

Kim, Sabrina

From: Natacha.Engel@international.gc.ca
Sent: Tuesday, March 31, 2020 10:00 AM
To: Davis, Kathleen; Kim, Sabrina
Cc: Travers, Patrick; Holland, Alyx; Annie.Lagueux@international.gc.ca
Subject: RE: Export Restrictions - PPEs
Attachments: COVID-19 export restrictions - 2020-03-27.docx

Hi,

Following-up on this. Officials at GAC didn't give me much more info, but just want to confirm that they are looking into it and I will let you know if I get more.

Regarding U.S. effort to buy factories in other countries to appropriate production for PPEs, they do not know about any, but are looking into it. Same regarding countries producing key medical devices needed to fight COVID-19 that have significantly reduce manufacturing.

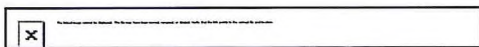
As for the March 24th Joint Statement, I can confirm that we are encouraging other countries to join. Uruguay and Lao PDR have signalled their intent to join. At yesterday's G20 Trade Ministers' meeting they agreed on the following statement: [G20 Trade and Investment Statement](#). Most agree that we need to limit trade restrictions, particularly on essential medical supplies, agrifood, energy and key technologies (nevertheless some of them do have restrictions or ban).

I am also attaching an updated report (updated March 27) on the countries having export bans/restrictions. About that, I was flagged about an issue with importation of masks from India (shipment of 96,000 N95 Respirator Masks has been blocked by Indian government authorities as it was being cleared for departure at the port). A precision too about the restrictions in the EU: EU has not put in place export measures per se, but rather they are requiring that exports to non-EU countries be subject to authorization by member states.

I have been talking to stakeholders and have been flagged by external sources that Canada's Domestic Supply in PPE may be an issue, even if that is not the echo I had internally. I do have some concerns.

Natacha Engel, LL.M., M.S.V.D., M.B.A.
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Cabinet de la ministre de la Petite Entreprise, de la Promotion des exportations et du Commerce international
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Global Affairs Canada | Affaires mondiales Canada
Government of Canada | Gouvernement du Canada



-----Message d'origine-----

De : Davis, Kathleen <Kathleen.Davis@pmo-cpm.gc.ca>

Envoyé : 25 mars 2020 15:29

À : Beauchemin, Simon -MINT <Simon.Beauchemin@international.gc.ca>

Cc : Travers, Patrick <Patrick.Travers@pmo-cpm.gc.ca>; Holland, Alyx <alyx.holland@pmo-cpm.gc.ca>; Engel, Natacha - MINT <Natacha.Engel@international.gc.ca>; Lagueux, Annie -MINA <Annie.Lagueux@international.gc.ca>

Objet : Re: Export Restrictions - PPEs

I don't have much information on this but can look around and see what I can find. Trade - do you have good visibility on this? Would your department? Adding Annie at foreign affairs in case she has received any relevant info.

Sent from my iPhone

On Mar 25, 2020, at 3:24 PM,
"Simon.Beauchemin@international.gc.ca<mailto:Simon.Beauchemin@international.gc.ca>"
<Simon.Beauchemin@international.gc.ca<mailto:Simon.Beauchemin@international.gc.ca>> wrote:

Adding Nat

From: Kim, Sabrina <Sabrina.Kim@pmo-cpm.gc.ca<mailto:Sabrina.Kim@pmo-cpm.gc.ca>>
Sent: March 25, 2020 3:09 PM
To: Travers, Patrick <Patrick.Travers@pmo-cpm.gc.ca<mailto:Patrick.Travers@pmo-cpm.gc.ca>>; Davis, Kathleen <Kathleen.Davis@pmo-cpm.gc.ca<mailto:Kathleen.Davis@pmo-cpm.gc.ca>>; Beauchemin, Simon -MINT <Simon.Beauchemin@international.gc.ca<mailto:Simon.Beauchemin@international.gc.ca>>
Cc: Holland, Alyx <alyx.holland@pmo-cpm.gc.ca<mailto:alyx.holland@pmo-cpm.gc.ca>>
Subject: RE: Export Restrictions - PPEs

Cutting out the second Q – just realizing PCO sent a list of countries from media reports. Attaching it here for info.

