



COVID-19 Vaccine Supply Chain and Regulatory Transparency Technical Symposium

Tuesday, 29 June 2021



SESSION 3:

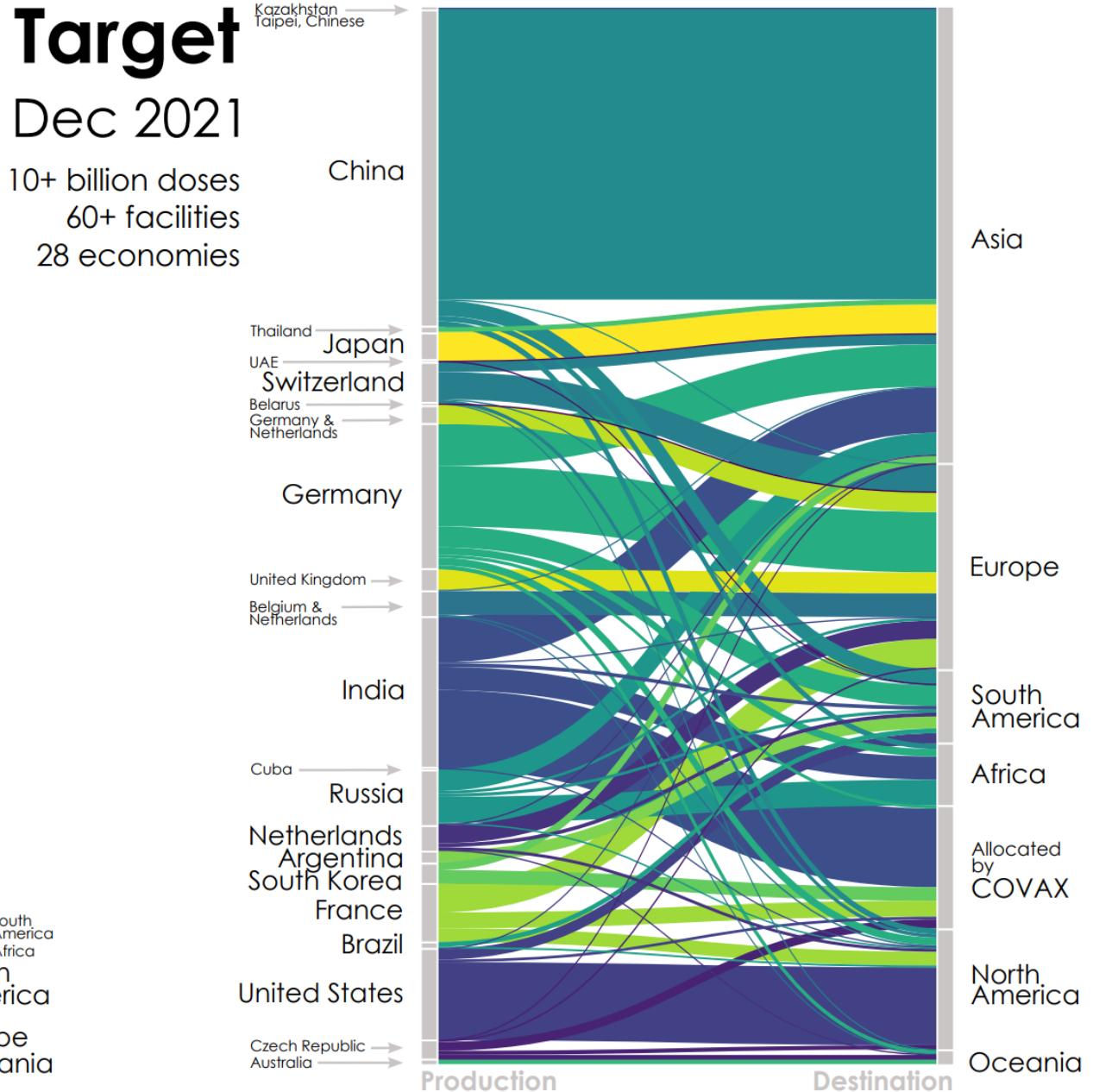
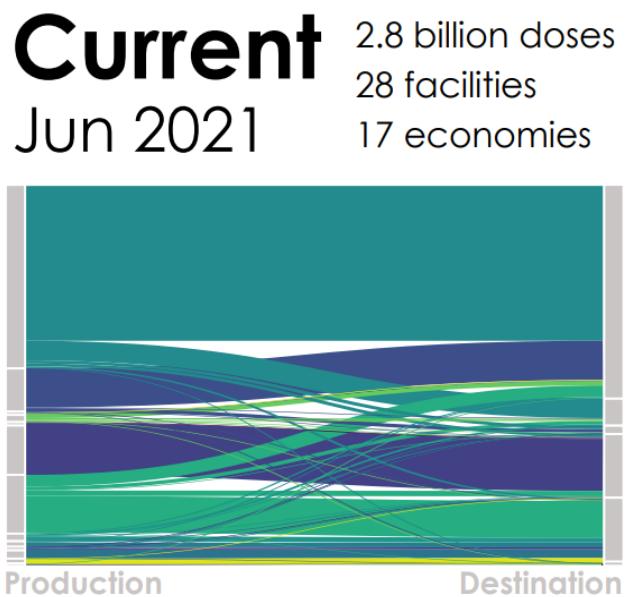
Mapping cross-border movement of vaccine inputs

