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DISCUSSION PAPER 3/20 | 8 APRIL 2020

Trade During a Pandemic

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Khazanah Research Institute

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Trade During a Pandemic

Aidonna Jan Ayub

Summary

- In 2018, Malaysia imported approximately USD2.4bn (RM9.5bn) of Covid-19 medical supplies. This paper highlights three areas where greater alignment can be made between trade and public health policy, as listed below.
- **Reassess the need for tariffs and excise duties on medical supplies.** Malaysia has the good practice of not imposing tariffs on most of the Covid-19 medical supplies. Nevertheless, there are five specific product categories where Malaysia does apply most favoured nation (MFN) tariff rates. However, in three of these products, preferential tariff rates are at 0% as for example in ASEAN. Malaysia also imposes excise duties on two product categories. Given that ASEAN and other importers already enjoy 0% tariffs, the cost of temporarily waiving tariffs on medical products may not be overly burdensome on government revenues. There is also a need to review Malaysia's immediate needs on raw materials for the domestic production of medical supplies. Worldwide, some countries have taken proactive steps to unilaterally, temporarily suspend specific tariff and non-tariff measures.
- **Review Malaysia's non-tariff measures (NTMs) on medical supplies.** NTMs may have important restrictive and/or distortionary effects on trade. Prior to the Covid-19 pandemic, Malaysia had NTMs for the importation of 23 product categories on the medical supplies list. This calculation of NTMs exclude measures imposed for health and safety purposes. Therefore, a careful review of these NTMs could reveal measures that can be suspended during this pandemic – thus improving the import and export of medical supplies.
- **Monitor and engage with Malaysia's trading partners.** In March 2020, at least 33 out of 46 export curbs were announced by 54 governments in total.¹ This is an indication of the speed in which countries are imposing export restrictions. Malaysia is currently most affected by India's export restrictions on medical supplies, followed by Indonesia, Switzerland and the European Union (EU). Therefore, Malaysian businesses and the government will need to be vigilant of these developments and quickly adjust to potential shortfalls in import items. This is particularly important for medical supplies that are not produced domestically.

¹ (Evenett 2020)

1. Introduction

As countries grapple with handling the current pandemic, trade policy is seen as one of the many policy tools used to ensure that there is sufficient domestic supply of medical supplies to combat Covid-19. In 2018, Malaysia imported approximately USD2.4bn (RM9.5bn) of these products.² Medical supplies include face masks, disinfectants, and medical devices used to diagnose and treat patients. Therefore, imports become important, especially when there are concerns about shortages. Similarly, restricting exports to ensure that there is sufficient domestic supply, would impact export markets, as governments in those countries struggle to contain the pandemic.

In addition, due to the numerous restrictive movement control orders issued by many governments worldwide, international trade and global supply chains have been impacted. This is important not just because international trade is used as an engine of growth for many economies, but in the short run, the production of medical supplies and food is necessary to ensure the success of government measures to contain the pandemic. For example, domestic production of medical supplies cannot be ramped up, if there is limited access to the needed raw materials.

It is in view of these dynamics, countries have come out to reaffirm the importance of maintaining an open and transparent trading system, even during a pandemic. The G20³ has issued a statement affirming that “emergency measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent, and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains, and are consistent with World Trade Organization rules.”⁴ G20 countries have also committed to look into ways to keep their logistics networks open, including air, sea and land freight. Closer to home, nine countries – Singapore, Brunei, Australia, Canada, Chile, Lao PDR, Myanmar, New Zealand and Uruguay have gone further than the G20 countries by stating the importance of “refraining from the imposition of export controls or tariffs and non-tariff barriers...on essential goods, especially medical supplies...”⁵ However, these statements have not deterred Australia or the European Union (EU) from imposing measures to restrict the export of medical supplies. For example, in March 2020, the EU issued regulation making the exportation of certain products subject to the production of an export authorisation.

The purpose of this report is to assess the importance of trade in medical supplies to countries such as Malaysia, and the extent of trade constraints on Malaysia’s imports. This will be done by first explaining the trade landscape for Malaysia and selected neighbours – Brunei, Indonesia,

² UN Comtrade (n.d.), author’s calculations. Latest available data is for year 2018. Appendix 1 provides the list of medical supplies.

³ The G20 members are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Korea, Russia, Saudi Arabia, South Africa, Turkey, the UK, the US and the EU. G20 Saudi Arabia 2020 (n.d.)

⁴ G20 Saudi Arabia 2020 (n.d.)

⁵ MTI (2020)

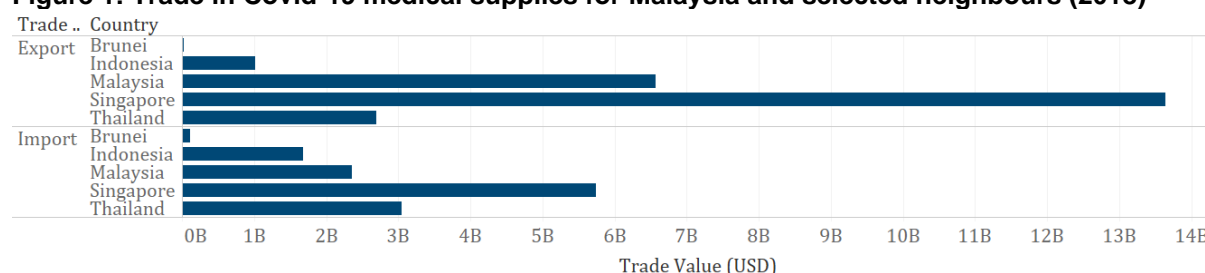
Singapore and Thailand. Second, this paper looks into Malaysia's tariff and non-tariff measures (NTMs), to identify the focus in Malaysia's trade policy for improving the imports of medical supplies. Third, this paper analyses the impact of export controls imposed by Malaysia's trading partners. Finally, this paper concludes with policy recommendations.

