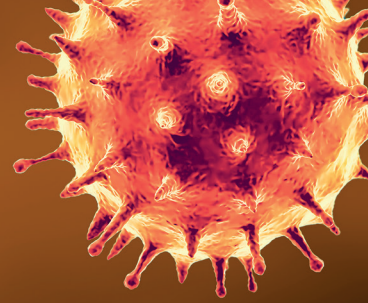




Trade Hot Topics



A Special Focus on COVID-19 and the Commonwealth | ISSUE 164

Prioritising the Poor: LDCs and Trade in COVID-19-Related Medical Supplies

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1. Introduction

The COVID-19 pandemic is an unprecedented health, economic and humanitarian crisis for the world's 47 least developed countries (LDCs), including 14 Commonwealth member countries in Africa, Asia and the Pacific. The coronavirus is spreading rapidly in South Asia, Latin America and parts of Africa, while some advanced economies and developing countries are grappling with new outbreaks. However, despite increasing infection rates, many LDCs have yet to experience the worst of the pandemic. For the Pacific LDCs, geographical remoteness has been an advantage in this instance and these countries have so far been largely sheltered from the outbreak.

As of 22 July 2020, more than 380,000 infections and around 7,500 deaths had been reported in the world's most impoverished nations. Although Commonwealth LDCs account for almost one-third of the world's LDC population,² they have recorded more than half of these infections as well as a similar share of deaths. However, these figures are likely to underestimate the actual infections because countries lack diagnostic and testing facilities as well as digital contact tracing, which has helped countries like Korea and Germany mount an effective public health response to the pandemic.

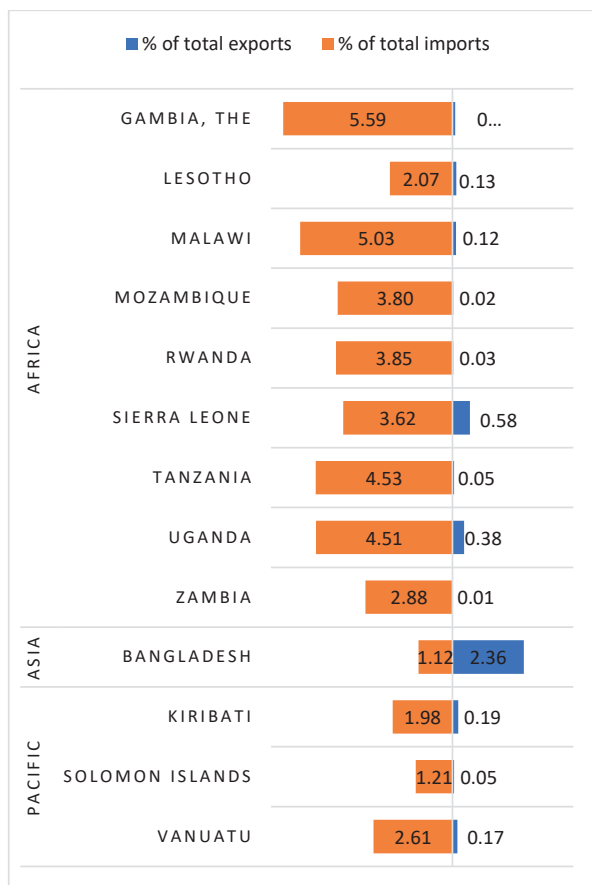
In absolute terms, Bangladesh is the most affected Commonwealth LDC with more than 2,700 mortalities. In addition to tackling this health crisis, Bangladesh also confronts other challenges: global demand and supply shocks impacting its exports of ready-made garments, an industry that creates millions of jobs; recovery from the recent Cyclone Amphan in the Bay of Bengal; and addressing the humanitarian plight of the Rohingya people. The devastating impact of the virus on lives and livelihoods in the world's poorest countries is a major setback in their pursuit of the Sustainable Development Goals (SDGs), especially SDG 3 (Good health and wellbeing), as well as the Istanbul Programme of Action for LDCs (2011-20), which is in the final year of implementation. COVID-19 may also impair the preparations of LDCs that are graduating from this category, as well as those to be considered for graduation next year (UNCDP, 2020).

As we discuss later, LDCs confront a trilemma when tackling COVID-19. First, they have poorly resourced and fragile healthcare systems. Second, they are net importers of COVID-19-related medical supplies and equipment needed to treat infected persons, even as some major producers restrict these exports (Bown, 2020; Evenett, 2020). Third, many LDCs are heavily indebted, while lower commodity prices and remittance inflows mean they struggle to finance imports of medical goods

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2 The 47 LDCs have a population of 1.1 billion, of which 350 million live in 14 Commonwealth LDCs.

Figure 1: Share of COVID-19-related health imports and exports (2017–18 avg.)



Source: Commonwealth Secretariat (calculated using data from WITS)

at a time of rising prices. With global demand outstripping supply, LDCs are at the back of the queue when procuring these vital medical supplies.

This issue of *Trade Hot Topics* analyses the trade flows in medical goods that matter for the fight against COVID-19 in Commonwealth LDCs. It provides a factual mapping of medical supply chains, both within and outside the Commonwealth, prior to the outbreak of the pandemic, in order to reflect on the level of preparedness of these countries to face this outbreak. It identifies the main suppliers of key medical devices and assesses potential exposure of LDCs to recent trade measures as well as other constraints such as price gouging and reduced fiscal space to import medicines. After examining three major challenges LDCs face in their response to COVID-19, it concludes with policy recommendations to ensure equitable distribution of the essential medical goods.

2. Medical supply chains in Commonwealth LDCs

In 2018, global exports of COVID-19-related medical supplies were valued at US\$695 billion, which is around 4 per cent of world merchandise trade.³ Commonwealth countries had a small share of this trade and imported more medical goods (\$87 billion) than they exported (\$84 billion).

The share of the world's 47 LDCs in COVID-19-related global trade was about 1 per cent (or US\$7 billion), which is almost equal to their share of world merchandise trade. Around one-third of these supplies (\$2.1 billion) were destined for Commonwealth LDCs.

LDCs are all net importers of COVID-19-related medical equipment and supplies. Bangladesh was the largest importer (US\$636 million), although this represented only 1 per cent of its merchandise imports (Figure 1). In comparison, the African LDCs had the highest share of medical supplies in their imports. The Gambia (US\$32 million), followed by Malawi (\$135 million), had the largest shares above 5 per cent of imports. In the case of the Pacific LDCs, the share of medical supplies in their overall imports is around 2 per cent (see Table 3).

With the exception of Bangladesh, there is virtually no manufacturing capacity in Commonwealth LDCs. Bangladesh's facilities are mainly used to produce basic products, such as personal protective equipment (PPE), and not high technology equipment like ventilators. This import dependence reinforces the vulnerability of LDCs to health shocks like COVID-19.

2.1 Structure of trade in COVID-19-related health products

Examining the structure of imports of COVID-19-related supplies and equipment prior to the outbreak of the pandemic provides one perspective about the level of preparedness of these countries to tackle the health crisis. In the period 2017-18, Commonwealth LDCs overall mostly imported disinfectant products, soaps, medical consumables and oxygen therapy equipment (Figure 2).

For the African LDCs, disinfectants made up almost half of their COVID-19-related imports. However, there were not significant imports of oxygen therapy equipment (4.5 per cent), PPE (10 per cent) or test kits (12 per cent). This may have affected their

³ Based on the list of 58 specific pharmaceutical or medical products that play an essential role in controlling, identifying and treating disease. The analysis uses version 2.1 of the extended list of 58 products prepared by WHO and WTO.

Figure 2: Composition of COVID-19-related imports (2017–18 avg.) by region



Note: These categories follow the classification of the WCO of COVID-19-related health products version 2.1.

Source: Commonwealth Secretariat (calculated using data from WITS)

preparedness for tackling the pandemic (Table A1). These countries have subsequently struggled to acquire these vital goods, especially test kits and reagents, on the open market.

By comparison, in Asia, two categories constituted around half of Bangladesh’s imports: oxygen therapy equipment (25 per cent) and PPE (24 per cent). Bangladesh imported relatively more PPE than the other LDCs despite having some manufacturing capacity in these products. Indeed, Bangladesh is the only Commonwealth LDC with manufacturing facilities to produce textile protective garments for surgical and medical use, disposable hairnets and basic health consumables. In 2018, Bangladesh exported around US\$900 million worth of medical supplies, largely comprising protective textile garments, to the USA, the EU and Canada. However, these products make up a small share (2 per cent) of the garment industry: US\$796 million of the \$34 billion industry (Box 1).

For the Pacific LDCs, two-thirds of imports were in three categories: disinfectants (23 per cent), soaps

and consumables (22 per cent) and oxygen therapy equipment (21 per cent). Compared to the other LDCs, PPE imports were relatively significant given their small populations.

2.2 Sources of medical supplies to LDCs

Globally, the production and export of COVID-19-related medical supplies is highly concentrated: five countries account for half of world exports while the top 10 countries account for around 75 per cent (Table 1). China is the largest producer of PPE, whereas the EU and the USA lead in the manufacturing of clinical equipment. The UK is the only Commonwealth country ranked among the top 10, accounting for 4.5 per cent of total COVID-19-related medical exports to the world. The sources for medical supplies to Commonwealth LDCs are even more concentrated, with India, China, South Africa, Germany and Thailand accounting for two-thirds of all supplies (Figure 4).

