

THE WORLD TRADE ORGANIZATION AND COVID-19-RELATED TRADE MEASURES¹

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Abstract: In a short period of time, COVID-19 has become much bigger than just a health problem. Among other things, it has disrupted the global economy and world trade, with the biggest negative impact of the pandemic outbreak in the international services sector. During the COVID-19 crisis, in order to preserve the national economy, states started introducing trade-related measures. These measures had the potential to disrupt trade flows, supply chains, and eventually even the whole system of world trade. The paper examines the compliance of trade restriction measures taken in response to COVID-19 with the WTO rules and what the policy of the WTO was during this crisis. Since the elimination of trade restrictions is one of the WTO basic principles, this introduction of a number of restrictions had to meet certain preconditions prescribed by the WTO agreements, such as transparency, temporality, and not being discriminatory towards different countries, etc. Since the COVID-19 crisis is still ongoing, we concluded that most countries have introduced some form of trade policy measures, most of them in the form of technical barriers to trade and sanitary and phytosanitary measures, and that the introduced measures will not all be removed as long as there is an existing threat and insecurity.

Keywords: WTO, COVID-19, international trade, restrictions, notifications, trade measures.

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INTRODUCTION

In the beginning, the COVID-19 epidemic was predominantly seen as a public health problem. However, it was not long before, due to the introduction of state measures and the impact of disease on more and more countries around the world, COVID-19 became much bigger than just a health problem. Since the COVID-19 epidemic has been spreading at a high pace all parts of the world, it has been declared a pandemic by the World Health Organization (WHO). The existing interconnectedness among countries facilitated the spread of disease and the spread of negative effects on many areas of the economy. At first, the COVID-19 outbreak has caused a deep disruption to world trade. The disruption was felt on both the supply and demand sides of the global economy. Countries have begun to introduce COVID-19-related trade policy measures, such as temporary export bans for certain medical products. States have also been concerned with the security of their food supplies, so they have started to introduce export restrictions on agricultural products. These kinds of behaviour have generated concerns of the potential food shortages in the global market. In a short period of time, the situation has become so serious that the heads of the UN Food and Agriculture Organization (FAO), the WHO, and the World Trade Organization (WTO) issued a joint statement in which they called on governments to minimize the impact of COVID-19 related border restrictions on global trade and food security (WHO, 2020). Only a little over a decade after the major disruption of trade and investment following the Global Financial Crisis, the consequences of the COVID-19 pandemic have resulted in a large number of changes, and maybe even a deep and lasting transformation of international trade and the process of globalization. A possible paradigm shift in international trade relations and governance already has a strong impact on the World Trade Organization and opens the possibility of the WTO's strengthening or even deeper marginalization of its position in the world.

METHODOLOGY

After the short introduction, the chapter titled *The World Trade Organization and COVID-19-related trade measures* examines the trade restriction measures taken by the states when it became clear that COVID-19 was spreading and a crisis was arising, as well as the compliance of those measures with the WTO rules. It also views which WTO regulations, under certain circumstances, allow states to impose temporary restrictive measures, and what was the policy of the WTO during this crisis. Finally, an overview of the changes in trade due to the crisis was given, as well as an overview of the future challenges the WTO will face.

The methodology of this study is based on a review of the existing economic literature, as well as the official WTO announcements, on trade measures introduced during the coronavirus pandemic and the regulations governing them. The aim is to analyse the restrictive measures, their compliance with the WTO regulations, for which products the restrictive measures were introduced, the temporary nature of trade measures and whether they were really necessary to protect public health and public welfare.

Desk research has been applied in the analysis. Data from the reference organizations, as well as reference publications, were used.