Why is trade increasingly important for COVID-19 vaccine manufacturing and what can be done to facilitate trade in critical vaccine inputs?

Dayong Yu and Roy Santana
World Trade Organization

Growing scale and complexity of global COVID-19 vaccine supply

An illustration of what is to come in the next 6 months



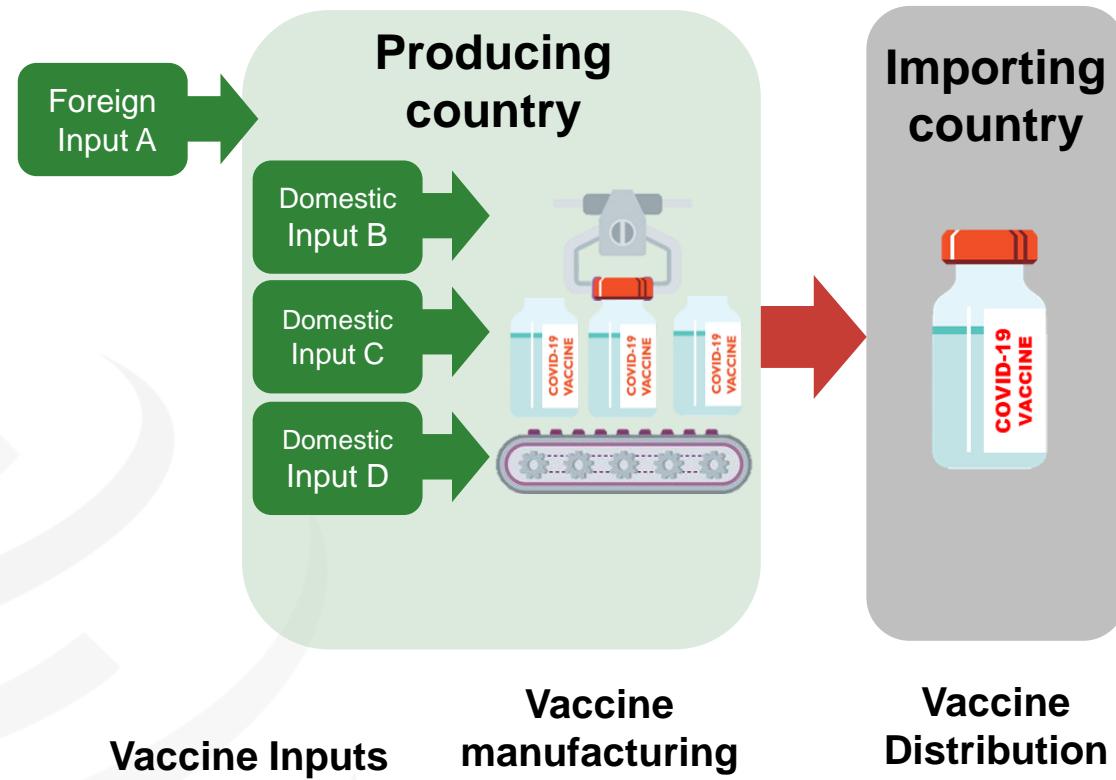
Sources: Airfinity; and WTO staff calculations.

