

UNCTAD World Investment Forum 2014

Geneva, 14 October 2014

**Investing in Sustainable and Universal Access to Medicines - Local
Production in Developing Countries**

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Distinguished Delegates,
Ladies and Gentlemen,

It is my pleasure to welcome you to this session on Investing in Sustainable and Universal Access to Medicines - Local Production in Developing Countries. We are honoured to have with us executives from pharmaceutical firms, and representatives from civil society, governments and organisations representing a number of public-private partnerships. We are also grateful for the participation of UNAIDS in the organization of this event. They are an important partner for everyone who is working to ensure greater access to medicines in the developing world - particularly antiretroviral medicines. I am therefore pleased to welcome Executive Director Michel Sidibé to the Palais des Nations. I am also very pleased to welcome to Geneva our moderator for the session, Mr. James Chau, correspondent with CCTV, and a UNAIDS Goodwill Ambassador.

Ladies and Gentlemen,

Universal access to quality essential medicines has been a cornerstone of public health policy, especially in developing countries. However, access to medicines has been an elusive target to date, often because of inadequate insurance coverage, low incomes and ineffective price regulations. To compensate for these constraints, one option being pursued in some developing countries is the encouragement of local manufacture of medicines.

Over the past decade, UNCTAD has made a sustained effort to better understand the rationale and dynamics of local production of generic pharmaceuticals in developing countries. Our contributions include publications on the TRIPS Agreement flexibilities that support local production; case studies examining the experience of emerging developing countries with the local production of medicines and vaccines as part of the 2008 WHO Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property; regional and national workshops on the TRIPS Agreement and its implications for local manufacture in developing countries and Least Developed Countries; and a guide to investment in local pharmaceutical production in LDCs. We have also been engaged in providing important advisory services to developing country governments in both Africa and Asia on changes to their legal frameworks that will support the local production of medicines.

From our extensive work on local medicines manufacture in developing countries, a number of observations can be made:

1. First, we know that many developing countries, beyond the large-scale manufacturers in Brazil, China and India, have encouraged the local production of generic medicines through both health and industrial policy.
2. Second, we know that important international developments, such as the expiration of patents on blockbuster medicines and the extension of the TRIPS Agreement waiver, have opened up opportunities for developing countries and LDCs for the sustainable manufacture of generic medicines.
3. Third, we know that, while medicines manufacture is often considered primarily a private sector activity, some countries have opted to maintain state-ownership of enterprises that produce vital medicines, especially for the poor.
4. And finally, we know that there are various models of public-private partnership in the pharmaceutical industry, which attempt to deal with access to medicines and other issues.

On this last point, United Nations Member States, pharmaceutical companies and the investment community are actively exploring opportunities to develop the local production of quality essential medicines in developing countries, including generic antiretrovirals. The African Union, for example, has adopted a Pharmaceutical Manufacturing Plan for Africa that

intends to stimulate this trend. I am confident that today's discussions will yield insights that can help drive progress on the Manufacturing Plan for Africa, as well as the African Union Roadmap on Shared Responsibility and Global Solidarity.

UNCTAD believes strongly that local production of health technologies improves health security in developing countries, and that both the private and public sectors have an important role to play in ensuring greater access to these. Today's panelists will offer some unique perspectives on how to strengthen public health provision in developing countries through the local manufacture of essential medicines, using different ownership structures, as private, public and mixed investment models. Already we see the strain placed on public healthcare systems in many countries by the AIDS epidemic and emerging health threats from diseases such as Ebola. Consequently, access to affordable medicines and quality healthcare will be an important issue in the negotiation of the forthcoming post-2015 development agenda and the Sustainable Development Goals, or SDGs. UNCTAD has discussed the potential contribution of the private sector to the SDGs, in areas such as health, in this year's *World Investment Report*. We hope that today's meeting can form an important continuation of those discussions and offer some practical and concrete examples of how to provide access to essential healthcare and affordable medicines in developing countries.

Let me end my remarks here. I am pleased to hand the floor to Mr. Chau, our moderator, who will guide us through our introductory statements and panel discussion.

Thank you