TRADE POLICY MEASURES TAKEN IN RESPONSE TO COVID-19

One of the fundamental principles that guided negotiators in the former General Agreement on Tariffs and Trade (GATT) and now the World Trade Organization (WTO) was the elimination of trade barriers. Article XI of the GATT generally prohibits quantitative restrictions on the importation or the exportation of any product (Bjelić, Jelisavac Trošić, Popović Petrović, 2010, p. 51). However, when there is greater trade instability or other external shocks, countries begin to introduce measures to protect their economies. Precisely because of such situations, the WTO, in addition to the general prohibition of restrictions, provides an opportunity for states to temporarily introduce certain measures. Export prohibitions and restrictions are generally prohibited under the WTO. Article XI:1 of the GATT 1994 prohibits members from introducing or maintaining any form of export prohibition or restriction other than duties, taxes, or other charges. However, certain measures are carved out of the scope of this general prohibition, including Article XI:2(a) of the GATT 1994, which allows “export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party” (WTO, 2020a).

An important precondition for using the possibility of introducing temporary restrictions is to inform the WTO about their introduction, as well as that they must not be discriminatory towards different countries. “While Article XI of the GATT 1994 broadly prohibits export bans and restrictions, it allows members to apply them temporarily to prevent or relieve critical shortages of foodstuffs or other essential products. If members move to restrict exports of foodstuffs temporarily, the Agreement on Agriculture requires them to give due consideration to the food security needs of others. The WTO rules also contain more general exceptions, which could be used to justify restrictions provided that they do not constitute a means of arbitrary or unjustifiable discrimination between countries or a disguised restriction on international trade” (WTO, 2020b).

The liberalized and open trading system of the world suffered a severe shock during the COVID-19 crisis. In response to the spread of the infection, most countries have introduced some form of trade policy measures. Trade policy measures were adopted, revoked, or amended on a daily basis, especially at the start of the COVID-19 crisis. Although the majority of trade measures introduced after the beginning of the spread of COVID-19 seemed to be justifiable, there were also many measures whose coverage and nature were arguable. The question is whether such measures are legal under the WTO rules. In normal times, times without the crisis, those kinds of measures are not allowed, and the WTO prohibits quantitative export restrictions. But in times of crisis, if measures are temporary in nature and aimed at preventing or relieving critical shortages of essential products, they are allowed under the WTO rules on the ground of health. One of the most important conditions is that such measures must be transparent and known to all actors in trade (WTO, 2020c). Over 390 community organizations from 150 countries have called on the WTO to ensure that the intellectual property rules in the WTO agreements do not prevent access to medicines and medical supplies, especially for low-income countries (Civil Society Organizations, 2020, p. 110).

However, there is no way of knowing whether or not any of these measures will be subject to a WTO panel. In general, formal complaints are only launched when a trade measure undermines the core interests of a trading partner, or more precisely, of those companies operating within its jurisdiction. Even in the absence of a formal dispute, the WTO emerges from the pandemic further fragilized and with its capacity to enforce global rules weakened. It will be important to remain vigilant in monitoring and analyzing governments' trade policy responses to future challenges and, where necessary, highlight their inconsistencies (Curran, Eckhardt, Lee, 2021).

Quantitative restrictions are generally prohibited by the WTO, under Article XI of the General Agreement on Tariffs and Trade (GATT) – “No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licenses or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party.” (GATT, 2021, p. 314). However, as we mentioned, there are exceptions to that general rule. Exceptions are allowed under Articles XI:2(a), XX(b) and XXI(b) of the GATT. The exception under Article XI:2(a) states that the mentioned provisions shall not extend to the “export prohibitions or restrictions temporarily applied to prevent or relieve critical shortages of foodstuffs or other products essential to the exporting contracting party” (Ibidem). The Appellate Body interprets such exceptions as part

of its role as a legal body within the WTO system. The WTO Appellate Body's interpretation of Article XI:2 of the GATT, considering the current COVID-19 crisis, appears to provide the WTO member countries with the authority to restrict exports of food and medical supplies as long as necessary in order to prevent critical shortages. Furthermore, Article XX(b) of the GATT allows measures "necessary to protect human, animal or plant life or health", and Article XXI(b)(iii) on "Security exceptions" states that nothing in the GATT should be construed to prevent any WTO Member "from taking any action which it considers necessary for the protection of its essential security interests" in times of "emergency in international relations" (Pauwelyn, 2020, p. 407).