Note: Not all production sites were included in the visualisation.

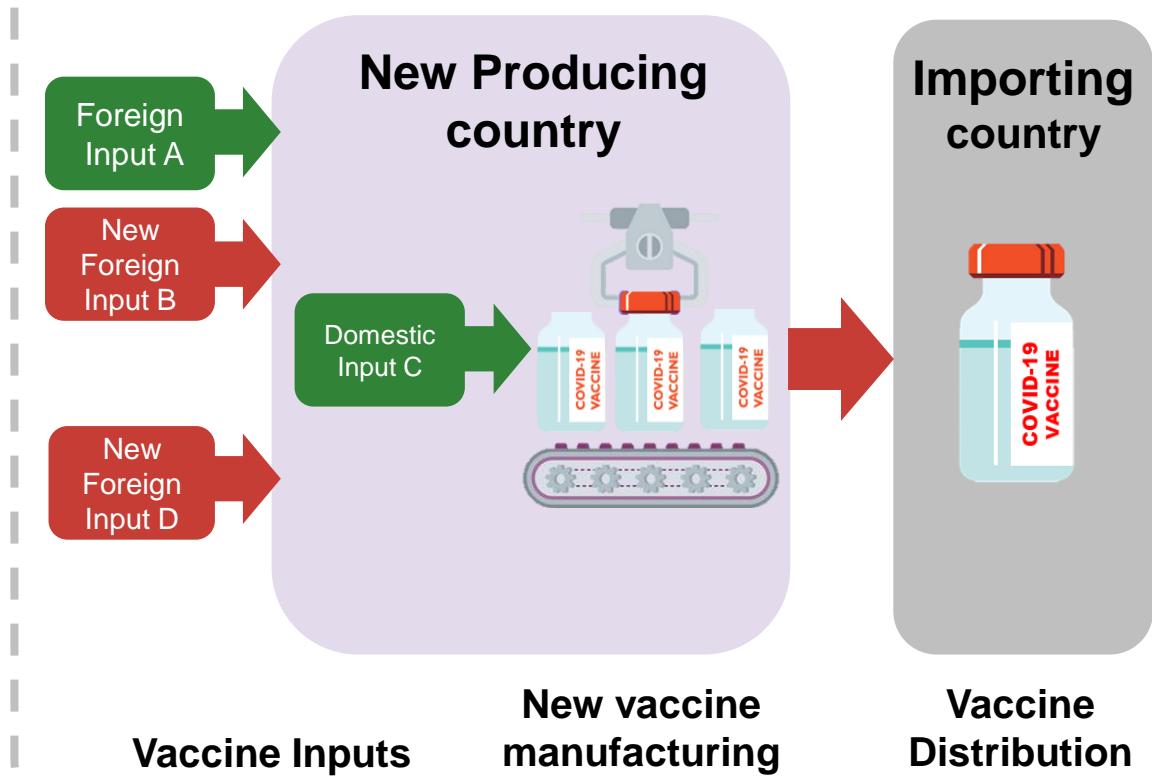


Vaccine supply chains are increasingly **complex** and relying on **international trade**

Established supply chains



New supply chains





What are the critical COVID-19 vaccine inputs?