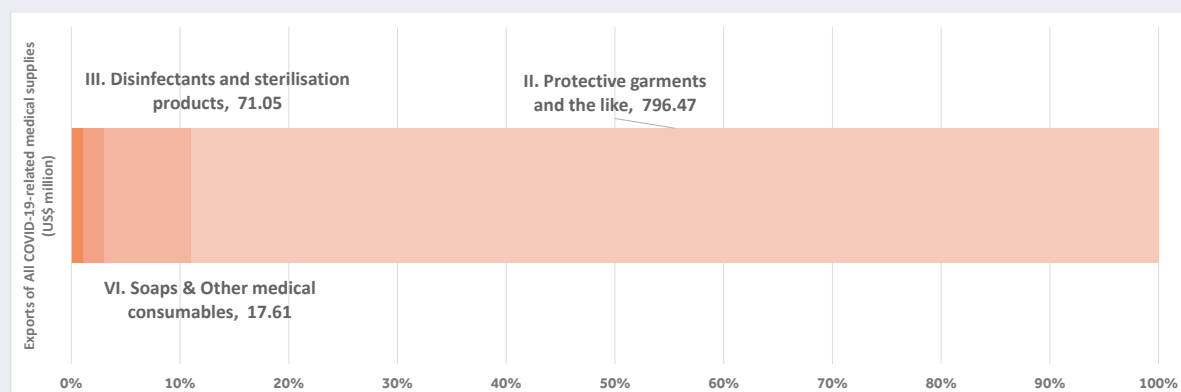
Figure 4 summarises the top five suppliers of COVID-19-related goods to Commonwealth LDCs overall and by region. There is a prevalent pattern of

Box 1: Personal protective garments manufacturing in Bangladesh

The booming garment industry in Bangladesh has a lot of potential to expand production of PPE to meet pent-up demand. During 2017-18, as one of the world's largest garment exporters, second to China, the country's garment industry exported an average of US\$34 billion (nearly 90 per cent of total merchandise exports) employing more than 3.6 million or 14 per cent of the labour force in approximately 4,500 factories. Its main export markets in 2018 were the EU (58 per cent), the USA (15 per cent), Canada (3.3 per cent) and Japan (2.7 per cent). Importantly, the single largest import category is also in textiles, to be used as inputs for the garment industry; these are sourced primarily from China (42 per cent) and India (24 per cent). Facilitating trade in the industry has been duty-free market access across most of the developed countries and preferential trade agreements with China and India.

Following the COVID-19 pandemic, the garment industry has taken a hit in its production due to the slowdown of textile input imports from China, and the government's social distancing and lockdown measures. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), as of 29 April, over US\$3.18 billion and 982 million pieces in export value and quantity, respectively, had been cancelled/suspended and 2.28 million employees affected; however, the demand for protective garments is on the rise. Despite these challenges, the industry aims to support the global pandemic by increasing its production and export of protective personal garments that meet the medical and professional standards as stipulated by the World Health Organization (WHO). According to reports by industry leaders, 12 textile companies have started production to supply PPE to the local market and have received requests from countries such as the USA, Kuwait, Sri Lanka and Nepal.

Figure 3: Bangladesh exports of COVID-19 medical supplies (in US\$ millions and as a %)



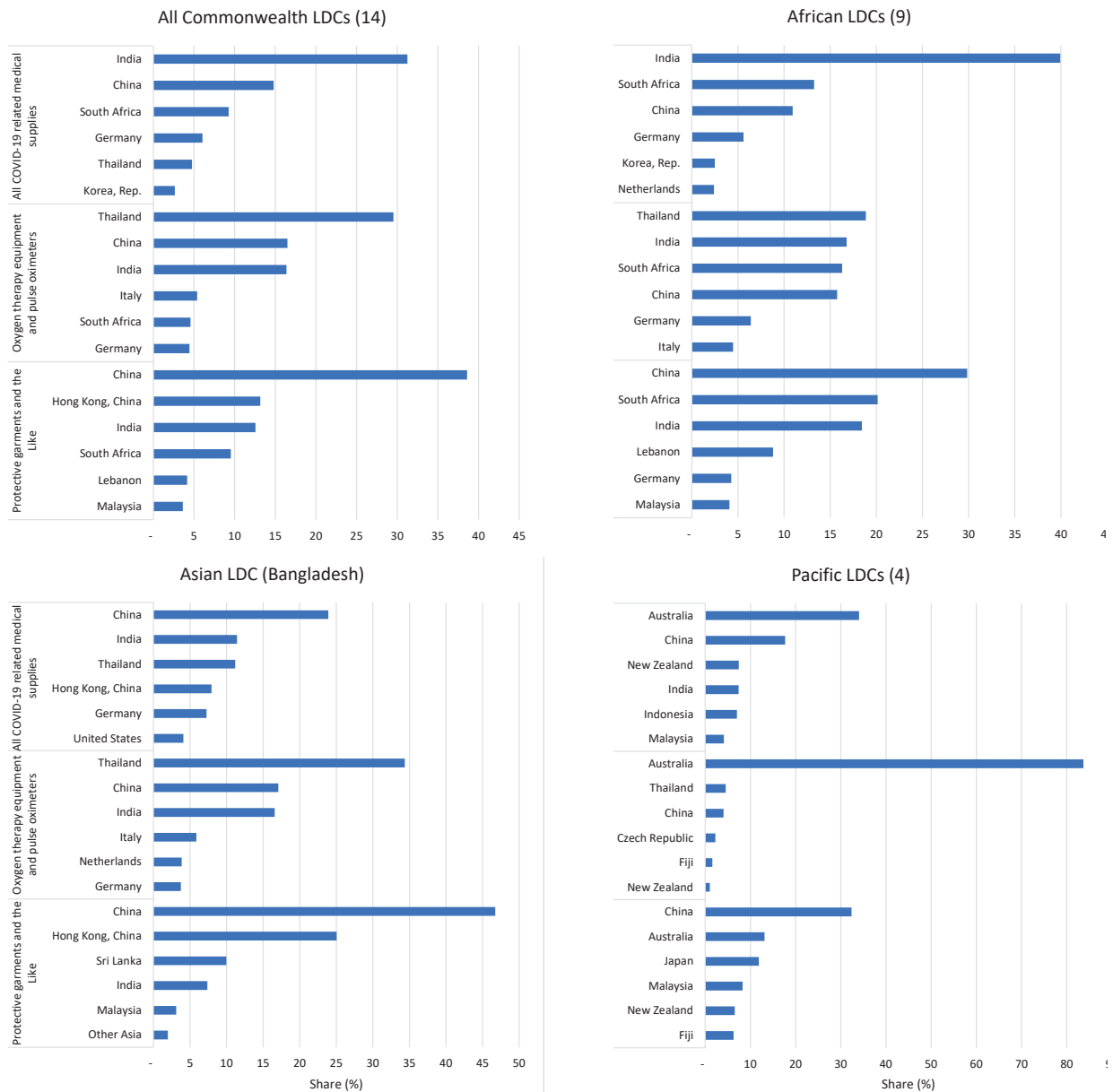
Source: Commonwealth Secretariat (calculated using data from WITS)

Table 1: Leading exporters of COVID-related medical goods (2017-18 avg., US\$ millions)

World			Commonwealth LDCs (14)		
Exporter	Value	Share (%)	Exporter	Value	Share (%)
Germany	105,207	16.00	India	677.6	31.26
USA	68,896	10.48	China	320.6	14.79
Switzerland	67,899	10.33	South Africa	200.7	9.26
China	49,239	7.49	Germany	130.9	6.04
Belgium	40,675	6.19	Thailand	103.1	4.75
Netherlands	36,593	5.57	Korea, Rep.	57.2	2.64
Ireland	34,601	5.26	Hong Kong, China	54.1	2.50
United Kingdom	30,185	4.59	Netherlands	53.6	2.47
France	27,488	4.18	Switzerland	49.2	2.27
Italy	22,077	3.36	Japan	48.9	2.26
Japan	14,009	2.13	USA	46.4	2.14

Source: Commonwealth Secretariat (calculated using data from WITS)

Figure 4: Leading suppliers of COVID-19-related health products to the Commonwealth (2017–18 avg., %)



Source: Commonwealth Secretariat (calculated using data from WITS)

South–South trade with four developing countries – India, China, South Africa and Thailand – being the main suppliers of all COVID-19-related medical goods. Germany is the only advanced economy partner, ranking as the fourth largest exporter of all supplies, albeit exporting significantly less than the shares of India and China.

For African LDCs, India is the leading supplier of COVID-19-related goods (40 per cent), followed by South Africa and China. Collectively, these three countries also contribute around 70 per cent of PPE imports and 45 per cent of oxygen therapy equipment, like ventilators, by African LDCs.