International trade is crucial in ensuring access to medicines and other medical products. Governments are enacting temporary trade measures that aim to restrict exports of vital medical supplies and to liberalize imports of vital medical supplies, as well as other essential products. (International Trade Centre, 2021). As it seems, exceptions are allowed in specific circumstances, but emergencies in international relations usually mean armed conflicts and not health emergencies. But this pandemic has changed this.

The problem with implementing trade-related measures as a response to COVID-19 is that they increase in numbers very fast and can disrupt trade flows, supply chains, and eventually even the whole system of world trade. Although with the emergence and spread of the pandemic came a great desire to react in order to protect the individual state, what may deter a country from imposing export restrictions is the desire not to break its own supply chains, or the fear that other countries will then retaliate with similar measures (ECIPE, 2020, p. 108). There is also the possibility of food or medicine shortages, which would result in rising prices. If these issues are not resolved quickly, it may jeopardize food and medicine security in some countries.

The rapid growth and proliferation of trade measures, which are not compatible with the WTO system, in response to the pandemic and with the desire to protect its own market, undoubtedly obstructs the transparency, immutability and predictability of the WTO trade rules relied on by all companies which operate in the international market. It is a particular challenge to maintain the WTO rules, which were established for decades, in times of crisis and with the great shock and unpredictability that this pandemic has brought to the world. Even if targeted actions to protect "strategic" industries and supplies have relatively minor impacts on, for instance, average tariffs, they would still have major impacts on the targeted sectors. What is called into question by all these measures is trade openness and the implications for the robustness of the international trading system.

It is interesting to point out that some trade restrictions have even been reduced between the US and China, at least temporarily. The two rivals had been stuck in a trade war for at least two years before the COVID-19 crisis. In particular, the US has decided to exclude a range of medical protective gear and equipment from additional duties imposed previously under Section 301, and new products may be added to that list in the future. Similarly, China has granted temporary exemptions from its counter-duties for certain US goods (e.g., reagents or disinfectants) (Layton, Zhang, Li, 2020, p. 340). That is one of the examples that shows how the crisis, i.e., the common danger, forces the state to cooperate in strategic and security-sensitive areas for the benefit of all parties.

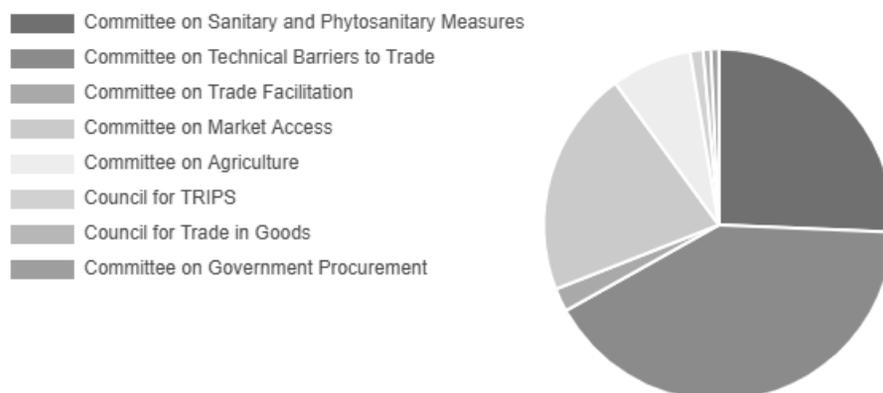
THE WTO POLICY WITH REGARD TO TRADE MEASURES IMPOSED BY MEMBER COUNTRIES

In addition to lowering trade barriers, the WTO secures and binds the foreign trade policies of its members, locking them at the existing level. Putting restrictions on the trade policies of the states is in the very essence of the multilateral trade system (Jelisavac Trošić, 2015, p. 139). The WTO agreements require member states to make their trade policy transparent. The WTO monitors the foreign trade policies of member states, which also means that all WTO members must undergo a periodic review of their trade policies and practices.