Joint Indicative List of Critical COVID-19 Vaccine Inputs for Consultation, Version 1.0

NEW

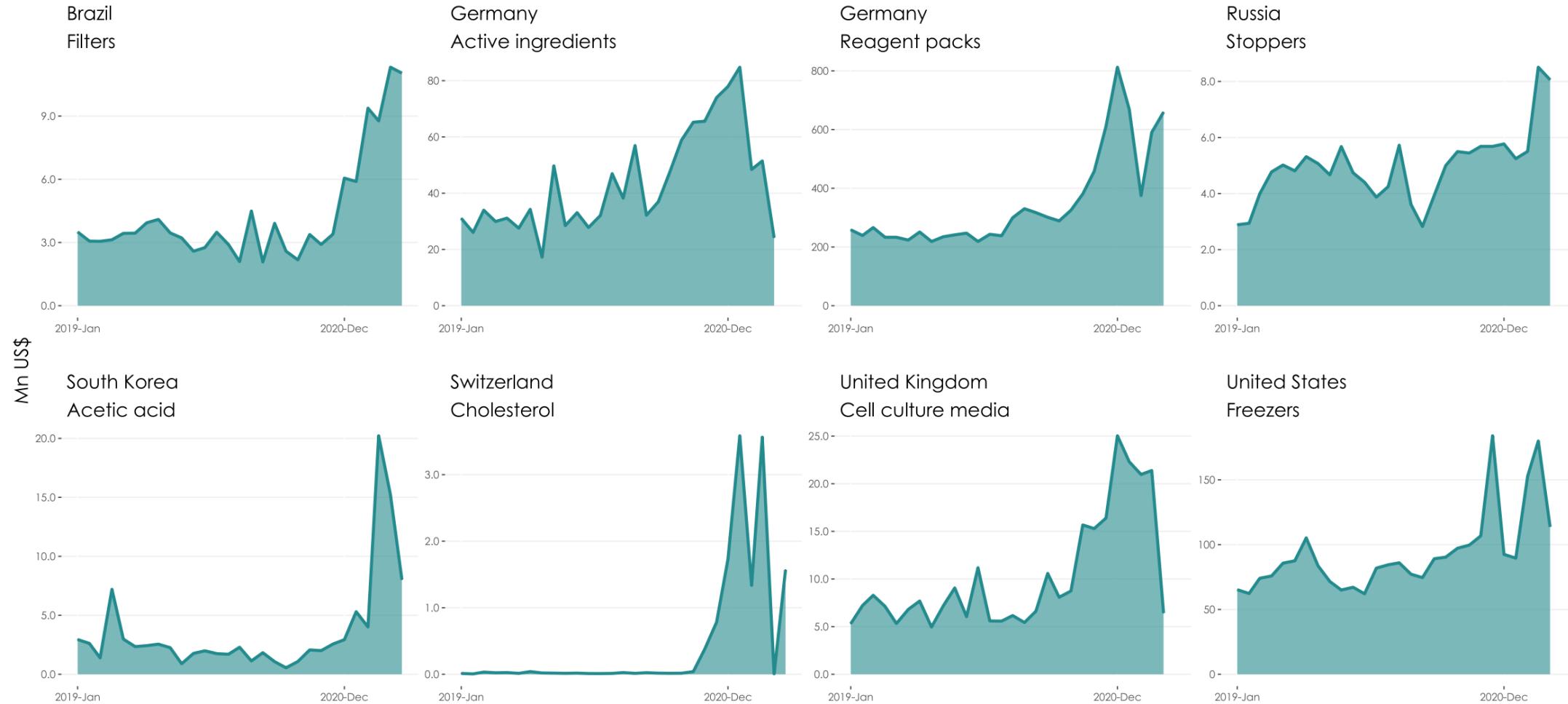
Category	Sub-Category	No. HS codes	Examples
1. Vaccine manufacturing	1.1 Active ingredients	2	mRNA, viral vector
	1.2 Inactive ingredients	23	PEG2000-DMG, Tromethamine
	1.3 Other ingredients	4	Enzymes, gelatine, neomycin
	1.4 Consumables	13	Bioreactor Bags, Filters, reagent packs
	1.5 Equipment	10	Bioreactor, sterilisers, chromatography systems
	1.6 Packaging	3	Vials, stoppers, crimp seals
2. Vaccine storage and distribution		7	Freezers, Dry ice
3. Vaccine administration		6	Needles, syringes

Note: A living list (constantly updated) compiled with information from multiple sources/contributors, including: Chad Bown & Chris Rogers, DHL, Evenett et al., Pfizer, ADB, OECD, WCO, and WTO. It includes inputs for different types of COVID-19 vaccines. The list is indicative only and subject to further improvement based on inputs by the pharma and customs experts that will participate at the Symposium; it does not have any legal status. Status as of 28 June 2021.



