

commerce. Cooperation is developing in other important areas, as well. However, progress has failed to be achieved in some key areas — energy, finance and the digital agenda — owing to member countries' conflicting positions on crucial state interests.

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In 2025, the processes that cause a shift in the balance of power and transformation of the world order will develop further. The multidirectional trends in the reform of international institutions in the interests of the global majority states and building an order based on the rules of the G7 will increase tension and fragmentation in the system of multilateral institutions. In 2024, developing countries began to build more consistently their positions in international organizations proceeding from their priorities and awareness that unilateral economic measures, manipulation of political systems and regulation of market access, trade agreements and payment systems violate WTO rules, the UN Charter and the most important aspects of sovereignty and are incompatible with the goal of building a fair and effective system of international relations. Russia and its partners will have to uphold their vision of a fair and effective global governance architecture within the framework of South Africa's G20 presidency, the last one in a series of developing countries' presidencies, Brazil's BRICS and UNFCCC COP presidencies, UN negotiations on future AI and Internet governance and on many other venues.

## **5.5. Russia's participation in WTO disputes<sup>1</sup>**

### **5.1.1. The WTO crisis and Russia's participation in the WTO from the onset of the SMO**

Since its accession to the WTO in August 2012, Russia has participated participates in 125 WTO trade disputes: 8 as a complainant, 11 as a respondent, 106 as a third party. The WTO dispute settlement mechanism has been in crisis for several years, primarily due to the suspension of the Appellate Body (AB) due to the U.S. blocking the appointment of new members. Despite this, countries continue to file complaints with the WTO Dispute Settlement Body (DSB), recognizing the need for reforms to the dispute settlement system.<sup>2</sup> Various ideas have been put forward,

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  2. For more information, see: URL: <https://www.iep.ru/ru/publikacii/publication/rossiyskaya-ekonomika-v-2020-godu-tendentsii-i-perspektivy-vypusk-42.html>

including, among others, doing away with appellate procedures altogether, replacing them with “review” by arbitration panels (APs), modernizing appellate procedures, including establishing additional requirements for appeals and standard of review.<sup>1</sup> In late February and early March 2024, the 13th WTO Ministerial Conference was held in Abu Dhabi. Among other things, the final Ministerial Declaration reaffirmed the intention to agree on a reformed dispute settlement system that is fully operational and accessible to all participants. Since September 2024, a number of meetings have been held with experts to advance technical work, including on appeals, accessibility and transparency, capacity building and technical assistance.<sup>2</sup> Significant disagreements remain on legal costs, access to the appeals mechanism, its form and standards of review.<sup>3</sup>

Other controversial points are the application of trade barriers with reference to the environment, the extension of the moratorium on duties on electronic transmissions, and the program for future negotiations on agriculture and fisheries subsidies (benefits for developing countries), etc.<sup>4</sup>

WTO technical experts are discussing the need to reduce or modify appeal opportunities, as well as clarifications from AO members on access to and form of the trade dispute settlement mechanism.<sup>5</sup> The WTO experts may engage in the development of a text on technical assistance and capacity building, but significant disagreements remain on the issue of litigation costs.<sup>6</sup>

Some countries, primarily the U.S. and EU countries, have continued to impose unprecedented trade and economic sanctions against Russia since the beginning of the Russian special military operation. In particular, they suspended Russia's most-favored-nation treatment (MFN), which contradicts the fundamental principle of the WTO (non-discrimination), and began to discuss Russia's exclusion from the WTO, although WTO rules do not provide for such an exclusion. The Agreement Establishing the WTO (the Marrakesh Agreement) does not provide for the suspension of MFNs in respect of a particular country. However, other WTO agreements, such as the GATT, impose some restrictions with reference to Article XXI (Security Exception) when there is an emergency and a substantial threat to national security. Where members invoke these exceptions, there is a question of enforcement and interpretation of the provisions of the Article in relation to each particular situation.

A number of Russian politicians and experts suggest that Russia should withdraw from the WTO, while others believe that this is what the countries imposing an

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1. URL: <https://wto.ru/our-blog/spros-na-uslugi-apellyatsionnogo-organa-vto-po-prezhnemu-sushchestvuet/>

2. URL: [https://www.wto.org/english/news\\_e/news24\\_e/dsr\\_11oct24\\_e.htm](https://www.wto.org/english/news_e/news24_e/dsr_11oct24_e.htm).

3. URL: [https://www.wto.org/english/news\\_e/news24\\_e/refrm\\_22nov24\\_e.htm](https://www.wto.org/english/news_e/news24_e/refrm_22nov24_e.htm).

4. URL: [https://www.economy.gov.ru/material/news/chleny\\_vto\\_podtverdili\\_namerenie\\_dogovoritsya\\_o\\_reforme\\_sistemy\\_razresheniya\\_sporov\\_v\\_techenie\\_2024\\_g.html](https://www.economy.gov.ru/material/news/chleny_vto_podtverdili_namerenie_dogovoritsya_o_reforme_sistemy_razresheniya_sporov_v_techenie_2024_g.html).

5. URL: [https://www.wto.org/english/news\\_e/news24\\_e/disp\\_18jul24\\_e.htm](https://www.wto.org/english/news_e/news24_e/disp_18jul24_e.htm).

6. URL: [https://www.wto.org/english/news\\_e/news24\\_e/dsr\\_11oct24\\_e.htm](https://www.wto.org/english/news_e/news24_e/dsr_11oct24_e.htm).

ti-Russian sanctions are seeking,<sup>1</sup> which will only increase discrimination in Russia's foreign trade.<sup>2</sup> Efforts to isolate Russia from the multilateral trading system will lead to paralysis of the WTO's core functions, such as a forum for trade negotiations, dispute settlement and administration of trade agreements.

WTO rules should be reviewed in the context of sanctions, the concept of emergency situations should be formalized, and restrictions on the use of sanctions should be introduced.<sup>3</sup> To combat sanctions, Russia should continue to develop cooperation with friendly and neutral countries, in particular with the BRICS countries.

### 5.5.2. BRICS countries and the WTO

In 2024, Russia was the BRICS chair. On October 22–24, 2024, the XVI BRICS Summit was held in Kazan, which showed the untenability of Russia's isolation by unfriendly jurisdictions.<sup>4</sup> The Kazan Declaration was the final document of the summit, which reflects the basic ideas of the BRICS. In 2024, Iran, Egypt, UAE and Ethiopia acceded to BRICS in addition to Brazil, Russia, India, China and South Africa. The trade regime between the BRICS members and Russia is based on the countries' WTO commitments.<sup>5</sup> Despite the development of trade within the BRICS, tariff and non-tariff restrictions remain among the partners: there are about 191 anti-dumping measures in force. 23% of them relate to goods of metallurgical and chemical industries, 17% — to the timber industry. India and Brazil have introduced the most measures (69% of such measures), Russia has 18 anti-dumping measures against partners. 75% of measures within BRICS are against Chinese companies (144 measures), 9% are against Indian companies (18 measures). There are 8 anti-dumping measures against the Russian Federation within BRICS (*Table 11*).

The BRICS countries also have countervailing measures on chemical and metal products against partners: three in Brazil, two against India, one against China, and four in India against China.

All BRICS countries, except Iran and Ethiopia, are members of the WTO and seek fair trade rules that take into account the interests of developing countries and reform of the international financial system. The launch of a special mechanism for BRICS countries' consultations on WTO issues was declared. In particular, in order to counter protectionism and develop sustainability of supply and value chains,

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1. URL: <https://www.rbc.ru/rbcfreenews/6238870a9a79476f887f02ee>.

