

**Statement by
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**Global Public Health - High-Quality, Low-Cost Pharmaceutical Production in
Developing Countries**

UNCTAD – WHO – UNIDO - ICTSD Ministerial Breakfast Roundtable at the
ECOSOC High Level Segment

Geneva, 7 July 2009, 8:00 – 9:25 am
Delegates' Dining Room, Palais des Nations

**The Local Production of Pharmaceuticals in Developing Countries – An Option
worth Examining**

Excellencies,

Distinguished Delegates,

Ladies and gentlemen,

On behalf of UNCTAD, let me welcome you to this Ministerial Breakfast Roundtable on the issue of “Global Public Health - High-Quality, Low-Cost Pharmaceutical Production in Developing Countries”. I am pleased and honored to have the opportunity to chair this breakfast, with the participation of so many distinguished colleagues from UN agencies, UN Member States, civil society and the private sector. As the objective of this event is to promote an open and informal exchange of views among all participants, I will limit my intervention to a few remarks only.

Given that large parts of the world’s poor still lack access to quality affordable medicines, the local manufacture of pharmaceutical products in developing countries is an option worth examining. Of course, in addressing this question, we should not consider local pharmaceutical production as a panacea to the health crisis affecting developing countries. Existing philanthropic and industry initiatives have played an important role in increasing access to medicines and will continue to do so, and it is not UNCTAD’s intention to suggest replacing these approaches through local pharmaceutical production. Rather, local production should be complementary means

to promote access, and, importantly, means to increase pharmaceutical-related investment and the transfer of technology in developing countries.

Through collaboration with foreign investors, technology spillovers could benefit local manufacturers - provided the latter already have an adequate level of absorptive capacity that makes them attractive partners to foreign investors. Often cited successful examples of such partnerships are joint ventures between OECD-based companies and African producers, in countries such as Kenya and South Africa. More recently, there have been some encouraging examples of South-South investment and technology transfer, such as cases of Indian producers entering into joint ventures with local manufacturers in Uganda, or a Brazilian initiative targeting producers in Mozambique. As we will hear from his Excellency, the Ambassador of the Federal Democratic Republic of Ethiopia, there are also some local production initiatives underway in Ethiopia, to which the Government attaches great importance.

These cases of local production are encouraging examples of initiatives that seem to be going in the right direction and that deserve our attention and support. Local pharmaceutical production could hardly be economically viable in all developing countries, and it would not make any economic sense to start manufacturing drugs in every country. In an important EU-sponsored project with WHO and ICTSD designed to respond to the WHO Strategy and Plan of Action on Public Health, Innovation and Intellectual Property, we seek to identify those factors that need to be in place in order to prepare the ground for economically viable production. These factors include the regulatory framework, such as rules on investment and intellectual property, but also include overall political stability, macro- and micro- economic conditions. Additionally, they include the capacity to produce medicines according to strict quality standards, and the infrastructure to ensure the delivery of medicines to those who need them. In another ongoing project, we are providing legal advisory support to the efforts of the Government of Germany to encourage the local production of pharmaceuticals in selected developing countries.

Identifying countries where these factors look promising is a challenging task. Looking around this breakfast table, however, I feel that we have an opportunity to unite our diverse strengths and capacities to continue working toward this goal. By

working together, I feel we can make a difference and an important contribution to the realization of several of the Millennium Development Goals. To conclude, as I started: the local manufacture of pharmaceutical products in developing countries is indeed an option worth examining.

Thank You