Change is already in motion

Import flows of selected COVID-19 vaccine inputs (Jan 2019 – May 2021)



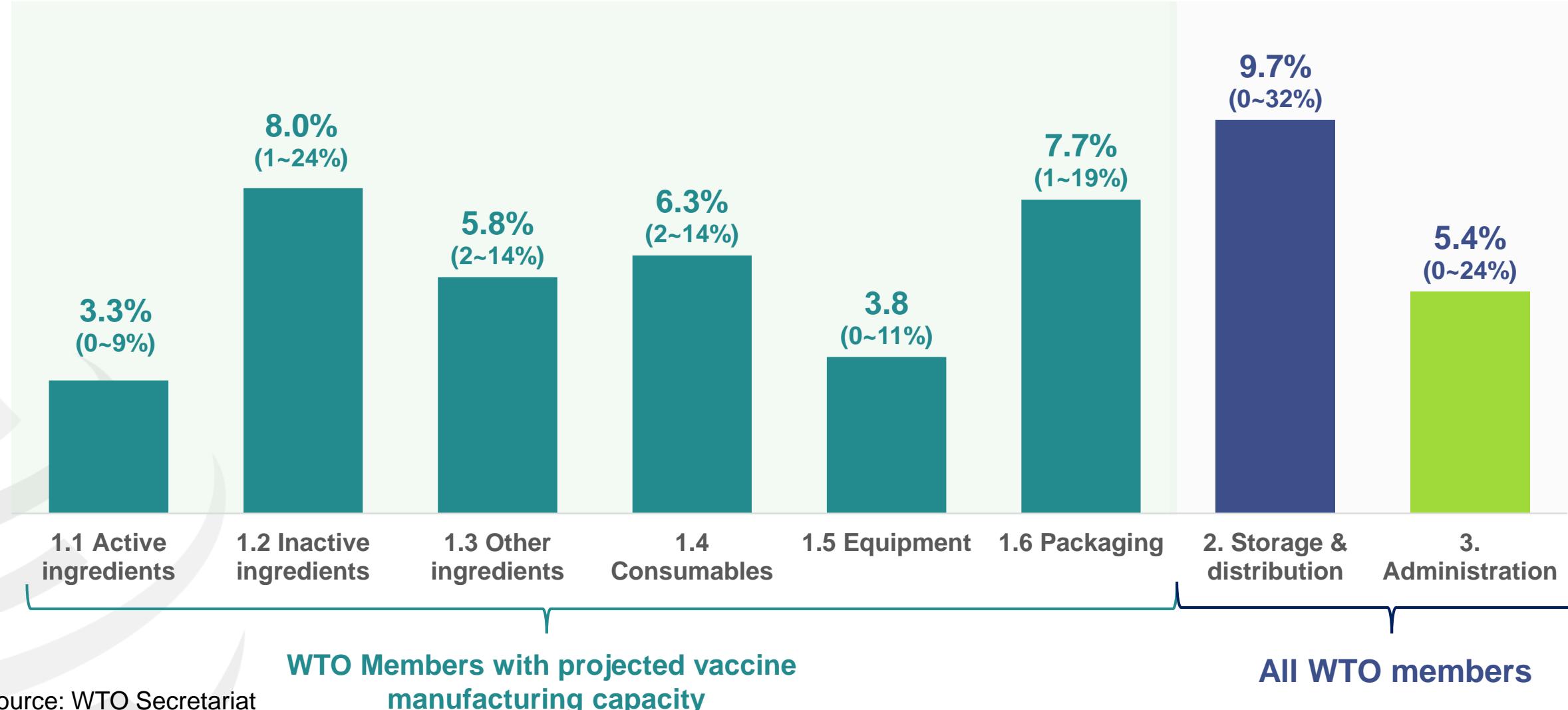
Source: WTO Secretariat

But there is not always enough granularity in the trade data to monitor all critical products



What are the average tariffs levied on critical vaccine inputs?

