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# Covid-19 and the Global Trade: Export Bans and the Limits of International Trade Laws

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## ABSTRACT

*The covid-19 virus has severely hit the global economy including trade. To curb its spread, world economies haphazardly implemented nationwide lockdowns which ultimately lead to a dramatic decrease in supply and an enormous upward shock in demand for “pandemic-special goods”. The virus gave rise to an atmosphere of panic, fear, and uncertainty and prompted nations to hoard goods like medical equipment and supplies on a wide scale and started putting in place various export prohibitions and restrictions which shook the foundations of world trade. Export Bans have serious consequences, especially for poor countries who are rendered incapable of securing essential products handy in combating the virus for their people. Examining the current WTO and GATT laws, unilateral imposition of trade restrictions by a country is within the ambit of such laws. However, what is disturbing is the lack of cooperation in the international community and disregard for import-reliant countries while introducing such restrictions. This paper aims to highlight how export restrictions negatively impact global trade and the economy. It would also discuss the inadequacy and loopholes of international trade laws to address a pandemic like situation and additionally, how the WTO and international community can avoid such a scenario in the future.*

## I. INTRODUCTION

The Coronavirus has wreaked havoc around the globe and it could arguably be the biggest humanitarian crisis since World War II. Being officially declared a pandemic by the World Health Organization (WHO), Covid-19 has affected millions of people worldwide. To curb its spread, governments introduced nationwide lockdown and several social distancing measures. A complete ban on trade and travel was established. However, such restrictions have seriously proved detrimental for the world as the global economic order is left in an amorphous state. Economic activities came to a halt, aggregate global demand declined, supply networks broke down and the world faced an uncertain gloomy future. To make matters worse, the pandemic hit the world when the economic order was already in turmoil

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because of the ongoing trade protectionist regimes and tariff wars, economic sanctions, inconclusive meetings at the World Trade Organization (WTO), and a lack of mutual trust and cooperation in the international community.<sup>3</sup>

Covid-19 has shaken the economic foundations of the world including trade. The shutting down of the world economies, lead to a dramatic decrease in supply and an enormous upward shock in demand for products essential in combating the virus. The International Monetary Fund (IMF) has anticipated negative per capita income growth for many countries in 2020 owing to the pandemic.<sup>4</sup> Also, the WTO had indicated a steep decline in world trade between 13% and 32% in 2020, which could be perhaps the highest fall since the Great Depression of the 1930s<sup>5</sup>. With the pandemic at its peak, there is a global scramble for medical equipment like Personal Protective Equipment (PPE), Masks, Sanitizers, pharmaceuticals, etc. and nations, fearing that they may not be able to secure these in the future, resort to hoard such items on a wide scale. They had also put in place various export prohibitions and restrictions threatening world trade, thus exacerbating the situation.

The Covid-19 crisis has unveiled the severe and systemic shortcomings of the global trade laws and trade regulatory bodies. Until this crisis struck, no one could anticipate the need for trade, to an extent where it can save lives. Germany banned the exportation of life-saving medical supplies to France and Italy. Even the European Union which boasts of the most successful European single market failed to guarantee intra-EU trade in essential medical products. Since International trade and investment rely significantly on the cross-border mobility of individuals, despite several technological advances, the transportation of goods is facing many problems. Importing and exporting of goods could be an onerous task, especially for the Least Developed Countries (LDCs). These difficulties are causing huge losses. All countries depend on global trade and value chains to secure essentials for their populations. The WTO needs a wake-up call to address the ongoing problems and establish measures, which inspire trust and confidence among global leadership.