In Asia, Bangladesh sources most of its COVID-19 products from the region. Overall, China and

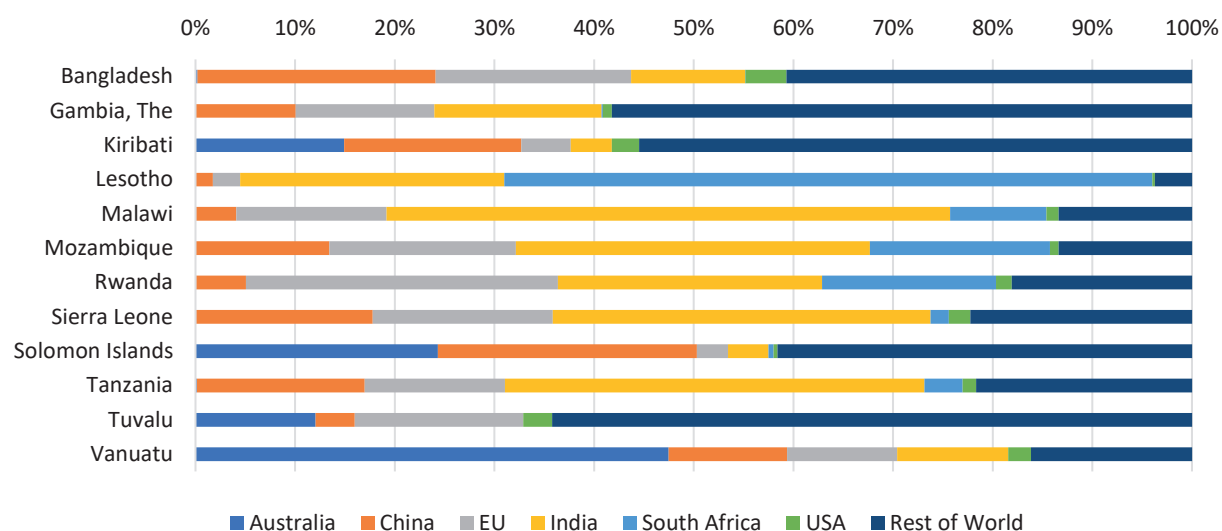
India are the leading suppliers of medical goods, accounting for 24 per cent and 12 per cent respectively, while Thailand contributes around 11 per cent. China and Hong Kong collectively account for more than 70 per cent of PPE imports.

Given their geographical proximity to Australia, Pacific LDCs depend on Australia for more than one-third of all COVID-19-related goods. This is especially the case for oxygen therapy equipment, with Australia contributing more than 80 per cent of imports.

2.3 Dominance of leading suppliers

Commonwealth LDCs have various sources of medical supplies and are relatively less dependent on the EU and the USA compared to other Com-

Figure 5: Distribution of sources of COVID-19-related medical supplies in Commonwealth LDCs



Source: Commonwealth Secretariat (calculated using data from WITS)

monwealth developing countries (Figure 5). Most LDCs source around 10–25 per cent of their supplies from a single source. The exceptions are Lesotho, which is highly trade dependent on South Africa as a member of the Southern African Customs Union and sources around 65 per cent of all supplies from its neighbour, and Malawi, which has around 57 per cent dependence on India. Lesotho relies on South Africa for more than 80 per cent of its PPE and ventilator imports.

It is noteworthy that none of the LDCs has more than 50 per cent reliance on the EU and the USA for overall COVID-19-related supplies. However, the pattern changes for specific products, especially test kits and diagnostic equipment, where five African LDCs (The Gambia, Malawi, Mozambique, Rwanda, Sierra Leone and Uganda) import

more than 50 per cent of the test kits from the EU (Table A3).

While African and Asian LDCs largely rely on India, South Africa and China, the Pacific LDCs import medical supplies largely from Australia. For instance, Vanuatu imports more than 50 per cent of test kits and 90 per cent of ventilators from Australia. India, Indonesia and New Zealand also contribute significantly to PPE and other devices imported into Pacific LDCs.

Table 2 highlights the number of LDCs dependent on particular suppliers for all of their COVID-19 supplies, as well as PPE, test kits and ventilators. Overall, the pattern suggests that some of the Commonwealth's most impoverished nations may be exposed to the trade restrictive measures that

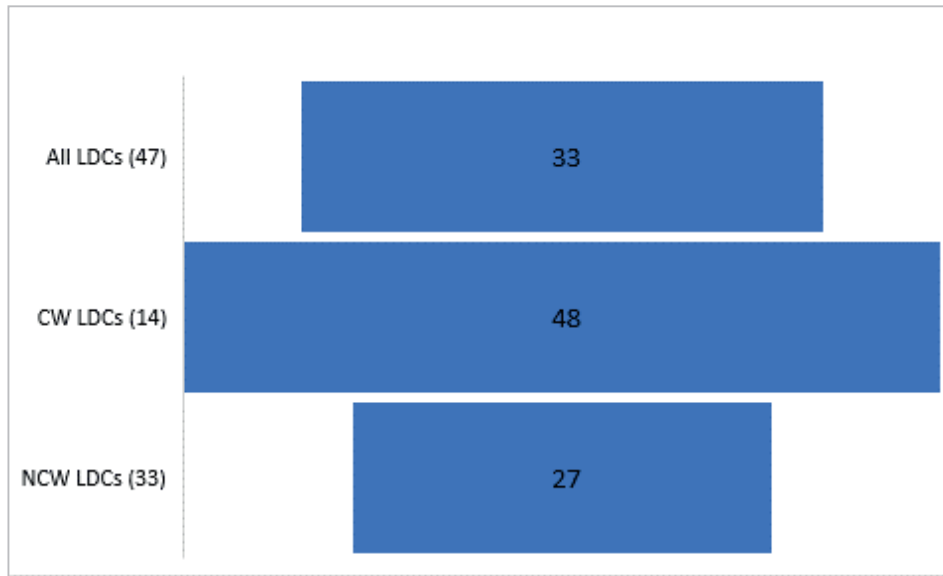
Table 2: Level of dependence on a single source for essential medical supplies

Source	Australia	China	EU	India	S.Africa	USA	Australia	China	EU	India	S.Africa	USA
% Share	All COVID-19 medical supplies						A: COVID-19 test kits, instruments					
>50%	-	-	-	1	1	-	1	-	5	-	1	-
25-50%	1	1	2	6	1	-	2	-	5	-	-	2
10-25%	4	7	9	3	2	-	1	-	3	-	3	2
0-10%	9	6	3	4	10	14	10	14	1	14	10	10
	B: Protective garments and the like						C: Oxygen therapy equipment					
>50%	-	2	-	-	-	-	1	-	-	-	1	-
25-50%	-	5	-	1	3	-	-	3	5	-	3	1
10-25%	2	4	4	4	1	-	2	7	5	9	1	-
0-10%	12	3	10	9	9	14	11	4	4	5	9	13

Source: Commonwealth Secretariat (calculated using data from WITS)

Note: The figures indicate the number of Commonwealth countries dependent on a particular economy

Figure 6: Share of medical imports from Commonwealth countries (2017-18 avg., %)



Source: Commonwealth Secretariat (calculated using data from WITS)

have affected the availability of medical goods (Bown, 2020; Evenett, 2020). For example, India and South Africa have implemented export controls on PPE, while EU measures are now being phased out.

2.4 Intra-Commonwealth trade in COVID-19 supplies

Looking at the trade patterns for COVID-19 goods, it is noticeable that Commonwealth African LDCs depend heavily on South-South trade, especially intra-Commonwealth trade, to supply vital goods. Almost 50 per cent (or US\$1.1 billion) of health imports originated from other Commonwealth

countries. The leading Commonwealth suppliers were India (31%) and South Africa (9%), which mainly export to LDCs in Asia and Africa, while Australia was the leading supplier to the Pacific LDCs (34%). Commonwealth countries also supplied around one-third of COVID-19-related medical supplies to the other 33 non-Commonwealth LDCs (Figure 6).

The average, however, masks stark regional and country-level variations. Apart from The Gambia (25 per cent), Bangladesh (21 per cent) and Kiribati (32 per cent), the share of imports from Com-

Table 3: Relative importance of the Commonwealth for COVID-19-related medical supplies

Country/Region	Total Imports	COVID-19-related imports					Total Exports	COVID-19-related exports				
		Value	% (of total imports)	from CW (US\$ mil)	from CW (%)	from NCW (%)		Value	% (of total exports)	to CW (US\$ mil)	to CW (%)	to NCW (%)
	1	2	3	4	5	6	1	2	3	4	5	6
All LDCs (47)	257,807	7,019	2.72	2,325	33	67	181,043	1,603	0.89	230.00	14	86
of which												
CW LDCs (14)	96,754	2,168	2.24	1,035	48	52	62,323	908	1.46	137.21	15	85
African LDCs												
Gambia, The	575	32.2	5.59	7.79	24	76	114	0.10	0.09	0.04	38	62
Lesotho	2,168	44.9	2.07	41.27	92	8	1,124	1.41	0.13	1.37	97	3
Malawi	2,671	134.5	5.03	98.80	73	27	877	1.06	0.12	0.96	90	10
Mozambique	6,345	241.0	3.80	141.99	59	41	4,869	1.18	0.02	0.36	31	69
Rwanda	2,342	90.2	3.85	45.78	51	49	1,081	0.29	0.03	0.12	40	60
Sierra Leone	1,327	48.0	3.62	25.39	53	47	560	3.23	0.58	1.62	50	50
Tanzania	8,669	392.3	4.53	200.69	51	49	4,047	2.10	0.05	1.17	56	44
Uganda	6,163	278.2	4.51	140.78	51	49	2,994	11.43	0.38	11.05	97	3
Zambia	8,722	250.8	2.88	188.37	75	25	8,521	0.80	0.01	0.48	60	40
Asian LDC												
Bangladesh	56,666	636.1	1.12	133	21	79	37,551	886	2.36	120	14	86
Pacific LDCs												
Kiribati	126	2.5	1.98	0.79	32	68	12	0.02	0.19	0.01	64	36
Solomon Islands	593	7.2	1.21	3.64	51	49	517	0.27	0.05	0.07	27	73
Tuvalu	26	0.4	1.49	0.30	76	24	0	0.11	60.02	0.00	3	97
Vanuatu	360	9.4	2.61	6.68	71	29	55	0.09	0.17	0.07	78	22

monwealth countries for the remaining 11 LDCs is above 50 per cent. The dependence on Commonwealth countries is particularly high for Lesotho (92 per cent), Zambia (75 per cent) and Malawi (73 per cent). These countries largely import health supplies from India and South Africa. Similarly, the Pacific LDCs, Tuvalu (76 per cent), Vanuatu (71 per cent) and Solomon Islands (51 per cent), have a large share of health-related imports from Australia (Table 3).