2. URL: <https://cyberleninka.ru/article/n/vzaimodeystvie-rossii-i-vto-v-usloviyah-mezhdunarodno-pravovyh-i-ekonomicheskikh-sanktsiy-istoriko-pravovoy-aspekt>.

3. URL: [http://www.vavt-imef.ru/wp-content/uploads/2022/07/Monitoring\\_82.pdf](http://www.vavt-imef.ru/wp-content/uploads/2022/07/Monitoring_82.pdf).

4. URL: <https://spi-cis.ru/novosti/osnovnye-itogi-16-sammita-briks-v-kazani-22-24-oktyabrya-2024-goda>.

5. URL: <https://cyberleninka.ru/article/n/osobennosti-gosudarstvennoy-podderzhki-rossiyskogo-eksporta-v-strany-briks>

Table 11

Anti-dumping measures in force in BRICS countries against each other in 2024

Countries imposed tariff and non-tariff barriers	Number of measures	Share, %	Countries with imposed tariff and non-tariff restrictions	Number of measures	Share, %
India	66	35	China	144	75
Brazil	64	34	India	18	9
RSA	20	10	UAE	9	5
Russia	18	9	Russia	8	4
Egypt	11	6	RSA	6	3
China	7	4	Egypt	3	2
UAE	5	3	Iran	2	1
<b>Total</b>	<b>191</b>	<b>100</b>	Brazil	1	1
			<b>Total</b>	<b>191</b>	<b>100</b>

Source: Own calculations on the data released by the WTO portal regarding protection measures: URL: <https://trade-remedies.wto.org/en>.

e-commerce and special economic zones (SEZs).<sup>1</sup> Due to the sanctions, most of Russia's trade is reoriented towards friendly and neutral countries, in particular the BRICS countries (especially China and India) in terms of substitution of goods from unfriendly jurisdictions and supply channels.<sup>2</sup>

The BRICS largest economies participate in the WTO trade dispute settlement mechanism most frequently: China (276 disputes, including 28 as a complainant, 51 as a respondent, 197 as a third party), India (237 disputes: 24 as a complainant, 32 as a respondent, 181 as a third party) and Brazil (223 disputes: 34 as a complainant, 17 as a respondent, 172 as a third party). Egypt has not filed a complaint at the WTO, it has been sued 34 times and has been involved in 39 disputes in the role of third party. South Africa and the UAE initiated 2 disputes each, 6 against them, these countries joined 21 and 15 disputes respectively in the role of a third party.

China most often files complaints against the US (64% of China's disputes) and the EU (25%); India against the US (46%), EU (33%); Brazil against the US (32%), EU (24%), Canada (12%) on topics such as trade in goods, subsidies, agriculture, safeguard measures (anti-dumping, countervailing, special safeguard measures), and investment.

Five of the more than 200 WTO trade disputes involving BRICS countries as complainants or respondents are disputes between BRICS countries. These are Brazil's disputes against China on special safeguard measures, tariff quotas and sugar licen-

1. URL: <https://rpp.ru/events/news/anonsirovan-zapusk-mekhanizma-konsultatsiy-v-briks-po-vopro-sam-vto-6718e2778b681/>

2. URL: <https://cyberleninka.ru/article/n/vozmozhnosti-koordinatsii-torgovoy-politiki-stran-briks>

sing (DS568),<sup>1</sup> India on sugar and sugarcane support and export subsidies (DS579)<sup>2</sup> and South Africa on anti-dumping duties on frozen fowls (DS439).<sup>3</sup> As well as India's disputes on anti-dumping duties against Brazil (jute bags) (DS229)<sup>4</sup> and South Africa (pharmaceutical products) (DS168).<sup>5</sup> Russia has joined as a third party in one dispute (DS579),<sup>6</sup> which is under appeal. Almost all of the disputes relate to safeguard measures.

Disputes against China are mainly initiated in the WTO by the USA (in almost half of cases), the EU (24% of disputes against China), Canada and Mexico (8% each); against India—the EU (34%), the USA (25%), Taiwan (9%); against Brazil—the EU (29%), the USA (24%), Japan (12%). Specifically on trade in goods, investment, subsidies, safeguard measures, agriculture, etc.

### 5.5.3. The WTO trade dispute settlement mechanism

Russia acceded to the World Trade Organization on August 22, 2012. For more than 10 years, Russia has had access to the WTO's trade dispute settlement mechanism. The WTO trade dispute settlement mechanism provides for the imposition of countermeasures against a respondent: that fails to comply with the WTO rules and regulations. (However, in practice, such measures have been authorized by the DSB infrequently). The WTO trade dispute settlement mechanism operates under Understanding on Rules and Procedures Governing the Settlement of Disputes (hereinafter, Dispute Settlement Understanding—DSU).<sup>7</sup> Since August 2012, Russia has the right to protect its trade interests through this instrument. The WTO dispute settlement procedure consists of five main consecutive stages.<sup>8</sup>

- 1) *Holding bilateral consultations* (within 60 days from the date of submission of the request for consultations).
- 2) *Establishment of an Arbitration Panel (AP)* at the request of any disputing party and selection of its members to consider the merits of the dispute (45 days from the date of submission of a request to establish a AP).
- 3) *Operation of the Arbitration Panel* (6–9 months from the start of the AP) and acceptance of its report by the Dispute Resolution and Recommendation Body (DSB) (approximately 60 days from the date of submission of the AP report).

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds568\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds568_e.htm)

2. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds579\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds579_e.htm)

3. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds439\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds439_e.htm)

4. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds229\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds229_e.htm)

5. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds168\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds168_e.htm)

6. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds579\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds579_e.htm)

7. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm)

8. URL: <https://www.iep.ru/ru/publikacii/publication/rossiyskaya-ekonomika-v-2021-godu-tendentsii-perspektivy-vypusk-43.html>

- 4) *Review of the case by the Appellate Body (AB)* when at least one of the parties files an appeal (60–90 days from filing of appeal), acceptance of the Appellate Body's report by the DSB and the announcement of the DSB recommendations to the parties (30 days from the submission of the AB's report).
- 5) *DSB control* over the implementation of recommendations (not more than 15–18 months from the date of the DSB acceptance of the AP or AB report).

The WTO Trade Dispute Settlement Mechanism provides for retaliatory measures against a respondent that does not comply with WTO rules and regulations, but in practice such measures have not been often authorized by the DSB.

#### 5.5.4. WTO trade disputes with Russia's participation

As of late 2024, Russia was and is involved in 125 WTO disputes: 8 as a complainant, 11 as a respondent, and 106 as a third party. In 2024, no disputes were initiated by or against Russia. In the role of a third party, Russia joined four trade disputes in 2024. Some of the disputes involving Russia as a third party have already been concluded, and in a number of cases Russia has benefited (directly or indirectly) from its participation.

##### ***The 2024 changes in the WTO trade disputes involving Russia as a complainant***

*DS521: European Union — Anti-Dumping Measures On Certain Cold-Rolled Flat Steel Products From Russia (Russia)*

On January 27, 2017, Russia submitted a request to the DSB for consultations with the EU on anti-dumping measures against Russian cold-rolled products.<sup>1</sup> Exports of the disputed goods from Russia to the EU in 2016 dropped by 84% compared with 2015 and the share of Russian exports in total exports of these goods dropped from 46% in 2015 to 10% in 2016.<sup>2</sup> Anti-dumping duties: 34% for Severstal, 18.7% for MMK, 36.1% for NLMK and others. The dispute is an example of Russia challenging the practice of “energy adjustments” used in anti-dumping investigations, when information from Russian producers is replaced by data from third countries despite the EU recognition of Russia's market economy status.

