Managing and Monitoring Emergency Measures during the Pandemic

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What we get from international organizations

• Theory: transparency of actor behavior and expectations within regimes is one of their core requirements.

• Requires both high quality information and a way to agree on what it means.

"O.K., I admit it, we’re lost, but the important thing is to remain focused on whose fault it is."
The need for trade policy monitoring in a crisis

• Most governments are doing things that restrict trade or in some way discriminate against other countries.
  – Exposure provides essential information for policymakers and economic actors.
  – When governments do not have to guess about what others are doing, trust is enhanced.
How WTO responded in the crisis

1. Two kinds of surveillance in WTO
2. WTO information
3. Trade monitoring
4. What happens in committees
5. Reform proposals
Fire alarms as surveillance

- Possible violations observed by stakeholders with economic or political interests at stake
Police patrols a different form of surveillance

- Formal inspections at regular intervals
- Systematic search for violations

McCubbins and Schwartz (1984); Betz and Koremenos (2016)
Part 2 Surveillance depends on information

- Information is costly: like all public goods, it tends to be under-provided
- WTO transparency can equalize conditions of procuring information
  - Especially valuable for small countries
- Crisis amplifies the need
  - Urgent: track health-related responses to the crisis.
  - More important: track trade effects of all the money being spent to sustain and restart economies
Problems begin with “notifications”

“A transparency obligation requiring member governments to report trade measures to the relevant WTO body if the measures might have an effect on other Members.”

• Dozens and dozens of obligations
• Compliance varies by committee and by member
  – One-time obligation to notify legislation can be simpler than
  – Ad hoc ex ante notifications of new regulations often easier than
  – Regular ex post notifications of subsidies
All COVID-19 reporting is not a “notification”

• Regular (required) notifications with a COVID-19 connection
• Voluntary reporting of COVID-19-related measures
• Responses to Secretariat requests for information
• Secretariat own information from web scraping, news reports etc

☑️ But problems with all of them
Why do Members not respond?

• Inability to see information as a public good
  – Fear of public criticism, and/or providing evidence for a dispute
• Transparency relies on Members wanting to be good citizens
  – Somebody in the capital has to know how to answer the questionnaire, and want to answer, and be able to get cooperation across government either to notify or verify data that Secretariat obtains from public sources

➢ WTO transparency starts with a government wanting to learn about itself, and tell others
Part 3 COVID-19 monitoring

- Mostly focus on the process
- Not comparing with GTA numbers presented yesterday
Change in WTO monitoring

• Big picture on what has happened to trade, with link to policy changes
• Secretariat asked members to provide information about their COVID-19 policies with trade implications
• Main sections of the regular monitoring report include sub-sections on COVID-19 developments
• Live lists on the web of COVID-19 notifications and measures on goods, services, IP and general economic support measures
WTO members' notifications on COVID-19

As of 6 November 2020, WTO members had submitted a total of 270 notifications related to COVID-19.

On the table below you can sort by member, date or type by clicking column headings. You can also search by typing in the search field on the blue bar, e.g. "mask" or "pharmaceutical".

<table>
<thead>
<tr>
<th>Date</th>
<th>Member</th>
<th>Description of measure</th>
<th>Type of communication</th>
<th>Country code</th>
</tr>
</thead>
<tbody>
<tr>
<td>02/02/2020</td>
<td>Russian Federation</td>
<td>Temporarily restricts import of exotic and decorative animals, including insects, arthropods, amphibians, reptiles and other live fish and hydrobionts from China (G/SPS/N/RUS/178)</td>
<td>SPS</td>
<td>RUS</td>
</tr>
<tr>
<td>27/02/2020</td>
<td>Kazakhstan</td>
<td>Temporarily restricts import and transit of live fish and fish products from China (G/SPS/N/RUS/189)</td>
<td>SPS</td>
<td>KAZ</td>
</tr>
</tbody>
</table>
COVID-19: Measures affecting trade in goods