From: Kim, Sabrina
Sent: Wednesday, March 25, 2020 2:56 PM
To: Travers, Patrick <Patrick.Travers@pmo-cpm.gc.ca<mailto:Patrick.Travers@pmo-cpm.gc.ca>>; Davis, Kathleen <Kathleen.Davis@pmo-cpm.gc.ca<mailto:Kathleen.Davis@pmo-cpm.gc.ca>>;
'Simon.Beauchemin@international.gc.ca<mailto:Simon.Beauchemin@international.gc.ca>' <Simon.Beauchemin@international.gc.ca<mailto:Simon.Beauchemin@international.gc.ca>>
Cc: Holland, Alyx <Alyx.Holland@pmo-cpm.gc.ca<mailto:Alyx.Holland@pmo-cpm.gc.ca>>
Subject: FW: Export Restrictions - PPEs

Hi guys – wondering if you have any info re other countries' export bans / restrictions on medical devices & testing that could potentially impact Canada's domestic supply?

We've had some calls with ISED, PSPC and HC but the update that I got from PCO last night (at the bottom of this email) makes me wonder what kind of info international folks have that could feed into these discussions?

Specifically wondering if you have more info on these things or could point me in the right direction?:

- U.S. efforts to buy factories in other countries to appropriate production for PPEs (and the resulting EU Commission PPE export ban)
- Which countries have export bans / restrictions on key medical devices needed to fight COVID-19 that could potentially impact Canada and to what extent
- Which countries producing key medical devices needed to fight COVID-19 have had to significantly reduce manufacturing due to COVID related health issues in factories (I saw a piece in AP yesterday re Malaysia halving their capacity which is impacting their ability to produce & deliver vinyl gloves)
- The March 24th joint statement with other countries affirming Canada's commitment to ensuring domestic supply chain connectivity

Thanks so much!

Sabrina

From: Stickney, Matt <Matt.Stickney@pmo-cpm.gc.ca<mailto:Matt.Stickney@pmo-cpm.gc.ca>>
Sent: Tuesday, March 24, 2020 10:48 PM
To: Kim, Sabrina <Sabrina.Kim@pmo-cpm.gc.ca<mailto:Sabrina.Kim@pmo-cpm.gc.ca>>
Cc: Holland, Alyx <alyx.holland@pmo-cpm.gc.ca<mailto:alyx.holland@pmo-cpm.gc.ca>>; Wagner, Elise <Elise.Wagner@pmo-cpm.gc.ca<mailto:Elise.Wagner@pmo-cpm.gc.ca>>; Clow, Brian <Brian.Clow@pmo-cpm.gc.ca<mailto:Brian.Clow@pmo-cpm.gc.ca>>; Broadhurst, Jeremy <Jeremy.Broadhurst@dpmo-cvpm.gc.ca<mailto:Jeremy.Broadhurst@dpmo-cvpm.gc.ca>>; Garneau, Vincent <Vincent.Garneau@dpmo-cvpm.gc.ca<mailto:Vincent.Garneau@dpmo-cvpm.gc.ca>>
Subject: Re: Export Restrictions - PPEs

Adding Brian, Jeremy and Vincent.

Getting Freeland on the phone with the Americans seems relatively important.
Sent from my iPhone

On Mar 24, 2020, at 10:33 PM, Kim, Sabrina <Sabrina.Kim@pmo-cpm.gc.ca<mailto:Sabrina.Kim@pmo-cpm.gc.ca>> wrote:

FYI from Paul:

"Any disruption to trade in medical devices between Canada and the U.S. could have a significant impact on the sector and on health care systems in Canada. The Canadian medical devices sector is highly dependent on the U.S. as both the primary destination market for Canadian exports and as a major source of imports of medical devices.