The AP works since April 26, 2019. In 2022, at the request of Russia, the AP suspended its work, resumed in March 2023, but in summer of 2023 the AP suspended its activity again.

As the AP did not receive a request to restart its work, in accordance with Article 12.12 (Procedure for Arbitration Panels) of Understanding on Rules and Procedures Governing the Settlement of Disputes, the AP's authority expired as of July 13, 2024.

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds521\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds521_e.htm)

2. Data base UN COMTRADE. URL: <http://comtrade.un.org/>

Russia seeks to ensure that anti-dumping investigations are conducted and measures are imposed by the EU in accordance with the WTO rules and regulations. If the DSB recognizes that the EU's energy adjustment practices are systemically inconsistent with the WTO, this would make it more difficult for the EU to conduct anti-dumping investigations and impose anti-dumping measures against Russia, which would result in lower costs for Russian exporters, particularly in the metals and chemicals sectors, since safeguard measures are essentially a surcharge on tariffs. For example, in the DS493<sup>1</sup> dispute initiated by Russia in 2015, Ukraine lifted anti-dumping duties on ammonium nitrate against Russian exporters. Since June 2008, the anti-dumping duty was in effect: Dorogobuzh — 29.25%, for other Russian companies — 42.96%.<sup>2</sup> Russian imports of ammonium nitrate to Ukraine decreased from \$70.9 mn (7% of Russia's export and 99% of Ukraine's imports of this commodity) in 2013 (before the crisis in Russia-Ukraine relations in 2014) to 0 in 2020–2022.<sup>3</sup>

*DS554: United States — Protective Measures On Steel And Aluminum Products (Russia)*

On June 29, 2018, Russia has submitted a request to the DSB to consult with the U. S. on measures on steel and aluminum products imposed in spring.<sup>4</sup> According to Russia, the U. S. imposed these measures in violation of the GATT 1994 and the Agreement on Special Protective Measures: it granted advantages and privileges to some countries that did not apply to other countries, imposed import restrictions in addition to duties, taxes or other charges through quotas, did not justify the imposition of emergency measures, did not send a written notice asap, did not provide opportunity for consultations, and did not provide the U. S. with the necessary information about the measures. In 2017, the share of exports of Russian steel and aluminum to U. S. in the Russian exports of this commodity amounted to 13% and to 32% in the U. S. imports.<sup>5</sup>

Similar disputes against the U. S. have been initiated by China (DS544), India (DS547), the EU (DS548), Canada (DS550), Mexico (DS551), Norway (DS552) and Switzerland (DS556), most of which Russia has joined. As of November 2018, the AP activities were underway. In 2023, the U. S. objected to Russia's request that the AP be suspended, but the AP has been suspended since June 23, 2023. As the AP did not receive a request to resume its work, in accordance with Article 12.12 (Procedure for Arbitration Panels) of Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), the authority of the AP to establish an AP expi-

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds493\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds493_e.htm)
  2. URL: [https://www.economy.gov.ru/material/directions/vneshneekonomicheskaya\\_deyatelnost/dostup\\_na\\_vneshnie\\_rynki\\_i\\_zashchitnye\\_mery/reestr\\_ogranich\\_mer/](https://www.economy.gov.ru/material/directions/vneshneekonomicheskaya_deyatelnost/dostup_na_vneshnie_rynki_i_zashchitnye_mery/reestr_ogranich_mer/)
  3. Data base UN COMTRADE URL: <http://comtrade.un.org/>
  4. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds554\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds554_e.htm)
  5. Data base UN COMTRADE URL: <http://comtrade.un.org/>

red as of June 23, 2024. Russia wants to ensure that special safeguard measures are applied in accordance with the WTO rules, in particular the non-discrimination regime—if the U. S. proves that imports of the disputed goods are a threat to the domestic industry, such measures should be imposed against all countries. Russia also wants to ensure that countries do not invoke national security exceptions when imposing measures restricting trade from certain countries.

#### ***The 2024 changes in the WTO trade disputes involving Russia a respondent:***

*DS566: Russia—Additional Duties On Certain Products From The United States (USA)*

As of January 25, 2019, the work of the AP on the dispute initiated by the United States against Russia over the increase of import tariffs by Russia on a number of goods originated in the United States in response to the introduction of special protective measures by the United States in the form of corresponding duties on steel and aluminum products is underway.<sup>1</sup> In August 2018, Russia raised import duties on certain types of cargo transport vehicles, construction and road building equipment, oil and gas equipment, tools for metalworking and rock drilling, and fiber optics (25, 30, and 40% depending on the product). According to the U. S., these measures violate the GATT 1994 because Russia does not impose such duties on similar goods from other WTO member countries and gives the U. S. less favorable treatment. The U. S. has requested consultations with a number of countries on similar issues.

On January 17, 2024, the Chair of the AP informed DSB that the AP had consulted with the parties on the way forward in this proceeding and that each party had indicated that it was continuing to consult internally on the matter. The AP did not plan to report to the parties until the end of 2024.

#### ***The 2024 changes in the WTO trade disputes involving Russia as a third party***

In 2024, Russia joined four WTO trade disputes DS613, DS622, DS623 and DS624 as a third party, the total number of such disputes hit 105. Most often Russia joins disputes on measures affecting agricultural and food products, metallurgical, automotive, aircraft and chemical industries, wood and wood products, renewable energy sources (RES). *Fig. 1* shows the distribution by agreements of the WTO disputes to which Russia joined as a third party. Traditionally, the majority of disputes are related to the GATT, as well as measures to protect the domestic market (Agreement on Subsidies and Countervailing Measures, Agreement on Anti-Dumping, Agreement on Special Protective Measures). In addition, Russia is also interested in violations of the Agreement Establishing the WTO, Protocols of Accession, Agreement on Technical Barriers to Trade (TBT), Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), etc.

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds566\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds566_e.htm)



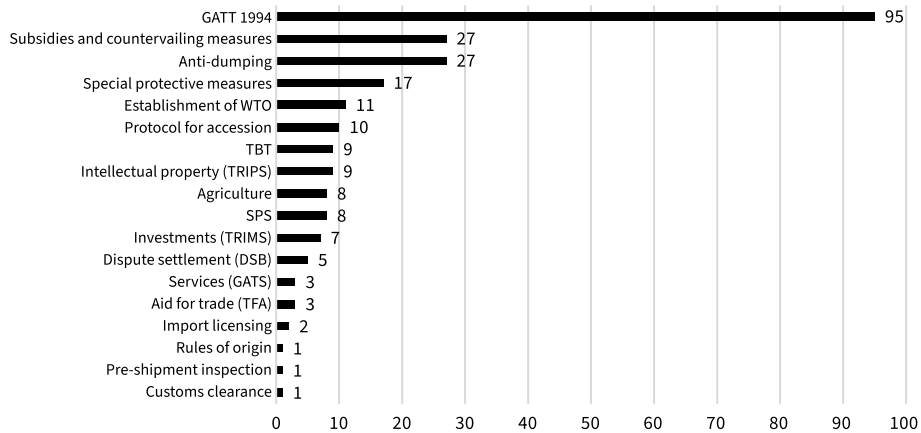


Fig. 1. Topics of the WTO dispute agreements where Russia joined as a third party by late 2024

Source: Own estimates based on WTO official website: URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_by\\_country\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/dispu_by_country_e.htm)

*DS613: European Union—Measures Concerning The Importation Of Citrus Fruit From South Africa (RSA); DS624: European Union—Additional Measures Concerning The Importation Of Citrus Fruit From South Africa (RSA)*

On July 27, 2022, South Africa submitted to the DSB a request for consultations with the EU on the treatment of citrus imports from South Africa (DS613),<sup>1</sup> and on April 15, 2024, a second request on this issue, in particular the application of measures related to the pest (citrus black spot<sup>2</sup>) (DS624).<sup>3</sup> On June 24, 2024, South Africa submitted a request to the DSB for the establishment of a AP on these disputes, and on July 26, 2024, it was established, and the selection of participants is underway. Since these disputes involve perishable products, South Africa is making a request under Article 4.8 (Consultations) of the DSU with fast-track deadlines. Let us further consider these disputes jointly.