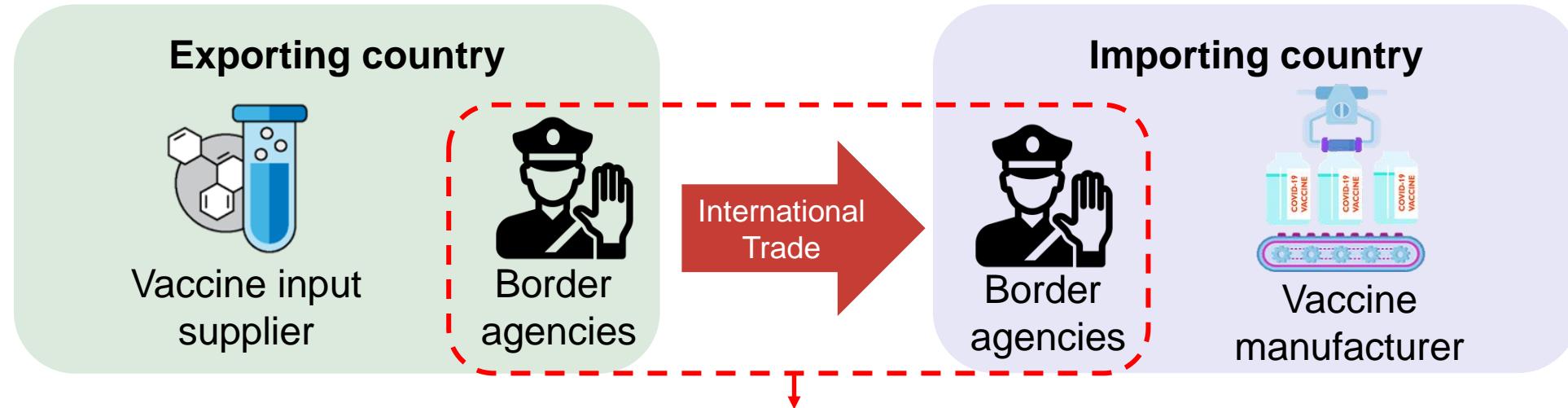
Selected WTO Members with COVID-19 vaccine manufacturing capacity





Trade policy can facilitate or slow down the flow of vaccine inputs

Bottlenecks in one country can have ripple effects on the global manufacturing process



Trade facilitating measures (examples)

Simplification

- Customs procedures
- Priority lanes for essential products
- Strengthened pre-arrival procedures
- Pre-arrival processing
- Authorized operator
- Paperless trade
- Permits / certificates
- Regulatory streamlining and flexibilities / remove duplication
- More?

TFA

Predictability & Transparency

- Predictable tariff classification (HS)
- Predictable and transparent conditions e.g. ensure that all information is available to vaccine manufacturers and other relevant stakeholders
- Data collection for monitoring / decision making
- Enhancing transparency on clinical trial results and data sharing
- More?

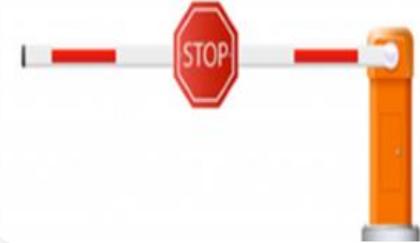
Removal of trade barriers

- Reduction/elimination of tariffs, internal taxes and other charges
- Export / Import prohibitions and restrictions
- Specialized procedures for non-commercial transactions
- Eliminate unnecessary requirements
- More?



What do we know about the measures affecting the critical inputs?