3. The COVID-19 trilemma for LDCs

The socioeconomic circumstances of LDCs make them extremely vulnerable to the spread of the coronavirus. These countries are often characterised by a large number of informal, high-density housing areas; inadequate access to water and sanitation, which makes standard advice about social distancing and washing hands impracticable; low savings rates among low-income citizens; and grinding poverty levels. While many poor countries, particularly in Africa, have experience in tackling endemic diseases, epidemics and pandemics from HIV/AIDS to Ebola, they have had to do so with poorly resourced healthcare systems and serious capacity constraints.

In Africa, which includes an overwhelming majority of the world's LDCs, the lack of hospitals and high prevalence of conditions such as HIV, tuberculosis, malaria and malnutrition, could see COVID-19 mortality rates higher than elsewhere, even in children (Nkengasong, 2020). At the same time, COVID-19 has disrupted routine vaccination efforts, placing at least 80 million children under one at risk of diseases such as diphtheria, measles and polio (WHO, 2020c).

In many respects, the COVID-19 pandemic is a crisis of preparedness – or lack thereof. According to the World Health Organization's (WHO) COVID Preparedness Index (5=well-developed capacities and 1=no capacity), which measures countries' capacity to deal with public health emergencies, Commonwealth LDCs average 2.5 out of 5 against Commonwealth countries' average of 3.81. By region, African LDCs are 2.67, Asia – namely Bangladesh – is 3, and the Pacific LDCs are 2. Indeed, the INFORM COVID-19 Risk level is 'high' for all

these countries.⁴ Overall, LDCs confront a policy trilemma when mounting an effective response to COVID-19.

Fragile healthcare systems

LDCs have poorly resourced and fragile healthcare systems, and serious capacity constraints. For example, LDCs have on average 0.6 nurses and midwives, 0.3 physicians and 1.1 hospital beds per 1,000 population. By comparison, members of the Organisation for Economic Cooperation and Development (OECD) have 8 nurses and midwives, 2.9 physicians and 4.7 hospital beds for every 1,000 population (Bhattacharya and Islam, 2020). The fewer number of doctors and nurses reflects the weakness and fragility of the healthcare systems in these countries (Figure 7).

Moreover, COVID-19 is a respiratory illness and so critical patients require artificial breathing support through ventilators. The WHO (2020d) estimates that with about one million new coronavirus cases worldwide per week, the world will need 620,000 cubic meters of oxygen per day, or 88,000 large cylinders. However, ventilators are rare in poor countries. These life-saving technologies can cost up to US\$50,000 and require anaesthesiologists and trained respiratory technicians to safely administer the therapy, but many hospitals lack such positions (McNeil, 2020). Meanwhile, many medical professionals and healthcare workers often choose to emigrate in the search for better remuneration and working conditions.

Dependence on medical imports

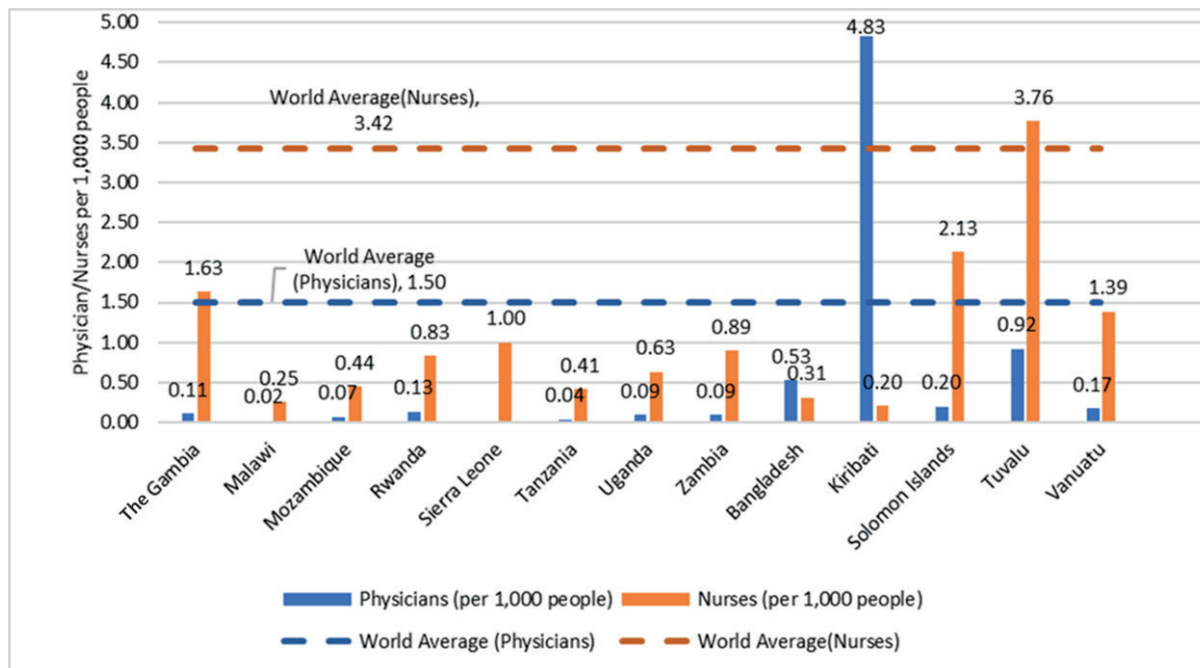
LDCs have limited manufacturing capacity and so must import most of the medical supplies and equipment needed to treat infected persons, protect frontline healthcare workers, especially women,⁵ and support the safe reopening of economies, including through testing and tracing.⁶ There has been a surge in global demand for PPE, oxygen delivery technologies (e.g. ventilators and oxygen concentrators) and diagnostic testing kits and reagents. At the same time, however, some major producers continue to restrict these exports, while others are now phasing out these measures (Evenett, 2020).

4 The INFORM COVID-19 Risk Index identifies 'countries at risk from health and humanitarian impacts of COVID-19 that could overwhelm current national response capacity, and therefore lead to a need for additional international assistance'. <https://drmkc.jrc.ec.europa.eu/inform-index/INFORM-Epidemic>.

5 There is a larger share of women in the frontline health sector (for example, nurses, community health workers, birth attendants), and as home and family caregivers, which makes them more exposed to contagion (World Bank, 2020).

6 The latter is especially important for tourism-dependent LDCs. Small states have been marginally affected biologically by the pandemic but testing kits are needed to test tourists on arrival - to boost confidence in tourist destinations - as well as to protect small states citizens.

Figure 7: Medical professionals in Commonwealth LDCs (2017) by country



Source: Commonwealth Secretariat (calculated using data from World Bank)

With global demand outstripping supply, LDCs are at the back of the queue when procuring these vital medical supplies. For example, by mid-March, 43 countries in Africa, including some LDCs, had gained competence to test for the virus. However, most of these countries were unable to access appropriate reagents and chemicals for the tests (Nkengasong, 2020).

Price inflation of medical goods

The spread of the coronavirus is driving price increases of medical supplies as production struggles to meet demand, making the healthcare systems and economies of LDCs even more vulnerable. The prices of surgical masks in the USA have increased sixfold, N95 respirators have more than tripled in price, and gowns cost twice as much as before the pandemic (Gonzalez Behar, 2020). In January 2020, a box of 100 masks could be bought for less than US\$4, but at the end of February, a single mask was being sold for \$20. The same phenomenon has been observed with respirators, with the price of a box of 20 increasing from \$17 to \$70. Export curbs have inflated prices almost 25 per cent, on average. Several countries are now imple-

menting measures to curb prices and protect consumers.⁷ These price increases during a pandemic diminish the real value of national health budgets and compromise the effectiveness of public health interventions.

Many LDCs are heavily indebted with limited fiscal space. The collapse in global trade, especially the demand for commodities⁸, has further limited their ability to finance vital imports. The continued fall in commodity prices and in some cases currency depreciation since the outbreak makes it more expensive for LDCs to purchase medical supplies. Long-term support in domestic resource mobilisation, including broadening the tax base, can help countries to finance these vital supplies.

4. Way forward

This policy trilemma means the immediate challenge for LDCs is to secure affordable and equitable access to essential medicines and medical supplies to treat and contain COVID-19. However, in the medium term, this same situation is likely to arise if a vaccine is successfully developed and brought to market. We conclude with four policy recommendations to assist the world’s poorest countries to mount an effective public health response to the pandemic, especially by harnessing trade policy.