The EU has classified the pest as a quarantine and priority pest under the Regulation (EU) 2016/2031. The EU added citrus fruit to the list of plants, plant products and other objects subject to specific requirements for importation into the EU, which include, inter alia, that the importation of citrus fruit comes from a country, area or place of production that is free from the pest, the fruit has been treated, the fruit is found free from pest symptoms, inspections are carried out at the place of production, and traceability information is included in the phytosanitary certi-

1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds613\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds613_e.htm)

2. A cosmetic disease caused by a fungus that results in external blemishes on the rind of citrus, although the fruit itself remains safe for human consumption.

3. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds624\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds624_e.htm)

ficite. On April 13, 2022, the EU adopted the Regulation (EU) 2022/632 establishing “provisional measures” against the pest due to alleged non-compliance of several imports of citrus fruit from South Africa. These provisional measures, which derogate from specific requirements, have tightened phytosanitary import requirements for South African citrus fruit. Until recently, South African citrus fruit was freely imported into the EU provided that they were subjected to effective systemic treatment after harvest against false apple worm. South Africa has developed an effective systemic approach to citrus, under which oranges and other citrus fruit have been exported from South Africa to the EU without significant problems. As of July 14, 2022, the EU requires imported citrus fruit to undergo certain mandatory cold treatment processes and pre-cooling stages for certain periods (up to 25 days of cold treatment) prior to importation. In some cases, these processes must be carried out in the exporting country prior to consignment. These phytosanitary requirements apply to all imports, regardless of whether the importer follows an effective systems approach or other effective post-harvest treatment for false apple worm.

According to South Africa, the new EU requirements lack scientific and technical justification, are discriminatory and more restrictive than necessary for trade. The EU import regime, according to the Complainant, is inconsistent with the EU’s obligations under the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement), including because it is not based on scientific principles, is applied without sufficient scientific evidence, and is not applied to the extent necessary to protect plant life or health; because there is a relevant international standard to which the EU has referred; is not based on an assessment appropriate to the circumstances, risks to plant life or health; does not take into account necessary factors; and is inconsistent with the EU’s obligations under the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement). In addition, the EU makes unjustifiable distinctions by discriminating against the WTO Members where similar conditions prevail; fails to take into account the special status of South Africa as a developing country; fails to allow a reasonable period between the publication of the phytosanitary regulation and its entry into force to give producers in exporting members, especially developing members, in particular South Africa, time to adapt their products and production methods to the new requirements; fails to fulfill its obligations regarding control procedures, etc. Also, according to the complainant, the EU violates the GATT 1994 because the EU measure constitutes a restriction on imports of citrus fruit from South Africa; discriminates between similar products of different origins; and fails to apply the import regime in a consistent, impartial and reasonable manner.

The interest of Russia’s participation in this dispute is due to the importance of the SPS topic for Russia, which has concluded a dispute over live pigs, pork and pork products initiated by the EU (DS475).<sup>1</sup> In this dispute, the EU requested retaliatory measures, although Russia canceled the measure, however the dispute en-

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds475\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds475_e.htm)

ded with the expiration of the full powers of the AP. Countries often use SPS measures not to ensure the safety of products, animal and human life, but for protectionist purposes, so Russia is interested in the experience of participation and enforcement of the relevant WTO rules and regulations in such disputes.

*DS622: European Union — Anti-Dumping Measures Against Imports Of Fatty Acid From Indonesia (Indonesia)*

On February 7, 2024, Indonesia submitted to the DSB a request for consultations with the EU on the anti-dumping investigation and measures on imports of fatty acid from Indonesia, as well as the methodology, construction of normal value based on cost and profit data specific to the product control number (PCN),<sup>1</sup> applied by the EU in anti-dumping investigations, including the challenged.<sup>2</sup> On November 30, 2021, the EU launched an investigation to impose anti-dumping duties on imports of certain fatty acid products from Indonesia. The anti-dumping duties were imposed in amounts ranging from 15.2% to 46.4% from January 18, 2023 to January 20, 2028. A countervailing investigation was also underway from May 13, 2022, but no corresponding measures were imposed.

In EU anti-dumping investigations, the product in question is usually subdivided into several PCNs. The normal value and export price are calculated for each PCN, and a comparison between normal value and export price is made on the basis of the PCN. When the normal value cannot be established on the basis of domestic sales prices in the exporting country, the EU resorts to an engineered normal value calculated on the basis of adding the cost of production and a reasonable amount of administrative, selling and general expenses and profit. If the volume of domestic sales determined by the PCN is less than 5% of the total volume of the same PCNs sold in the EU, the EU applies a PCN-specific profitability test to determine the methodology for constructing the normal value.

A methodology used by the European Commission applies data relating to a specific PCN is applied in the anti-dumping investigation on fatty acid. Indonesia believes that this methodology and the challenged EU anti-dumping measures violate:

—Art. 2 (“Determination of dumping”) of the Anti-Dumping Agreement because, by requiring the use of data on commercial, general and administrative costs and profits relating solely to a particular PCN sold in insufficient quantities on the domestic market of the exporting country, the EU methodology uses such costs and profits that are not based on actual data relating to the production and sales in the ordinary course of trade of a similar product by the exporter or producer under investigation.

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1. Product Control Number (PCN) — a methodology developed to compare identical types of products under consideration in a protective measures investigation to provide a fair comparison for dumping margin and damages calculations.
  2. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds622\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds622_e.htm)

— Article 3 (Determination of damage) of the Anti-Dumping Agreement because the EU failed to conduct an objective examination of the damage factors and erroneously found material damage to the EU industrial sector.

— Art. 5 (“Launch and holding an investigation”) of the Anti-Dumping Agreement because the EU conducted an investigation without sufficient evidence of dumping, damage and cause-effect link.

— Art. 2.4.1 and Art. 9 (Imposition and collection of anti-dumping duties) of the Anti-Dumping Agreement, Art. VI:2 (Anti-dumping and countervailing duties) of the GATT 1994, because the EU applied an anti-dumping duty in excess of the dumping margin as a result of the use of an incorrect exchange rate.

— Article X:3(a) (Publication and application of trade rules) of the GATT 1994, because by applying different methodologies to construct a normal value for PCN sold in insufficient quantities on the domestic market of the exporting country depending on the existence of profitable sales of those PCN, by imposing anti-dumping duties, and by terminating the parallel countervailing duty investigation after the withdrawal of both complaints, the EU did not properly apply the EU rules.

