

The background image shows a white truck stopped at a checkpoint. A metal barrier with a red and white striped arm is lowered across the truck's path. To the right of the truck, there is a small booth or guardhouse. The entire scene is overlaid with a semi-transparent red filter. A large white number '5' is positioned on the left side of the image.

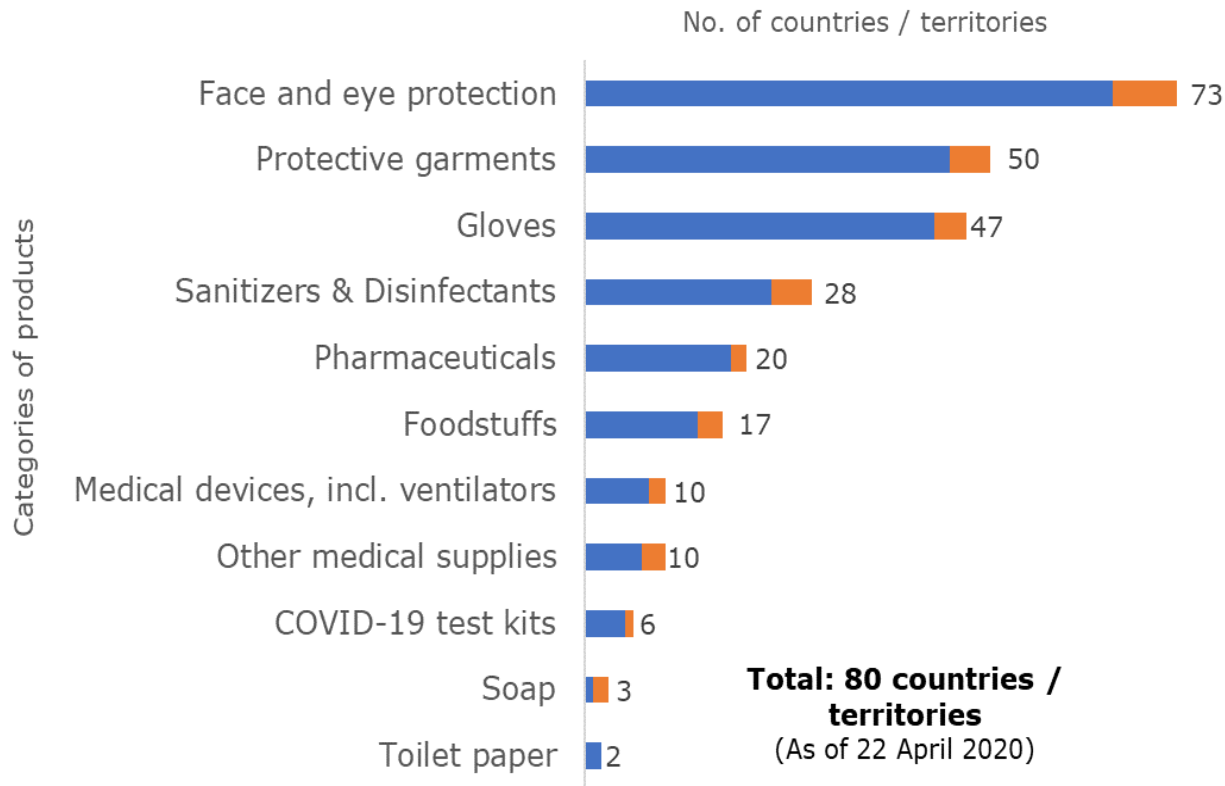
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Things you didn't know about export restrictions of medical products & COVID-19

Prof. Roy Santana
WTI workshop, 24 April 2020

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Some 80 countries have introduced export restrictions (has it stopped?)



Source: WTO Secretariat

■ WTO Members ■ Non-Members

[Link to source](#)





Trade in essential medical products has suffered an unprecedented *triple whammy*

1. Demand shock
2. Supply shock
3. Disruption of global transport services
(air, land, and sea)

The perfect storm for supply chains?



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The world experienced a *supply shock* on foodstuffs a few years ago (2007-2012)

- Series of localized events; not global
- 11 countries; mostly **rice** (40%) and **wheat** (27%)
- 251 export-restrictive measures
- Mostly took the form of:
 - Export quotas (32%)
 - Export taxes (26%, not covered by Art. XI)
 - Export licenses (15%)

-> *Some trade could still flow*
- In place on average for 539 days

Source: [JOB/AG/175](#)

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WTO rules allow export restrictions (if certain conditions are met)

Export prohibitions and restrictions are generally prohibited by Article XI:1 of the GATT, but there are carve-outs and exceptions, including:

Cited in 13 notifications

XI:2(a): "export prohibitions or restrictions *temporarily* applied to prevent or relieve *critical shortages* of foodstuffs *or other products essential* to the exporting contracting party"

XX:b: necessary to protect human ... life or health;

But does it *make sense* to impose them?

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Export restrictions may back-fire in the long term



Short-term

- Exporting country secures supply
- Impact on importing countries depends on size of exporter; if large, could be seriously affected

Long-term

- ↓ domestic price; ↑ foreign price
- ↓ incentive to produce
- ↑ incentive to smuggle out
- “Boomerang effect”
- Domino effect



What's the future?



Let's go back to normal

vs

Everything must change

International cooperation

vs

Nationalism & deglobalization

Rethink GVCs (less concentrated)

vs

Local production

New stockpiling systems?

Bonus Track!



LOVE IN THE TIME
OF CHOLERA

GABRIEL GARCÍA
MÁRQUEZ

WINNER OF THE NOBEL PRIZE

"A love story of astonishing power." —*Newsweek*

Why is it that all
the new
publications say
something like
"trade in the time
of Coronavirus"
or similar?

Thank you!

Roy Santana

Might be of interest:

- WTO - Reports on COVID-19 and trade: [Link](#)
- WTO - Report on export restrictions and COVID-19: [Link](#)
- WTO - Report on worldwide trade in medical products: [Link](#)
- WTO - Trade set to plunge as COVID-19 pandemic upends global economy: [Link](#)
- WHO & WCO list of COVID-19 medical supplies: [Link](#)
- Santana, R., International Trade in Times of COVID-19: [Link](#)