2. Malaysia's trade landscape as compared to others

2.1. Comparing Malaysia to its neighbours

As shown in Figure 1 below, in 2018, Malaysia imported approximately USD2.4bn (RM9.5bn) of medical supplies. This is more than countries like Indonesia and Brunei, but less than countries like Singapore and Thailand. However, Malaysia is generally seen to have a trade surplus, mainly due to Malaysia's export of rubber gloves. Malaysia is among the top exporters of rubber gloves in the world.

Figure 1: Trade in Covid-19 medical supplies for Malaysia and selected neighbours (2018)



Source: UN Comtrade (n.d.), author's calculations.

*Data for the Philippines was not available for 2018.

In general, products identified as Covid-19 medical supplies relate to a list of 41 products covering 34 product categories (known as HS Codes), as indicated by the World Customs Organization. Although in reality, countries may have a longer more complex list of items, this list provides a good starting point. Items in the list are broadly categorised as:

- COVID-19 Test kits/instruments and apparatus used in diagnostic test
- Protective garments and the like
- Thermometers
- Disinfectants/sterilization products
- Other medical devices
- Medical consumables

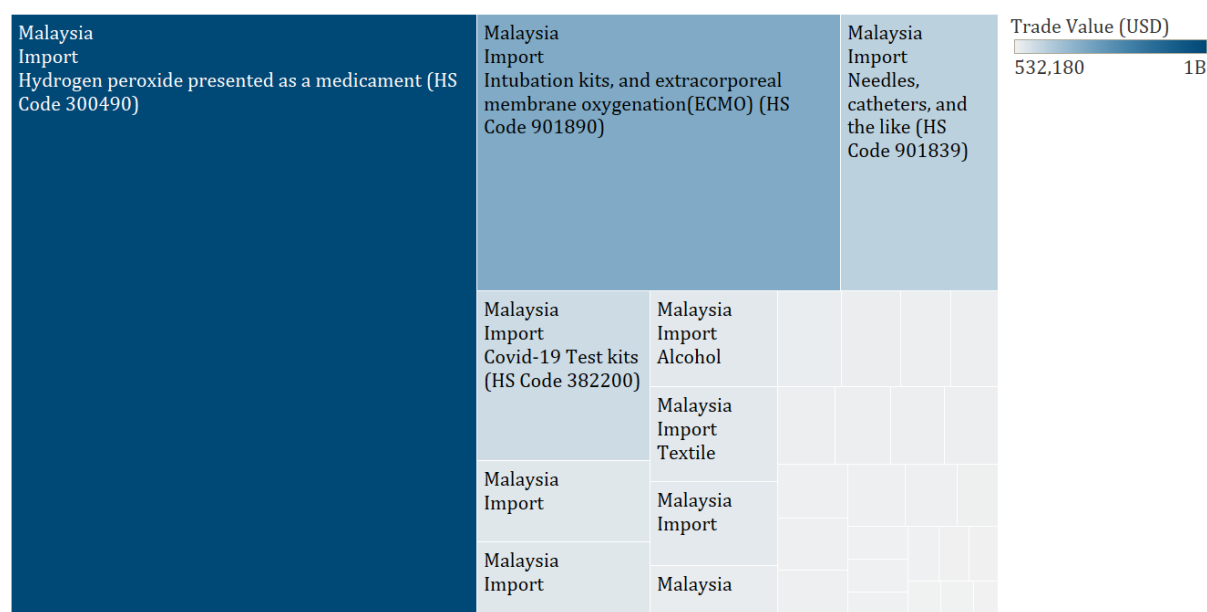
Appendix 1 provides details on these items. As seen in Figure 1, Singapore's trade in these products are significantly higher than the other four countries, indicating Singapore's role in the global supply chain of these products. In terms of total trade, key countries important to all five

ASEAN⁶ economies are the United States (US), China, Japan, Germany, Netherlands and Switzerland. These countries are important, as their response to the Covid-19 in terms of their export policies, will have strong ripple effects in Malaysia and other ASEAN countries. Although different countries rely on imports in varying degrees for its supplies to fight the ongoing pandemic, imports play an important role in ensuring that countries do not face unnecessary shortages.

2.2. Malaysia in focus

In terms of Malaysia's reliance on imports for medical supplies, Figure 2 illustrates the products that Malaysia imports the most. In 2018, approximately 47% of Malaysia's imports was in hydrogen peroxide, which can be used as a medicine, including as an antiseptic for the skin. Top importing countries for this product are Germany, the US and Switzerland, whereby Malaysia imported more than USD100.0mn (RM403.3mn) from each country respectively. In addition to hydrogen peroxide, approximately 17% of Malaysia's imports is in a product category that covers both intubation kits and a medical device called an extracorporeal membrane oxygenation(ECMO). Top importing countries are the US, Singapore and Germany. Details of Malaysia's imports by product category are in Appendix 2.