Russia is interested in disputes over anti-dumping measures, especially those imposed by the EU. Five of the eight disputes initiated by Russia at the WTO relate to such measures, of which three are against the EU. In particular, Russia is challenging the methodology of energy adjustments applied by the EU in anti-dumping investigations, which also emphasizes the interest of Russia's participation in this dispute, as Indonesia is also challenging not only specific anti-dumping measures, but also the methodology.

#### *DS623: United States — Certain Tax Credits Under The Inflation Reduction Act (China)*

On March 26, 2024, China requested the DSB consultations with the United States regarding subsidies that the complainant believes are provided under the Inflation Reduction Act (IRA) and are contingent upon the use of domestic over imported goods or that otherwise discriminate against goods of Chinese origin:<sup>1</sup>

— The Clean Vehicle Credit.

— The Renewable Energy Tax Credits (including the Investment Tax Credit for Energy Property).

— The Clean Electricity Investment Tax Credit.

— The Production Tax Credit for Electricity from Renewables.

— The Clean Electricity Production Tax Credit.

The Inflation Reduction Act may be the largest subsidy measure in modern economic history. Official estimates of climate-related subsidies provided under the IRA total \$393 bn, while independent estimates put the total at more than \$1 trillion.

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds623\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds623_e.htm)

China supports national and international efforts to reduce and mitigate climate change, including through the use of subsidies for clean energy production in accordance with the WTO rules. The challenged subsidies, according to complainant, are discriminatory, protectionist, and contrary to the WTO rules and do not further the interest of all members of the community in addressing climate change. For example, under the IRA, to qualify for the clean car credit, the final assembly of a vehicle must take place in North America. Requiring assembly in North America is a condition for claiming one or both of two components of the Clean Vehicle Credit: a critical minerals component valued at \$3,750 per vehicle; and a battery component valued at an additional \$3,750 per vehicle. To qualify for the critical minerals component, 40% (80% after 2026) of the value of the applicable critical minerals (aluminum, cobalt, lithium, nickel, and graphite) contained in the vehicle battery must be mined or processed in the U. S., be mined or processed in a country with which the U. S. has a free trade agreement (FTA), or be processed in North America. To qualify for the battery component requirement, 50% (100% after 2028) of the cost of battery components in an electric vehicle must be manufactured or assembled in North America. After 2024, a clean vehicle will not qualify for these subsidies if it contains any critical minerals or battery components that were “mined, processed, or recycled by a foreign entity of concern.” China believes that the Clean Vehicle Credit is inconsistent with:

- Article I:1 (General Most-Favored-Nation Treatment) of the GATT 1994, because by conditioning eligibility for the Clean Vehicle Credit on the above requirements, in particular by limiting eligibility for the Clean Vehicle Credit to vehicles produced by “foreign entities of concern,” the U. S. does not immediately and unconditionally grant goods of Chinese origin the same benefits under Article III:4 (National Treatment of Domestic Taxation and Regulation) of the GATT 1994 that the U. S. grants to similar goods and products.

- Article III:4 of the GATT 1994, because the U. S. does not accord goods of Chinese origin treatment no less favorable than that accorded to similar goods of the United States origin.

- Articles 2.1, 2.2 (National Treatment and Quantitative Restrictions) of the Agreement on Trade-Related Investment Measures (TRIMS) because the challenged measures are trade-related investment measures that are inconsistent with Article III:4 of the GATT 1994. Compliance with these measures is necessary to obtain the benefit required by the purchase or use by a business of U. S. products or from any source in the United States, as provided for in paragraph 1(a) of the Annex (Illustrative List) to the TRIMS Agreement.

- Articles 3.1(b) and 3.2 (Prohibition) of the Agreement on Subsidies and Countervailing Measures because the Clean Vehicle Credit is a subsidy contingent upon the use of domestic goods in lieu of imports.

The domestic content requirements for the four renewable energy tax credits are the same. Specifically, an eligible project must use 100% domestic steel and iron for construction materials, a certain percentage of the components (varying over

time and depending on the type of renewable energy project) included in the project must be produced in the United States. China believes that the renewable energy tax credits are inconsistent with the following provisions of the applicable agreements:

— Article III:4 The GATT 1994, because by conditioning eligibility for bonus subsidy amounts on the use of goods of US origin, the United States does not treat goods of Chinese origin any less favorably than it treats similar domestic goods.

— Article 2.1 of the TRIMS Agreement, as the challenged measures are investment measures related to trade in goods, which are inconsistent with Article III:4 of the GATT.

— Article 2.2 of the TRIMS Agreement, as the measures are investment ones, compliance with which is necessary to obtain an advantage, and which require the purchase or use by a business of goods of the U. S. origin or from any source in the United States as provided for in paragraph 1(a) of the Annex to the TRIMS Agreement.

— Articles 3.1(b) and 3.2 of the Agreement on Subsidies and Countervailing Measures, as the bonus subsidy amounts available for renewable energy tax credits are subsidies contingent upon the use of domestic instead of imported goods.

Although electric vehicle production is not as developed in Russia as in China, Russia is also concerned about the new U.S. law to reduce inflation because it appears protectionist and discriminatory. Russia also appears to fall under “foreign entity of concern.” In addition, Russia is interested in the topics of renewable energy, electric vehicles and subsidies and the enforcement of the relevant WTO rules and regulations.

Below we will consider the 2024 changes on WTO disputes where Russia joined as a third party even before 2024 (on unique disputes).

#### *DS561: Turkey—Additional Duties On Certain Products From The United States (USA)*

On January 26, 2024, Turkey appealed the AP 2023 report on the U. S. dispute over additional duties (increases in import tariffs on U. S. goods in retaliation for the U. S. imposition of special safeguard measures in the form of corresponding duties on steel and aluminum products), in which the panel sided with the complainant.<sup>1</sup> Turkey indicated that due to the lack of members in the AP, it will await further guidance on this appeal. A similar dispute against China<sup>2</sup> was also under appeal since September 18, 2023, and in another dispute,<sup>3</sup> the U. S. and India reached a mutually acceptable solution in 2023.

Russia's concern in participating in the dispute is primarily due to the fact that the U. S. filed a complaint on similar measures against Russia (DS566), on which the work of the AP was still underway in 2023, with a report expected as early

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds561\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds561_e.htm)

2. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds558\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds558_e.htm)

3. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds585\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds585_e.htm)

as 2025.<sup>1</sup> The disputes relate to measures imposed by countries in response to additional U. S. duties on steel and aluminum products, which do not apply to all countries and impose a burden on Russian exporters in particular.<sup>2</sup>

*DS577: United States — Anti-Dumping And Countervailing Duties On Ripe Olives From Spain (European Union)*

In 2022, the U. S. stated that intended to implement the recommendations of the DSB in accordance with its WTO commitments in the EU-US dispute over anti-dumping and countervailing measures on ripe olives from Spain.<sup>3</sup> The U. S. stated that it had implemented the recommendations of the DSB under Section 771B of the U. S. Tariff Act of 1930.

However, the EU requested the establishment of AP in July 2023, and the AP report was submitted on February 20, 2024. The AP concluded that the EU had revealed that the US had not brought its measures into compliance with the recommendations of the DSB.

The AP recommended that the U. S. harmonize its measures with its obligations under the GATT 1994 and the Agreement on Subsidies and Countervailing Measures. On March 19, 2024, the DSB adopted the AP's compliance report.

