

Coronavirus (COVID-19) and the global trade in fake pharmaceuticals



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The COVID-19 crisis has heightened the dangers posed by the global trade in counterfeit pharmaceutical products. Serious health and safety issues arise when people order fake medicines online; counterfeit medicines are often not properly formulated and may contain dangerous ingredients. During a public health crisis such as the current COVID-19 pandemic, tackling this global scourge becomes even more acute and urgent. Indeed, a growing volume of fake medicines linked to coronavirus are on sale in developing countries, according to the [World Health Organization](#), and Interpol has also seen [an increase in fake medical products related to COVID-19](#). Seizures of fake COVID-19 tests and personal protective equipment such as facemasks and hand sanitizers have been reported by the [US CBP](#) and customs of other member countries as well as by the [World Customs Organisation](#). As treatments and, ultimately, a vaccine are developed, counterfeits of those products could lead both directly to further illness and death and to unsafe behaviour through a false promise of protection. Governments need to ensure the legitimate and safe provenance of pharmaceutical products, both online and in pharmacies, so that citizens can trust the medicines they use.

To help governments combat the trade in fake medicines, and the OECD and the European Union Intellectual Property Office (EUIPO) have joined forces to provide policy makers with solid empirical evidence about the value, scope and trends of the trade, which causes significant economic damage as well as risks to health and safety. [New evidence released on March 23](#) estimates the total value of counterfeit pharmaceuticals traded worldwide to be as much as EUR 4.03 billion (as of 2016). Customs seizure data analysed in the study, which covers the period 2014-2016, shows that the most frequently encountered counterfeits were antibiotics, lifestyle drugs and painkillers. However, other medicines such as anti-malaria drugs were also heavily faked.

Governments need to take effective action to counter illicit trade, in medicines and in general, and support governance frameworks to lower the incidence of such trade. As noted in the March 2020 [G20 Trade and Investment Ministerial Statement](#), it is crucial to keep trade and investment flowing and essential supply chains functioning, while emphasizing the importance of transparency in the current environment.

The OECD has identified governance gaps that provide opportunities for criminals engaged in illicit trade to expand their operations. An OECD study, [Governance Frameworks to Counter Illicit Trade](#), identifies three areas where greater institutional capacity is urgently needed to counter illicit trade, including illicit trade in fake medicines. These areas are:

- (i) enhancing the effectiveness of penalties and sanctions,
- (ii) improving the screening of the rising volume of small shipments for illicit products, and
- (iii) eliminating criminal activities related to illicit trade that are carried out in free trade zones.

Through its Task Force on Countering Illicit trade, OECD works with member countries to address these gaps, and promote clean trade through enhanced transparency. For example, the 2019 [OECD Recommendation of the Council on Countering Illicit Trade: Enhancing Transparency in Free Trade Zones](#), designed to ensure transparency in FTZs, is part of the broader effort to counter illicit trade, including countering illicit trade in fake medicines.