## II. EXPORT RESTRICTIONS AND ITS ECONOMIC IMPACTS

In the wake-up of the Covid-19 emergency, national governments to address the immediate

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<sup>3</sup> Press Information Bureau, Kolkata, "GLOBAL ECONOMISTS, ACADEMICS, BUSINESS LEADERS PIECE TOGETHER COVID-19 ASSESSMENT"( Ministry of Commerce and Industry, May 6, 2020), <https://pib.gov.in/PressReleasePage.aspx?PRID=1621355>

<sup>4</sup>Tao Zhang, Deputy Managing Director, IMF, Keynote Address at Greater Bay Area Chief Economist Forum: Speech on the Global and Asia Economic Outlook (July 10, 2020), <https://www.imf.org/en/News/Articles/2020/07/10/sp071020-speech-on-the-global-and-asia-economic-outlook>.

<sup>5</sup>*Trade set to plunge as COVID-19 pandemic upends global economy*, WTO NEWS, Apr.8, 2020, [https://www.wto.org/english/news\\_e/pres20\\_e/pr855\\_e.htm](https://www.wto.org/english/news_e/pres20_e/pr855_e.htm).

health crisis and the foremost challenge of securing essential goods have been forced to come up with export restrictions and bans. On 23 April 2020, as many as 80 countries and separate customs territories were reported to have adopted export prohibitions and restrictive measures, which include 46 members of the WTO (72 if the EU members are counted individually) and 8 members not a part of the organization.<sup>6</sup> Most of these nations were targeting bans on goods that were designated by the World Customs Organizations (WCO) as handy in fighting the virus such as Covid-19 test-kits, PPE, thermometers, disinfectants, etc. However, almost 17 nations had imposed restrictions on the export of food items as well.<sup>7</sup> Most of these export bans and other restrictions were brought in May 2020 which almost covered 73% of worldwide trade in pandemic products. The frequency of export restrictions and the share of imports of goods that these restrictions target differs from one region to another. It is highest in Africa accounts for the highest at 74%, followed by Asia-Pacific at 67% and the Americas at 60%.<sup>8</sup>

Providing for the needs of the domestic healthcare workers and patients requires medical tools in large quantities. Due to nationwide lockdowns, which led to supply chain disruptions and logical constraints, sovereigns felt fearful of an uncertain future which could render them incapable of providing for such essentials to their citizens and hence the reason for such export bans. To state a few examples, in March 2020, the European Union imposed a prior licensing scheme for the export of protective equipment.<sup>9</sup> The Eurasian Economic Union (EEU) banned exports of certain food items and medical supplies like disinfectants.<sup>10</sup> UK, USA, and India were also quick to fall in line and banned protective gear, testing kits, and certain drugs. Vietnam, Russia, and Kazakhstan imposed export bans on rice, wheat grain, and flour. However, it is argued that such decisions may affect import-reliant nations, like Bangladesh, severely.<sup>11</sup>

A majority of the countries that introduced these restrictions did so in the apprehension of a critical shortage of essential medical supplies or food and an aim to facilitate access to such

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<sup>6</sup> WTO, *Export Controls and Export Bans over the Course of the Covid-19 Pandemic*, Apr.29, 2020, p.1, [https://www.wto.org/english/tratop\\_e/covid19\\_e/bdi\\_covid19\\_e.pdf](https://www.wto.org/english/tratop_e/covid19_e/bdi_covid19_e.pdf).

<sup>7</sup> *Id.*

<sup>8</sup> International Trade Centre (2020), *SME Competitiveness Outlook 2020: COVID-19: The Great Lockdown and its Impact on Small Business*, ITC, Geneva, p.13, <https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/ITCSMECO-2020.pdf>.

<sup>9</sup> *Making the exportation of certain products subject to the production of an export authorisation*, L77, *Official journal of European Union*, Commission Implementing Regulation (EU) 2020/402, p.1., 2020

<sup>10</sup> *Eurasian Economic Union: Export ban on certain foodstuffs in relation to the COVID-19 Outbreak*, GLOBAL TRADE ALERT, Mar.3, 2020.