Comparison of “Joint Indicative List” V1.0 with data from the WTO Trade Monitoring Exercise (06.2021)



Trade restrictive

Based on the confirmed information:

- 32 Economies* restrict exports on at least 1 input
- 21 use export bans and 11 export licensing schemes
- Several measures have been withdrawn, but others still remain in place or have been renewed
- 50 of 80 HS Subheadings in the joint indicative list may be affected **
- Since different vaccine manufacturers use different inputs, they are affected differently by the restrictions

* Counting the EU as one

** HS subheading covered by at least by one export restriction in one economy (not necessarily of a major exporter of the product); also includes other vaccine related supplies and equipment in WCO list.



Trade facilitating

- The large majority of the measures introduced as a result of COVID-19 have been trade facilitating
- Some have been withdrawn, but most have been maintained
- Measures simplifying procedures typically apply to all products, but the elimination of taxes and establishment of green channels are product-specific
- 43 economies temporarily eliminated tariffs ***
- 8 economies temporarily eliminated internal taxes***
- 4 economies temporarily eliminated import licensing ***

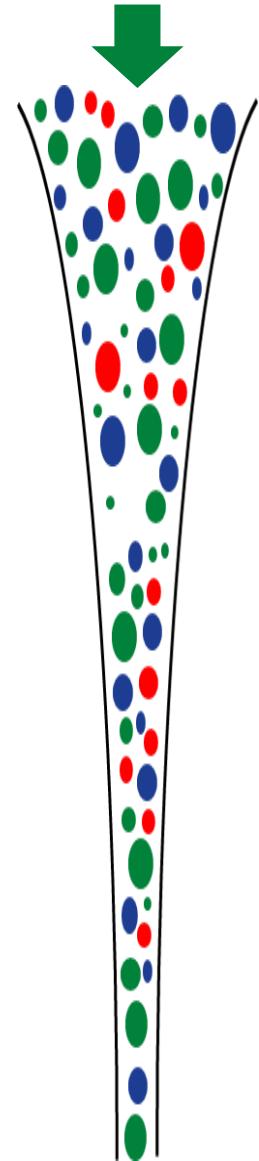
*** On at least 1 HS subheading where an input is classified; also includes other vaccine related supplies and equipment in WCO list.



What are some of the bottlenecks?

Examples based on inputs collected thus far

- **No priority given to vaccine inputs:** subject to standard import/export procedures, which include rigorous documentation requirements, licenses, certificates, etc.; they do not benefit from “green channels” or other simplified/expedited procedures that have been put in place for other critical products to combat COVID-19 (e.g., for PPEs, medical equipment and vaccines).
- **It is difficult to move samples for testing abroad:** It is often necessary to send non-commercial samples to specialized laboratories in other countries for testing and quality control purposes, but they are subject to the same import/export procedures, including export restrictions; has led to delays in releasing vaccine lots.
- **Donations of supplies and vaccines:** sometimes subject to more stringent controls and must pay tariffs and internal taxes (e.g., VAT), resulting in delays and high payments for them.
- **Lack of predictability in the administration of the export restrictions:** it is difficult to plan the sourcing of critical vaccine inputs and to execute the plans, resulting in suboptimal supply chain decisions.
- **Lack of coordination**
- **Delays in regulatory approvals** (to be discussed in session 4)





Smoothening trade on critical vaccine inputs

A few ideas for action

National level

- Establish a **communication channel** with vaccine manufacturers and other relevant stakeholders so they can inform about the bottlenecks (e.g. National Committee on TF)
- National dialogue with manufacturers / relevant stakeholders to understand the **current conditions** for trade in critical vaccine inputs
- Consider to accelerate the implementation of the most relevant **TFA provisions**
- Examine **best practices** from other Members / explore additional measures
- Improve the granularity of trade data to facilitate monitoring trade in the relevant products
- Other?

International Cooperation

- Monitor / exchange information on **emerging bottlenecks** as identified by vaccine manufacturers and other relevant stakeholders; tackle them
- Monitor / exchange information on best practices to **facilitate trade** on critical vaccine inputs
- Improve **data collection** of trade on critical vaccine inputs so the international community can better monitor trade in these products; find ways to have more granularity in the data collection
- Other?



Thank you!

