

## PBO COVID-19 Series: Ireland's Trade in Medical Products used to treat COVID-19

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Please note that as the pandemic is a rapidly evolving issue, some of the insights in this note might become out of date quickly.

Since the outbreak of the global COVID-19 pandemic several countries have faced shortages in personal protective equipment (PPE) for medical staff. There has also been shortages in other medical products (such as ventilators and reagents) that are needed to test and treat patients with COVID-19.

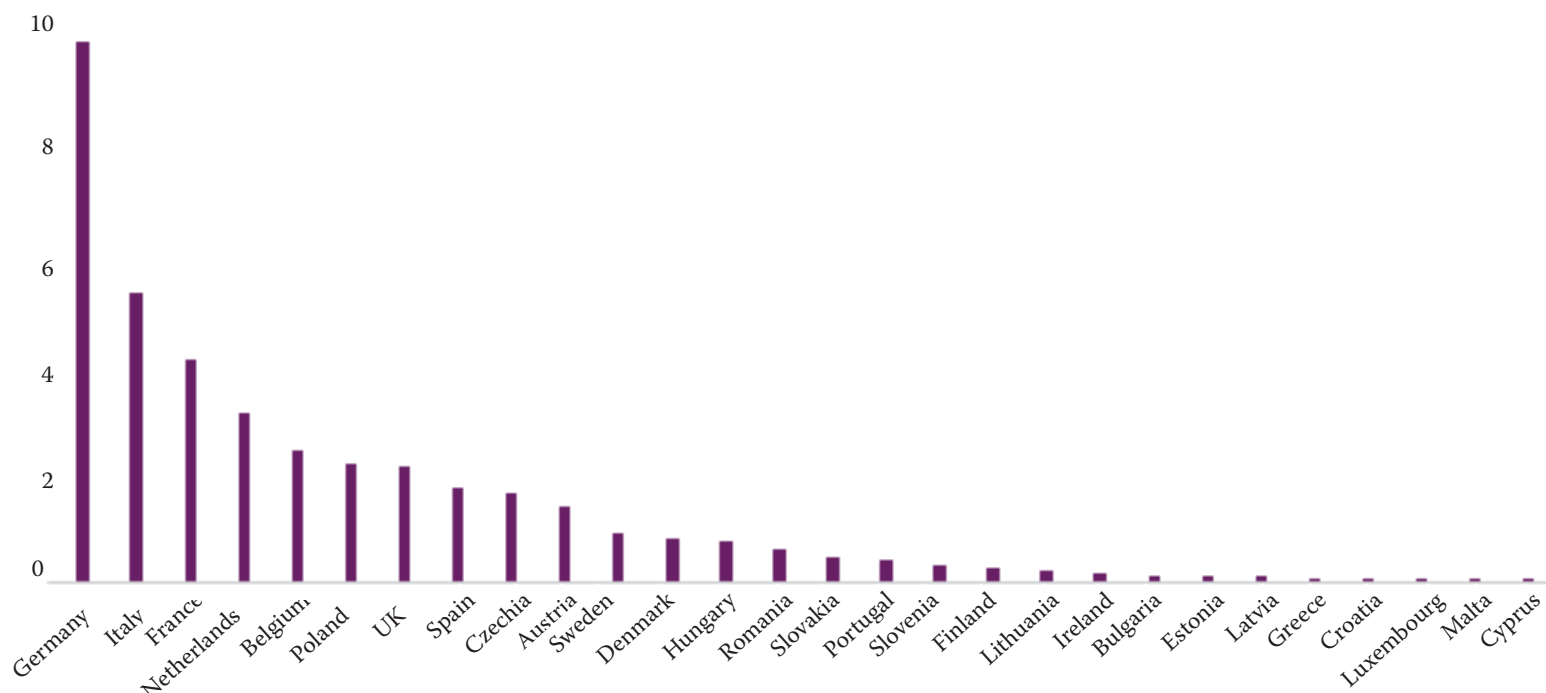
This paper looks at Ireland's imports and exports of these products and highlights which countries it has historically sourced these products from.

### Personal Protective Equipment

Personal Protective Equipment includes items such as masks, gowns, gloves, face shields and eyewear. Since the outbreak of the pandemic, many countries have faced shortages in these products. Due to this shortage, the *European Commission implemented temporary export controls* on companies selling these goods outside of the EU. It is not a ban, but companies will need to obtain authorisation before sending these goods abroad. The EU Commission has provided a list of Combined Nomenclature (CN) codes and goods that fall under these categories will need authorisation. However, it is important to note that not all products that fall under these CN codes are used by medical staff. Some might be used by workers in manufacturing plants, other products might fall into these categories but might be used for purposes other than protective equipment.