<sup>11</sup> Aarshi Tirkey, *COVID-19: Export bans, trade rules and international cooperation*, OBSERVER RESEARCH FOUNDATION, May23, 2020, <https://www.orfonline.org/expert-speak/covid19-export-bans-trade-rules-international-cooperation/>.

products to their populations. While this could be understandable, what is perturbing is the lack of cooperation in the international community while introducing such measures which triggers a supply shock for many nations who rely on imports for the procurement of essentials.

After assessing the impacts of export curbs implemented during past crises, studies have come to a general conclusion that export restrictions, when implemented have ripple effects throughout the global economy, ultimately affecting both the volume and volatility of supply and prices. Most likely, when a crisis or an emergency arises, a nation decides to implement export bans so that there is sufficient stock for the domestic population and the same could be availed at a price lower than the global price. However, export bans do more harm than good and come with a lot of negative consequences.

When a country, particularly a large exporter, enacts a prohibition or restriction on the export of a product, the aggregate global supply reduces for that good, and its world price increases. Thus, importers, especially from third world countries with limited manufacturing capacity, are left in a troublesome situation procuring such goods. Additionally, this strategy proves costly for exporters as well. Export restrictions while reducing the domestic price of a product, often lead to a relative increase in the foreign price. Hence, when domestic prices fall, firms find little incentive to manufacture goods and sell them at home. A different scenario might emerge with them trying to smuggle the products out of the domestic land and sell them in foreign lands which would be more lucrative due to a higher price at the global platform. Thus, implementing export restrictions may be fruitless as it could end up triggering a boomerang effect and reduce the availability of goods in the very country that enacts export bans to secure them.<sup>12</sup>

Export restrictions can also initiate a domino effect and pressure other exporters to enact similar bans on exports to keep domestic prices low. Keeping in mind the global nature of the Covid-19 crisis, this domino effect was amplified. A country may feel pressured to adopt export bans when a neighboring country or an important player in trade enacts similar measures. Consequently, prices skyrocket and fail the very reason they were put in place for. Export regulations complicate a lot of things for the exporters. Sometimes, such measures invite retaliatory restrictions imposed by trade partners on input supply thus breaking the continuity in the chain of production. Also, in the long-run, they may lose their grip on their market share because importing countries would endeavor to be self-reliant and encourage

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<sup>12</sup> WTO, *Export Controls and Export Bans over the Course of the Covid-19 Pandemic*, Apr.29, 2020, p.1, [https://www.wto.org/english/tratop\\_e/covid19\\_e/bdi\\_covid19\\_e.pdf](https://www.wto.org/english/tratop_e/covid19_e/bdi_covid19_e.pdf).

production in their own country as insurance against any future crisis like Covid-19 which may throw supply chains in disarray.

Beyond all these effects, another issue has emerged due to export bans in the context of the pandemic: significant interruption in logistics, distribution, and global transportation services. In lieu of the various measures banning travel, especially international travels, air passenger traffic levels dropped to an all-time low without any hope or signs of recovery soon. The Airports Council International (ACI) had released world data pointing to an overall decline of 41.8% in the global passenger traffic for the initial four months of 2020.<sup>13</sup> Consequently, air cargo capacity has also declined thereby increasing the cost of air travel. There arises a serious problem since countries mostly rely on air cargo for transportation of goods across the globe. Most importantly, when there are constraints on the health resources of one country, the only efficient solution to this crisis is to seek help from other nations in procuring medical supplies.

If export bans are introduced in a sector, this may trigger domino effects in other sectors which could be more than what is required to ward off the virus. For example, when some countries after the outbreak of the pandemic had introduced export restrictions in food grains anticipating a critical shortage, other countries were quick to fall in line, enacting similar measures.<sup>14</sup>

There is a possibility of a breakdown of several regional and international supply networks if importers continue to face problems to avail indispensable inputs due to export restrictions. In the long-run, the efficiency of supply networks would reduce and prices would soar upwards.

