



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