In general, the WTO rules provide broad space for members to adopt trade measures deemed necessary to protect public health and public welfare. Some of the most used are quantitative restrictions on imports and exports, import and export bans, and non-automatic import licensing (Jelisavac Trošić, Todić, Stamenović, 2018, p. 42). Members should notify the WTO of new restrictive trade measures, and the WTO should process and publish these in a timely manner. It is very important to point out that the measures should be applied in a manner that they do not discriminate between the WTO members and that the measures should not constitute a disguised restriction on international trade.

The WTO members had submitted a total of 406 notifications related to COVID-19 as of 18 August 2021 (WTO, 2021d). Received notifications grouped by type are: technical barriers to trade 172, sanitary and phytosanitary measures 107, market access 87, agriculture 31, and the rest is less than 10 (see graph 1). Technical barriers to trade and sanitary and phytosanitary measures make up more than two-thirds of the total measures.

Graph 1: Notifications by type

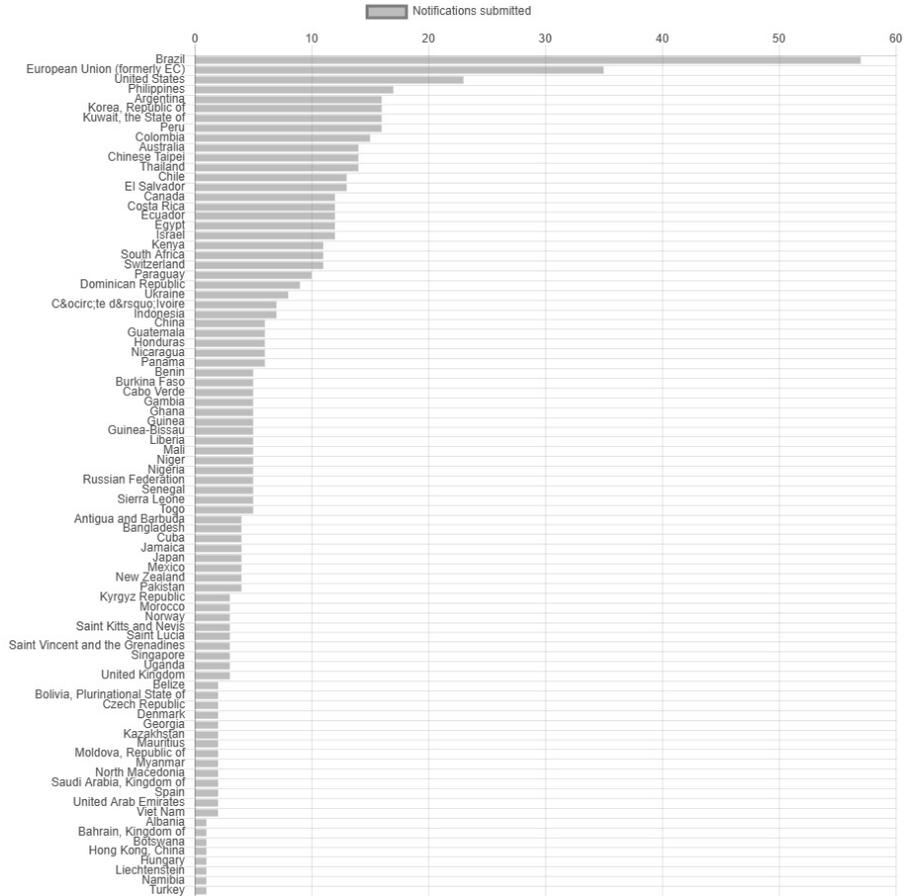


Source: WTO, WTO members' notifications on COVID-19, https://www.wto.org/english/tratop_e/covid19_e/notifications_e.htm. Accessed 18. August 2021.

In order to ensure that there are sufficient supplies to domestic markets, primarily food and medical equipment, states have introduced urgent types of measures, first of all by introducing new trade restrictions (to decrease exports) or by reducing existing trade restrictions (to increase imports). During the second half of 2020, the WTO members largely refrained from protectionist policies that would stifle trade, repealing trade restriction measures imposed at the start of the crisis or introducing new trade liberalization measures. This also helped to limit the drop in global demand (WTO, 2021e).