Figure 2: Malaysia's imports in Covid-19 medical supplies (2018)



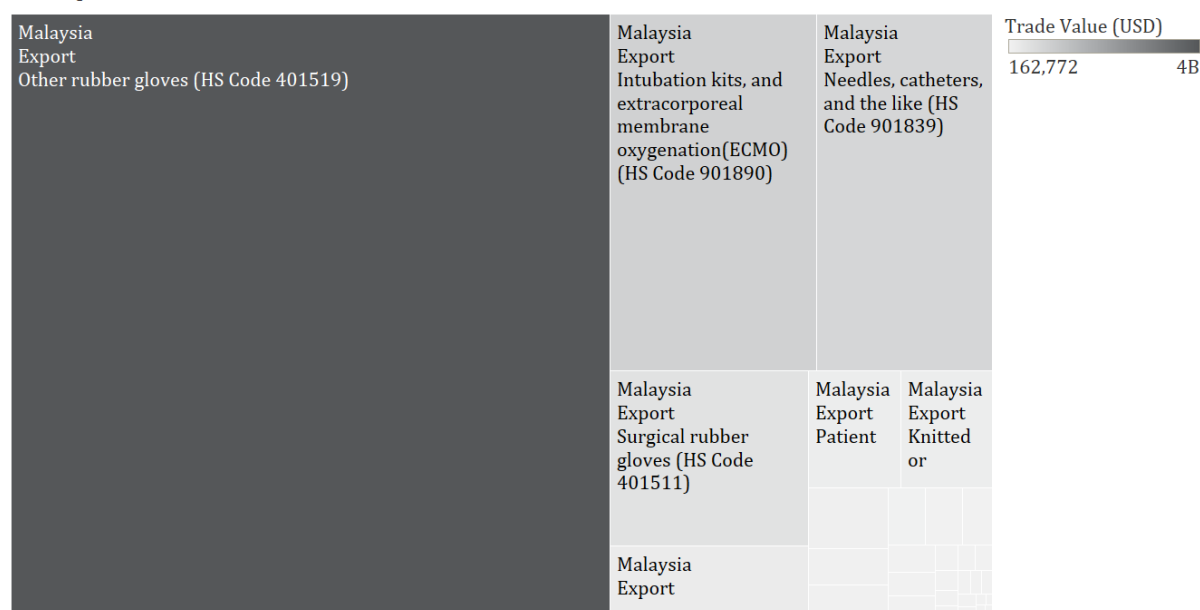
Source: UN Comtrade (n.d.), author's calculations

As mentioned above, a bulk of Malaysia's exports in Covid-19 medical supplies are in rubber gloves. Surgical rubber gloves and other rubber gloves make up approximately two thirds of Malaysia's exports in Covid-19 medical supplies, as shown if Figure 3 below. Key exporting

⁶ ASEAN refers to the Association of Southeast Asian Nations. ASEAN is made up of 10 Member States, which are Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

countries for these products are the US, Germany and Japan. Malaysia also exports products in the product category covering intubation kits and ECMO, making up approximately 12% of Malaysia's exports in Covid-19 medical supplies. This is an indication that, like rubber gloves, Malaysia may be involved in the global value chain of these products. As a whole, looking at the import and export mix of products for Malaysia, it is important to note that Malaysia is reliant on imports for some products more than others. It is noteworthy that this paper does not look into the intermediate goods used for the domestic production of Covid-19 medical supplies.

Figure 3: Malaysia's exports in Covid-19 medical supplies (2018)



Source: UN Comtrade (n.d.), author's calculations

Looking at the countries that Malaysia trades with in relation to Covid-19 medical supplies (Figure 4), the top five importing countries are the US, Germany, China, Singapore and Switzerland. Imports from the US make up approximately USD369.3mn (RM1.5bn). However, when looking at the breadth of products that Malaysia imports from any one country, China is at the top of the list, as it imports many products from China. More than 20 of these products account for more than USD1.0mn (RM4.0mn) in value. Other countries that are important, in terms of breadth of imports at a high value are the US, Singapore, Germany and Japan.

In addition, worldwide, some of the products on the Covid-19 medical supplies list are exported by only a few countries. For example, only three countries export more than USD10.0mn (RM40.3mn) of these product categories – other protective garments (HS Code 6210.20 and HS Code 6210.30); and liquid filled thermometer (HS Code 9025.11).⁷ However, the total value of world trade in these products are less than USD1.0bn (RM4.0bn)⁸, accounting for approximately 0.5%⁹ of Malaysia's imports in medical supplies. This means that the actions of these importing