No country in today's world is entirely self-dependent for producing all virus related products. If every country starts holding back the goods which it produces, no country will be left with sufficient medical products to combat the pandemic. A joint statement released by the WTO and IMF on 24 April 2020, focused on the need for countries to exercise caution while implementing export restrictions:

*“In a collective sense, implementing export restrictions can be counterproductive. If something makes sense to a sovereign in an emergency, the same can be dangerously damaging to global interests. Such measures lead to a breakdown of supply chains and production when they are most needed. The results of all this are most likely to prolong and*

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<sup>13</sup> ACI World data shows dramatic impact of COVID-19 on airports, AIRPORT COUNCIL INTERNATIONAL MEDIA, July 3, 2020, <https://aci.aero/news/2020/07/03/aci-world-data-shows-dramatic-impact-of-covid-19-on-airports/>.

<sup>14</sup> WTO, *Information Note: Export Prohibitions and Restrictions*, 23 April 2020, p. 6-7, [https://www.wto.org/english/tratop\\_e/covid19\\_e/export\\_prohibitions\\_report\\_e.pdf](https://www.wto.org/english/tratop_e/covid19_e/export_prohibitions_report_e.pdf).

worsen the health cum economic crisis — with the most poorer and vulnerable nations left to bear the most serious effects.”<sup>15</sup>

### III. INTERNATIONAL LAW: AN INEFFECTIVE BYSTANDER

#### A) Trade laws of the EU

The European Union, a political and economic alliance of 27 Europe based countries, is institutionalized based on inter-governmental bargaining aimed at obtaining a common interest for all member states. Having the dimensions of a supranational organization, and an advanced integrated system, the EU’s trading regime also suffered a setback during the Covid-19 crisis. The exports and imports of the EU came to a standstill. Member countries like Germany and France started to impose unilateral export and import restrictions for the member states and also for third world countries that were impacted by the pandemic. The restrictions were placed under Article XX (b) and (j)<sup>16</sup> of The General Agreement on Tariffs and Trade (GATT), which exempts a member country from the general rules of GATT if the restrictions imposed are un-arbitrary and are justified on grounds, inter alia, of “the protection of health and life”.

Ursula Von Der Leyen, the president of the EU Commission, gave a speech in European Parliament on 26 March 2020 and expressed his concern on the ongoing trade-restrictive activities in the Union:

*“A border-less crisis cannot be resolved by inserting barriers between us. And yet, this is how many European countries responded at the beginning making no sense. This is because there is not a single member state that can meet its demands when it comes to procuring indispensable medical supplies and equipment. Not one.”*<sup>17</sup>

On 15 March 2020, just two weeks ago, Ursula Von Der Leyen had announced a new set of export control measures for the export of medical equipment including PPE, gloves, masks, etc to third world countries. In the implementing regulation (EU) 2020/402 of 14 March 2020<sup>18</sup>, the commission introduced an “export authorization regime” that every member had

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<sup>15</sup> IMF and WTO heads call for lifting trade restrictions on medical supplies and food, WTO NEWS, Apr.24, 2020, [https://www.wto.org/english/news\\_e/news20\\_e/igo\\_15apr20\\_e.htm](https://www.wto.org/english/news_e/news20_e/igo_15apr20_e.htm).

<sup>16</sup> General Agreement on Tariff and Trade, Article XX(b)(j), Oct 30, 1947, 61 Stat. 55 U.N.T.S 194 [hereinafter GATT]

<sup>17</sup> Von Der Leyen, President, European Commission, Keynote address at the European Parliament Plenary: Speech on the European coordinated response to the COVID-19 outbreak (26 March 2020), [https://ec.europa.eu/commission/presscorner/detail/en/SPEECH\\_20\\_532](https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_20_532).