**Overall the EU is a net-importer of these products which means that it needs more of these products than it is able to make itself.** The PBO estimates that in 2019, the EU imported €3.1 billion more PPE than it exported. The EU is also heavily reliant on China for PPE equipment. In 2019, China provided almost half (46%) of EU imports of PPE equipment. The next largest supplier was Malaysia which accounted for 7% of PPE imports.

Figure 1: Exports of PPE by EU Country (Billion Euro) 2019

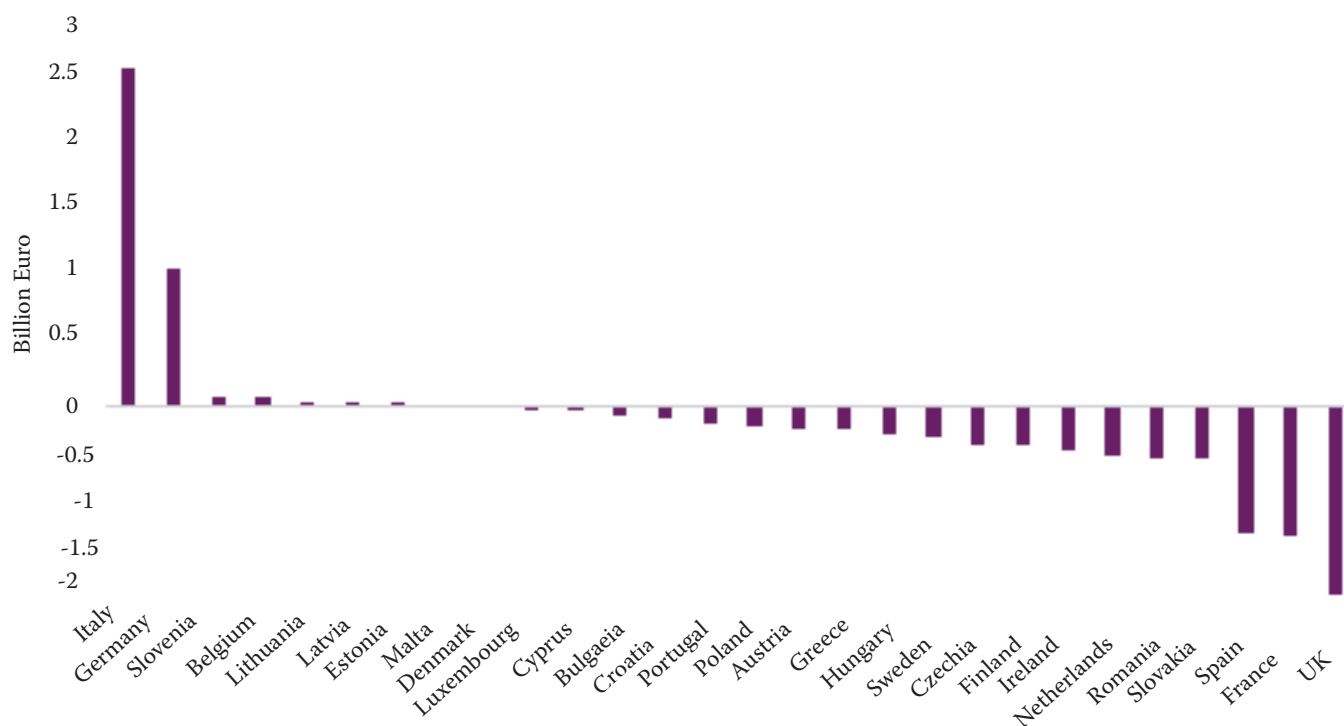


Source: Eurostat, see appendix for full list of CN codes

Figure 1 shows exports of PPE for every EU country. Germany is the largest exporter of these products, followed by Italy, France and Spain. Together these countries account for 57% of total PPE exports in the EU (including exports between EU countries). However, exports only tell part of the story as countries also import PPE. Only seven EU countries run a trade surplus in PPE equipment i.e. they export more than they import. Italy ran the largest surplus (€2.6 billion), followed by Germany. All other countries are net-importers.

**Ireland relies heavily on other countries for PPE equipment.** In 2019, it imported €340 million more PPE products than it exported. This is the seventh largest trade deficit for PPE in the EU. While the majority of these imports come from the EU (63%), Ireland is heavily reliant on certain markets for these products as four countries accounted for 70% of Ireland's PPE imports in 2019. The UK accounts for the largest share (31%) followed by the US (19%), Germany (11%) and China (8%). This is worrying as all four of these countries have been adversely affected by the pandemic and have a significant number of cases.