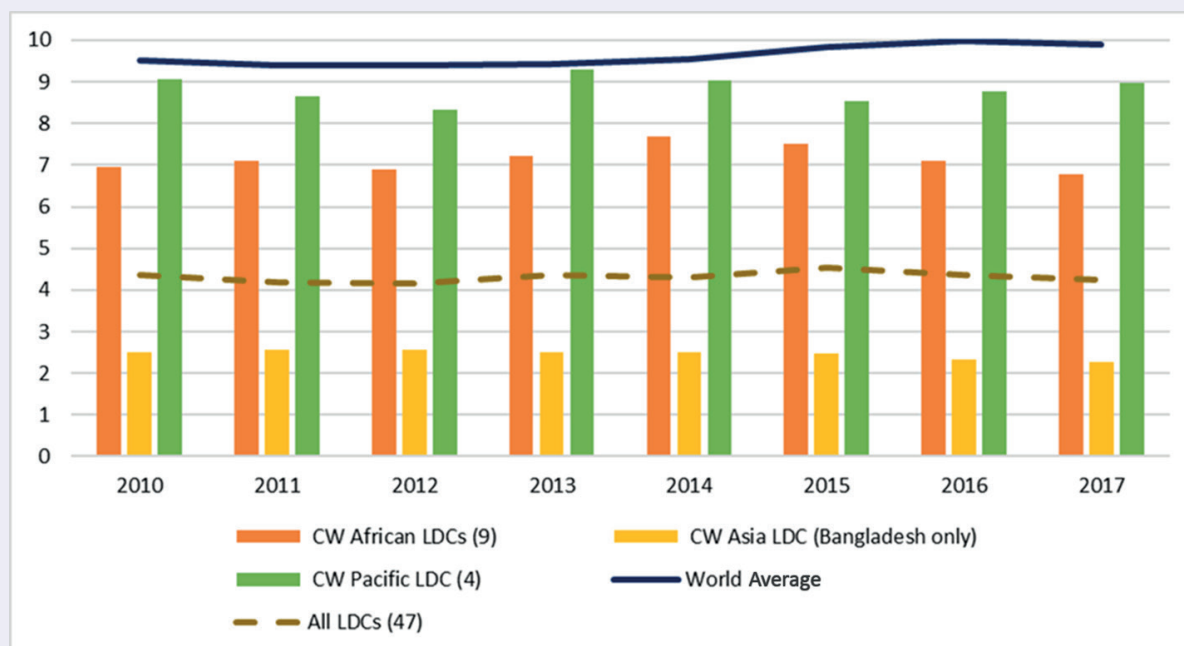
7 <https://www.nielsen.com/us/en/solutions/measurement/retail-measurement/>

8 For some LDCs, more than 80 per cent of export earnings derive from commodities. All the Commonwealth African LDCs, except Lesotho, are commodity dependent. The Gambia, Malawi and Uganda rely on agricultural exports, while Mozambique, Rwanda, Sierra Leone, Tanzania and Zambia are heavily dependent on mineral, ores and metal exports (UNCTAD, 2019).

Box 2: Healthcare spending in LDCs

On average, Commonwealth LDCs spend relatively less on healthcare (7 per cent) than the world average (9.9 per cent). However, this expenditure is higher than the Commonwealth developing countries as a group (5.7 per cent) as well as all 47 LDCs (4.25 per cent). The healthcare expenditure is the highest in Pacific LDCs, at around 9 per cent, and the lowest in Bangladesh (2.27 per cent), which is the largest LDC in terms of population (162 million). While the health expenditure as a percentage of GDP has been on the rise globally, reaching around 9.9 per cent in 2017, it has declined substantially in African LDCs, from 7.7 per cent in 2014 to 6.7 per cent in 2017. A similar drop is evident for the Pacific LDCs and Bangladesh (Figure 8).

Figure 8: Health expenditure of Commonwealth country groups (% GDP, 2010-17)



Source: Commonwealth Secretariat (calculated using data from World Bank)

Remove export restrictions affecting LDCs

The largest producers of COVID-19 goods have also been the worst affected by the outbreak, which has increased domestic demand for these products. As of 1 June, more than 69 export restrictions in the shape of outright bans, licensing, public procurement and export registration were in place in approximately 55 countries.

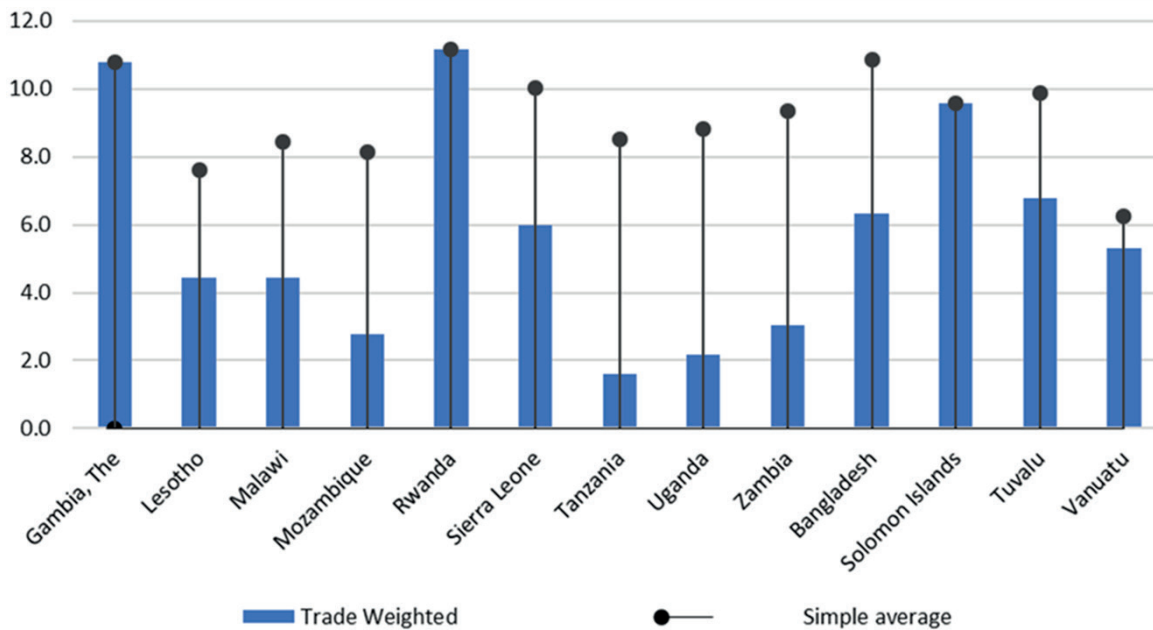
As was shown earlier, Commonwealth LDCs depend heavily on South-South trade, especially intra-Commonwealth trade, to supply key categories of COVID-19 goods. India and South Africa together contribute around 60 per cent of overall COVID-19-related supplies, as well as PPE. However, both countries have placed some controls on PPE exports.⁹ In the absence of domestic production, export restrictions increase the level of risk in

LDCs, especially if a large part of the population is exposed to the disease.

The LDC Group at the World Trade Organization (WTO) has raised these concerns and requested countries to refrain from imposing export prohibitions or restrictions within the meaning of Article XI of the 1994 General Agreement on Tariffs and Trade (GATT) during times of a pandemic, epidemic or similar serious catastrophes which may adversely impact their economies (WTO, 2020). The World Health Assembly in its resolution (WHO, 2020b) and Commonwealth health ministers at their meeting on 14 May also raised the issue of equitable distribution of medical supplies to all countries.

9 Beginning in January 2020, India introduced export policies placing export restrictions on PPE/masks, ventilators and other COVID-19 medical supplies. As of 27 March 2020, South Africa placed 'COVID-19 export control regulation' on certain personal protective equipment (e.g. face masks, disinfectant) https://www.wto.org/english/tratop_e/covid19_e/trade_related_goods_measure_e.htm

Figure 9: Tariff profile of Commonwealth LDCs for COVID-19 imports



Source: Commonwealth Secretariat (calculated using data from WITS for 2018)

Note: The wide gap between trade-weighted and simple averages implies the tariffs are affecting imports, suggesting the possibility for reducing these to facilitate trade.

Ease tariffs on imports of vital medical goods

Lower import barriers can bolster the effectiveness of public health responses in LDCs by reducing costs for hospitals and healthcare professionals and enabling access to a range of foreign suppliers. This is especially the case given the recent price inflation on medical goods.

LDCs' tariff profile for COVID-19-related medical goods reflects their limited capacity to produce these essential medical items. The highest import taxes are on technologically simple goods, such as protective garments and soap, which are labour-absorbing industries, and the lowest are on technologically complex goods, where there is little or no production capacity (e.g. COVID-19 test kits, thermometers and medical consumables and devices).

The average import tariff on COVID-19 goods in LDCs is quite comparable with the world average (10 per cent); however, the average masks great variations and significant tariff peaks in some LDCs and some product groups (Figure 8). For instance, Bangladesh, Sierra Leone and The Gambia have tariffs above 10 per cent while Vanuatu has the lowest at 6.3 per cent (Table 6). But some of the medical goods have tariff peaks of more than 15 per cent. These include hand soap (22.5 per cent) and PPE (around 17 per cent). Similarly, Tuvalu imposes tariffs of above 19 per cent on PPE and patient transport vehicles (19.5 per cent), while

Vanuatu and The Gambia impose 30 per cent tariffs on soap (Table A4).

These tariffs have remained in place in most economies. Unless lifted (that is, temporarily and in response to the crisis), they will impede the countries' ability to meet the increased demand for these goods. For example, given the advice of the WHO and many national health authorities to improve hand hygiene practices to help prevent transmission of the virus, there could be scope to temporarily suspend or reduce high tariffs on soap, particularly where there are scarcity concerns.

