

UKTPO

UK TRADE POLICY
OBSERVATORY

A Trade Bargain to Secure
Supplies of Medical Goods

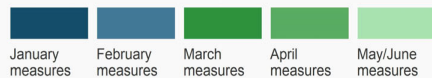
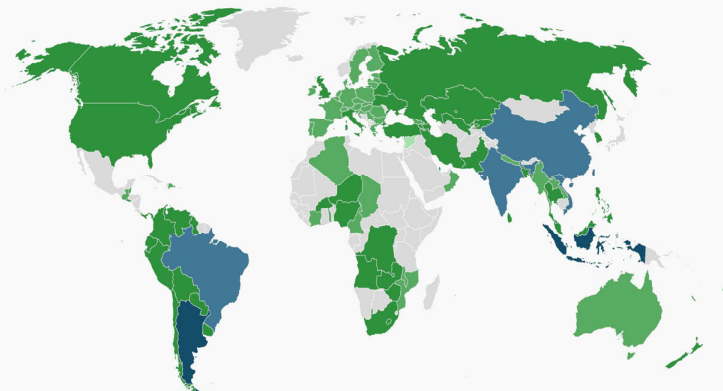
Simon Evenett

L Alan Winters

106 countries liberalized medical goods trade this year—but how long will it last?

Imports of medical supplies & medicines: 106 jurisdictions are reported executing a total of 198 import policy reforms since the beginning of 2020

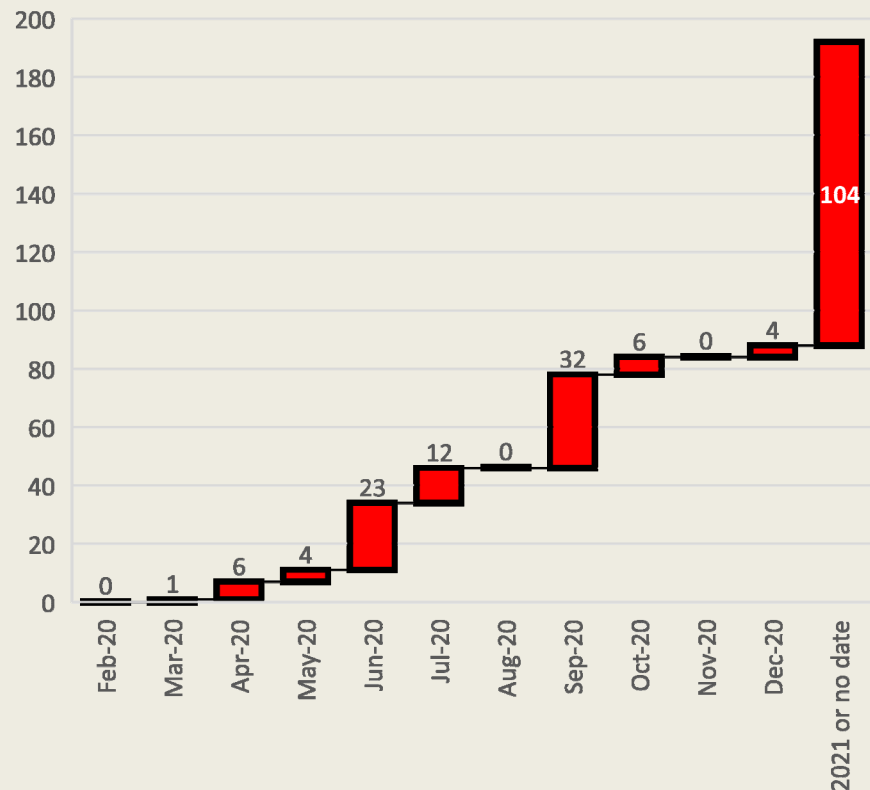
Updated on 3 July 2020



Source: Information collected by the Global Trade Alert team as part of a joint project with the European University Institute and the World Bank. Policy changes identified from official decrees, regulations, and announcements and from media reports. Some policy measures are announced to the press before implementing regulations are published. Information based on media reports is updated when an official state act is located. Date of first relevant policy information by a jurisdiction was used to prepare this map. The information collection methodology as well as the worksheet of information on policy change used to construct the latest version of this map can be downloaded from <https://www.globaltradealert.org/reports/54> (Please copy & paste this URL into your browser).



