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**REPORTS ON G20
TRADE AND INVESTMENT MEASURES¹
(OCTOBER 2021 TO MAY 2022)**

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JOINT SUMMARY ON G20 TRADE AND INVESTMENT MEASURES

We are pleased to submit our reports on G20 trade and investment measures. They are presented under the mandate provided by G20 Leaders to the WTO, OECD and UNCTAD and cover trade and investment measures implemented by G20 economies during the period from October 2021 to mid-May 2022.

The WTO Trade Monitoring Report on G20 trade measures arrives at a time when the world economy faces severe challenges. While the world continues to fight against the COVID-19 pandemic, the war in Ukraine has created a humanitarian crisis of immense proportions and has negatively impacted the world economy, with serious potential implications for many countries around the world, especially with respect to food security.

The war in Ukraine has impacted trade flows significantly during the review period either as result of specific trade-related sanctions or due to trade measures implemented in response to the crisis. According to the Secretariat's preliminary estimates, and based on the available information, the trade coverage of the export restrictive measures taken by some G20 economies in response to the conflict (excluding sanctions), was estimated at USD 52.2 billion. At the same time, some G20 economies also put in place import facilitating measures with a trade coverage estimated at USD 28.7 billion.

In terms of import measures counted as part of the regular G20 monitoring exercise, G20 economies have implemented far more facilitating measures during the review period (estimated at USD 581.5 billion) than restrictive measures (estimated at USD 18.2 billion). With respect to COVID-19 related measures, covering both imports and exports, the trade coverage of facilitating measures currently stands at an estimated USD 111.8 billion and that of trade restrictions at USD 95.7 billion. Over 50% of pandemic-related export restrictions have been phased out.

On 17 June 2022, WTO Members successfully concluded the 12th Ministerial Conference (MC12) in Geneva, securing a series of unprecedented multilaterally negotiated outcomes on fisheries subsidies, WTO response to emergencies, including a waiver of certain requirements concerning compulsory licensing for COVID-19 vaccines, food security, and WTO reform. The moratorium on E-commerce customs duties has also been extended. This outcome underlines the critical role of the WTO in addressing the world's most pressing issues, especially at a time when global solutions are necessary to respond to the pandemic, tackle environmental challenges, and foster greater socioeconomic inclusion.

The OECD and UNCTAD report on investment measures notes that after a steady decline since 2015, which was further accelerated by the COVID-19 crisis in 2020, global FDI inflows surged by around 60% in 2021, surpassing their pre-pandemic levels. However, the outlook remains uncertain, given the gloomy projections for global economic growth, the multiple crises (fuel, food and finance) and the current geopolitical context.

In the reporting period, G20 Members have made few adjustments to their investment policies, continuing the observation made for the previous semester. This confirms that the haste to adopt emergency pandemic-related investment policy measures has subsided and G20 members have now returned to less frequent adjustments of their policies that had been observed in the pre-pandemic period. Concerns about the implications that certain investments can have for essential security interests continue to occupy G20 members, as documented by several adjustments in this area of investment policy.

Immediately after the start of the war in Ukraine on 24 February 2022, ten G20 members and some other countries adopted a series of measures with a view to sanction the Russian Federation. Many of these measures have considerable implications for cross-border capital flows and transactions to and from the Russian Federation. As such, the international policy response by ten G20 members to the Russian Federation and the measures taken by the Russian Federation are likely to constitute one of the most consequential events for international investment for many years.

Despite the continued collective appreciation of openness to international investment, the current developments may lead to a reflection on international investment's wider implications. Following shortly on the exposure of dependencies experienced in the first months of the COVID-19 pandemic, the demonstration of vulnerabilities associated with international investment may lead some governments to turn inwards. In the meantime, the world is facing other crises, most notably the climate crisis, as well as continued and deepening poverty across and within societies that can only be addressed collectively and if the opportunities of international investment are fully realized.

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