Ensure open trade, supply chains and logistics

Maintaining open trade and supply chains are essential for meeting the increasing demand for health supplies, given the concentration of manufacturing in a few countries. COVID-19 has shown just how vulnerable medical supply chains are when they rely on a small number of manufacturers for raw materials and final products. It would be unrealistic to expect the LDCs to develop self-sufficiency in these supplies as most of them lack the productive capabilities for manufacturing. The importance of keeping supply chains open has been emphasised in a joint ministerial statement by five Commonwealth members, Australia, Brunei Darussalam, Canada, New Zealand and Singapore, joined

Box 3: Greenfield FDI in Commonwealth LDC healthcare sectors

In recent years, investors from India, the UK, the USA, Kenya, Malaysia, South Africa and the UAE have announced new greenfield projects in some Commonwealth LDCs, including in outpatient care centres, medical and diagnostic laboratories, general medical surgical hospitals, and nursing and residential care facilities (Table 4). Given that healthcare manufacturing is capital-intensive and relies on economies of scale, there are almost no greenfield project announcements in LDCs for this industry.

Table 4: Greenfield FDI announcements in the LDCs' healthcare sector

Capital Investments (US\$ millions)			Sectors		
Host country	Total FDI	Average	General medical & surgical hospitals	Outpatient care centres & medical diagnostic laboratories	Others
Bangladesh	32.0	16.0	1	1	
The Gambia	2.7	2.7			1
Malawi	49.4	49.4	1		
Mozambique	49.4	49.4	1		
Rwanda	55.8	11.2	2	3	
Tanzania	122.3	40.8	2	1	
Uganda	63.0	21.0	1	2	
Zambia	14.4	7.2	1		1
Total	389.0	21.6	9	7	2

Source: Commonwealth Secretariat (calculated using data from FDI Markets)

Note: The data contains cumulative information since 2003

by Chile, Laos, Myanmar and Uruguay.¹⁰ However, the statement does not explicitly address the concerns of or mention preferential treatment for poorer countries.

COVID-19 has also led to global logistics hurdles with port closures and restricted transport, raising the costs of freight. Some Commonwealth LDCs already confront the unfavourable geographies of either being island or landlocked states, which affects their connectivity and raises their trade costs. The four Pacific LDCs are located in a remote part of the world, with limited air and sea connectivity. Five Commonwealth LDCs are landlocked: Lesotho, Malawi, Rwanda, Uganda and Zambia. They have poor road and transport infrastructure and depend on seaports in other countries for vital supplies.

The WTO and World Customs Organization (WCO) have jointly called for a coordinated approach in

support of initiatives that facilitate cross-border trade in goods, in particular those key to combat COVID-19. This would allow essential goods to quickly reach those most in need, including in least developed and landlocked countries.¹¹

Secure medical supplies through production repurposing and pooling

Commonwealth LDCs have a very narrow industrial base and most lack the ability to manufacture even basic medical consumables. Most of the foreign direct investment into the healthcare sectors of these countries has been in services like hospitals and diagnostic laboratories and not production capacity (Box 3). Yet building some domestic production capacity for essential medical products, whether vaccines, antibiotics or PPE, can help tackle health crises (UNCTAD, 2020; WHO, 2020). However, this requires active planning and co-ordination with the private sector to ramp up

10 Joint Ministerial Statement Affirming Commitment to Ensuring Supply Chain Connectivity Amidst the COVID-19 Situation, 14 April: <https://www.mfat.govt.nz/en/media-and-resources/ministry-statements-and-speeches/joint-ministerial-statement-affirmingcommitment-to-ensuring-supply-chain-connectivity-amidst-the-covid-19-situation/>

11 <http://www.wcoomd.org/es-es/media/newsroom/2020/april/wco-wto-joint-statement-on-covid-19-related-trade-measures.aspx?p=1>

production. The WHO (2020) has recommended that producers increase production capacity for PPE alone by at least 40 per cent. The reason is that this crisis could be protracted, and supplies might remain short for a long period of time.

Some industries in Africa and Asia-Pacific have re-oriented their production facilities towards medical supplies. There is an opportunity for LDCs, working together with their more developed regional partners, to establish long-term agreements with these firms to shift production in the time of crisis. For example, African governments and development finance institutions (DFIs) can facilitate industrial repurposing projects ongoing in Commonwealth countries Ghana and Kenya, as well as Senegal and Ethiopia. Production lines in the beverages, oil and distilleries industries can easily be converted to produce liquid disinfectants such as hand sanitisers, while the garment and textile industry can produce PPE, such as face masks (TBI, 2020). Similarly, the automotive and electronic sectors can re-engineer their manufacturing capacity to produce diagnostic and clinical care equipment. Although manufacturing exports account for 27 per cent of LDCs' merchandise exports, the share is quite large for Lesotho (53 per cent) and Bangladesh (95 per cent), which is mainly textiles and clothing, indicating substantial potential for repurposing for PPE.

Pooling orders for medical goods to create greater volume and economies of scale will enable poorer countries to compete with other international orders on the open market. For example, African countries are proactively setting up a digital portal that will enable them to bulk buy medical equipment. The system will link African governments with Chinese suppliers of both diagnostics and equipment, including masks and gowns.

The African Centre for Disease Control and the African Union also launched the Partnership to Accelerate COVID-19 Testing (PACT), which will coordinate procurement of diagnostics and medical equipment for countries on the continent, including LDCs. It aims to test 10 million Africans in the next six months, although even that is less than 1 per cent of the continent's 1.2 billion population. Plans for the production of test kits in Africa are now under way in two Commonwealth members, Kenya and South Africa, as well as Morocco and Senegal (Nkengasong, 2020).

Champion solidarity and support for LDCs

As COVID-19 continues to ravage lives and livelihoods, LDCs more than ever need international support and solidarity to strengthen their health-care systems, expand their domestic scientific base, and move toward sustainable and broad-based recovery.

Without access to lifesaving technologies, many LDCs are unprepared for the potentially devastating impact of COVID-19. Developed and developing countries need to respond quickly to the WHO's initiative 'Solidarity Call to Action' and co-ordinate their response to create a voluntary mechanism to ensure equitable distribution of medical supplies, as well as potential vaccines, besides sharing advice and solutions (Dawn News, 2020). These essential medicines can be declared as 'priority imports' with special credit lines to source these supplies. Key elements in the COVID-19 response such as tests kits and diagnostic equipment, and potential vaccines, must be made universally available as global 'public goods'. Several world leaders have demanded that any potential treatment be declared a 'people's vaccine' (UN News, 2020).

There are various opportunities for governments and firms in both developed and developing countries to collaborate to support an effective COVID-19 response in LDCs. For example, in May, the United Nations (UN) Technology Bank for the LDCs launched the 'Tech Access Partnership' with the UN Development Programme, the UN Conference on Trade and Development and the WHO. The Partnership will enable developing countries to produce needed technologies themselves to address shortages for responding to COVID-19. It will connect emerging manufacturers in developing countries with the resources needed, including technical expertise, to scale up production of health technologies and equipment (UN Technology Bank for LDCs, 2020). Gavi, the vaccines alliance, is also switching funding to support the purchase of diagnostics and PPE, while trying to mobilise manufacturers to work together.

Note

For more data, analysis and infographics, please visit the Commonwealth's COVID-19 Data page on the Commonwealth Innovation Platform.

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Table A1: Composition of COVID-19-related imports in LDCs

Region/ Country	Total COVID-19-related imports	Share of various product groups (%)							
		Test Kits	PPE	Disinfectants	Oxygen Therapy equipments	Medical devices	Medical consumables	Soap	Vehicles
All CW LDCs	2,168	11.0	14.2	35.7	11.0	10.1	9.2	4.8	3.9
of which									
Africa	1,511.9	12.2	9.9	48.6	4.5	7.3	8.1	5.3	4.2
Gambia, The	32.2	5.3	53.0	15.9	2.0	4.6	5.6	12.0	1.6
Lesotho	44.9	6.9	16.9	37.9	4.9	7.3	10.4	13.8	1.9
Malawi	134.5	13.3	4.0	59.7	1.3	5.9	5.7	7.8	2.3
Mozambique	241.0	13.3	12.4	38.5	4.7	6.2	9.7	9.5	5.7
Rwanda	90.2	14.5	3.5	57.6	3.9	7.9	7.4	1.7	3.4
Sierra Leone	48.0	5.3	7.2	56.9	2.6	5.5	8.8	9.6	4.0
Tanzania	392.3	12.4	12.4	43.3	7.2	8.6	9.3	3.7	3.2
Uganda	278.2	13.8	5.4	56.1	3.7	8.2	7.9	0.4	4.5
Zambia	250.8	10.5	7.8	53.6	3.5	6.2	6.0	6.3	6.1
Asia									
Bangladesh	636.1	8.6	23.9	7.5	25.2	16.5	11.7	3.4	3.2
Pacific	19.47	2.5	16.2	23.1	20.5	8.4	12.6	9.8	6.9
Kiribati	2.5	4.3	22.6	13.6	3.1	10.4	22.3	16.1	7.5
Solomon Islands	7.2	3.0	19.1	16.2	5.8	12.9	17.9	17.1	8.0
Tuvalu	0.4	8.8	12.8	43.9	11.7	8.4	6.1	5.0	3.3
Vanuatu	9.4	1.3	12.2	30.4	37.7	4.1	5.8	2.4	6.1

Source: Commonwealth Secretariat (calculated using data from WITS for 2018)

