PMAC PRINCE MAHIDOL AWARD CONFERENCE 2021

WS201

ASSESSING THE SITUATION OF COVID-19 AND INTERNATIONAL TRADE AND HEALTH

| BACKGROUND

The COVID-19 pandemic brings numerous unexpected problems with wide impacts beyond health. Significant increase in demands of the healthcare services and relevant supplies in responding to the disease results in shortage of supplies worldwide. Temporary export restriction is immediately introduced in more than 80 countries which the top five products include face and eye protection, protective garments, gloves, sanitizer and disinfectants, pharmaceuticals[1]. Other countries take the utmost measurement with export prohibition on medical supplies, while some has a more subtle procedure with a licensing or permit requirements to export[2]. Undeniably, the domino effects cannot be avoided since no country has the ability to produce all the needed products, still an effort to alleviate the shortage problem for many countries is either by the reduction on tariff or suspension on certification requirement on their import aspect. However, suspension on commercial flights have spiked air fright prices as demand surges, still an increase in air freights cannot yet meet the capacity, while some borders remains open, land freight is being slow down due to complicated procedures which increase delay and costs. The restriction poses obstacles especially in pharmaceutical drug as China who is the key raw material suppliers and India who is the major producer for generic drugs lock down their countries[3] and other sites are shut down due to lack of raw materials or site affected the pandemic.

This imbalance of market mechanism disrupts global supply chain as countries trying to secure medical supplies and raw material shortage drive ups its price where payment terms of 50% upfront payment required, delivery delay as highest-paying customers move to the front and excessive mark-ups create new economic model that offer significant advantages to only those who can afford[4]. Smuggling of substandard medicine is another major issue to consider, especially in the poorer countries. The rising in demand, falling in supply and distracted regulators widen opportunities for substandard medicines as countries receive falsifies medicines supplies related to COVID-19[5], as well as poor quality medicines for diabetes, heart disease, depression, and rheumatism, cancer[6]. This subsequently adds burden to the health systems.

The process of work to prepare for this session is to commissioned expert(s) to review the situation and analyze the impact of international trade on health during COVID-19 especially access to medicine and medical devices. This commissioned paper will be provided as an input to the webinar discussion.

[1] https://www.wto.org/english/tratop_e/covid19_e/export_prohibitions_report_e.pdf

[2] https://www.macmap.org/en/covid19

[3] https://hub.jhu.edu/2020/04/06/goker-aydin-global-supply-chain/

[4]https://blogs.worldbank.org/health/covid-19-coronavirus-panic-buying-and-its-impact-global-health-supply-chains

[5] https://www.who.int/news-room/detail/31-03-2020-medical-product-alert-n-3-2020

[6] https://www.kcl.ac.uk/news/the-covid-19-pandemic-increases-the-chances-that-other-medicines-wont-work

| OBJECTIVES

To discuss the situation of COVID-19 and implication on international trade and health.



Panelist / Moderator / Panelist

Ronald Labonté

Professor and Holder of the Distinguished Research Chair in Contemporary Globalization and Health Equity

University of Ottawa

Canada