

## EU Statement at the General Council of 2 March 2021 on the “Call to Prevent Export Restrictions on Covid-19 Vaccines” – 02 March 2021

Geneva, 02/03/2021 - 00:00, UNIQUE ID: 210302\_12

### Local Statements

#### Statement delivered by Ambassador João Aguiar Machado

The events of the last couple of months illustrate the difficult dilemmas we are facing as global demand for vaccines greatly exceeds available supply. The global nature of the pandemic and the development of new variants demonstrate that no country is safe until every country is safe.

Like many other countries, the EU has also struggled with the lack of transparency in the delivery of vaccines, the production of which it has pre-financed. Our inquiries into reasons for delays did not result in satisfactory answers from some vaccine manufacturers. In order to ensure that vaccines and their ingredients are not directed to export destinations in unjustified volumes, the European Union had no choice but to introduce a transparency mechanism on Covid-19 vaccine export transactions.

We are in a situation where some vaccine producers have overpromised and under delivered. They have committed more than what they produce. In this situation, we need to ensure a transparent distribution of vaccines and avoid a situation where the much-awaited vaccine goes to the highest bidder or distribution is left to the arbitrary decision of vaccine producers.

The European Union understands the concerns that WTO Members have expressed. Paradoxically, the scheme and the reactions from other WTO Members clearly demonstrate the need to agree on guiding principles in the WTO for the imposition of trade measures and in particular regarding transparency. The EU has put in place an export authorisation fully in line not only with our WTO obligations but also with our G20 commitments. The scheme has been notified immediately to the WTO.

In the spirit of international solidarity, the EU has also exempted from the scope of this measure 92 vulnerable countries, which do not have sufficient financial resources and sufficient production capacity to supply their population with vaccines in adequate quantities. We have also exempted neighbouring countries who, through their close integration in the EU's market and supply networks depend on vaccines supplies from the EU. More broadly, we have exempted any COVAX supplies from the scope of the measure to allow this global facility to achieve its goal of equitable distribution of vaccines across the globe. We were happy to see that first supplies were delivered to Ghana and the Ivory Coast just last week.

I can also reassure WTO members that this mechanism does not create unnecessary barriers to trade or any disruption to global supply chains.

Since the entry into force of the scheme on the 1 February, we have received 150 requests for export authorisation. All of them have been accepted. I repeat, all of them.

Therefore, the measure has not slowed down the export of vaccines and the data compiled so far indicate that the EU is the biggest vaccine exporter worldwide, in a situation where there are very little exports from other OECD or G-20 countries. Indeed, it should be underlined that the EU is the sole significant exporter of Covid-19 vaccines amongst OECD members. The EU is not engaged in vaccine nationalism.

It should be recalled that the Covid-19 vaccine production capacity in Europe, that we share with the world, was created through the EU's support to vaccine producers in the form of the Advanced Purchased Agreements. The EU has not restrained the ability of vaccine producers to engage with other partners, but expects them to be fair when delivering on their contractual obligations.

However, the root causes of the problem lie elsewhere: the exploding global demand is well above the global production today. As long as this global industrial challenge is not met, and the world population is not vaccinated quickly enough, we will all face a risk of a continuing health emergency including new Covid-19 variants and a prolonged economic crisis.

The European Union believes there is an important role for public authorities to play and to drive the increase of production, and to facilitate access to the vaccines and other treatments that are in need today. Cooperation must be promoted amongst the different participants along the value chains where necessary to enhance production capacities. A closer, more integrated and more strategic public-private cooperation with the industry is needed. In this spirit, the EU has set-up a Task Force for Industrial Scale-up of COVID-19 vaccines to detect and help respond to issues in real-time. In order to ramp up production, we will, amongst others, work closely with manufacturers to help monitor supply chains and address identified production bottlenecks. Since EU vaccine production is critical for global supply, the benefits of this initiative will extend beyond the EU's borders.

Scaling-up of production on a global level requires further actions. It will not happen without increased global collaboration with the pharmaceutical industry, which should facilitate the transfer of the right know-how and technology for the highly complex vaccine production process. We should facilitate this collaboration, while

intellectual property rights would disrupt this collaboration and the transfer of know-how. In conclusion, Mr Chairman, we believe it is legitimate to engage the sector in order to ensure that all complementary production facilities across companies and continents are actively contributing to ramp up production. Companies that have tried and failed to develop a vaccine of their own, for example, should actively consider making their facilities available for the production of vaccines of successful companies. Companies with new vaccines should consider whether they have checked all options for licensing agreements to increase production. The objective should be to ensure they enter into licence agreements with companies around the world that have the necessary production capacities and could export the vaccines to any low middle-income countries without production capacities. At the same time, we should be mindful that the manufacturing campaigns for covid-19 vaccines do not crowd out the production of other life-saving vaccines and therapeutics.

The EU, working together with other WTO Members and under the leadership of the Director-General Dr. Ngozi Okonjo-Iweala is ready to facilitate a dialogue between the vaccine developers and companies with the production facilities that are ready to step in to help out with the production of vaccines and their delivery to the countries in need. We welcome the DG's proposal to focus on collaboration among companies to enhance licensing in order to use all the adequate manufacturing capacity, including in developing countries. The EU is ready to facilitate this dialogue and contribute to the efforts on expanding these partnerships.

The EU remains open to a dialogue with all WTO Members on how to facilitate the collaboration with the pharmaceutical industry on the transfer of know-how and technology. In the same manner, the EU remains open to a dialogue on how to facilitate the use of the TRIPS flexibilities, should the voluntary solutions fail or not be available. The flexibilities offered by the TRIPS Agreement are absolutely legitimate tools for Members in need, as many are in the midst of this pandemic. This includes fast track compulsory licences for export to countries without manufacturing capacity. Administrative burdens should not stand in the way of manufacturing and delivering vaccines to where they are needed.

We believe that a successful contribution of the WTO to the current pandemic will require all WTO Members to agree on actions that will not only encompass the elements enshrined in the Ottawa Group's proposal on Trade and Health, such as export restrictions or transparency, but also address the problem of insufficient manufacturing capacity. The EU stands ready to engage in such a dialogue.

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