Regarding the WTO member states, the largest number of notifications, by far, comes from Brazil, followed by the European Union and the United States (see graph 2).

Graph 2: Notifications by member



Source: WTO, WTO members' notifications on COVID-19, https://www.wto.org/english/tratop_e/covid19_e/notifications_e.htm. Accessed 27 May 2021.

The WTO Secretariat is compiling the list of trade-related measures taken in the context of the COVID-19 crisis, which is updated daily for the purpose of transparency and timely notification of companies engaged in international trade.

In addition to import measures, the introduction of which countries notify the WTO, countries have also adopted unilateral border controls by refusing entry to specific imports. For instance, the total number of import refusals of the US Food and Drug Administration (FDA) against agricultural products increased by 52% in

January and 27% in the first quarter of 2020 over the previous year. This was the highest year-over-year growth rate since 2002, and the most affected country was China (FDA, 2020). It can be noticed that in the US and the EU during the previous epidemics such as Ebola, H1N1 and SARS, national food safety authorities have also increased refusals and alert incidents involving imports from affected regions (EC 2020).

There is a problem since the epidemic alerts and severity assessments provided by the WHO are not directly linked to the use of trade measures within the WTO's framework. Consideration of trade measures, implemented because of public health concerns, within the WTO is based on the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and the Agreement on Technical Barriers to Trade (TBT). A Declaration of a Public Health Emergency of International Concern by the WHO does not constitute a specific condition for its consideration. The result is usually excessive trade restrictions during epidemics (Chen, Mao, 2020, p. 736).

In order to help countries keep up-to-date with all the changes in the COVID-19-related measures, the WTO has several tools in place. On the WTO webpage, countries can find a full list of the measures being imposed and notified to the WTO, and also a non-exhaustive list of COVID-19 trade and trade-related measures compiled by the WTO Secretariat from official sources. The WTO also monitors new SPS/TBT notifications and offers the service of the ePing SPS & TBT Notification Alert System where more than 63,000 SPS and TBT notifications are included in this system (SPS&TBT, 2021). The system ePing is a collaborative effort between the WTO, the United Nations Department for Economic and Social Affairs (UNDESA), and the International Trade Centre (ITC). Other notifications regarding members' import and export bans, quantitative restrictions on imports and exports, and non-automatic import licensing are made available through the WTO's Committee on Market Access and posted on the WTO's webpage (WTO, 2021e).

With the aim of facilitating trade in these times of crisis, some WTO members have proposed initiatives calling for restraint in the imposition of any new export restrictions on essential medical goods necessary to combat COVID-19, including vaccines, and to eliminate unnecessary the existing restrictions. Some countries have endorsed a proposal calling for the temporary lifting of intellectual property rights on medicines and medical products essential to combat COVID-19. In the meantime, the WTO member countries continue to submit notifications to the WTO regarding their trade-related actions. In the last monitoring report issued in December 2020, the WTO noted that COVID-19 related trade-facilitating measures implemented since the beginning of the pandemic covered an estimated USD 227 billion of goods trade, while COVID-19 trade-restrictive measures covered trade worth USD 180 billion. A positive development is that around 39% of the restrictive

measures on goods adopted by the WTO members and observers in the immediate wake of the pandemic were repealed by mid-October 2020 (*Ibidem*).

It is necessary to openly and argumentatively discuss trade rules that would apply in a system that includes all governments and that meets the special needs of developing countries. Trade agreements should not be so strong that their implementation prevents governments from regulating public health or the environment. Trade agreements should not strengthen monopolies in medicine, nor give additional legal rights to global corporations that already have enormous market power. They should be based on internationally agreed and fully applicable labour rights and environmental standards (Ranald, 2020, p. 112).

