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## COVID-19 VACCINE SUPPLY CHAIN AND REGULATORY TRANSPARENCY TECHNICAL SYMPOSIUM

TUESDAY, 29 JUNE 2021, 10.00 – 18.00 (CET)

### SUMMARY SESSION 3: MAPPING CROSS-BORDER MOVEMENT OF VACCINE INPUTS

#### Questions for session 3:

- What are the vaccines inputs that matter and how are they traded across borders? Are trade measures creating bottlenecks in input supply chains, and if so, where and why?
- What approaches can Members and other stakeholders take to facilitate the efficient cross-border movement of vaccine inputs?
- What could be done to improve the monitoring and facilitate these cross-border movements?

In her opening remarks, **Suja Rishikesh-Mavroidis, Director of the Market Access Division of the WTO**, highlighted that international trade will become an even more important component of strategies to access to COVID-19 vaccines and other essential medical goods. In fact, as manufacturing capacity is scaled-up and additional sites become operational in different countries, cross-border movement of inputs, equipment and finished goods will increase considerably. As a result, it is paramount to identify as precisely as possible the goods that make up the supply chains of vaccines to ensure that trade in such goods can be facilitated.

**Mr Dayong Yu, Chief of the Market Access Intelligence Section at the WTO Economic Research and Statistics Division** confirmed that the smooth operation of new production sites in different countries required that international markets remained open for upstream suppliers of active ingredients, equipment, packaging, etc. In order to support governmental efforts to better monitor international trade of those supplies, the WTO had initiated a project to identify the critical COVID-19 vaccine inputs, including their relevant tariff codes. The WTO is coordinating with other international organizations and stake holders to launch a Joint Indicative List of Critical COVID-19 Vaccine Inputs for Consultation (Version 1.0), which seeks to compile all available information on the critical inputs for the manufacturing of COVID-19 vaccines.

**Mr Roy Santana, Counsellor at the WTO Market Access Division** explained that a more precise identification of the critical inputs that make up the supply chain of COVID-19 vaccines is also useful to help governments take action to facilitate import and export procedures for such inputs. The WTO Trade Facilitation Agreement contains several measures which governments could implement as quickly as possible to facilitate the international trade of inputs needed for the production of COVID-19 vaccines: for example measures related to transparency and access to information, pre-arrival processing, cooperation among agencies at the border, etc. Additional *ad hoc* measures taken by governments included the temporary reduction or elimination of import tariffs and domestic taxes on such inputs. The WTO had been working with other stakeholders to try to identify bottlenecks that may be slowing down the flow of these inputs, as well as best practices that could help to smooth and expedite their trade. He concluded by listing a number of actions that could be taken by Members at the national and international levels to expedite trade in these products, including strengthening the collaboration of public and private stakeholders, for instance, through national trade facilitation committees.

**Ms Gael Grooby, Deputy Director of the Tariff and Trade Affairs Directorate at the World Customs Organization (WCO)** confirmed that customs authorities need to know "what" needs to be facilitated. However, she explained that tariff classification is usually not sufficient to identify precisely the specific critical inputs for COVID-19 vaccines because the Harmonized System and national tariff nomenclature were not detailed enough. She also encouraged a more precise identification of import-export problems or delays to identify which agencies were responsible for them. Finally, she said that borders could not stop the virus from spreading that that international cooperation was therefore needed.



**Ms [Silvia Sorescu](#), Trade Policy Analyst at the OECD** recalled that access to vaccination was key for economic recovery. Hence, strengthening the vaccine supply chains had to be a major component of a global strategy for economic recovery. As a result, the OECD had also been working to map components and chokepoints in the "lab to jab" supply chain and structure evidence about possible barriers. She confirmed that product identification was a challenge. For instance, it was possible to identify the bioreactors used in vaccine production with HS 6-digit codes. However, this single product translated into several dozens of different national tariff lines. Despite those challenges, the OECD had also identified barriers such as tariffs on capital equipment or inputs and non-tariff measures applied on both imports and on exports. While these measures were already in place before, the pandemic had heightened their significance and impact. Other indicators should be considered for a comprehensive mapping of vaccines inputs in addition to trade data, such as production or inventory data. Transparency and international cooperation were noted as key to supporting open supply chains.