Russia's concern can be explained by the fact that it also filed an anti-dumping complaint against the United States (DS586), which was still under consultation in 2024.<sup>4</sup> Russia often joins disputes over countervailing measures and subsidies because it is subject to a large number of safeguard measures that have a significant negative impact on Russian exports.<sup>5</sup>

*DS591: Colombia — Anti-Dumping Duties On Frozen Fries From Belgium, Germany and the Netherland (European Union)*

On January 20, 2023, Colombia announced that it intends to comply with the arbitrators' decision to bring the measures into conformity with WTO rules and regulations in the EU dispute against Colombia concerning anti-dumping duties on imports of frozen French fries originating in Belgium, the Netherlands and Germany.<sup>6</sup> For this purpose, Colombia published Ministerial Resolution No. 286 in 2023. Colombia believes that these anti-dumping duties should be maintained on the basis of the modifications made and the reduced dumping margin. This is the first arbitration based on the MPIA (Multilateral Provisional Arbitration Arrangements for Appellate Arbitration).

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds566\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds566_e.htm)

2. URL: <https://www.iep.ru/ru/publikacii/publication/rossiyskaya-ekonomika-v-2023-godu-tendentsii-perspektivy-vypusk-45.html>

3. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds577\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds577_e.htm)

4. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds586\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds586_e.htm)

5. URL: <https://www.iep.ru/ru/publikacii/publication/rossiyskaya-ekonomika-v-2023-godu-tendentsii-perspektivy-vypusk-45.html>

6. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds591\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds591_e.htm)

On May 31, 2024, the EU requested consultations with Colombia under Article 21.5 (Follow-up of Recommendations and Decisions) of the Dispute Settlement Understanding (DSU), in relation to a disagreement on the existence and appropriateness of the measures taken by Colombia to implement the DSB's recommendations. The EU noted that, in accordance with Article 25.4 (Arbitration) of the DSU, Article 21.5 ("Monitoring the implementation of recommendations and decisions") of the DSU applies, with appropriate modifications, to the arbitrators' decision on the dispute.

Russia is concerned with disputes over safeguard measures, both from the point of view of substantial trade interest and the practice of participation and study of enforcement of WTO norms and provisions, since Russia is also subject to a number of safeguard measures that have a significant negative impact on Russian exports. The procedure for substituting data from exporters subject to anti-dumping investigations with data from third-country producers has been challenged by Russia in a number of disputes (DS474, DS494, DS521 against the EU, DS493 against Ukraine, DS586 against the USA).<sup>1</sup>

*DS593: European Union — Certain Measures Concerning Palm Oil and Oil Palm Crop-Based Biofuels (Indonesia)*

Since November 12, 2020, the work of the AP on the dispute initiated by Indonesia against the EU on the measures imposed by the EU and its Member States (in particular, the EU directives on the promotion of renewable energy sources) on palm oil and oil palm biofuels from Indonesia has been in progress.<sup>2</sup> According to the Complainant, these measures do not comply with Art. 2 (Preparation, adoption and application of technical regulations by central government authorities), Art. 5 (Conformity assessment procedures by central government authorities), Art. 12 (Special and differential treatment for developing countries) of the TBT Agreement; Art. I:1 (General Most-Favored-Nation Treatment), III:4 (National Treatment of Domestic Taxation and Regulation), X:3(a) (Publication and Application of Trade Rules) and XI:1 (General Abolition of Quantitative Restrictions) of the GATT 1994; Art. 3.1(b) (Prohibition) and Art. 5 (Adverse Effects) of the Agreement on Subsidies and Countervailing Measures.

On March 5, 2024, the Chair of the panel informed the DSB that the panel had granted Indonesia's request of March 4, 2024, to suspend its work pursuant to Article 12.12 (Arbitration Panel Procedures) of the DSU for a period of two months. Subsequently, the Chair informed the DSB of several requests by Indonesia to extend the suspension of the panel's work. In his most recent communication of September 3, 2024, the Chair informed the DSB that the AP had granted Indonesia's request dated September 2, 2024, to extend the suspension of the panel's work until

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1. URL: <https://www.iep.ru/ru/publikatcii/publication/rossiyskaya-ekonomika-v-2023-godu-tendentsii-perspektivy-vypusk-45.html>

2. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds593\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds593_e.htm)



November 8, 2024. The chair indicated that the panel would resume work and report on November 11, 2024, but there was no report at the year-end.

In February 2018, Indonesia already won a dispute with the EU over anti-dumping measures against biodiesel (DS480), in which Russia also joined as a third party. Russia's concern to participate in these disputes was due, among other things, to Russia's priority development of renewable energy sources in the country and in the world.<sup>1</sup>

*DS599: Panama — Measures Concerning The Importation Of Certain Products From Costa-Rica (Costa-Rica)*

Since January 24, 2022, the AP in the Costa Rica v. Panama dispute over measures restricting or prohibiting the importation of a number of food products from Costa Rica, including strawberries, dairy products, beef, pork, poultry and turkey meat products, fish products, fresh pineapples and bananas has been in progress. There were four measures:

- 1) Restriction on the importation of fresh strawberries (changes in SPS requirements resulting in restriction).
- 2) Restriction on the importation of dairy and meat products from 16 Costa-Rican establishments because it did not renew their sanitary approvals.
- 3) Panama disallowed the phytosanitary requirements that govern the importation of pineapples from Costa Rica, preventing their importation. This measure was adopted due to the presence of pink hibiscus mealybug (*Maconellicoccus hirsutus*) in Costa Rica.
- 4) Restriction on the importation of fresh bananas and plantains from Costa Rica. Panama disallowed the phytosanitary requirements that govern the importation of bananas and plantains from Costa Rica, preventing their importation. According to Panama, this measure was adopted due to the review of those requirements to address the risks associated with the presence of the *Fusarium oxysporum* f. sp. *cubense* tropical race 4 (Foc TR4) pest in the region.

On December 5, 2024, the panel submitted report, which noted that Costa Rica had failed to prove that the measures contravened Article 7 (Transparency) and Annex B(1) (Transparency of Sanitary and Phytosanitary Regulations) of the SPS Agreement and that the restriction on the importation of dairy and meat products constituted a disguised restriction on international trade. The panel otherwise sided with the complainant, finding that the restriction violated Annex C (1) (Control, Inspection and Approval Procedures) and Article 8 (Control, Inspection and Approval Procedures) of the SPS Agreement because Panama had delayed the renewal of the sanitary permits of 16 Costa Rican establishments without adequate explanation, had requested more information than was necessary to complete the sa-

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1. URL: <https://www.iep.ru/ru/publikacii/publication/rossiyskaya-ekonomika-v-2020-godu-tendentsii-perspektivy-vypusk-42.html>

nitary control procedures, and Article 2.3 (Fundamental Rights and Obligations) of the SPS Agreement. 2.3 (Fundamental Rights and Obligations) of the SPS Agreement, because the conditions in Peru and New Zealand were similar to those in Costa Rica, the measure discriminated against 16 Costa Rican establishments by granting the extension of sanitary authorization to the Costa Rican establishments based on an initial review of documents that was not provided to Costa Rica.