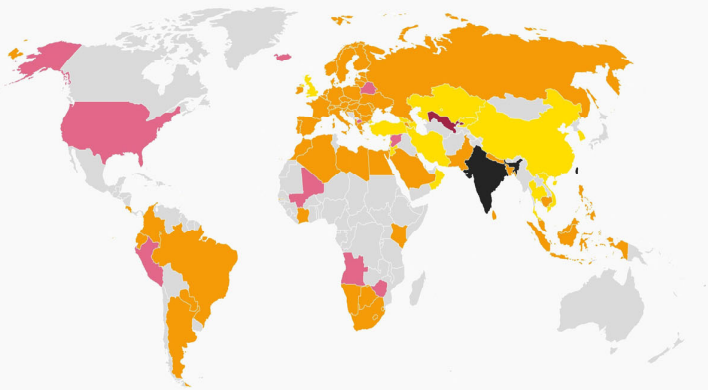
Over a quarter of import reforms will lapse in H2 2020



Few of the 183 export curbs imposed this year are scheduled for removal in H2 2020

Exports of medical supplies & medicines: 91 jurisdictions are reported executing a total of 183 export controls since the beginning of 2020

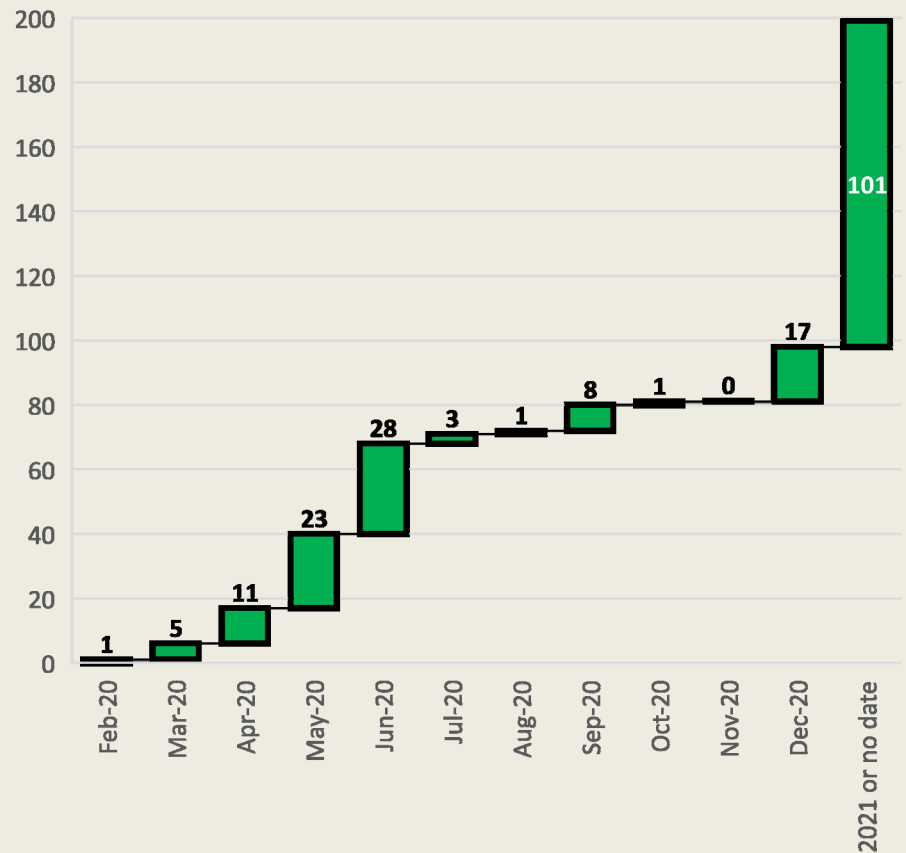
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Very few export curbs will be removed in H2 2020



A quick relief trade bargain

- In return for a commitment to qualify their use of export controls, importers will lock-in any tariff cuts and import reforms for five years.
- This bargain curbs policy-related downside risk, a known reducer of trade and investment.
- These principles could be announced and countries could choose whether to adhere to them. Governments could take it or leave it.

Export bans must be:

- proportionate to the situation they seek to solve,
- explicitly justified and notified to partners,
- time-limited (6 months renewable once), and
- not reduce the flow of exports to any partner in any month by more than 50% of the ‘customary value’

Why do this?

- Urgency of securing supplies
- Marketing advantages of assuring exports
- Lower uncertainty on both sides of market
 - Encourages investment and efficiency
- Two-way trade

Out of a total 92 critical COVID-related products

Number of Products

	exported	imported	where $M > X$	where $M > X$ by over \$25 m.
Germany	87	86	22	15
USA	92	90	54	40
Switzerland	86	88	50	20
Ireland	84	89	45	10
Belgium	89	89	43	14
China	87	85	48	39
France	91	90	48	25
Netherlands	89	90	41	13
UK	91	90	52	28
Italy	91	89	65	35

Easy to sign

- Fully WTO consistent
- Requires no negotiation
- Adopt when ready
- Time limited
- Maybe early harvest of a formal agreement

Thank you

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