<sup>18</sup> Regulation (EU) 2015/2283 of the European Parliament and of the Council of 25 November 2015 on novel foods, amending Regulation (EU) No 1169/2011 of the European Parliament and of the Council and repealing Regulation (EC) No 258/97 of the European Parliament and of the Council and Commission Regulation (EC) No 1852/2001.

to mandatorily obtain to export medical equipment outside the Union. This restriction not only applied to PPEs manufactured in the EU but to all PPEs irrespective of their manufacturing place as long as they were within the union's territorial jurisdiction.<sup>19</sup> Five days later, on 19 March 2020, a Commission Implementing Regulation (EU) 2020/426 was adopted to exempt the European Free Trade Association (EFTA) states from the numerous export restrictions but the same exemption was not extended to other third world countries.

In conclusion, restriction of exports to other member countries is justified as per the EU laws, and likewise, the restriction on other non-member countries is also justified under the WTO law but the economic rationale and their moral and political justification are highly debatable.<sup>20</sup>

### **B) Laws of the WTO and GATT**

The WTO is the sole intergovernmental organization where negotiated powers are delegated by the countries after being ratified in their parliaments. WTO is the only body which regulates the international trade between the nations. A major chunk of the international trade law is comprised of WTO rules as well as The General Agreement on Tariffs and Trade (GATT) which was signed in the year 1947. The principal purpose of WTO and GATT involves ensuring the flow of free trade between the countries, but the export restriction imposed by different countries unilaterally led to the creation of barriers and disrupted this flow. There is a very old and established principle of WTO against the use of quantitative restrictions on export. Article XI(1) of the GATT unequivocally prohibits export restrictions in quantitative terms.

*“Other than duties, taxes or other charges, no prohibition or restrictions whether being implemented through quotas, import or export licenses or other measures, shall be instituted or maintained by any party to a contract on the importation of any product belonging to the territory of the other contracting party or on the exportation of any product which is destined for the territory of any other party.”<sup>21</sup>*

This provision contains a notable elucidation: In the short run, free trade is unattainable, so the tariffs are preferred and should be the accepted form of protection; however, all non-tariff

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<sup>19</sup> Hoekman Bernard, Fiorini Matteo and Yildirim Aydin, *Export Restrictions: A Negative-Sum Policy Response to the COVID-19 Crisis* (April 2020). Robert Schuman Centre for Advanced Studies Research Paper No. RSCAS 2020/23.

<sup>20</sup> Caroline Glöckle, “Export restrictions under scrutiny – the legal dimensions of export restrictions on personal protective equipment”, published in EJIL: Talk (07 April 2020), <https://www.ejiltalk.org>.

<sup>21</sup>GATT, Article XI(1), Oct 30, 1947, 61 Stat. 55 U.N.T.S 194



restrictions are strictly prohibited.<sup>22</sup> In other words, restriction on imports to ensure profit of domestic market or rationalizing the foreign exchange, and restriction on export to satisfy the domestic demand is against the provision of Article XI(1). Hence, it can be inferred that the export restrictions imposed by the EU which has put up a barrier on the export of essential medical equipment are illegal under Article XI (1) of GATT.

However, Article XI does not hold firm as there are many exceptions and carve-outs to it. Paragraph 2(a) of Article XI says that it would be valid if export restricting measures are enacted for a short period to relieve the critical shortage of foodstuff or other essential goods to the exporting country.<sup>23</sup> However, it is to be clearly understood that for a country to avail benefit under this exception, the restrictive measures that are being imposed on the other country should not be discriminatory or arbitrary as per the meaning of Article XIII of GATT<sup>24</sup>. Moreover, Article XX (b) and (j)<sup>25</sup> of GATT also allows a member country to impose export bans on certain products if the measure is necessary to “protect human life or health”. Since the pandemic had raised a health emergency and had posed a risk to the life of millions of human beings, governments did not fail to use this article as a justification for their measures.

