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REPORTS ON G20 TRADE AND INVESTMENT MEASURES[1]

(OCTOBER 2022-MAY 2023)

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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 mid-October 2022 to mid-May 2023.

The WTO Trade Monitoring Report comes at a moment of continuing instability for the global economy and international trade. The war in Ukraine, climate change, food and energy insecurity as well lingering challenges of the COVID-19 pandemic and access to medicines remain at the top of the agenda for political leaders across the world. In addition, stubbornly high inflation rates, tighter monetary policies and high levels of external debt contributed to a slump in world merchandise trade volume at the end of 2022. The WTO's most recent forecast projects subpar growth of 1.7% in 2023 picking up to 3.2% in 2024.

The Report provides an update on developments in export restrictions on food, feed and fertilizers seen since the beginning of the war in Ukraine. Although many of these restrictions have been lifted, including by several G20 economies, and the introduction of new measures has declined over the review period, globally more than 60% of these export restrictions remain in place with serious implications for food security, especially in developing and least-developed countries. The G20 economies must lead by rolling back export restrictions and ensure the free flow of trade.

Overall, G20 economies introduced more trade-facilitating than trade-restrictive measures on goods and services during the period covered by this report. The trade coverage of the trade-facilitating measures at USD 692 billion is almost 8 times greater than that of trade restrictive measures (USD 88 billion). However, the stockpile of G20 import restrictions remained significant with over 11% of G20 imports affected by import restrictions implemented by G20 economies since 2009 and which are still in force. No sign of any meaningful roll back of existing measures was observed during the review period.

Preparations for WTO's 13th Ministerial Conference (MC13) in early 2024 are already under way. Follow up on the multilaterally agreed outcomes at MC12 on fisheries subsidies, the WTO response to the future pandemics, including a waiver of certain IP requirements concerning compulsory licensing for COVID-19 vaccines, food security, the extension of the moratorium on e-commerce, and on WTO reform will require determination and commitment by all WTO Members. The Senior Officials meeting in Geneva on 23-24 October will provide an important opportunity to take stock of preparations for MC13. G20 initiative and leadership in the preparations for MC13 are crucial for the success of the ministerial meeting and for reinvigorating the multilateral trading system and boosting the world economy.

The OECD and UNCTAD Monitoring Report on investment measures notes that while the direct economic impact of the COVID pandemic on investment policy in G20 members has subsided, the overall economic environment remains challenging. Global FDI flows fell back in 2022, after plummeting in 2020 and rebounding in 2021. Lower equity inflows contributed to the decline of FDI in G20 economies, although they were partly offset by an increase in reinvested earnings. Prospects for 2023 remain uncertain: in the first quarter of 2023, the value of new announced investment projects dropped by 40% and the number of projects declined by 15% compared to the previous quarter.

G20 members have made only limited changes to their investment policies in the reporting period, confirming a longer-time trend to less frequent adjustments in this area. A notable exception are policy measures adopted to manage the security implications of foreign investment, which constitute again a significant share of the policy changes taken in the reporting period. G20 members have also taken further measures in relation to the war in Ukraine.

The appreciation of the significance of international investment is critical to address the current and future crises and to achieve the Sustainable Development Goals (SDGs).

This is particularly important in the context of a growing SDG investment gap in developing countries. As we approach the midpoint of the 2030 Agenda for Sustainable Development, countries need to intensify their efforts to promote and facilitate investment across all

SDG-relevant sectors. They also need investment to ensure a swift and just transition to carbon neutrality and to overcome the continued and deepening poverty across and within societies.

Mathias Cormann	Dr Ngozi Okonjo-Iweala	Rebeca Grynspan
Secretary-General	Director-General	Secretary-General
OECD	WTO	UNCTAD