

But how are those audits conducted? In general, it is against the facilities involved whether this is the distribution point (i.e. the chemist shop), the warehouse, the transportation system or the manufacturer. Product can be taken from any of these points and tested or the facility inspected. Obviously, that involves a cost which in part is hopefully recovered from the standards process or at worst from taxes from the voters. You can simply follow the lines on the map (which represent capital flow) to determine possible ways of balancing this out. How you balance that out is a matter of policy.

At this point the map starts to become a little bit more complicated. For this map, I have considered all of the flows so far to be inside a border i.e. we manufacture and distribute within a single market (the dotted blue line border in our map). This could be a single nation or a multilateral FTA (free trade agreement) or a common market with agreed standards. Now let us look at the raw materials (another source of cost for the drug) and bring in the idea of import and export from outside of this market. This is going to bring into play a bewildering array of import & export arrangements, warehouses, manufacturers, transportation systems and an entire global supply chain. As per the scenario we have a one up, one down form of understanding within the industry and hence the global supply chain in all its details is poorly understood. Also, as per the scenario there is significant waste in these global supply chains. In general, from experience, I have yet to find one where there isn't. Another problem is that outside of the common market then standards will tend to be specific to other countries. These might be more evolved than within the market but I'm