Table A2: Sources of COVID-19-related goods imported by Commonwealth LDCs

All LDCs (14)			African LDC (9)			Asian LDC (1)			Pacific LDC (4)		
All COVID-19 medical supplies											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	2,167.54	100.00	All	1,511.93	100.00	All	636.15	100.00	All	19.47	100.00
India	677.64	31.26	India	603.48	39.91	China	152.06	23.90	Australia	6.63	34.06
China	320.64	14.79	South Africa	200.36	13.25	India	72.72	11.43	China	3.45	17.69
South Africa	200.69	9.26	China	165.14	10.92	Thailand	71.17	11.19	New Zealand	1.44	7.42
Germany	130.91	6.04	Germany	84.67	5.60	Hong Kong, China	50.59	7.95	India	1.44	7.41
Thailand	103.06	4.75	Korea, Rep.	37.64	2.49	Germany	46.19	7.26	Indonesia	1.37	7.01
A: COVID-19 Test Kits/Instruments											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	258.72	100.00	All	196.03	100.00	All	62.17	100.00	All	0.52	100.00
Germany	61.09	23.61	Germany	51.70	26.37	Germany	9.39	15.10	Australia	0.21	40.06
Korea, Rep.	36.19	13.99	Korea, Rep.	34.07	17.38	Singapore	9.01	14.49	USA	0.06	12.56
Japan	21.17	8.18	Japan	20.11	10.26	USA	8.96	14.41	Austria	0.04	8.02
USA	18.67	7.22	South Africa	18.07	9.22	Switzerland	6.45	10.38	UK	0.04	7.27
South Africa	18.24	7.05	Portugal	11.49	5.86	France	4.24	6.82	Netherlands	0.04	7.14
B: Protective garments and the like											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	336.09	100.00	All	158.95	100.00	All	173.74	100.00	All	3.40	100.00
China	129.73	38.60	China	47.41	29.83	China	81.22	46.75	China	1.10	32.39
Hong Kong, China	44.22	13.16	South Africa	32.01	20.14	Hong Kong, China	43.53	25.05	Australia	0.45	13.12
India	42.21	12.56	India	29.28	18.42	Sri Lanka	17.34	9.98	Japan	0.40	11.88
South Africa	32.01	9.52	Lebanon	13.99	8.80	India	12.82	7.38	Malaysia	0.28	8.28
Sri Lanka	17.35	5.16	Germany	6.78	4.26	Malaysia	5.42	3.12	New Zealand	0.22	6.55
C: Disinfectants and sterilisation products											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	842.91	100.00	All	783.71	100.00	All	54.35	100.00	All	4.84	100.00
India	545.97	64.77	India	535.05	68.27	India	9.66	17.78	India	1.26	26.06
South Africa	62.73	7.44	South Africa	62.59	7.99	Switzerland	9.48	17.45	Australia	1.21	25.00
Switzerland	35.45	4.21	China	28.75	3.67	Germany	7.75	14.26	New Zealand	0.90	18.54
China	32.72	3.88	France	26.24	3.35	UK	4.52	8.31	France	0.54	11.18
France	27.90	3.31	Switzerland	25.94	3.31	China	3.89	7.15	Netherlands	0.23	4.70
D: Oxygen Therapy equipment and pulse oximeters											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	259.73	100.00	All	72.69	100.00	All	182.74	100.00	All	4.30	100.00
Thailand	76.71	29.53	Thailand	13.71	18.86	Thailand	62.80	34.37	Australia	3.60	83.70
China	42.83	16.49	India	12.20	16.78	China	31.21	17.08	Thailand	0.20	4.56
India	42.54	16.38	South Africa	11.83	16.28	India	30.30	16.58	China	0.18	4.07
Italy	13.97	5.38	China	11.44	15.74	Italy	10.71	5.86	Czech Republic	0.10	2.25
South Africa	11.83	4.56	Germany	4.64	6.39	Netherlands	7.07	3.87	Fiji	0.07	1.59
E: Other medical devices and equipment											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	238.42	100.00	All	117.20	100.00	All	119.60	100.00	All	1.75	100.00
Germany	35.28	14.80	South Africa	27.32	23.31	Germany	19.06	15.93	Australia	1.03	58.51
China	34.39	14.42	China	17.94	15.31	Singapore	16.43	13.74	New Zealand	0.18	10.42
South Africa	27.34	11.47	Germany	16.18	13.80	USA	16.39	13.70	China	0.13	7.47
USA	21.83	9.16	UK	7.48	6.38	China	16.32	13.64	UK	0.09	4.97
Singapore	16.53	6.93	India	7.32	6.24	Japan	12.76	10.67	Germany	0.04	2.37
F: Other medical consumables											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	217.63	100.00	All	130.24	100.00	All	84.75	100.00	All	2.64	100.00
China	53.24	24.46	China	34.99	26.86	China	17.29	20.40	China	0.97	36.67
India	36.62	16.83	South Africa	26.83	20.60	Singapore	16.20	19.12	Australia	0.96	36.21
South Africa	26.83	12.33	India	22.84	17.54	India	13.71	16.18	Fiji	0.17	6.28
Germany	19.42	8.92	Germany	11.05	8.48	Germany	8.34	9.84	New Zealand	0.12	4.54
Singapore	16.61	7.63	UK	5.61	4.31	Netherlands	7.50	8.85	Malaysia	0.10	3.78
G: Soaps											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	112.66	100.00	All	85.60	100.00	All	25.00	100.00	All	2.06	100.00
South Africa	36.56	32.45	South Africa	36.56	42.71	Malaysia	6.59	26.34	Indonesia	1.35	65.58
Indonesia	26.92	23.90	Indonesia	21.07	24.62	India	5.71	22.84	Malaysia	0.36	17.37
Malaysia	10.37	9.21	Zambia	5.81	6.79	Indonesia	4.50	17.99	Fiji	0.13	6.48
Thailand	8.98	7.97	Thailand	5.60	6.54	Thailand	3.37	13.47	Singapore	0.09	4.38
India	7.11	6.31	Turkey	4.75	5.55	Germany	2.97	11.87	Australia	0.08	3.96
H: Vehicles											
Sources	Value	Share	Sources	Value	Share	Sources	Value	Share	Sources	Value	Share
All	92.47	100.00	All	67.74	100.00	All	23.28	100.00	All	1.45	100.00
China	43.84	47.41	China	33.74	49.80	China	9.09	39.06	China	1.01	69.66
Japan	9.08	9.82	South Africa	8.82	13.02	Korea, Rep.	3.79	16.29	Japan	0.32	22.10
South Africa	8.82	9.54	Japan	8.52	12.58	Turkey	2.06	8.83	Korea, Rep.	0.06	3.97
India	4.15	4.48	India	2.91	4.29	India	1.24	5.33	Australia	0.03	2.27
Turkey	3.93	4.24	USA	2.09	3.09	Thailand	0.86	3.71	USA	0.03	1.72

Source: Commonwealth Secretariat (calculated using data from WITS for 2018)

Table A3: Level of dependency on major economies for essential medical supplies (% sourced)

	≥50%		<25%-50%		<10%-25%							
	All COVID-19 medical supplies (v.2.1)						A: COVID-19 Test Kits/Instruments					
Destination	Australia	China	EU	India	S.Africa	USA	Australia	China	EU	India	S.Africa	USA
World	0.5	7.5	24.5	2.0	0.4	10.5	0.1	0.9	25.3	0.1	0.1	14.2
of which												
CW LDCs	0.4	14.8	18.1	31.3	9.3	2.1	0.1	2.6	47.1	2.3	7.0	7.2
African LDCs												
Gambia, The	0.0	10.0	13.9	16.8	0.1	0.9	0.0	1.5	81.6	0.2	1.1	0.4
Lesotho	0.0	1.7	2.7	26.5	65.0	0.3	0.0	0.0	7.8	0.4	87.3	3.8
Malawi	0.1	4.0	15.1	56.5	9.7	1.2	0.1	1.4	58.0	0.8	8.7	2.3
Mozambique	0.0	13.4	18.7	35.5	18.1	0.9	0.0	0.6	62.0	0.8	13.4	3.6
Rwanda	0.1	5.0	31.3	26.5	17.4	1.6	0.0	0.8	37.7	1.0	3.3	5.2
Sierra Leone	0.1	17.7	18.1	37.9	1.9	2.2	0.5	4.2	50.1	1.2	2.1	2.8
Tanzania	0.1	16.9	14.1	42.1	3.8	1.3	0.0	2.1	40.6	2.4	5.2	4.1
Uganda	0.0	7.1	27.5	41.9	3.9	2.2	0.1	1.7	55.6	1.2	3.4	9.8
Zambia	0.1	9.7	10.2	40.2	28.8	0.8	0.1	1.5	40.4	3.1	15.9	3.2
Asian LDC												
Bangladesh	0.2	23.9	19.6	11.4	0.0	4.1	0.1	6.1	41.5	4.5	0.2	14.4
Pacific LDCs												
Kiribati	14.9	17.8	4.9	4.1	0.0	2.7	22.3	0.2	20.6	0.4	0.0	28.0
Solomon Islands	24.3	26.0	3.1	4.1	0.5	0.4	42.5	4.3	24.9	0.0	14.3	5.4
Tuvalu	12.0	3.9	16.9	0.0	0.0	2.9	31.5	1.1	29.1	0.0	0.0	30.8
Vanuatu	47.5	11.9	11.0	11.1	0.0	2.3	54.3	1.7	18.5	0.0	0.0	10.8
	B: Protective garments and the like						C: Oxygen Therapy equipment and pulse oximeters					
Destination	Australia	China	EU	India	S.Africa	USA	Australia	China	EU	India	S.Africa	USA
World	0.2	29.2	10.5	1.2	0.1	6.8	1.1	7.9	21.1	0.9	2.2	18.0
of which												
CW LDCs	0.2	38.6	6.3	12.6	9.5	0.9	1.6	16.5	19.8	16.4	4.6	2.4
African LDCs												
Gambia, The	0.0	6.4	4.9	7.1	0.0	0.6	0.0	23.2	34.3	24.5	0.0	1.5
Lesotho	0.0	4.7	0.6	0.0	82.2	0.1	0.0	7.9	0.7	0.7	90.0	0.0
Malawi	0.1	19.2	6.8	6.5	30.4	6.5	0.0	16.5	23.4	24.6	29.7	1.5
Mozambique	0.0	27.2	7.0	23.4	33.3	0.9	0.0	7.6	47.2	13.5	29.4	1.7
Rwanda	0.0	29.9	22.8	10.5	4.4	3.1	1.7	14.6	35.5	22.5	4.5	2.8
Sierra Leone	0.1	54.6	14.6	5.7	12.2	4.0	0.6	41.6	14.9	14.4	8.7	1.8
Tanzania	0.3	50.8	6.0	25.1	3.5	0.7	0.5	16.4	14.3	17.6	2.0	1.2
Uganda	0.0	19.3	21.7	24.9	3.1	2.7	0.1	12.2	34.3	22.7	13.8	2.8
Zambia	0.3	17.2	12.0	12.4	49.9	1.4	0.2	26.4	20.7	11.1	35.5	2.1
Asian LDC												
Bangladesh	0.0	46.7	4.2	7.4	0.0	0.5	0.2	17.1	18.3	16.6	0.0	2.7
Pacific LDCs												
Kiribati	7.3	7.4	0.2	4.7	0.0	1.8	13.3	17.5	29.4	0.0	0.0	43.2
Solomon Islands	14.8	37.0	0.4	2.6	0.0	0.0	16.3	31.2	2.1	6.3	0.0	0.0
Tuvalu	5.5	22.7	0.4	0.0	0.0	0.0	0.0	4.4	0.0	0.0	0.0	0.0
Vanuatu	14.4	39.9	8.3	4.4	0.0	3.7	94.9	0.3	2.0	0.3	0.0	0.7