Figure 2: Trade Balance (Exports -Imports) PPE 2019



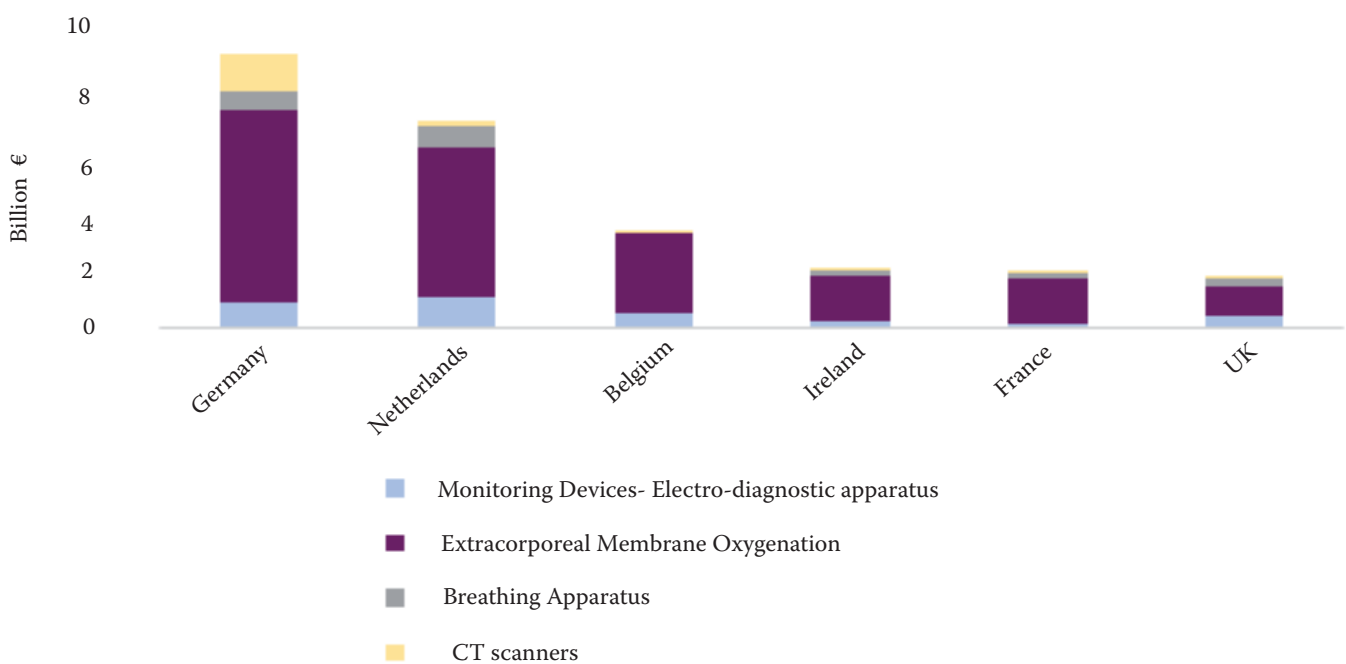
Source: Eurostat, see appendix for full list of CN codes

## Other Medical Exports

While Ireland is a net-importer of PPE, it is a net-exporter of several medical products such as medical devices and pharmaceutical products. *The World Customs Organisation (WCO)* has produced a list of products (HS codes) that are used to treat COVID 19 patients. These include reagents (which are used in testing kits), hand sanitisers and disinfectants, thermometers and medical devices such as ventilators and CT scans.

Figure 3 shows exports of medical devices that can be used to treat COVID-19 patients for the top 6 exporters of these products in the EU. Ireland is the fourth largest exporter of these products in the EU after Germany, Netherlands and Belgium. Overall, Ireland accounted for 6.3% of EU exports of these medical devices in 2019. The US is the most popular destination for Ireland's products as it accounts for 57% of these exports. Approximately 34% of these products go to other EU countries. In net-terms (taking account of imports), Ireland is the third largest net-exporter of these products in the EU.

Figure 3: Exports of Medical Devices (top 6 EU exporters) 2019



Source: Eurostat, see appendix for full list of HS codes

The WCO also provides codes for materials that can be used in COVID testing kits<sup>1</sup> (e.g. reagents). In 2019, Ireland was the second largest exporter of these products after Germany as it exported €17.7 billion of these products. However, as diagnostic tests for COVID-19 were only developed in 2020, these exports were used to diagnose other illnesses. It's unclear whether or not these products could be used to test for COVID-19, it is likely that significant adjustments would need to be made.

<sup>1</sup> HS codes: 382200, 300215 and 902780



## Appendix

Item	Codes
Personal Protective Equipment (CN Codes) As classified by the European Commission	90049010, 90049090, 39269097, 90200000 , 63079098, 63079098, 90200000, 90200000, 39262000, 40159000, 6114, 62101010, 62101092, 62101098, 62102000, 62103000, 62104000 , 62105000, 62113210, 62113290, 62113310 , 62113390 , 62113900 , 62114210 , 62114290, 62114310, 62114390, 62114900, 90200000, 39262000, 40151100, 40151900, 61161020, 61161080, 62160000
Medical Devices (HS codes) As classified by the World Customs Organisation	901890, 901920, 901819, 902212

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