UNDERSTANDING THE IMPACT OF INTERNATIONAL AND POOLED PROCUREMENT ON INVESTMENT AND ECONOMIC DEVELOPMENT

IMPORTING MEDICINES FROM SUPPLIERS WITHOUT AN IN-COUNTRY PRESENCE OR A LOCAL REPRESENTATIVE/DISTRIBUTOR COULD HAVE A NEGATIVE EFFECT ON IN-COUNTRY INVESTMENT AND ECONOMIC DEVELOPMENT

1 The Import of medicines with NO local regulatory approval from international suppliers that do NOT have a local presence or a local distributor creates an unfair playing field.

a. Companies that either are established locally or have an in-country representative/distributor have invested to ensure the following: compliance with all local regulatory requirements; that sufficient stock exists to ensure supply; and that patient and physician concerns are addressed through comprehensive pharmacovigilance and patient support programs.

b. These companies pay taxes, create jobs and invest in the local economy.

c. If these companies are displaced by international suppliers that do not meet the same criteria, local jobs could be eliminated as a result of loss of market share.

d. International agreements on intellectual property could be violated if imported products infringe on locally-patented products, creating a disincentive for future investments in country.

2 Unintended consequences of large-scale sole sourcing of any product

- Weakens competition
- Could lead to price increases
- No PLAN B for emergencies or supply issues

3 Financial disadvantages of international and pooled procurement.

- Potential upfront payments
- Admin and other fees
- Exchange rate risk assumed by countries
- Distribution and supply chain risk assumed by countries