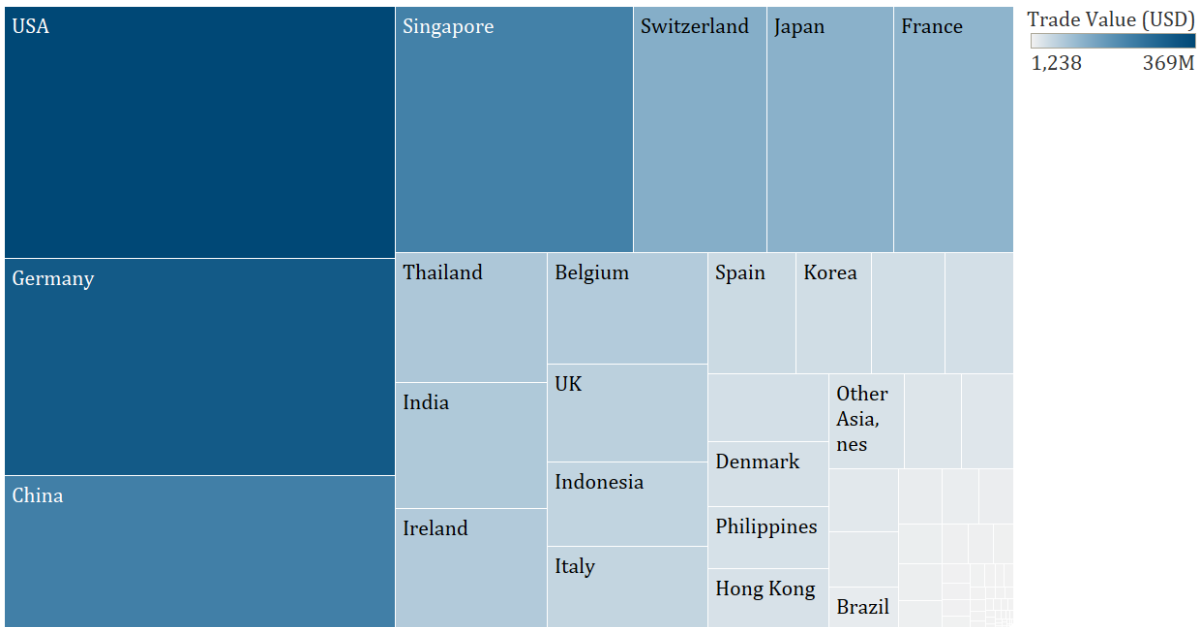
⁷ Evenett (2020)

⁸ Ibid.

⁹ UN Comtrade (n.d.)

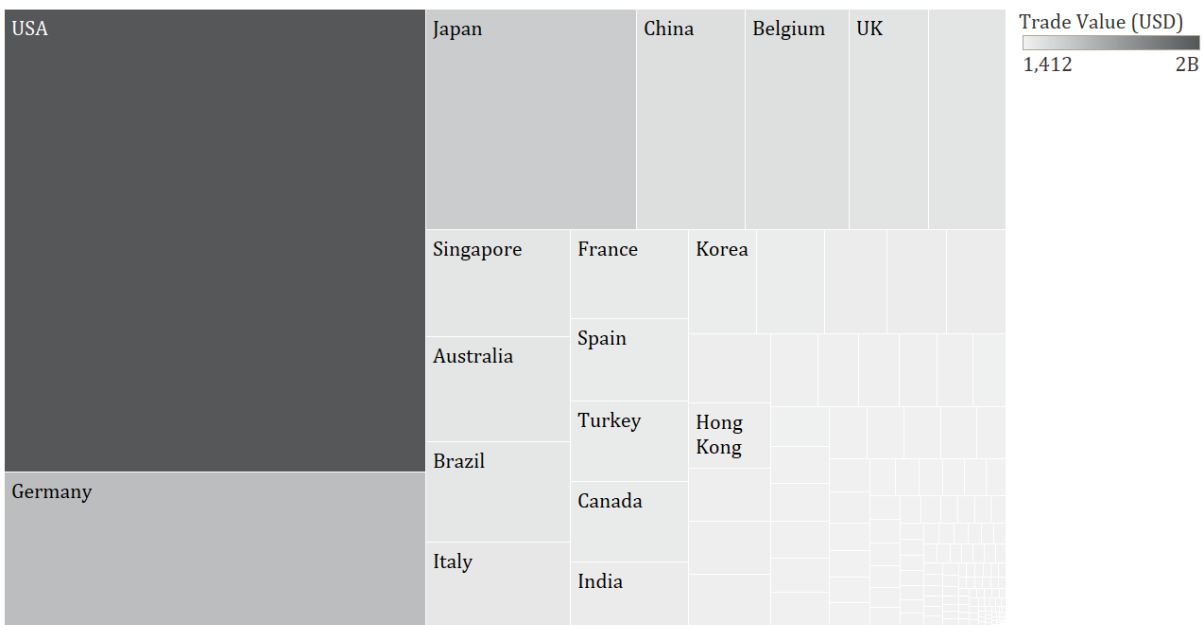
countries will impact Malaysia’s ability to source medical supplies. For example, if India restricts or bans its exports of medical supplies, Malaysia would need to adjust and address potential shortages. Similarly, Malaysia’s export measures would impact its export countries (Figure 5). Export restrictions will be discussed in greater detail in a subsequent section.

Figure 4: Malaysia’s importing countries for Covid-19 medical supplies (2018)



Source: UN Comtrade (n.d.), author’s calculations

Figure 5: Malaysia’s exporting countries for Covid-19 medical supplies (2018)



Source: UN Comtrade (n.d.), author’s calculations

3. Tariff and non-tariff measures

Import restrictions such as tariffs and non-tariff measures (NTMs) could impede the importation of medical products. Tariffs (also commonly known as import taxes) increase the price of imported products. On top of tariffs, excise duties are also imposed on some products imported into or manufactured in Malaysia. As shown in Appendix 2, Malaysia does not impose tariffs on many items under the Covid-19 medical supplies list, except for five product categories. These tariffs are known as most-favoured nation (MFN) tariff rates as these tariffs are imposed on all importers, regardless of which country the importer comes from. MFN tariff rates differ from preferential tariff rates. Preferential tariff rates are enjoyed by importers from selected countries – countries that have signed a preferential trade agreement (PTA), with Malaysia.