The international health law also follows a similar approach and yields to the WTO established trade laws regarding the prohibition on the movement of pandemic goods. International Health Regulation superintended by the WHO in 2005 provides countries with the power to restrict imports and exports in response to specific public health perils or health emergencies of international concern. To escape the liability under the international trade law of GATT and WTO the countries need to be in accordance with international health laws as well as international trade law. In other words, the GATT/WTO rules remain applicable even when nations take measures pertinent to health emergencies.

In the event of a country putting export bans or any other such restrictions on foodstuffs, in accordance with the exception given under Article XI 2(a) of the GATT for a temporary period, Article 12 of the Agreement on Agriculture entitled "Disciplines on Export Prohibitions and Restrictions" applies. It lists two requirements that are to be met in such a scenario. Firstly, due consideration should be given to the consequences that the importing state could face in the light of such restrictions. Secondly, before imposing any such

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<sup>22</sup> *It is notable that this prohibition has a long pedigree*, being one of the GATT provisions that was “taken from the reciprocal trade agreements of the 1930s” in the USA. See Douglas A. Irwin, *Clashing over Commerce: A History of US Trade Policy* (Chicago 2017), p. 479.

<sup>23</sup> GATT, Article XI (2)(a), Oct 30, 1947, 61 Stat. 55 U.N.T.S 194.

<sup>24</sup> GATT, Article XIII, Oct 30, 1947, 61 Stat. 55 U.N.T.S 194.

<sup>25</sup> GATT, *supra* note 16, art. XX (b)(j).

restriction the member state needs to notify the duration and type of restriction to the Committee on Agriculture. And such a member state must provide the other state with the information regarding the restriction upon request. Under the general exception provided under Article XX, the restriction on foodstuff and other medical equipment can be imposed, but the pre-requisite condition is that the restriction should not be arbitrary and should not be discriminatory to any of the member states.

A lot of countries while carrying out export bans had not adhered to this article and failed to notify about the trade-restrictive measures. Only 13 countries (39 if the EU member states are counted individually) submitted prior information regarding trade restrictions that were imposed in wake of Covid-19. To name a few, Albania, Australia, Bangladesh, Colombia, Costa Rica, Egypt, the European Union, Georgia, the Republic of Korea, the Kyrgyz Republic, North Macedonia, Thailand, and Ukraine<sup>26</sup> imposed restrictions under the underlying provisions of Article XI(2)(a) and Article XX ( b ) & (j). The Kyrgyz Republic, North Macedonia, and Thailand are also some of the countries that have submitted the notification of restrictions according to Article 12 of the Agreement on Agriculture.<sup>27</sup>

It is clear from the analysis of EU and WTO rules that international laws do not guarantee access to such life-saving medical drugs and equipment in times like these and this can be attributable to the conflicting provisions and inconsistency of the laws. Countries can very well take the exception under Article XI (2)(a), XX(b) &(J), and Article XII to escape the liability under Article XI(1) of GATT. Hence, even though the restrictions imposed are perfect from a legal viewpoint, but fail to stand at the test of polity, morality, and reasonableness. The unpredictable nature of the virus and unilateral imposition of trade restrictions gave rise to the barriers in international trade which is contradictory to the very motto of WTO i.e. “Barrier-free trade”. Many of the underdeveloped countries are strongly hit due to these trade restrictions as they lack the domestic potential to manufacture these life-saving drugs and equipment in these times. WTO does not have a clear sorted path to regulate trade-related issues as the situation is sui generis and requires new and strong mechanisms in place.

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<sup>26</sup> Official WTO documents G/MA/QR/N/ALB/1/Add.1, G/MA/QR/N/AUS/3/Add.1, G/MA/QR/N/BGD/1, G/MA/QR/N/COL/1, G/MA/QR/N/CRI/3/Add.1, G/MA/QR/N/EGY/1/Rev.1, G/MA/QR/N/EU/4/Add.1, G/MA/QR/N/GEO/2/Add.1, , G/MA/QR/N/KOR/2/Add.1, G/MA/QR/N/KGZ/1/Add.1, G/MA/QR/N/MKD/1, G/MA/QR/N/THA/2/Add.2, G/MA/QR/N/THA/2/Add.3, and G/MA/QR/N/UKR/4/Add.2.

