Trade Facilitating Actions for Vaccine Supply Chains – A Pharmaceutical Industry Perspective

Submitted by: Medicines New Zealand
Trade Facilitating Actions for COVID-19 Vaccine Supply Chain

A Pharmaceutical Industry Perspective

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Issues for vaccines and medicines supply chains

#1. Not business as usual for the biopharmaceutical industry
- Rapid development and scale up of vaccines requiring fast distribution to the world
- Government: Company collaborations on all aspects of research & development and logistics
- Novel vaccine technology platforms requiring different supply and logistics treatment (e.g. extreme cold chain supply).

#2. Reduction in airfreight capacity (AC), and slow recovery of AC post-COVID19 pandemic.
- Less flights, less routes and logistics choke points within transit economies $A \rightarrow B \rightarrow C$
- And…. still need to get existing medicines and vaccines distributed.
- Sea freight also not immune from issues with inter-territory freight movement either

#3. Perceived or actual vaccine/medicines trade protectionism (non-tariff trade barrier).


#5. Trade Barriers for COVID-19 & non-COVID-19 vaccines & medicines
ISSUE #1 : Not business as usual for biopharmaceutical industry

SOLUTION: COLLABORATION (internal and external to the biopharmaceutical industry)


“Global supply chain is complex, diverse and fragmented. COVID-19 crisis has exposed strengths and weakness” [BUT] “enables opportunities and innovation “

“To ensure industry collaboration, stakeholders across the air cargo supply chain must move away from bilateral relationships and start to foster multilateral partnerships”
Issue #2: Reduction in Freight Capacity (Air) and Increased Demand (Sea)

SOLUTION: COLLABORATION on capacity constraints, best routes, and less customs and freight hub delays .. but need to involve biopharmaceutical sector in all processes.

EXAMPLE: IATA members undertaking some good efforts and working with biopharmaceutical companies on best routes, logistics channels, and handling requirements.

- Introducing fast track procedures for overflight and landing permits for cargo operations, particularly in key manufacturing hubs.
- Exempting flight crew members who do not interact with the public from 14-day quarantine requirements to ensure cargo supply chains are maintained.
- Supporting temporary traffic rights for cargo operations where restrictions may apply.
- Removing economic impediments e.g. overflight charges and slot restrictions to support air cargo operations during these unprecedented times.
- Removing operating hour curfews for cargo flights to facilitate the most flexible global air cargo network operations.

BUT: Issues with Sea freight.. not sure what the solution will be? FIATA + Governments + Industry?
ISSUE #3: Perceived or actual vaccine/medicines trade protectionism (non-tariff trade barriers).

SOLUTION #1: COLLABORATION so that have active Trade Facilitation occurring.

POTENTIAL EXAMPLE #1: Use of the WTO Trade Facilitation Agreement (TFA) and need for biopharmaceutical industry partners and associations in all economies to be active participants in TFA through Domestic Committees on Trade Facilitation

SOLUTION #2: BETTER COMMUNICATION by economies with the vaccine and medicines manufacturers and their Industry Associations to better understand the domestic and global supply chain for manufacture and distribution during and beyond COVID-19.

EXAMPLE #2: EU now in weekly dialogue and meetings with COVID-19 vaccine manufacturers on matters of supply chain demands and constraints.
ISSUE # 4: Counterfeit COVID-19 vaccines/medicines & other medicines

NB: Counterfeit: “A false representation as regards to identity/source that can include falsified/fake medicine that illegally breaches the drug supply chain” – WHO.

SOLUTION:
(i) Continue with stronger regulatory oversight and enforcement in economies.

(ii) A role for the WHO to co-ordinate with others private/public partners (i.e. INTERPOL, IFPMA, Pharmaceutical Security Institute (PSI), Fight the Fakes (FTF) Alliance (Geneva)) in information sharing and actions including development of Best Practice Guidelines to aid all economies to combat counterfeit issues.
ISSUE # 5: Tariffs on medicines and vaccines.

SOLUTION:
#1 Consideration for economies to sign up to the WTO Pharmaceutical Agreement (a.k.a “Zero for Zero Initiative”), and regularly update list of items covered under the Agreement.

#2 APEC to consider option for a regional approach to tariff removal/reductions to facilitate both trade and equitable access for economies for all medicines not just for COVID-19 therapeutics and ancillary equipment.
Conclusion and points to ponder for A2C2

• COVID-19: We live in a world where things are not “business as usual”.. and there will also be a “new normal”.

• World, its people, its economies and businesses must, and will, adapt to this changed situation.

• The way we look at resolving trade issues relating to medicines and vaccines also needs to adapt to this “new normal” as a result of COVID-19 (needs long term not short term focus).

• Enhanced Public:Private Partnership (communication and collaboration) to deliver solutions will be essential & critical for all vaccines and medicines and other products/services.

• The alternative is significant economic damage if we don’t get COVID-19 solutions right.

  [worst case scenario : US$82 trillion loss over 5 years]
For more information:

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