- Compiled by Secretariat from official sources
- 50 of 264 are “notifications”
- All have been confirmed by the delegation
- Liberalizing as well as restrictive
<table>
<thead>
<tr>
<th>Country</th>
<th>Measure</th>
<th>Document</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>Temporary export prohibition on surgical masks, face masks, and disinfectant</td>
<td>WTO document G/MA/QR/N/BGD/1, 16 April 2020</td>
<td>Effected</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Temporary elimination of import tariffs on protective garment, disinfectant</td>
<td>WTO document G/MA/W/156, 29 May 2020</td>
<td>Effected</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Temporary elimination of applied tariffs (CD), regulatory duty (RD), etc.</td>
<td>WTO document G/MA/W/159, 18 August 2020</td>
<td>Effected</td>
</tr>
<tr>
<td>Belarus</td>
<td>Temporary export restrictions on certain personal protective equipment</td>
<td>Permanent Delegation of Belarus (15 April 2020) and Decision of the Council</td>
<td>Effected</td>
</tr>
<tr>
<td>Belarus</td>
<td>Temporary export restriction on certain basic food items (e.g. buckwheat)</td>
<td>Permanent Delegation of Belarus (15 April 2020) and Decision of the Council</td>
<td>Effected</td>
</tr>
<tr>
<td>Belgium</td>
<td>Restriction on the sale of medical products and personal protective equipment</td>
<td>Public information transmitted by the EU Delegation. Ministerial Decree</td>
<td>Effected</td>
</tr>
<tr>
<td>Bolivia, Plurinational State of</td>
<td>Temporary elimination of import tariffs on wheat and meslin</td>
<td>Permanent Delegation of Bolivia to the WTO (11 August 2020)</td>
<td>Effected</td>
</tr>
<tr>
<td>Brazil, Plurinational State of</td>
<td>Temporary elimination of import tariffs on certain pharmaceutical products</td>
<td>Decreto Supremo No. 4227 y Circular No. 102/2020 - Aduana Nacional</td>
<td>Effected</td>
</tr>
<tr>
<td>Brazil</td>
<td>Implementation of special export licensing scheme for goods to fight COVID-19</td>
<td>WTO document G/MA/QR/N/BRA/2/Add.1, 3 June 2020</td>
<td>Effected</td>
</tr>
<tr>
<td>Brazil</td>
<td>Temporary elimination of import licensing requirements on certain products</td>
<td>Permanent Delegation of Brazil to the WTO (1 May 2020) and WTO Decision</td>
<td>Effected</td>
</tr>
<tr>
<td>Brazil</td>
<td>Temporary suspension of the anti-dumping duties</td>
<td>Permanent Delegation of Brazil to the WTO (1 May 2020) and Resolution</td>
<td>Effected</td>
</tr>
<tr>
<td>Brazil</td>
<td>Temporary implementation of prior export authorization on chloroquine</td>
<td>WTO document G/MA/QR/N/BRA/2/Add.1, 3 June 2020</td>
<td>Permanent</td>
</tr>
<tr>
<td>Brazil</td>
<td>Temporary elimination of import licensing requirements on certain products</td>
<td>Permanent Delegation of Brazil to the WTO (1 May 2020); Noticia Sistemas</td>
<td>Effected</td>
</tr>
<tr>
<td>Brazil</td>
<td>Temporary elimination of the IPI (Imposto sobre Produtos Industrializados)</td>
<td>Permanent Delegation of Brazil to the WTO (1 May 2020) and Decreto</td>
<td>Effected</td>
</tr>
<tr>
<td>Brazil</td>
<td>Temporary export prohibition of individual protection equipment</td>
<td>WTO document G/MA/QR/N/BRA/2/Add.1, 3 June 2020</td>
<td>No change</td>
</tr>
<tr>
<td>Brazil</td>
<td>Temporary exemption from the requirement of existence of national</td>
<td>WTO document G/TFA/W/24, 29 September 2020; and Secex Portaria</td>
<td>Effected</td>
</tr>
<tr>
<td>Brazil</td>
<td>Temporary simplification of requirements on the manufacture</td>
<td>WTO document G/TFA/W/24, 29 September 2020</td>
<td>Effected</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Temporary export ban on certain quinine-based drugs, due to the COVID-19</td>
<td>Public information transmitted by the EU Delegation. Viewed at: http On 1</td>
<td>Effected</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Temporary export ban on COVID-19 test kits (HS 3822.00.30; 3822.90.30)</td>
<td>Permanent Delegation of Cambodia to the WTO (14 September 2020)</td>
<td>Effected</td>
</tr>
<tr>
<td>Canada</td>
<td>Canada is waiving tariffs and sales taxes on all goods imported by or for Canada</td>
<td>WTO document G/MA/W/145, 1 April 2020; Permanent Delegation of Canada</td>
<td>Effected</td>
</tr>
<tr>
<td>Canada</td>
<td>Goods imported into Canada are generally subject to the Goods and Services</td>
<td>WTO documents G/MA/W/145, 1 April 2020 and G/TFA/W/24, 29 Se Aus</td>
<td>Effected</td>
</tr>
<tr>
<td>Canada</td>
<td>Temporary waiving otherwise applicable customs duties on imports</td>
<td>WTO documents G/MA/W/153, 14 May 2020 and G/TFA/W/24, 29 S Efector (Annex</td>
<td>Effected</td>
</tr>
<tr>
<td>Chad</td>
<td>Temporary elimination of import tariffs on certain products (HS Chap Arrêté No. 76/PR/MBF/DGSSDD/2020 - Ministère des Finances et du Logement)</td>
<td>WTO document G/MA/W/159, 18 August 2020</td>
<td>Effected</td>
</tr>
<tr>
<td>Chile</td>
<td>Temporary deferral of VAT payment on imports for SMEs, under certain conditions</td>
<td>Permanent Delegation of Chile to the WTO (29 September 2020), Resol</td>
<td>Effected</td>
</tr>
<tr>
<td>China</td>
<td>MOFCOM notice actively guiding and encouraging enterprises to apply</td>
<td>Permanent Delegation of China to the WTO (27 April 2020). Viewed at:</td>
<td>Effected</td>
</tr>
</tbody>
</table>
Big weakness in periodic monitoring reports: general economic support*

