

MC12
WTO MINISTERIAL CONFERENCE:

AN OPPORTUNITY TO IMPROVE
HEALTH SYSTEMS THROUGH TRADE



INNOVATION COUNCIL

At the WTO's Twelfth Ministerial Conference WTO Members should agree new trade rules to support the global response to COVID-19, accelerate the economic recovery, and enhance future pandemic preparedness.

Eliminate tariffs on finished and intermediate health products

WTO Members should eliminate tariffs on health products, including finished therapeutics, diagnostics, and vaccines, as well as the active pharmaceutical ingredients, raw materials, chemicals, other inputs and intermediaries, and specialty equipment used to invent, manufacture, and deploy these products.

Why?

Tariffs on vaccines and key inputs impose unnecessary material costs on the production and distribution of COVID-19 vaccines. The OECD reports that tariffs on vaccines exist in 22% of countries, with 8% applying duties above 5%. Governments also impose tariffs on the inputs and equipment necessary to produce medicines, including vaccines. Average world tariffs on vaccine ingredients such as preservatives and adjuvants are as high as 9.4%.

Eliminate export restrictions

WTO Members should review and consider the elimination of unnecessary export restrictions on health products, refrain from imposing new restrictions, and ensure that any export restrictions deemed necessary are consistent with WTO rules and procedures. This includes requirements that the restrictions be temporary, transparent, appropriately notified, and applied only to prevent or relieve critical shortages of essential products.

Why?

At the height of the first wave of the COVID-19 pandemic, governments around the world resorted to export restrictions to prevent shortages of critical goods. These restrictions hindered the global response to the pandemic. They disrupted supply chains and distribution routes, produced delays and additional costs, and increased the risk of supply shortages during the pandemic.

Improve trade facilitation

WTO Members should agree to take actions at their borders to facilitate customs clearance for health products, including pharmaceutical products. This may include sharing best practices, developing and publishing national trade facilitation plans, and prioritizing full and immediate implementation of the Trade Facilitation Agreement.

Why?

In response to COVID-19, certain WTO Members implemented various measures, including green priority lanes and other expedited protocols and customs procedures, to facilitate the import and distribution of health products. Such initiatives can help to strengthen supply chains and ensure that vaccines and other essential health products reach global populations safely and efficiently.

Strengthen regulatory cooperation and capacity-building

WTO Members should deepen regulatory cooperation, share best practice across borders, and initiate new work on mutual and unilateral recognition policies. Capacity building programs could help, for instance as part of the Aid for Trade initiative at the WTO.

Why?

Effective regulation boosts public trust in the safety of health products, including vaccines, and contributes to global supply chain resilience. Throughout the COVID-19 pandemic, coherent and consistent regulations have helped to facilitate patient access to critical health products. Conversely, regulatory complexities and inefficiencies in certain markets have impeded supply chains and delayed patient access.

**NOW IS THE TIME TO REMOVE TRADE BARRIERS TO HEALTH
AND STRENGTHEN COVID-RELEVANT VALUE CHAINS.**



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