Temporary export bans for certain medical products, for instance, are WTO-compatible because while they may be regarded as prohibited quantitative restrictions on exports, they are potentially justified as necessary to protect public health. Most of the measures introduced by the states were probably justified, but there were still a significant number of measures whose scope or nature was such that they could hardly be justified by Articles XX or XXI. An export ban is an extreme measure that is relatively rare in the global trading system. Nevertheless, we have seen widespread recourse to such actions during the crisis, sometimes without an announced end date, which is not according to the WTO rules. The temporary trade measures taken during the crisis must have a minimum built-in expiration clause which would prove their temporary nature. Otherwise, if there is no specified deadline, there is a high risk that they will persist long after they have outlived their need (Curran, Eckhardt, Lee, 2021). Of course, in addition, they need to be applied in a manner that does not discriminate between the WTO member countries and cannot constitute a disguised restriction on international trade.

Interestingly, the pandemic has forced governments and companies to actively consider the risks created by globalization, like reduced self-sufficiency. The bigger the impact of the COVID-19 pandemic, the greater are the chances that we will see the paradigm shift in international trade relations and governance. A fundamental reorganization of the global economy and international trade and political order has already been going on for some time. While that is happening, some multilateral institutions have already been marginalized, and the WTO may serve here as a perfect example with its partially paralyzed dispute settlement system, deadlocked multilateral trade negotiations in the Doha round, and views of the organization as outdated and complacent. Despite the onset of a pandemic, global trade restrictions have been on the rise for the last couple of years. The rise of restrictions is not limited to the economic relations between the US and China. Traditionally very open to international trade, the European Union has taken a more determined stance

and is increasingly vigorously imposing its anti-dumping duties, countervailing measures and trade sanctions.

THE CHANGES IN TRADE BECAUSE OF THE COVID-19 CRISIS

The outbreak of the COVID-19 pandemic has disrupted international trade. The disturbance was present both on the supply side of goods and services and the demand side. When we look at trade, the biggest negative impact of the pandemic outbreak was in the international services sector. But still, the downturn in world trade, which the WTO originally feared for 2020, was not as sharp as originally forecast. The COVID-19 pandemic led to merchandise trade declining by 8% and trade in commercial services contracting by 21% year-on-year in 2020. World trade in goods and services amounted to US\$ 22 trillion in 2020, a 12% decline compared with 2019. The services were more severely affected because while lockdowns led to the cancellation of flights, holidays abroad, restaurant meals, and cultural/recreational activities, the demand for essential goods held up in all major economies (WTO, 2021f, p. 10). The top exporter of merchandise trade in 2020 was China, with US\$ 2,323 billion. It accounted for 13% of the world's total export of merchandise trade (WTO, 2021f, p. 1). On the plus side, the trade decline in 2020 was less severe than forecasters predicted, thanks to proactive fiscal and monetary policies, a trade policy restraint that kept supply chains running, and trade flexibility and adaptation due, for example, to increased demand for products that enable working from home.

Merchandise export and import volumes in the first quarter of 2021 rose to new heights in Asia and reverted to pre-pandemic levels in Europe and North America, but lagged in poorer, less industrialized regions, such as Africa and the Middle East. Regional growth in merchandise trade volume has varied much more than it did before the COVID-19 pandemic, with Asia exceeding growth in other regions for both exports and imports. Perhaps the strongest impact of the virus movement on the success of commodity trade can be seen from the example of the decline in merchandise exports of oil-producing regions, which fell the most in 2021 due to reduced fuel demand because of travel restrictions related to COVID-19. Another good example is the weakness of the year-on-year growth of imports of goods in Europe, partly due to the revival of COVID-19 in the first quarter of 2021 (WTO, 2021f, p. 21, p. 36).

The world commercial services trade, in the first quarter of 2021 compared to the same period in 2019, was down 19% for exports and 18% for imports. Exports and imports of commercial services in Europe were better than the world average in the first quarter of 2021, 15% and 13%, respectively, while all other regions

performed less than the world average. Africa, South America, and Central America, including the Caribbean, recorded the largest decline in exports of commercial services due to the continuation of measures in the fight against COVID-19 as they reduce travel exports (WTO, 2021f, p. 39).