Source: Commonwealth Secretariat (calculated using data from WITS for 2018)

Table A4: MFN Tariffs on the import of COVID-related health supplies in LDCs (2018)

Country/Group	Overall Average	Tariffs on key product categories							
		Test Kits	PPE	Disinfectants	Oxygen Therapy equipment s	Medical devices	Medical consumables	Vehicles	Soap
Commonwealth LDCs	8.9	1.8	17.0	8.8	4.9	5.3	5.6	4.5	22.5
of which									
Africa	8.9	1.8	17.7	7.1	5.1	5.7	5.2	3.0	23.1
Gambia, The	10.1	1.3	16.1	10.8	9.3	7.5	5.0	2.5	30.8
Lesotho	7.6	0.0	18.2	2.3	2.0	3.3	6.1	0.0	20.0
Malawi	8.5	0.0	20.5	6.3	2.9	4.2	1.9	3.1	22.5
Mozambique	8.2	1.3	14.4	6.9	5.7	5.4	4.2	6.9	17.9
Rwanda	8.9	0.0	18.3	8.3	2.1	8.3	5.6	3.1	25.0
Sierra Leone	10.0	10.0	17.2	6.5	7.1	6.9	8.1	5.4	18.9
Tanzania	8.5	0.0	18.3	8.3	2.1	4.2	5.6	3.1	25.0
Uganda	8.8	0.0	18.3	8.3	5.7	4.2	5.6	3.1	22.5
Zambia	9.4	3.8	18.1	6.3	9.3	7.5	4.4	0.0	25.0
Asia-Pacific	9.0	2.8	15.3	9.8	4.5	4.4	6.6	7.7	21.3
Bangladesh	10.9	5.3	20.5	13.8	3.5	5.9	7.8	3.1	25.0
Solomon Islands	8.9	3.3	9.7	6.3	10.0	10.0	8.3	7.5	10.0
Tuvalu	9.9	0.0	19.5	11.5	0.0	0.0	9.4	19.0	20.3
Vanuatu	6.3	2.5	11.6	7.5	4.3	1.7	0.8	1.3	30.0

Source: Commonwealth Secretariat (calculated using data from WITS for 2018)

Note: Bangladesh (2016), Malawi (2016), Sierra Leone (2012), Tuvalu (2017), Vanuatu (2017)

International Trade Policy Section at the Commonwealth Secretariat

This Trade Hot Topic is brought out by the International Trade Policy (ITP) Section of the Trade Division of the Commonwealth Secretariat, which is the main intergovernmental agency of the Commonwealth – an association of 54 independent countries, comprising large and small, developed and developing, landlocked and island economies – facilitating consultation and co-operation among member governments and countries in the common interest of their peoples and in the promotion of international consensus-building.

ITP is entrusted with the responsibilities of undertaking policy-oriented research and advocacy on trade and development issues and providing informed inputs into the related discourses involving Commonwealth members. The ITP approach is to scan the trade and development landscape for areas where orthodox approaches are ineffective or where there are public policy failures or gaps, and to seek heterodox approaches to address those. Its work plan is flexible to enable quick response to emerging issues in the international trading environment that impact particularly on highly vulnerable Commonwealth constituencies – least developed countries (LDCs), small states and sub-Saharan Africa.

Scope of ITP Work

ITP undertakes activities principally in three broad areas:

- It supports Commonwealth developing members in their negotiation of multilateral and regional trade agreements that promote development friendly outcomes, notably their economic growth through expanded trade.
- It conducts policy research, consultations and advocacy to increase understanding of the changing international trading environment and of policy options for successful adaptation.
- It contributes to the processes involving the multilateral and bilateral trade regimes that advance more beneficial participation of Commonwealth developing country members, particularly, small states and LDCs and sub-Saharan Africa.

ITP Recent Activities

ITP's most recent activities focus on assisting member states in their negotiations in the World Trade Organization and various regional trading arrangements, undertaking analytical research on a range of trade policy, emerging trade-related development issues, and supporting workshops/ dialogues for facilitating exchange of ideas, disseminating informed inputs, and consensus-building on issues of interest to Commonwealth members.

Selected Recent Meetings/Workshops Supported by ITP

29 January 2020: Looking to LDC V: A Critical Reflection by the LDV IV Monitor (in partnership with the OECD Development Centre and the Centre for Policy Dialogue, Bangladesh) held at Marlborough House, London, United Kingdom.

28 January 2020: Roundtable Discussion on Trade Shocks in the Commonwealth: Natural Disasters and LDC Graduation (in partnership with the Enhanced Integrated Framework) held at Marlborough House, London, United Kingdom.

11 October 2019: Tapping the Tourism Potential of Small Economies: A Transformative and Inclusive Approach (WTO Public Forum) held in Geneva, Switzerland in collaboration with the WTO and the UNWTO.

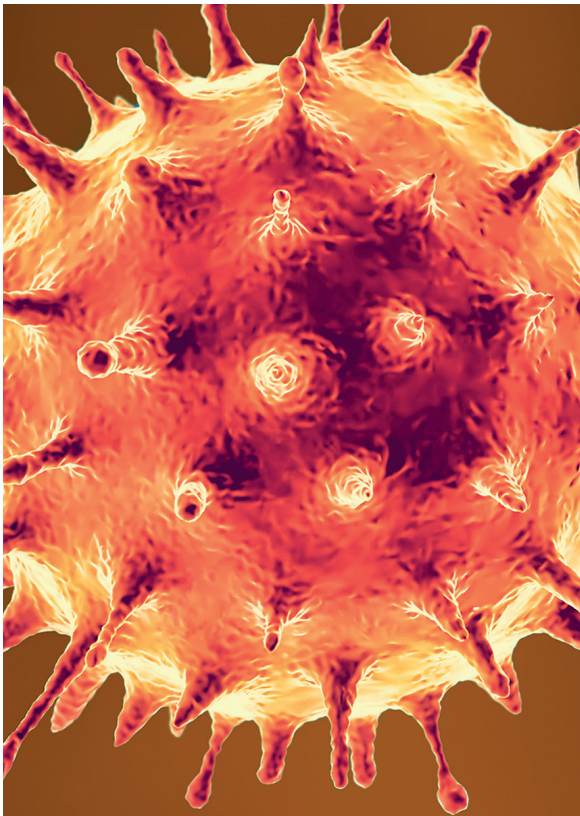
10 October 2019: Commonwealth Trade Ministers Meeting held at Marlborough House, London, United Kingdom.

26–27 September 2019: 12th South Asia Economic Summit XII: Shaping South Asia's Future in the Fourth Industrial Revolution held in Colombo, Sri Lanka in collaboration with The Institute of Policy Studies of Sri Lanka

26 June 2019: Launch of the Commonwealth Publication 'WTO Reform: Reshaping Global Trade Governance for 21st Century Challenges,' held in Geneva, Switzerland.

28–30 May 2019: Harnessing Trade Policy for Global Integration: Commonwealth Consultation for the Asia-Pacific Region held in Singapore in collaboration with the Institute of South Asian Studies, National University of Singapore.

4 April 2019: The Digital Economy: The Case of the Music Industry held in Geneva, Switzerland in collaboration with UNCTAD and the Government of Indonesia.



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