Looking at the Covid-19 medical supplies list, Malaysia imposes MFN tariff rates on five product categories (Table 1). These products include protective garments (face masks, plastic face shields, plastic gloves and protective garments made from plastic); disinfectant/sterilisation products (alcohol solution); and medical consumables (paper bed sheets). These items combined, had an import value of approximately USD129.8mn (RM523.4mn) in 2018. In addition to tariffs, Malaysia also imposes excise duties on alcohol solution. This is because Malaysia imposes excise duties on products such as liquor, tobacco products and motor vehicles.¹⁰

Digging deeper into Malaysia's actual trade flows, Table 1 highlights the top five importers for each product category; and whether Malaysia has a PTA with these countries. Although Malaysia imposes MFN tariff rates on these products, selected importers can enjoy preferential tariff rates. Where data is available, Malaysia is seen to impose 0%¹¹ preferential tariff rates for three product categories:

- Textile face masks (HS Code 6307.90)
- Plastic face shields, plastic gloves, protective garments made from plastic (HS Code 3926.20)
- Paper bed sheets (HS Code 4818.90)

However, Malaysia is not seen to provide better tariff rates under PTAs for alcohol solution (HS Codes 2207.10 and 2208.90).

Countries that have been identified to enjoy the 0% preferential tariff rates on the three products mentioned above are – the ten ASEAN Member States, Australia, China, Japan, Korea, New Zealand and Turkey. Therefore, as shown in Table 1 below, the estimated value of imports from countries importing under the MFN Tariff Rate for five medical product categories is USD71.04mn (RM286.47mn).¹² Thus, to align with current public health initiatives to fight the pandemic, there

¹⁰ RMCD (n.d.)

¹¹ Ibid.

¹² Calculation assumes that importers who have access to preferential tariff rates, use the preferential tariff rates. In practice, some importers prefer to use the MFN tariff rates due to the additional documentation requirements to enjoy the preferential tariff rates. Calculation as of 8 April 2020.

is a need for policymakers to reassess the need for MFN tariff rates for these five product categories. Given that some importers already enjoy 0% tariffs, the cost of temporarily waiving tariffs on these products may not be overly burdensome on the government.

Table 1: Malaysia's imports and tariffs on Covid-19 medical supplies

Product	Estimated imports at MFN Tariff Rate (2018) (RM mn)*	MFN Tariff Rate (2019)**	Top 5 Importing Countries (2018)	Preferential Trade Agreement (PTA)
Textile face masks (HS Code 6307.90)	27.97	14.3%***	China	√
			Vietnam	√
			Singapore	√
			Hong Kong	
			US	
Plastic face shields, plastic gloves, protective garments made from plastic (HS Code 3926.20)	9.54	20.0%	China	√
			Turkey	√
			Vietnam	√
			Japan	√
			Singapore	√
Alcohol solution (HS Code 2207.10)	191.54	RM 60.00 per 100% vol. per litre	Indonesia	√
			Philippines	√
			Singapore	√
			South Africa	
			Germany	
Alcohol solution (HS Code 2208.90)	56.19	RM3 to RM64.50 per 100% vol. per litre****	China	√
			France	
			Japan	√
			Singapore	√
			Mexico	
Paper bed sheets (HS Code 4818.90)	1.23	20%	China	√
			Japan	√
			Thailand	√
			Germany	
			Korea	√

Source: WCO (n.d.); RMCD (n.d.); UN Comtrade (n.d.); WTO n.d.; UNCTAD (n.d.), author's calculations

*Data is originally in USD. Calculation assumes that importers who have access to preferential tariff rates, use these rates. In practice, some importers prefer to use the MFN tariff rates due to the additional documentation requirements to enjoy preferential tariff rates. Trading partners that have been identified with 0% preferential tariff rates are Australia, Brunei, Cambodia, China, Indonesia, Japan, Korea, Lao PDR, Myanmar, New Zealand, Philippines, Singapore, Thailand, Turkey and Vietnam. Calculation as of 8 April 2020.

**MFN Tariff Rate refers to the import rate imposed on all importing countries.

*** RMCD's website indicates this year's MFN Tariff Rate at 20%.

****Malaysia imposes different import rates at the HS Code 10-digit level. Numbers stated here are the range of import rates imposed.

On top of tariffs, Malaysia also has NTMs. NTMs are defined as "policy measures, other than customs tariffs, that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both."¹³ As seen in Appendix 2, prior to the Covid-19

¹³ UNCTAD (2009) as quoted in UNCTAD (2017)

pandemic, Malaysia had NTMs for 23 products covering the importation of goods, and 23 products for the exportation of goods. This calculation of NTMs exclude measures imposed for health and safety purposes – known as sanitary and phytosanitary measures, and technical barriers to trade. In general, the United Nations notes that “...many NTMs are thought to have important restrictive and/or distortionary effects on international trade regardless of whether they are applied with protectionist intent or to address legitimate objectives...”¹⁴ Therefore, it is important for the government to review Malaysia’s NTMs on medical supplies. This is to ensure that these measures are not an unnecessary barrier to trade, during this pandemic.

In general, countries concerned with their tariffs and NTMs that were imposed prior to the Covid-19 pandemic, have unilaterally taken steps to remedy the situation. These countries have suspended specific tariffs and NTMs temporarily, or until further notice. The World Trade Organization has kept track of countries that have taken such proactive actions. These measures are reproduced here. They include:

- **Canada:** Until further notice, Canada is waiving tariffs and sales taxes on all goods imported by or on behalf of public health agencies, hospitals and testing sites, and first response organizations.
- **China:** Temporary decrease of import tariffs on certain products (such as medical supplies, raw materials, agricultural products and meat).
- **Colombia:** Temporary elimination of import tariffs on certain personal protective equipment, raw materials and capital goods not locally produced, due to the COVID-19 pandemic.
- **European Union:** Temporary elimination of import tariffs on certain medical equipment, due to the Covid-19 pandemic.
- **India:** Decrease of import tariffs on medical or surgical instruments and apparatus.
- **New Zealand:** Temporary reduction of import tariffs on all medical and hygiene products, due to the Covid-19 pandemic.¹⁵

Other countries that have imposed similar measures are Argentina, Brazil, Ecuador, Panama, Paraguay and Uruguay.