Imports of medical devices into Canada from the U.S. in 2018 totaled \$4.0 billion, accounting for 44% of Canada's total imports of medical devices."

Sabrina Kim
Issues Advisor
Office of the Prime Minister
613-795-7803

Begin forwarded message:

From: "Halucha, Paul" <Paul.Halucha@pco-bcp.gc.ca<mailto:Paul.Halucha@pco-bcp.gc.ca>>
Date: March 24, 2020 at 8:41:49 PM EDT
To: "Kim, Sabrina" <Sabrina.Kim@pmo-cpm.gc.ca<mailto:Sabrina.Kim@pmo-cpm.gc.ca>>
Subject: Fwd: Export Restrictions - PPEs FYI Sent from my iPhone

Current Status

- Canada does not have the manufacturing capacity to produce protective equipment (PPE) such as the N95 mask/respirator and only has limited capacity to produce other protective gear (e.g. isolation gowns, surgical masks, gloves, face shields).
- Any disruption to trade in medical devices between Canada and the U.S. could have a significant impact on the sector and on health care systems in Canada. The Canadian medical devices sector is highly dependent on the U.S. as both the primary destination market for Canadian exports and as a major source of imports of medical devices.

- Imports of medical devices into Canada from the U.S. in 2018 totaled \$4.0 billion, accounting for 44% of Canada's total imports of medical devices.

- The Canadian medical device sector is dominated by small and medium-size enterprises (SMEs) by number, and foreign-owned global companies by market share. A number of U.S.-owned MNEs as well as other U.S.-owned companies have medical device operations in Canada, some of which conduct manufacturing for the Canadian and global markets (often as a result of previous acquisitions of Canadian SMEs). Medtronic, the largest global medical device MNE, now has its principal executive office in Ireland but retains its operational headquarters in the U.S. Medtronic also has manufacturing operations in Canada.

- Various countries have put in place export bans/restrictions on key medical devices needed to fight COVID-19. Notably, the European Commission has issued an implementing regulation making the export outside the EU of specified personal protective equipment (PPE) subject to authorization, whether or not originating in the EU. Further product types may be added. The regulation, which will expire automatically after six weeks, also provides for the launch of an EU procurement procedure for PPE to counter the spread of COVID-19 under the Joint Procurement Agreement for medical countermeasures.

- The U.S. is also running low on key medical devices, such as masks, test swabs and ventilators. New York State alone is looking to procure 30,000 ventilators. The U.S. is looking to obtain a stockpile of 300 million N95 masks. Given the world demand for limited resources the U.S. may limit PPEs produced on their territory from being exported.

- There is an opportunity for both the U.S. and Canada to share resources to ensure both countries are equipped to combat the virus. Discussions should focus on key supply issues and collaboration on determining where resources could best be distributed to stem the spread of COVID-19 in North America.

Next steps

- The Minister of International Trade co-signed a joint statement on March 24, affirming Canada's commitment to ensuring supply chain connectivity, including keeping trade lines open, and refraining from the imposition of export controls, tariffs, and non-tariff barriers. Other co-signing countries include Australia, Brunei Darussalam, Chili, The Republic of the Union of Myanmar, New Zealand and Singapore.

- Analysis on countries imposing export restrictions is ongoing (see attached reporting). Departments are reviewing Canada's position regarding export restrictions for medical supplies and equipment, given Canada's reliance on imports for most of these products.

- Finance and GAC are prepared to support on statistical analysis on import sources, and ISED on domestic production. PCO is working to secure an official list of needs (at a tariff line level) from PHAC/PSPC to support this analysis.

<Watching Brief - COVID-19 export restrictions - 2020-03-24.docx>

<2020-03-25 Watching Brief - COVID Export Restrictions.docx>