<sup>27</sup> Official WTO documents G/AG/N/KGZ/8, G/AG/N/MKD/26, G/AG/N/THA/107 and G/AG/N/THA/107/Add.1.

#### IV. REVISITING THE OBJECTIVES AND REMOVAL OF FLAWS FOR BETTER ACTION

The emergency-like situation created by the COVID-19 pandemic has revealed that WTO rules are not pandemic proof, and have failed to address the ongoing disruption to the global economy and trade. Countries have lost the political will to adhere to international rules. Most countries haphazardly implemented export restrictions, prioritizing their own national needs and strategic interests. The health crisis could be aggravated in countries that are heavily reliant on global supply networks. The international community must strive to develop a collective response and eventually look for greater preparedness for future crises like Covid-19.

The WTO also has a lot to learn from this crisis. It needs to come up with a “pandemic special” set of rules that has the least disruptive effects on trade. Perhaps it would be for the better if it introduced a specific rule that would require all members to maintain open trade on critical products. However, this could only happen when members collectively acknowledge in lieu of an overwhelming global health crisis, there is a need for rapid trade liberalization.

Countries should always consider the consequences of enacting an export ban on the importer countries before its implementation. If they introduce a ban apprehending “critical shortages” of essential products, then they should thoroughly assess this “critical shortage” that may or may not arise and refrain from hoarding resources in violation of trade laws. The WTO member states should set up a forum with representatives from the bureaucratic and industrial backgrounds who would provide governments with valuable information regarding supply chains and the consequences of any trade-restrictive measure.

As we have seen how export restrictions cut off many countries, especially the least developed ones, from vital medical supplies when they desperately need it. Also, trade restrictions can be counterproductive for the country itself implementing them and can strain international cooperation, which is why the Director of WTO-General Roberto Azevêdo welcomed an agreement by the G20 nations to ‘ensure the flow of essential medical and agricultural products, and other goods and services across borders’.<sup>28</sup> International coordination is foremost during such crises to ensure that there are no barriers to trade. In times like these, countries must help each other and realize their political and moral obligations towards the global community. They should not hold back their essential supplies and should view it as a humanitarian measure and not just a national security or health

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<sup>28</sup>DG Azeve welcomes G-20 pledge on Covid-19 response and economic recovery, WTO, (Mar. 26, 2020), [https://www.wto.org/english/news\\_e/news20\\_e/dgra\\_26mar20\\_e.htm](https://www.wto.org/english/news_e/news20_e/dgra_26mar20_e.htm).

concern.

Transparency is one of the basic needs of WTO members to trade freely. When restrictions are imposed unilaterally, it fails to fulfill this very need. Hence, new bureaucracy in trade should be avoided to maintain transparency and legal certainty. Additionally, to avoid further bottlenecks, WTO members should conveniently publish any new restrictive trade measures and the WTO, in turn, should process and publish these in a transparent manner.

It is advisable for the countries, especially LDCs to invest in their research and development and try to produce medical equipment domestically rather than be dependent on other countries. This shall help in developing resilience in the long run and protect from trade-distortive measures. Furthermore, in such times of despair, members should dismantle all trade barriers and should refrain from creating new ones in essential products. On 30 March 2020, members of the G20 agreed that “if emergency measures are necessitated to tackle COVID-19, they must be targeted, proportionate, transparent, and temporary and in consonance with WTO rules”<sup>29</sup>

The virus and its aftermaths would be felt for a long time to come. It has presented the entire global community with challenges so complex that national go-alone policies would not be able to solve them and hence requires coordinated measures to ensure the supply of essential products including the Covid-19 vaccine itself and send a wave of confidence for the global economy.

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<sup>29</sup> G20 Trade and Investment, Ministerial Statement, 30 March 2020.