- Originally captured responses to the financial crisis
  - Just knowing the facts helped countries avoid an over-reaction
- Dismal response to Director-General questionnaire in recent reports, including November 2020
  - U.S. remarkably resistant
- Report should now be capturing massive COVID-19 support measures

* Not formally “subsidies”, which are defined for WTO purposes in Article 1.1 of the ASCM
COVID-19 related general economic support measures

- Over 1000 general economic support measures
  - 205 measures communicated by G20 economies to the Secretariat
  - 206 measures identified from public sources and government websites
  - 433 communicated by non-G20 economies to the Secretariat
  - roughly 250 non-G20 identified from public sources and governmental websites
- More than during the 2008-09 global financial crisis
COVID-19 related economic support measures, March-May 2020

• Government action essential in the crisis
• Not straightforward to conclude that these measures restrict or facilitate trade, or that they distort competition.
• Ottawa Group: Go further by making a technical assessment (WT/TPR/446)

Source: WT/TPR/OV/W/14 10 July 2020
Part 4 Fire alarms

• A way to put information from all sources, including GTA, to work
How WTO fire alarms work in normal times

Countries with sophisticated alert systems and good internal coordination receive more comments from industry, and from other ministries.

- Firm complains to government
- Officials read newspapers and review notifications
- Question posed through Enquiry Point (SPS, TBT, GATS)
- Question or “specific trade concern” in Committee
- Request for consultations in dispute settlement system
COVID-19 came up in many bodies this fall

• Council for Trade in Services
  – China accused India of taking a series of discriminative, and restrictive measures

• Rules of Origin Committee
  – Secretariat noted that several WTO members have taken steps to temporarily ease rules of origin requirements in response to the pandemic.

• Safeguards Committee
  – Japan noted some developing members and developed members took various trade restrictive measures in response to the COVID pandemic, many of which are allegedly inconsistent with the WTO rules.
Agriculture committee

- Canada questioned U.S. on possible USD 14 billion of Coronavirus Food Assistance Program payment
- Australia, EU, India, New Zealand and Paraguay questioned China’s COVID-related border control measures:
- EU’s COVID support measures probed
SPS committee

• Canada raised concerns regarding China’s suspension of imports from facilities where cases of COVID-19 are reported
  – Australia, Brazil, Mexico, Paraguay, the UK and the US supported
• Brazil raised a concern regarding the Philippines' ban on poultry imports alleging detection of SARS-CoV-2 on a surface
Pandemic innovations to build on

• If questions and answers are online ahead of a meeting, officials in capitals can interact through WTO without having to come to Geneva

• TBT eAgenda system allows for a documents-based meeting on STCs
  – Especially valuable when in-person not possible

• SPS and CoA moving in this direction; CMA considering
Part 5 Improving police patrols

• How can WTO bodies do better in the crisis?
Council for Trade in Goods

- Nine members (including Canada) requested a dedicated discussion on trade measures related to COVID-19 in each meeting based on a factual report by the Secretariat.
  - Subsidiary committees of CTG should have dedicated discussions on the issue.
- Several members supported; other members noted that this would only duplicate existing WTO trade monitoring efforts.
- A number expressed concern that the initiative would entail additional notification obligations, which they said would be a burden particularly at this time.
Committee on Anti-Dumping Practices

• Australia requested an informal discussion on how anti-dumping authorities have adjusted their practices to deal with the ongoing pandemic.
Cairns Group COVID-19 Initiative: Protecting Global Food Security Through Open Trade

• Includes call for all Members to inform the WTO as soon as practicable of any agricultural COVID-19 trade-related measures without prejudice to existing notification obligations
  – Africans in General Council made usual claims about capacity

• Request that CoA meetings have a new agenda item for review of agricultural measures put in place in response to COVID-19 and a presentation by the WTO Secretariat on its tracking of agricultural measures.
  – Africans said source of such information should be exclusive to Members' notifications consistent with Art.18 AoA

WT/GC/218/Rev.1
Canada and Australia push for more

• How can the Agriculture committee ramp up the monitoring work on COVID-19 agriculture measures?
  – Notifications inadequate, because two years after the fact
  – More self-reporting would help (Canada did that)
• Can Secretariat obtain and post real-time data on support measures?
  – One way to improve tracking especially for Members that lack capacity for self-reporting is for the Secretariat to do it, and systematically ask countries to verify
  – Done in Agriculture division or TPRD?
The next challenge for trade monitoring

- It will be important to know if WTO members are using trade policy to facilitate or impede vaccine distribution.
- Checklist should be a focus for live lists and monitoring reports.
DDG Wolff to Ottawa Group yesterday

• On trade and health, Members can --
  – Request the Secretariat to upgrade its COVID-19-related trade monitoring activities to collect and publish the best information available, not relying solely on notifications and verification.
Why all this matters

• Decisions in a crisis should be based on full awareness of what is happening in the world
• Needs evidence not assumptions
• Also needs a shared understanding of what the data means
• And that comes from working together in an international organization

"Here are some of my policy assumptions. Find something to base them on."


