the award and in the panel report with its WTO obligations.

Parties entering into arbitration under Article 25 of the DSU agree to abide by the award, which shall be final. The award does not need to be adopted by the DSB.

#### **Members urged to find new ways to rejuvenate agriculture negotiations<sup>4</sup>**

At a committee meeting on 21 July 2022, WTO farm negotiators reflected on the outcomes on food and agriculture achieved at the 12th Ministerial Conference (MC12) and discussed how to build on the momentum to revitalize the agriculture negotiations.

Delegates took the floor to pay tribute to Ms Peralta for her leadership, dedication and hard work over the last two years. They also praised her contributions to the important milestones achieved at MC12 — the adoption of the declaration on the emergency response to food insecurity and the decision on the exemption of UN's World Food Programme (WFP) food purchases from export prohibitions or restrictions. The full list of MC12 outcomes is available here:

[https://www.wto.org/english/thewto\\_e/minist\\_e/mc12\\_e/geneva\\_package\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc12_e/geneva_package_e.htm)

*Chair: Build on the good work done*

During the last two years, members have worked intensively, putting forward 40 written submissions and holding close to 130 meetings.

Ambassador Peralta laid out in detail the status of each negotiating topic and suggested four ways in which members could advance the talks in the future (JOB/AG/237). She underscored the importance of strengthening evidence-based discussions in the committee and of building on the work that had already been done. She also emphasized the need to ensure negotiations respond to both old and new challenges, such as food insecurity and climate change, and to explore new ways of working that could help move the talks forward.

The chair stressed that the way in which negotiations resume in the coming months will be critical, as it will set in motion the trajectory of negotiations towards the next Ministerial Conference (MC13).

«Members should look at each negotiation topic with fresh eyes», she added.

*Discussions*

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<sup>4</sup> [https://www.wto.org/english/news\\_e/news22\\_e/agng\\_21jul22\\_e.htm](https://www.wto.org/english/news_e/news22_e/agng_21jul22_e.htm)



Many members welcomed the two MC12 outcomes on food security, which they said sent a positive signal about the WTO's ability to provide a timely response to crises.

Some also called for action to be taken to give effect to the declaration on the emergency response to food insecurity, urging others to keep trade open and refrain from applying export restrictions not in compliance with WTO rules.

Many told the meeting that they were disappointed that ministers at MC12 had failed to agree on how the negotiations should move forward, as there had been no consensus on the draft text put forward by the chair and the Director-General (WT/MIN(22)/W/19). They echoed the chair's view that the impasse meant members should now revamp the negotiations and adopt new approaches.

Some said the agriculture negotiations should not address topics in silos and that members should identify a few common problems across all areas.

Some members highlighted the severe food security and nutrition challenges experienced by net food-importing developing countries and least developed countries (LDCs) in particular. They called for urgent action under the work programme that had been agreed at MC12. They reiterated the importance of making the agricultural trading system fairer, improving domestic production and productivity, and boosting resilience to shocks.

### **WTO Director-General Ngozi Okonjo-Iweala calls for more support for sustainable fisheries<sup>5</sup>**

On July 27, 2022, a "Global Review: Aid for Trade" event was held. At this event, the report of the WTO Secretariat "Implementation of the WTO Agreement on Fisheries Subsidies: Challenges and Opportunities for Developing and Least Developed Member Countries" was presented.

Ngozi Okonjo-Iweala, Director General of the WTO, noted in her presentation that about \$3.25 billion of the subsidies received in 2010 were for fisheries subsidies. Ngozi Okonjo-Ikonjo-Iwala, Director General of the WTO, in her presentation noted that about \$3.25 billion of the funds received from 2010-2020 were dedicated to sustainable fisheries. However, she stressed that the amount of aid was many times lower than the subsidies for harmful fisheries, estimated at \$22 billion per year. The amount of aid is estimated to be \$22 billion a year. Consequently, she said, eliminating those subsidies would free up a lot of money that could be redirected toward sustainable fisheries.

This event was attended by high-level representatives from coastal economies and donor countries who supported devoting more resources to sustainable fisheries development. Mere Falemaka (Pacific Islands Forum Secretariat) and Muhammadou Kah (Gambia) affirmed that developing and least developed countries need assistance to implement the WTO Agreement on Fisheries Subsidies, such as notification requirements, reforming subsidy policies, etc.

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<sup>5</sup> [https://www.wto.org/english/news\\_e/news22\\_e/fish\\_29jul22\\_e.htm](https://www.wto.org/english/news_e/news22_e/fish_29jul22_e.htm)