Furthermore, the panel concluded that the restriction on the importation of fresh strawberries and the phytosanitary requirements were not in accordance with Article 5 (Risk assessment and determination of the appropriate level of sanitary or phytosanitary protection) of the SPS Agreement, as they were not based on an assessment of the risks to human health, taking into account risk assessment techniques developed by the relevant international organizations and scientific principles, there was insufficient scientific evidence, and the necessary economic factors were not taken into account. These measures do not comply with Art. 5.6 (Risk assessment and determination of the appropriate level of sanitary or phytosanitary protection) of the SPS Agreement as they are more trade-restrictive than required. Alternative measures proposed by Costa Rica were technically and economically feasible and less trade restrictive without prohibiting imports.

Russia is interested in the import ban disputes, while its food exports in general continue to grow. In line with the industry's objectives, agricultural and food exports are expected to grow to \$55 billion by 2030, which makes Russia's involvement in this dispute a significant trade interest for Russia.<sup>1</sup>

*DS600: European Union, France, Lithuania — Certain Measures Concerning Palm Oil and Oil Palm Crop-Based Biofuels (Malasia)*

Since July 2021, the AP has been working on the Malaysia v. EU (France and Lithuania) dispute over measures on palm oil and oil palm crop-based biofuels from Malaysia.<sup>2</sup> On March 5, 2024, the panel submitted the report in which not all of the complainant's claims were upheld, but the panel agreed with Malaysia in part.

The panel ruled that the EU imposed a restriction on the use of biofuels with a high risk of environmental pollution not in accordance with Article 2 (Preparation, adoption and application of technical regulations by central government authorities) of the TBT (Technical Barriers to Trade) Agreement, by failing to verify in a timely manner the data used to determine which biofuels have a high risk of environmental pollution, and because of deficiencies in the development and application of low-risk criteria for environmental pollution, which resulted in discrimination between countries. The ILUC low-risk certification procedure did not comply with Article 5.1.2 (Conformity Assessment Procedures by Central Government Authorities)

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1. URL: <https://www.interfax.ru/russia/961021>.

2. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds600\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds600_e.htm)

of the TBT Agreement, as deficiencies in the application of the ILUC low-risk procedure created unnecessary obstacles to international trade. In addition, the EU did not notify the proposed low ILUC risk certification procedure as required. The ILUC high-risk restrictions and phase-out are inconsistent with Article III:4 (National Treatment of Domestic Taxes and Regulations) of the GATT 1994, and with Article I:1 (General Treatment of the Most Favored Nation) of the GATT 1994, as less favorable bilateral treatment was provided. I:1 (General Treatment of the Most Favored Nation) of the GATT 1994, as it gave less favorable treatment to palm oil-based biofuels from Malaysia than the treatment given to similar EU products and those imported from third countries. The EU violated Article X:3(a) (Publication and Adoption of Trade Rules) of the GATT 1994 by establishing the ILUC high risk restriction and phase-out in an unreasonable manner because deficiencies in the design and implementation of the low risk ILUC criteria and procedure did not provide the elements necessary to certify palm oil crop-based biofuels as low risk ILUC biofuels. The panel reached similar conclusions under GATT 1994 on the French TIRIB tax.

On April 26, 2024, the DSB adopted the panel's report, on May 24, 2024 the EU said that it intends to implement the recommendations and bring measures in a manner consistent with its WTO obligations and that it would need a reasonable period of time to do so.

Russia is interested in the topic of renewable energy in general, and the EU policy in this area in particular, and has already joined similar disputes.

*DS602: China — Anti-Dumping And Countervailing Duty Measures On Wine From Australia*

A dispute between Australia and China concerning anti-dumping and countervailing duty measures on bottled wine in containers of 2 liters or less imported from Australia<sup>1</sup> has been the subject of a panel's work since October 2022. On December 16, 2021, Australia and China agreed to arbitration procedures under Article 25 (Arbitration) of the DSU in this dispute (MPIA). On October 30, 2023, the parties filed a request to suspend the panel's work until March 31, 2024.

On March 29, 2024, Australia and China notified the DSB that, in accordance with Article 3.6 (General Provisions) of the DSU, they had reached a mutually agreed solution to this dispute. On April 19, 2024, the panel circulated a report to the parties in compliance with Article 12.7 (Pro- procedure for arbitral panels) of the DSU, its report limited to a brief description of the case and to report that a solution has been reached.

Russia is actively joining disputes against China, in particular, over its imposition of anti-dumping and countervailing measures in violation of WTO rules and regulations. As of late 2024, 56 anti-dumping and 6 countervailing measures are in force against Russian companies, mainly by the US, EU and Ukraine. From April 22, 2022

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds602\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds602_e.htm)

until April 21, 2027, China's anti-dumping duty on Russian polyamides in primary forms is in effect: for Kuibyshevazot OJSC — 5.9%, for other Russian companies — 23.9%. The measure was first introduced on April 21, 2010, and extended in 2016.<sup>1</sup>

*DS603: Australia — Anti-Dumping And Countervailing Duty Measures On Certain Products From China*

On March 26, 2024, panel's report was circulated on China's dispute against Australia over anti-dumping measures on wind turbines, stainless steel shells and railway wheels and countervailing measures on stainless steel shells (DS603).<sup>2</sup> In 2022, Australia and China informed the DSB that they had agreed to arbitration procedures under Article 25 (Arbitration) of the DSU in this dispute. Such procedures were instituted by Australia and China to implement the MPIA pursuant to Article 25 of the DSU.

The panel found that some of the claims under the Agreement on Anti-dumping and all of the claims under the Agreement on Subsidies and Countervailing Measures concerned aspects of anti-dumping and countervailing measures that had expired before the establishment of the panel, and therefore declined to issue decisions and recommendations on these claims. The panel found it inappropriate to consider China's claims under the Agreement on Subsidies and Countervailing Measures because the challenged aspects of the countervailing measures regulation had expired prior to the establishment of the panel. The panel found that the Australian Anti-Dumping Commission (ADC), in conducting the investigation, had violated, *inter alia*, in its verification of the validity period of the:

— Article 2 (Determination of dumping) of the Anti-dumping Agreement, because the panel did not use the exporter's actual costs when calculating the normal value, but replaced them with indirect costs without explanation, and accordingly incorrectly calculated the anti-dumping duty.

— Article 9.3 (Imposition and collection of anti-dumping duties) of the Anti-Dumping Agreement and Article VI:2 (Anti-dumping and countervailing duties) of the GATT 1994 insofar as the AP acted inconsistently with Article 2 of the Anti-Dumping Agreement.

The panel sided with the respondent on some of the claims, finding that China had not demonstrated, for example, that the difference in VAT refunds on domestic and export sales affected the comparability of prices between normal value and export price, etc.

On April 26, 2024, the DSB adopted panel's report with recommendations to bring measures into compliance with the provisions of the GATT 1994 and the Anti-Dumping Agreement. On June 12, 2024, Australia and China reported that, in accordance with Article 21.3(b) (Follow-up of Recommendations and Decisions) of the DSU, they

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1. URL: [https://www.economy.gov.ru/material/directions/vneshneekonomicheskaya\\_deyatelnost/dostup\\_na\\_vneshnie\\_rynki\\_i\\_zashchitnye\\_mery/reestr\\_ogranich\\_mer/](https://www.economy.gov.ru/material/directions/vneshneekonomicheskaya_deyatelnost/dostup_na_vneshnie_rynki_i_zashchitnye_mery/reestr_ogranich_mer/)

2. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds603\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds603_e.htm)

agreed that a reasonable timeframe for Australia to implement the DSB recommendations would be 7 months and 14 days (until December 10, 2024), with the possibility of a one-month extension (until January 10, 2025). On July 15, 2024, Australia and China informed the DSU of the agreed procedures under Article 21 (Follow-up of Recommendations and Decisions) and Article 22 (Compensation and Suspension of Concessions) of the DSU.