The Goods Trade Barometer from the WTO shows that the volume of merchandise trade was up 5.7% year-on-year in the first quarter of 2021, which indicates ongoing recovery from the pandemic-induced shock of 2020. Recovery from last year's shock was not regionally balanced. North America, Europe and Asia made the best progress in the recovery, while other regions are still lagging (WTO, 2021g). It is expected that the recovery of trade in goods will continue and that it will be even more pronounced in the second part of the year. The WTO's most recent trade forecast of 31 March predicts an 8% increase in the volume of world merchandise trade in 2021, following a 5.3% drop in 2020. Since it recorded a sharp decline in the second quarter of 2020 due to the pandemic, global commodity trade has been growing steadily (WTO, 2021h).

Problems in world trade continue to be created by the trade tensions between the big players, regional disparities, persistent weakness in trade in services and lagging in vaccination, especially in poor countries. Unfortunately, the pandemic caused by the COVID-19 virus continues to pose the greatest threat to trade, as new waves of infection could easily undermine the achieved recovery.

There is a real danger that Investor-State Dispute Settlement (ISDS) rules could result in cases where global companies would seek compensation for government actions during a pandemic that were necessary to save lives but reduced their profits. The ISDS has been rejected by the most of low-income WTO members, but it is still present in bilateral and regional agreements. There are currently over 1,000 cases of the ISDS, many against low-income countries (UNCTAD 2020). In order to prevent such potentially dangerous and destabilizing actions, it would be good to include the WTO, which provides the possibility of multilateral negotiations.

It has become obvious that the international trading system has become less secure, and that is increasingly protectionist. The growth of the policy of interventionism, which started even before the COVID-19 pandemic, is more and more noticeable, as well as the growth of tensions in international trade relations. Some time since the initial shock of the crisis, it has become noticeable that companies are shifting to shorter supply chains. Also, supply chains are more regionally oriented than globally oriented, with most likely reduced efficiency and rising costs. Besides the already mentioned tensions, there is also a lot of talk about the process of economic deglobalization. In the meantime, international trade agreements are less and less restricting domestic action. Successful regulation of all

these tendencies requires a deeper re-examination of the success of the work and the future functioning of global institutions, here primarily having in mind the WTO.

THE COVID-19 CRISIS, THE WTO, AND THE FUTURE CHALLENGES

Even before the crisis caused by the coronavirus pandemic, the WTO started serious talks and proposals were given by the most important WTO member countries on the reform of this international organization (Jelisavac Trošić, 2021, pp. 431-439). The outbreak of the crisis has, in a way, frozen and delayed this process, but it is expected that with the end of the crisis, it will become relevant again. The ongoing COVID-19 pandemic is still an unprecedented challenge in our time to the global economy as well as to health. Because of that, the countries have put all their forces into the function of resolving the crisis as their priority, while other mutual disagreements will be resolved later. Without some new urgent steps, the world is unlikely to achieve the end-2021 target of vaccinating at least 40% of the population in all countries, which is presented to be a critical milestone to end the pandemic and achieve the global economic recovery.

The world trade is currently evolving. The COVID-19 pandemic has triggered a stronger debate about the shortcomings of neoliberal trade policy toward achieving zero tariffs and other barriers to all trade and investment. In this way, each country would specialize in its most competitive exports, importing everything else at the lowest possible prices, without the existence of an active industrial policy and while minimizing government regulations and expenditures. Neoliberal trade policy, on the other hand, maximizes cheap global production chains for corporations, but can result in a race to the bottom, rather than improving labour rights and environmental standards. The implementation of such a policy has left many economies with a narrow production base, which is incapable of producing basic medical products, as well as scarce public health resources to cope with a pandemic (Ranald, 2020, p. 109). The lack of self-sufficiency became apparent with the outbreak of the pandemic. Private ownership of hospitals, for example, when a crisis occurs, leaves little room for state regulation. Also, when the crisis causes a sharp drop in prices, many sectors of the economy are sensitive to the strong influence of transnational corporations, so there is an increase in monopoly rights at the expense of consumers' rights. Trade policy after the COVID-19 pandemic could reject both the extremes of neoliberal trade policy and the policy of building walls and returning to high tariffs. Human rights advocates are promoting trade policy after the pandemic that could improve people's lives.

