

## **U.S. Chamber of Commerce International Principles on Export Restrictions in the COVID-19 Pandemic**

More than 60 governments around the world have adopted export restrictions on medical supplies and medicines in an effort to ensure sufficient domestic supply during the COVID-19 crisis. These export restrictions can take the form of nonautomatic licensing requirements, consularization requirements, as well as outright bans on exports. In various instances, transparency is insufficient, administration is ambiguous, and no end date is given.

Maintaining open trade and efficient supply chains is critical to ensuring that medicines and supplies get to the patients who need them. Export restrictions—including bans and nonautomatic licensing rules—delay the transit of critical supplies and often fail to contribute to a more effective response. These delays multiply as additional countries react to export restrictions imposed in some markets by introducing restrictions of their own. These policies have a particularly damaging impact on patients in developing and least developed countries that are endpoints in complex distribution systems for pharmaceuticals and other medical supplies.

For these reasons, we support the statement by G20 Ministers that emergency measures designed to tackle COVID-19 must be “targeted, proportionate, transparent, and temporary” and that they must not create unnecessary barriers to trade or disruption to global supply chains, and must be consistent with WTO rules. With respect to export restrictions, governments should first consider other policy tools to ensure adequate supply of medicines, and should rely on less burdensome approaches – such as automatic licensing – to address concerns before resorting to more intrusive measures.

Governments should adhere to the following principles in approaching these issues:

- 1) **Governments should cooperate with each other and partner with industry to protect the global medical supply chain.** Many policy tools other than export restrictions exist and may be more effective to address shortages and supply chain issues. Export restrictions should be a last resort.
- 2) **Export restrictions should be transparent.** They should be published or otherwise made publicly available so that traders can understand them and plan accordingly.
- 3) **Export restrictions should be applied in a nondiscriminatory way.** Countries must be evenhanded; they cannot penalize one trading partner over another.
- 4) **Export restrictions should be tailored to a legitimate objective.** For example, if a country is experiencing a shortage of masks, that must not be taken as a basis for prohibiting exports of all medical equipment.
- 5) **Export restrictions should be temporary.** Countries should not adopt export restrictions that are not time-limited in response to COVID-19 supply chain issues.