Russia's concern is primarily due to its participation in disputes over anti-dumping and countervailing measures and investigations, application of subsidies, as the issue of non-market economy is becoming increasingly relevant not only for China, but also for Russia (disputes over “energy adjustments” with the EU, withdrawal of the market status of the Russian economy by the USA).

*DS610: China—Measures Concerning Trade In Goods (European Union)*

On January 27, 2022, the EU submitted to the DSB a request for consultations with China on measures regarding China's trade in goods and services with Lithuania.<sup>1</sup> In 2021, importers of Lithuanian goods and goods transiting through Lithuania began to face customs clearance restrictions for goods entering the PRC, in particular: IT system errors; container blockages at Chinese ports; and the inability of PRC customs authorities to process customs clearance requests in a timely manner. Since 2021, Chinese customs authorities have started to refuse customs clearance of shipments of various goods covered by SPS certificates issued by Lithuanian authorities. In the EU's view, China discriminates in its application of SPS measures, which represent a disguised restriction on international trade.

On July 4, 2023, the EU and China agreed on arbitration procedures under Article 25 (Arbitration) of the DSU for the entry into force of the MPIA. The work of the panel has been in progress since April 18, 2023, but on January 25, 2024, the panel granted the EU's request to suspend the work of the panel pursuant to Article 12.12 (Arbitration Panel Procedure) of the DSU for an indefinite period of time starting on January 25, 2024. If the work of the panel is suspended for more than a year (until January 25, 2025), its mandate will be null and void.

Russia's interest stems from its practice of participating in disputes over SPS measures. Russia had to bring measures into compliance with WTO rules and regulations in EU dispute over SPS measures on live pigs, pork and pork products from the EU (DS475).<sup>2</sup> Russia participated as a respondent in a dispute initiated by Ukraine on measures restricting the import and transit of certain Ukrainian goods (DS532)<sup>3</sup> and as a complainant in a dispute, including on transit, against Ukraine on measures related to trade in goods and services (DS525).<sup>4</sup>

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds610\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds610_e.htm)

2. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds475\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds475_e.htm)

3. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds532\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds532_e.htm)

4. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds525\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds525_e.htm)

*DS617: Unites States — Anti-Dumping Measures on Oil Country Tubular Goods From Argentina (Argentina)*

Since January 7, 2024, the work of the AP on the Argentina v. U.S. dispute over the final anti-dumping measure imposed on OCTG from Argentina and certain provisions of U.S. law relating to cross-accumulation of imports in assessing import injury in antidumping and countervailing duty investigations has been ongoing.<sup>1</sup> On July 4, 2024, the Chair of the panel informed the DSB that he believed the report would not be completed until the first quarter of 2025.

In May 2022, the United States imposed anti-dumping duties on Argentine OCTG based on a weighted average margin of 78.3% on Siderca SAIC and other Argentine exporters. According to the complainant, these measures violate the Anti-Dumping Agreement and the GATT 1994 because the United States failed to provide sufficient evidence to initiate an investigation, failed to demonstrate a causal link between the imports at issue and the alleged injury to the domestic industry, and failed to ensure that injury caused by other factors was not attributable to the dumped imports. Similar anti-dumping measures also apply to Russia and Mexico

Russia's concern in this dispute is primarily due to the fact that Russian exporters are also subject to anti-dumping and countervailing duties on threaded oil pipes. From November 21, 2022 to November 20, 2027 anti-dumping duties are applied against Russian exporters by the USA: for OMK — 11.7%, for TMK — 184.21% and for other Russian producers — 11.87%.

*DS618: European Union — Countervailing Duties on Imports of Biodiesel from Indonesia (Indonesia)*

Since March 14, 2024, the panel's work has been in progress in the dispute between Indonesia and the EU regarding countervailing duties on biodiesel from Indonesia.<sup>2</sup> According to the complainant, the EU measures are inconsistent with the Agreement on Subsidies and Countervailing Measures and the GATT 1994 with respect to: the determination of subsidies on the oil palm plantation fund; the alleged state support for supplies of crude palm oil; the findings of threat of material injury and causation; and the rejection of the price offer.

On September 13, 2024, the Chair of the panel informed the DSB that the case involves a large number of complex issues and that the panel did not expect to issue its final report to the parties before June 2025, at the earliest.

Russia's interest in participating in the dispute stems not only from the practice of safeguard disputes, but also from the fact that Russia frequently faces anti-dum-

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1. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds617\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds617_e.htm)

2. URL: [https://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds618\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds618_e.htm)

ping measures and investigations. As of the end of 2024, the EU had 11 anti-dumping measures in force against Russian exporters, mainly in relation to goods from the metallurgical and chemical industries.<sup>1</sup>

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Russia continues to participate in the WTO trade dispute settlement system. As of the end of 2024, Russia was involved in 125 WTO disputes: 8 as a complainant, 11 as a respondent, and 106 as a third party. In 2024, Russia has 4 new WTO disputes to which it has joined as a third party. No trade disputes were initiated by or against Russia in 2024. As a rule, Russia participates as the main party in WTO disputes with the EU, Ukraine and the United States. As a complainant, Russia is interested in anti-dumping investigations and measures, particularly in the metallurgical and chemical industries. Countries are filing complaints against Russia on anti-dumping and investment measures affecting trade, tariffs, transit restrictions, import substitution and export restrictions.

Most of the disputes where Russia has joined as a third party concern the metallurgical industry, agriculture and food, automobile and aircraft industry, chemical industry, wood processing industry and renewable energy. Special attention is paid to disputes over domestic market protection measures (anti-dumping, countervailing and specific safeguard measures) as well as subsidies. Cases of trade and economic sanctions and national security exceptions are also of interest. Russia's participation in the role of a third party is associated not only with a significant trade interest, but also with the practice of participation in specific disputes, systemic interest in the application of the WTO rules and regulations, sometimes Russia takes a position analogous to the respondent. In 2024, in many WTO trade disputes where Russia participates as a third party, the complainants and respondents reached mutually acceptable solutions.

The WTO remains the only international trade regulatory organization that promotes development, sustainability and transparency. Russia is interested in preserving the multilateral format of negotiations, compliance with its obligations under WTO rules, restoration of the full-fledged work of the DSB and implementation of Russia's tasks on current disputes with its participation, as well as on other disputed trade practices. In addition, it is important for Russia to participate in negotiations on new international trade rules that meet modern challenges, in particular, WTO rules on sanctions, definition of emergency situations, restrictions on the use of sanctions measures, etc. In order to counteract sanctions, to reori-

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1. URL: [https://www.economy.gov.ru/material/directions/vneshneekonomicheskaya\\_deyatelnost/dostup\\_na\\_vneshnie\\_rynki\\_i\\_zashchitnye\\_mery/reestr\\_ogranich\\_mer/](https://www.economy.gov.ru/material/directions/vneshneekonomicheskaya_deyatelnost/dostup_na_vneshnie_rynki_i_zashchitnye_mery/reestr_ogranich_mer/)

ent trade, Russia needs to continue to develop cooperation with friendly and neutral countries, in particular with the BRICS countries. All BRICS countries, apart from Iran and Ethiopia, are members of the WTO and seek fair trade rules that take into account the interests of developing countries and reform of the international financial system. The launch of a special mechanism for BRICS countries' consultations on the WTO issues has been initiated.