¹⁴ UNCTAD (2017)

¹⁵ Reproduced from WTO (2020)

4. Impact of export controls on Malaysia

As countries grapple with the immediate needs of containing the pandemic, some governments have resorted to imposing export restrictions or bans on specific products. In March 2020, at least 33 out of 46 export curbs have been announced, by 54 government in total.¹⁶ This is an indication of the speed in which countries are imposing export restrictions, and the need for importing countries to be vigilant of the impact of these restrictions on domestic supply. As shown in Table 2, current export restrictions could impact an estimated USD32.95mn (RM132.49mn) of imports of medical supplies into Malaysia. This estimate assumes that only a quarter of Malaysia's annual imports of the relevant products are affected by these temporary measures. Malaysia is currently most affected by India's export restrictions, followed by Indonesia, Switzerland and the EU.

Based on information reported to the World Trade Organization¹⁷, export restrictions focus on medical supplies, although some countries also impose bans covering food items. Many of these measures are temporary, although some countries such as India, do not explicitly say that their measures are temporary. These measures range from outright export bans, to restrictions on exports, or export licensing requirements.

One of the most recent measures introduced is by the US on 2 April 2020.¹⁸ The Trump Administration ordered the company 3M to sell its N-95 respirators to the US Federal Emergency Management Agency, thus effectively blocking exports of this product. The Canadian Prime Minister criticised this move, stating that "it would be a mistake to create blockages or reduce the amount of back-and-forth trade in essential goods and services, including medical goods, across our border."¹⁹ In 2018, Malaysia's imports from the US for the product category that includes ventilators was approximately RM14.02mn.²⁰ The recent US measure is particularly worrying; as Germany, the US and Switzerland supply 35% of medical products worldwide.²¹ Further, there is a possibility that the US may extend its export restriction to include personal protective equipment and all ventilators produced domestically. This could impact approximately USD12.5mn (RM50.5mn) of Malaysia's imports from the US, based on 2018 data.²²

Malaysia too has imposed an export ban on face masks.²³ Malaysia's annual export of face masks in 2018 was USD18.8mn (RM 75.85mn). Malaysia's top export countries on this product category are France, Australia, Singapore, Thailand, the US and Japan. Therefore, export restrictions would affect different importing countries differently. These restrictions need to be implemented with caution, due to the impact on export markets, particularly developing and least-developed countries that do not have the capacity to produce medical supplies domestically.

¹⁶ Evenett (2020)

¹⁷ WTO (2020)

¹⁸ White House (n.d.)

¹⁹ Gurdebeke (2020)

²⁰ UN Comtrade (n.d.)

²¹ WTO (n.d.)

²² UN Comtrade (n.d.)

²³ WTO (2020)

Table 2: Estimated Impact of Export Restriction on Malaysia's Covid-19 Medical Supplies*

Country/ Country Grouping	Imports for Full Year (2018) (USDmn)	Imports for Full Year (2018) (RMmn)	Imports for Quarter of a Year (2018) (RMmn)
India	67.22	271.08	67.77
Indonesia	38.49	155.20	38.80
Switzerland	14.59	58.85	14.71
EU	5.17	20.86	5.22
US	3.48	14.02	3.51
Thailand	1.27	5.12	1.28
Australia	0.59	2.40	0.60
South Africa	0.35	1.42	0.36
Brazil	0.15	0.61	0.15
Pakistan	0.09	0.38	0.10
Total	131.40	529.94	132.49

Source: UN Comtrade (n.d.); WTO (2020); World Trade Online (n.d.), author's calculations

* List of export restrictions are based on what countries reported to the World Trade Organization. This analysis assumes that all forms of export restrictions effectively result in an export ban.

5. Conclusion and policy recommendations

In conclusion, trade policy, particularly during a pandemic, should be used as a policy tool to support public health initiatives. In practice, this means the facilitation of unrestricted imports into the country. Doing so would contribute towards keeping the cost down for hospitals, healthcare professions and the public in general. In a larger scale, this also means making sure that Malaysia's trade policy response to Covid-19 is targeted, proportionate²⁴, transparent, and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains.

This paper highlights three areas where greater alignment can be made between trade policy and public health policy. These are:

- **To reassess the need for tariffs and excise duties on medical supplies.** Malaysia has the good practice of not imposing tariffs on most of the Covid-19 medical supplies. Nevertheless, there are five specific product categories where Malaysia does apply MFN tariff rates. However, in three of these products, preferential tariff rates are at 0% as for example in ASEAN. Malaysia also imposes excise duties on two product categories. Given that ASEAN and other importers already enjoy 0% tariffs, the cost of temporarily waiving tariffs on medical products may not be overly burdensome on the government revenues. There is also a need to review Malaysia's immediate needs on raw materials for the domestic production of medical supplies. Worldwide, some countries have taken proactive steps to unilaterally, temporarily suspend specific tariff and non-tariff measures.
- **To review Malaysia's NTMs on medical supplies.** NTMs may have important restrictive and/or distortionary effects. Prior to the Covid-19 pandemic, Malaysia had NTMs for the importation of 23 product categories on the medical supplies list. This calculation of NTMs exclude measures imposed for health and safety purposes. Therefore, a careful review of these NTMs could reveal measures that can be suspended during this pandemic – thus improving the import and export of medical supplies.
- **To monitor and engage with Malaysia's trading partners.** In March 2020, at least 33 out of 46 export curbs were announced, by 54 governments in total. ²⁵ This is an indication of the speed in which countries are imposing export restrictions, and the need for importing countries to be vigilant of the impact of these restrictions on domestic supply. Malaysia is currently most affected by India's export restrictions on medical supplies, followed by Indonesia, Switzerland and the EU. Therefore, Malaysian businesses and the government will need to quickly adjust to potential shortfalls in import items. The Malaysian government could also engage with its trading partners to minimise the impact of export restrictions on Malaysia. In turn, this means that Malaysia's export restrictions would need to be handled with care.