**Mr [Chad P. Bown](#), Reginald Jones Senior Fellow, Peterson Institute for International Economics** thought that other factors, and not only trade policy, need to be factored in to strengthen the supply chains of vaccines and their inputs. Governments around the world needed to play a more active role in understanding the supply chains of specialized inputs and channelling resources for the expansion of production of these inputs. For instance, AstraZeneca rely on 10 companies around the world providing them with the specialized materials that they need. However, these suppliers rely on the same input providers. The United States was a good role model in terms of identifying the products that mattered for the supply chain and subsidizing the manufacturers of the relevant products, but he was not aware of any other country doing this. The production of these specialized inputs might be scattered in different countries so it may be difficult to subsidize and scale up production without global coordination and collaboration.

**Mr [Ronald Antonio O. Butiong](#), Chief of the Regional Cooperation and Integration Thematic Group at the Sustainable Development and Climate Change Department of the Asian Development Bank** explained that the ADB had been providing its members a framework and resource envelope for supporting vaccine access, using two complementary components: a Rapid Response Component, which supports critical vaccine diagnostics, and procurement and transportation of vaccines; and a Project Investment Component, which supports investment in systems for production, distribution, delivery, and administration of vaccines along with investments in building capacity, community outreach, and surveillance. One of its initiatives had been to provide better visibility of the sources of vaccines and other medicinally critical goods, through supply chain mapping ("mapping tool").

**Mrs [Phyllis Arthur](#), Vice-president, Infectious diseases and diagnostics policy at the Biotechnology Innovation Organization** highlighted that many of the inputs needed to produce vaccines, such as bioreactor bags, consumable tubing, lipids for mRNA vaccines, and packaging are highly specialized and their production is often concentrated in few firms in a small number of countries. Avoiding delays and trade bottlenecks had to be a major component of a global strategy to scale up vaccine production. In addition, governments and companies need to invest in new suppliers over time. These investments in materials will be useful not only for COVID-19 vaccines but also to make sure that the other vaccines can continue to be produced in parallel (some of them use the same materials).

**Mr. [Thomas Ellmann](#), Vice-President, Life Sciences and Healthcare, Customer Solutions and Innovation, at DHL** highlighted the importance of strengthening public-private collaboration to plan ahead and avoid hiccups in the delivery an increasing number of vaccines. In fact, most shipments ran very smoothly so far because the arrival of vaccines drew press and political attention. These shipments represent a small portion of the huge number of vaccines that will need to be delivered in the coming months and year. As a result, it is important to keep monitoring possible trade hurdles, particularly as vaccines are now being rolled out to a larger number of developing countries.

Commenting on the ability of airlines to deliver vaccines and other COVID-19 critical products, **Mr [Christian Piaget](#), Head of Cargo Border Management, at IATA** highlighted that there was scope to learn a few lessons about negative and positive experiences in handling the pandemic. First, predictability and access to information were key to plan and prepare. Second, a side effect of travel bans had been to severely reduce air cargo capacity. Thirdly, restrictive rules regarding crew (e.g. quarantines) had also hampered the ability of airlines to operate smoothly. On the



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positive side, he confirmed that the WTO Trade Facilitation had proved a very useful roadmap for governments. In fact, accelerating some reforms would be useful, in particular the digitization of procedures and trade documents for paperless trade. He also recommended harmonized mechanisms for essential workers, training and vigilance against cyberattacks.

**Mr [Jens Hügel](#), Senior Adviser at the International Road Transport Union** recalled that 80% of the firms engaged in distribution and logistics were MSMEs and that many of these companies were in very difficult financial situation. In fact, 72% of all trade measures taken by governments to fight the pandemic had been restrictive in nature (e.g. uncoordinated testing and quarantine requirements, unilateral border closures or restrictions, etc.). As a result, governments should consider the specific needs of road transporters. In doing so, they should also consider the possibility of accelerating digitization of trade documents and procedures.

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