Given the growing importance of online services, especially during the COVID-19 crisis, the WTO member countries are discussing their efforts to increase the

digital capabilities of businesses and consumers. In this regard, there are a lot of concerns to be addressed, like 5G communications networks, specific trade concerns related to transparency, pre-installed software, satellite operators and cybersecurity, etc. At present, keeping trade open in the face of the pandemic has been the subject of trade initiatives by some countries. Given that the creation of a multilateral trade agreement within the WTO Doha Round has proved unattainable, regional trade arrangements may explore ways to create rules where progress would be more complicated to achieve on a global basis. Since states' budgets have been strained by fiscal measures to fight the pandemic, multilateral and regional trade agreements and other types of trade regulation are becoming more important than government policies in this reflow from an era of globalization. In the current and future periods, technology and market power will be the biggest factors that determine trading patterns. Ultimately, how businesses view future economic conditions will affect future trade regulations.

In the future, the WTO must focus on the challenge of finding reasonable trade measures that can aid in economic recovery. The WTO must also face the challenge of dealing with the trade aspects of the pandemic and post-pandemic period. The dilemma is how well-prepared the multilateral trading system embodied in the WTO is for the challenges that it now faces and that it will face. The most influential countries in the world acknowledged the need for WTO reform before the COVID-19 crisis began. The need for reform is now even more urgent if the WTO is to fulfil its mission of managing trade conflicts and have transparent trade rules (Wolfe, 2020, p. 177). The most influential member countries of the WTO are planning systemic reforms.

If the WTO member countries had teamed up to face the trade challenges of the coronavirus and the desperately needed economic recovery together, there would not be a need for public criticism of the WTO. States have generally responded to the crisis individually, not collectively. The reaction and individual measures introduced by the states in many cases were without reference to the impact of these measures on the interests of other states. On the other hand, the lack of leadership by the WTO, and the already reduced confidence in its actions, have also led to individual reactions from individual countries rather than to collective multilateral measures.

Since the WTO reform is long overdue, the problems in the WTO's functioning which preceded the pandemic will continue after the end of the pandemic and the elimination of its consequences if there is no reform inside the WTO.

CONCLUSION

Since the COVID-19 threat is still ongoing, it is too early to provide clear judgements on the persistent impacts of COVID-19 on the international trade system. Besides that, the policy interventions are also shifting. The majority of trade measures introduced after the beginning of COVID-19 seemed to be justified, but there were also measures whose coverage and nature were arguable. In times without crisis, those kinds of measures are not allowed since the WTO prohibits quantitative export restrictions. But in times of crisis, clauses from the WTO agreement are used that allow their use on the ground of health. If measures are temporary in nature and aimed at preventing or relieving critical shortages of essential products, they are allowed under the WTO rules. A precondition for using the possibility of introducing temporary restrictions that must be met according to the WTO rules is to inform the WTO about their introduction, as well as that they must not be discriminatory towards different countries.

Considering the current COVID-19 crisis, the WTO Appellate Body's interpretation of Articles with exceptions to the general rule of eliminating trade restrictions appears to provide the WTO member countries with authority to restrict exports of food and medical supplies as long as necessary in order to prevent critical shortages. Given the shortcomings identified so far, a recommendation would be to establish some sort of formal WHO-WTO coordination system in order to conduct reviews and assessments of the trade measures imposed during an outbreak.

It is a particular challenge to maintain the WTO rules, which were established for decades, in times of crisis and with the great shock and unpredictability that this pandemic has brought to the world. The WTO has succeeded in providing essential transparency and updating of the obtained notifications of measures from its member countries, which is essential, especially at an uncertain time of the pandemic, for planning both by national policymakers and companies. But the problems are created by import barriers during the pandemic, which often occur outside the WTO framework.

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