²⁴ Proportionality refers to the concept where measures should be applied only to the extent necessary to deal with the current circumstance.

²⁵ Evenett (2020)

6. Appendix 1: List of Covid-19 medical supplies

Table 3: List of Covid-19 medical supplies

Measure	Definition	HS Code
I.COVID-19 Test kits/Instruments and Apparatus used in Diagnostic Test		
COVID-19 Test kits	Diagnostic reagents based on polymerase chain reaction (PCR) nucleic acid test.	3822.00
COVID-19 Test kits	Diagnostic reagents based on immunological reactions	3002.15*
COVID-19 Diagnostic Test instruments and apparatus	Instruments used in clinical laboratories for In Vitro Diagnosis	9027.80
II. Protective Garments and the like		
a) Face and eye protection		
• Textile face-masks, without a replaceable filter or mechanical parts, including surgical masks and disposable face-masks made of non-woven textiles.		6307.90
• Gas masks with mechanical parts or replaceable filters for protection against biological agents. Also includes such masks incorporating eye protection or facial shields.		9020.00
• Protective spectacles and goggles.		9004.90
• Plastic face shields (covering more than the eye area).		3926.20
b) Gloves		
• Plastic gloves.		3926.20
• Surgical rubber gloves.		4015.11
• Other rubber gloves.		4015.19
• Knitted or crocheted gloves which have been impregnated or covered with plastics or rubber.		6116.10
• Textile gloves that are not knitted or crocheted.		6216.00
c) Other		
• Disposable hair nets.		6505.00
• Protective garments for surgical/medical use made up of felt or nonwovens whether or not impregnated, coated, covered or laminated (fabrics of heading 56.02 or 56.03). This includes spun-bonded garments.		6210.10
• Other protective garments of textiles of rubberized textile fabrics or woven fabrics that are impregnated, coated, covered or laminated (fabrics of headings 59.03, 59.06 or 59.07). Actual classification will depend on type of garment and if for male or female. Example: a unisex full body woven suit impregnated with plastics would be classified under 6210.50 -Other women's or girls' garments.		6210.20 6210.30 6210.40 6210.50
• Protective garments made from plastic sheeting.		3926.20
III. Thermometers		
Liquid filled thermometer for direct reading	Includes standard "Mercury-in-glass" clinical thermometer.	9025.11
Other thermometers	For example, digital thermometers, or infrared thermometers for placing on the forehead.	9025.19
IV. Disinfectants/Sterilization Products		
Alcohol solution	Undenatured, containing by volume 80% or more ethyl alcohol	2207.10
Alcohol solution	Undenatured, 75% ethyl alcohol	2208.90
Hand sanitizer	Aliquid or gel generally used to decrease infectious agents on the hands, alcohol-based type.	3808.94

Measure	Definition	HS Code
Other disinfectant preparations	Put up in forms or packings for retail sale such as rubs and wipes impregnated with alcohol or other disinfectants.	3808.94
Medical, surgical or laboratory sterilisers	Function by steam or boiling water	8419.20
Hydrogen peroxide in bulk	Bulk H ₂ O ₂ whether or not with solidified with urea.	2847.00
Hydrogen peroxide presented as a medicament	H ₂ O ₂ put up for internal or external use as a medicine, including as an antiseptic for the skin. Only covered here if in measured doses or in forms or packings for retail sale (including directly to hospitals) for such use.	3004.90
Hydrogen peroxide put up in disinfectant preparations for cleaning surfaces	H ₂ O ₂ put up as cleaning solutions for surfaces or apparatus.	3808.94
Other chemical disinfectants	Put up in forms or packings for retail sale as disinfectants or as disinfectant preparations, containing alcohol, benzalkonium chloride solution or peroxyacids, or other disinfectants.	3808.94

V. Other Medical Devices

Computed tomography (CT) scanners	Uses a rotating X-ray machine to image thin slices of the body to diagnose diseases such as pneumonia.	9022.12
Extracorporeal membrane oxygenation (ECMO)	Provides prolonged cardiac and respiratory support by removing blood from the person's body and artificially removing the carbon dioxide and oxygenating red blood cells.	9018.90
Medical ventilators (artificial respiration apparatus)	Provides mechanical ventilation by moving breathable air into and out of the lungs.	9019.20
Other oxygen therapy apparatus including oxygen tents	As well as complete oxygen therapy apparatus, this subheading also covers recognisable parts of such systems.	9019.20
Patient monitoring devices - Electro-diagnostic apparatus	Electrical or electronic equipment for the observation of a disease, condition or one or several medical parameters over time. This includes such devices as pulse oximeters or bedside monitoring stations used for continuous monitoring of various vital signs. (Note: this does not include devices more specifically covered elsewhere e.g. electrocardiographs (9018.11) or electronic thermometers (9025.19).)	9018.19

VI. Medical Consumables

Wadding, gauze, bandages, cotton sticks and similar articles	Impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical use.	3005.90
Syringes, with or without needles		9018.31
Tubular metal needles and needles for sutures		9018.32
Needles, catheters, cannulae and the like		9018.39
Intubation kits		9018.90
Paper bed sheets		4818.90

Source: WCO (n.d.)

