



Brief to the Standing Committee on International Trade
Study on Canada's International Trade and Investment Policy: Selected Considerations
Concerning COVID-19 Vaccines

Submission by the Delegation of the European Union to Canada; 30 April 2021

The EU and Canada have become even closer partners in recent years due to the shifting geopolitical and economic landscape. Our relationship is based on our shared values, common interests, and strong people-to-people ties. As we continue to weather side-by-side the pandemic of COVID19, we remain committed to jointly address today's challenges for the benefit of our people.

In this light, the purpose of this brief is to present facts about exports of COVID vaccines from the EU to Canada and about the EU export transparency mechanism, addressing concerns raised by Members of Parliament in the course of their debates. As well, this brief recalls the relevance of CETA in this context.

Exports of COVID vaccines from the EU – worldwide and to Canada

The EU is the world's largest supplier of vaccines so far, including in Canada. Since the end of January 2021, **the EU has exported over 155 million doses, to more than 80 countries**, compared with over 126 million doses supplied internally to 27 EU Member States.

In Canada, currently 82-83% of vaccines were exported from the EU, with no restrictions. Just a few weeks ago, as of 31 March, 93% of all vaccines distributed in Canada had come from the EU. In other words, the EU has contributed significantly to vaccinating the most vulnerable in Canada.

| Vaccine distribution (as of April 26) | Pfizer/BioNTech | Moderna | AstraZeneca | J&J | Total |
|---------------------------------------|--------------------|--------------------|------------------|----------------|------------|
| Country of origin | EU | EU | India / US | US | |
| Total distributed in Canada | 9,271,452 64.2% | 2,856,580 19.8% | 2,316,020 16% | | 14,444,052 |
| Expected this week | 950,000 50.0% | 650,000 34.2% | | 300,000 16% | 1,900,000 |

EU's export transparency and authorisation mechanism

At the end of January 2021, the **European Union introduced an export transparency and authorisation mechanism requiring that exports of vaccines outside the EU are subject to an authorisation by EU Member States**. These export authorisation measures are time-limited and aimed to provide the necessary transparency, so as to ensure that Europe gets its due share of vaccines.

The European Union first introduced the mechanism on 30 January 2021. In March, the EU decided to extend it until the end of June 2021. The rationale for this measure is simple: the EU has concluded advance purchase agreements with a number of vaccine manufacturers, investing in their industrial capacity upgrade and paying for the doses in advance to cover the needs of European citizens. **It is legitimate to expect that these companies respect their contractual agreements towards the EU and provide all the information related to the contract execution.** Also, in case there are production delays or shortages, these should be shared proportionally and in equitable manner between the EU and export destinations.

Under the mechanism, export authorisations should be granted where they do not pose a threat to the security of supply of vaccines and their components in the Union while also considering reciprocity and proportionality. **Vulnerable, low and middle income countries are exempted from the scope of the mechanism.**

The intention of this simple and limited transparency mechanism is not to slow down unduly vaccine trade between the EU and third countries.

In crafting its response, the **European Union has remained true to its long-lasting policy of avoiding trade barriers.** Accordingly, vaccine exports continue to take place and the figures speak for themselves: between the application of the export transparency and authorisation mechanism for vaccines on 30 January 2021 until Tuesday 13 April, **the Member States approved 625 requests for export authorisations and rejected only one, which was not related to Canada.**

EU's contribution to global cooperation and solidarity

Global cooperation and solidarity is crucial to effectively fight the COVID-19 pandemic, ensure early access to vaccines, diagnostics and treatments everywhere, and to start a sustainable global recovery. The EU is fully playing its part and has been leading the multilateral response, in cooperation with Canada and other partners.

COVAX is leading efforts to ensure fair and equitable access to vaccines and is the best vehicle for delivering on international vaccine solidarity. **To date, Team Europe (EU and its Member States) has announced €2.47 billion, including €1 billion from the EU budget, for the COVAX Facility to help secure at least 1.3 billion doses for 92 low and lower middle-income countries by the end of the year.**

The EU-Canada bilateral free trade agreement, CETA, remains the pillar for our bilateral trade relations

CETA, like most Free Trade Agreements and like the WTO/GATT agreement itself, caters to exceptional situations in which critical shortages of essential products have to be avoided through temporary regulation. **When crafting its export transparency mechanism, the EU ensured it would be compliant with its international obligations, including under CETA and WTO.**

The EU greatly values the agreement, under which EU-Canada trade has increased by 25% compared to pre-CETA figures, until the start of the pandemic. Even when taking into account the unprecedented impact of COVID-19 on international trade, EU-Canada trade flows were still 15% higher in 2020 than before CETA's provisional entry into force. This agreement remains the foundation of our trading relationship, and provides us with a strong platform to help our economies grow and recover from COVID-19, as well as a cooperation platform to address the many and diverse global challenges.

Channels of communication remain open between the Canadian government and the European Union, including on the export transparency mechanism, and Prime Minister Trudeau recently tweeted a word of appreciation for European Commission President Ursula von der Leyen.

The Delegation to the European Union trusts that this position will be taken into consideration as the Standing Committee on International trade prepares its *Study on Canada's International Trade and Investment Policy: Selected Considerations Concerning COVID-19 Vaccines*.

The Delegation of the European Union remains at the disposal of the Committee for any further questions.