VIDEO MESSAGE FOR DR. KUNIO MIKURIYA, WCO SECRETARY GENERAL

2023 SYMPOSIUM ON PUBLIC HEALTH STRATEGIES FOR COMBATING COUNTERFEIT DRUGS

JOHNS HOPKINS UNIVERSITY, 1 DECEMBER 2023

Paving the path for transformational partnerships between public health researchers, drug manufacturers and suppliers, regulatory and law enforcement agencies, policymakers and program implementers to stop counterfeit medicine.

Panel 1: Global burden of counterfeit drugs
- Public Health Impact and Economic Consequences
- Regulatory Frameworks and Enforcement
- Supply chain vulnerabilities and online access to counterfeit drugs

Excellencies, ladies and gentlemen,

1. It is a great pleasure and honour for me to address the distinguished audience gathered at this prestigious university.

2. On behalf of the World Customs Organization, I would like to express my sincere thanks to the Johns Hopkins Bloomberg School of Public Health for taking this initiative and inviting the WCO to address the global concern of counterfeit drugs.

3. Established in Brussels, Belgium in 1952 as an intergovernmental organization specialized in Customs, the WCO has 185 members, covering 98% of global trade.

4. Given the crucial role of Customs at borders, the WCO’s vision of “Borders divide, Customs connects” resonates across the community.

5. While facilitating legitimate trade by ensuring better connectivity is an important task for Customs, criminal organizations exploit vulnerabilities at borders by engaging in illicit trade, including sub-standard and falsified medical products, and attempt to make a huge illegal profit.

6. In response, the WCO develops standards for efficient procedures, foster better collaboration with partners, and provide capacity building support to ensure facilitation and security of supply chains, including medical ones.

7. During the COVID-19 pandemic, the WCO has identified the essential medicines and medical goods to facilitate their cross-border movement and trained Customs officers around the world to identify unauthorized and falsified medicines, vaccines and medical goods at borders.
8. The adversary impact of counterfeit medicines on public health is well understood among experts like you, but there are also significant economic implications on individuals who might lose their employment, and on governments, both in reduced tax revenue and additional expenditure for health care.

9. Likewise, it is clear that business will be affected by the loss of profit, but also by the loss of investment opportunity in general, because of the perceived lack of competitive market conditions.

10. Let us look at the current situation of counterfeit medicines. Based on Members’ input in the WCO Customs Enforcement Network (CEN) database, illicit medical products continue to increase with more than 189.4 million units, representing an increase of 80% (84 million) in 2022.

11. While the world experienced the COVID-19 public health crisis, criminal organizations have been taking advantage of it to engage in fraudulent activities, thereby putting the health and safety of the world’s population at serious risk.

12. Compared with other types of illicit trade, including opioids, explosives and revenue fraud, counterfeit medicines provide a low risk and high profit business opportunity. Indeed, they exploit regulatory weaknesses where Customs are not sufficiently empowered, and judiciary authorities are often less inclined to pursue the legal cases, because of the light penalties.

13. Let us see how Customs manage trade at borders and where to find supply chain vulnerabilities.

14. When containers cross borders, commercial data on goods, traders and routes among others, is generated. Customs uses this data as the basis to analyze the risks represented by each container.

15. Commercial data, usually in the form of advance electronic data, supplemented by the specific information and intelligence offered from both the private and public sectors, is also used for non-intrusive and secondary inspections of containers.

16. Therefore, having access to the necessary data along the supply chain, from suppliers at the origin through intermediaries and buyers, is fundamental for Customs to secure supply chains with trusted traders, supported by the Authorized Economic Operators (AEOs) scheme to establish trust between Customs and business.

17. This system is not free from vulnerability as organized crime tries to infiltrate at the port areas, calling for enhanced collaboration between the stakeholders.

18. Free trade zones are also vulnerable areas, and we urge governments to empower Customs to have better control of these zones while respecting operators exemptions from Customs duties and tax obligations.

19. E-commerce, which has shown exponential growth during and after the pandemic, is more vulnerable along the supply chain than traditional container trade, because of the lack of quality data in a timely manner.

20. Unlike container trade, those involved in e-commerce as online vendors and buyers are often consumers and micro, small and medium sized enterprises, who do not know how to comply with Customs requirements for data, health and safety regulations.

21. In line with the WCO Framework of Standards on cross-border E-commerce, many Customs administrations are exploring new legislative measures to get access to data for better risk management with regards to public health and revenue leakage among other risks.
22. Since 2020, the WCO has organized a series of STOP Operations as an immediate response to the illegal trafficking of medical products, linked to the COVID-19 pandemic, with the support of the WHO, UNODC, INTERPOL, EU institutions and Japan, but also with the input from medical suppliers.

23. While Operations STOP resulted in a huge number of seizure of counterfeit and illicit medicines, it has raised awareness on public health risks with some lessons learned.

24. Firstly, e-commerce has become one of the major conduits for illicit trafficking of medicines.

25. The WCO is exploring collaboration with intermediary in e-commerce supply chain, including online platforms for a better access to data.

26. Secondly, cooperation with public health researchers, medical manufacturers and suppliers is indispensable in getting necessary expertise and information.

27. The WCO invites right holders for pre-operation training sessions, and it also organizes an annual right holder meeting to have dialogue with the stakeholders to explore more avenue for cooperation.

28. Thirdly, collaboration with judiciary authorities is necessary to tackle the upstream of illicit trafficking of medicines.

29. Fourthly, consumer education is necessary to address the issue not only from the supply side, but also from the demand side of illicit medicines.

30. Finally, capacity building is necessary for all actors in this field by sharing information and necessary resources.

31. The key message I would like to reiterate is the need to further strengthen cooperation between all actors in this area as combating counterfeit drug would not be successful in isolation.

32. This symposium is an excellent opportunity to understand each other and enhance collaboration and the WCO is proud to take part in this effort.

33. Thank you for your attention.