* HS 2017. The corresponding HS 2012 code is 3002.10

7. Appendix 2: Malaysia's imports, tariffs and non-tariff measures on Covid-19 medical supplies

Table 4: Malaysia's imports, tariffs and non-tariff measures on Covid-19 medical supplies

Product	Imports (2018) (RM mn)*	MFN Tariff Rate (2019)**	Non-tariff Measures (NTM) (2020)			
			Pre-shipment inspection	Price control measures	Quantity control measures	Export- related measures
I.COVID-19 Test kits/Instruments and Apparatus used in Diagnostic Test						
Covid-19 Test kits (HS Code 3822.00)	466.50	0%	0	0	0	0
COVID-19 Test kits (HS Code 3002.10)	114.58	0%	5	28	43	0
Covid-19 Diagnostic Test instruments and apparatus (HS Code 9027.80)	220.49	0%	0	1	1	0
II. Protective Garments and the like						
Textile face masks (HS Code 6307.90)	190.50	14.3%***	0	0	0	1
Gas masks (HS Code 9020.00)	40.35	0%	0	3	2	11
Protective spectacles and goggles (HS Code 9004.90)	21.85	0%	0	2	1	12
Plastic face shields, plastic gloves, protective garments made from plastic (HS Code 3926.20)	58.60	20%	5	28	43	128
Surgical rubber gloves (HS Code 4015.11)	75.41	0%	5	28	43	128
Other rubber gloves (HS Code 4015.19)	168.67	0%	0	0	0	3
Knitted or crocheted gloves which have been impregnated or covered with plastic or rubber (HS Code 6116.10)	57.51	0%	0	0	0	0
Textile gloves (HS Code 6216.00)	21.31	0%	0	0	0	0
Disposable hair nets (HS Code 6505.00)	71.04	0%	0	0	0	1
Protective garments for surgical/medical use made up of felt or nonwovens (HS Code 6210.10)	28.99	0%	0	0	1	0
Other protective garments (HS Code 6210.20)	13.69	0%	0	0	0	0

Product	Imports (2018) (RM mn)*	MFN Tariff Rate (2019)**	Non-tariff Measures (NTM) (2020)			
			Pre-shipment inspection	Price control measures	Quantity control measures	Export- related measures
Other protective garments (HS Code 6210.30)	27.38	0%	0	0	0	0
Other protective garments (HS Code 6210.40)	24.99	0%	0	0	0	0
Other protective garments (HS Code 6210.50)	31.19	0%	5	28	43	128
III. Thermometers						
Liquid filled thermometer (HS Code 9025.11)	2.15	0%	5	28	43	128
Other thermometers (HS Code 9025.19)	59.51	0%	0	0	0	0
IV. Disinfectants/ Sterilization Products						
Alcohol solution (HS Code 2207.10)	191.54	RM 60.00 per 100% vol. per litre	5	28	43	128
Alcohol solution (HS Code 2208.90)	56.19	RM3 to RM64.50 per 100% vol. per litre****	5	28	43	128
Disinfectants, hand sanitizer, and hydrogen peroxide (HS Code 3808.94)	31.01	0%	5	28	43	128
Medical, surgical or laboratory sterilisers (HS Code 8419.20)	66.53	0%	5	28	43	128
Hydrogen peroxide in bulk (HS Code 2847.00)	66.50	0%	0	0	1	0
Hydrogen peroxide presented as a medicament (HS Code 3004.90)	4,480.93	0%	5	28	43	128
V. Other Medical Devices						
CT scanners (HS Code 9022.12)	50.17	0%	0	3	2	13
Intubation kits, and extracorporeal membrane oxygenation (ECMO) (HS Code 9018.90)	1,593.82	0%	5	28	43	128
Medical ventilators, and other oxygen therapy apparatus (HS Code 9019.20)	89.21	0%	5	28	43	128

Product	Imports (2018) (RM mn)*	MFN Tariff Rate (2019)**	Non-tariff Measures (NTM) (2020)			
			Pre-shipment inspection	Price control measures	Quantity control measures	Export-related measures
Patient monitoring devices (HS Code 9018.19)	222.47	0%	0	2	1	11
Wadding, gauze, bandages and similar articles (HS Code 3005.90)	96.75	0%	2	2	0	3
Syringes (HS Code 9018.31)	71.34	0%	5	28	43	128
Tubular metal needles and needles for sutures (HS Code 9018.32)	69.54	0%	0	2	1	11
Needles, catheters, and the like (HS Code 9018.39)	693.06	0%	0	2	1	11
Paper bed sheets (HS Code 4818.90)	26.52	20%	0	0	0	1

Source: WCO (n.d.); RMCD (n.d.); UN Comtrade (n.d.); WTO (n.d.); UNCTAD (n.d.), author's calculations

*Data is originally in USD.

**MFN Tariff Rate refers to the import rate imposed on all importing countries.

*** RMCD's website indicates this year's MFN Tariff Rate at 20%.

****Malaysia imposes different import rates at the HS Code 10-digit level. Numbers stated here are the range of import rates imposed.

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