



19 May 2021

(21-4216)

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General Council

Original: English

COVID-19 AND BEYOND: TRADE AND HEALTH

COMMUNICATION FROM AUSTRALIA; BRAZIL; BRUNEI DARUSSALAM; CANADA; CHILE; CHINA; THE EUROPEAN UNION; HONG KONG, CHINA; ICELAND; JAPAN; KENYA; REPUBLIC OF KOREA; MEXICO; REPUBLIC OF MOLDOVA; MONTENEGRO; NEW ZEALAND; NORTH MACEDONIA; NORWAY; SINGAPORE; SWITZERLAND; THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU; THE UNITED KINGDOM; URUGUAY AND VANUATU

*Revision**

The following communication, dated 19 May 2021, is being circulated at the request of the delegations of Australia; Brazil; Brunei Darussalam; Canada; Chile; China; the European Union; Hong Kong, China; Iceland; Japan; Kenya; Republic of Korea; Mexico; Republic of Moldova; Montenegro; New Zealand; North Macedonia; Norway; Singapore; Switzerland; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; the United Kingdom; Uruguay and Vanuatu.

DRAFT GENERAL COUNCIL DECLARATION

TRADE AND HEALTH: COVID-19 AND BEYOND

The General Council,

Recognizing that increased cooperation among WTO Members in international trade policy can contribute to a successful fight against COVID-19 and any future pandemic,

Recognizing that ensuring access to essential medical goods during a pandemic requires resilient and robust supply chains that function in a stable and predictable trading environment,

Declares that:

We, WTO Members, intend to take the following actions to respond to the current COVID-19 related challenges in international trade. These actions are intended to facilitate trade in essential medical goods in these critical times and enhance the capacity of the trading system to deal with a public health emergency. These proposed actions are not intended to be prescriptive and do not cover the whole universe of possible measures that could support trade in essential medical goods. Rather, they reflect emerging best practices and should provide sufficient flexibility to be adapted to each Member's differing circumstances. They could pave the way for new WTO commitments in the future.

* This revision is to add Brunei Darussalam; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Uruguay and Vanuatu as co-sponsors to this communication.

1. EXPORT RESTRICTIONS

We will:

- review and promptly eliminate unnecessary existing restrictions on exports of essential medical goods necessary to combat the COVID-19 pandemic;¹ and
- exercise restraint in the imposition of any new export restrictions, including export taxes, on essential medical goods and on any prospective vaccine or vaccine materials.

In doing so, we will:

- ensure that any measures deemed necessary to prevent or relieve critical shortages are implemented in a manner that is targeted, transparent, proportionate and temporary, and consistent with WTO obligations;
- give particular consideration to the interest of the least developed and developing countries, many of which have scarce manufacturing capacities and are highly dependent on imports, in order to avoid a negative impact of such measures on their access to essential medical goods; and,
- ensure that any trade measures, including export restrictions, do not disrupt the provision of humanitarian shipments of essential medical goods, nor the work of the COVAX facility in distributing vaccines.

Any export restrictions should be promptly notified to the WTO and published on a domestic website. The notification should include justification of the measures and an explanation of how the measure is consistent with the WTO agreements and why it was considered targeted and proportionate to the objective pursued. Equally, if following the review referred to above, it is decided to continue to maintain export restrictions, upon request, justification for the continuation of the measures and an explanation as above will be provided.

The period of validity of such measures should be as limited as possible and ideally, it should not exceed 3 months, subject to a possible extension. In any event, the duration of export restrictions should not exceed the duration of the state of public health emergency.

The above actions would help ensure equitable distribution of scarce essential medical goods and vaccines amongst WTO Members, in particular the most vulnerable ones.

2. CUSTOMS, SERVICES AND TECHNICAL REGULATIONS

We will:

- share experiences as regards the trade facilitating measures that have been put in place in response to the COVID-19 crisis with a view to establishing best practices in the context of a crisis. We will consider to what extent they can be made permanent. Such measures may include digital customs procedures, and services such as freight, logistics, distribution and transport, which have proven an effective tool in facilitating the frictionless movement of essential medical goods across borders.
- cooperate in the exchange and implementation of best practices in the area of standards and technical requirements and, through collaboration within relevant international organizations, work towards enhanced regulatory alignment with the aim of facilitating trade and reducing adaptation costs for manufacturers of essential medical goods.

¹ Members are free to decide what constitutes an essential medical good based on each Member's circumstances. It is understood, however, that such essential goods would include pharmaceutical products, medical devices as well as any other products required by the medical sector to fight the COVID-19 pandemic. In particular, Members should take into consideration the indicative list of COVID-19 related goods, established by the WCO and WHO. See the 3rd edition of the list available at: http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/nomenclature/covid_19/hs-classification-reference_edition-3_en.pdf?la=en.

To this end, we will fully engage in the work of the relevant WTO bodies, including the Trade Facilitation and Technical Barriers to Trade Committees as well as the Council for Trade in Goods and Council for Trade in Services.

3. TARIFFS

We will make best endeavours to temporarily remove or reduce tariffs on goods that are considered essential to fighting COVID-19 pandemic, as far as possible, taking into account each Member's circumstances. We may choose the method of implementation of such a temporary tariff removal or reduction, which could take the form of emergency duty relief programs. The indicative list of COVID-19 related goods, established by the World Customs Organization and World Health Organization² could be helpful in the determination of the product scope.

4. TRANSPARENCY AND REVIEW

We will respond swiftly to requests for information on trade measures adopted during the present health crisis, including on measures undertaken to implement this initiative, from any other Members.

We will engage fully with the trade monitoring exercises done on a regular or an *ad hoc* basis in the WTO, including the bi-annual Trade Monitoring Report, and pay particular attention to complying with all WTO notification requirements during the Covid-19 crisis. The monitoring and notification of measures should allow for a quick identification of disruptions in the supply chains and allow Members to enter into consultations with a view to avoiding such disruptions in the shortest possible timelines.

The WTO Secretariat shall make a summary report on the actions implemented by Members under the Initiative which should be made available by the date of the 12th WTO Ministerial Conference. We will provide any requested information or clarification to the WTO Secretariat for the purpose of the preparation of such a report.

5. COOPERATION OF THE WTO WITH OTHER ORGANIZATIONS

We commend the work of the WTO Secretariat resulting in an extensive database of measures related to COVID-19 and a range of dedicated studies and reports allowing them to have a comprehensive and accessible overview of the situation. The WTO Secretariat is encouraged to continue that work, focusing on the causes and effects of the disruptions in the supply chains of essential goods and drawing on research of other international organizations.

Given the need to enhance pandemic preparedness and respond to current and future pandemics, the WTO Director-General is strongly encouraged to intensify cooperation with other relevant international organizations such as the World Health Organization, the World Customs Organization, the World Intellectual Property Organization, the Organization for Economic Cooperation and Development, the United Nations as well as the G20 with the aim of improving the analytical capacity of WTO Members to monitor market developments in trade and production of essential medical goods. This would enhance WTO Members' preparedness for a health crisis and contribute to the creation of an early warning mechanism in the event of critical shortages of essential medical goods.

6. CONSIDERATIONS FOR THE 12TH WTO MINISTERIAL CONFERENCE

At the 12th WTO Ministerial Conference, we will take stock of the effectiveness of the above actions with the view to adopting possible commitments regarding trade in essential medical goods.

² See footnote 1.