

Improving access to medicines through local production and technology transfer

This Local Production and Technology Transfer project was presented as a [side event](#) on Wednesday 18 May. The project is co-sponsored by the EU, UNCTAD¹, ICTSD² and WHO.

The overall project objective is: ‘to increase access, especially for the poor in developing and least developed countries, to medicines, vaccines and diagnostics of importance to public health, and especially for neglected diseases of the Type II and Type III categories³ as well as the specific needs of developing countries in relation to Type I diseases.’

Kyoshi Adachi (UNCTAD) described the 8 case studies which UNCTAD had undertaken to explore the issues being faced with respect to LP and TT. Findings include:

- Wide variations in pharmaceutical production in developing countries;
- South South investment as important as North South;
- Overall policy environment matters: drug policies, industrial policies, insurance, procurement, etc;
- Absorptive capacity – for technology – is basic;
- Access to APIs (active pharmaceutical ingredients) is the key to lowering costs;
- Export orientation has led to upgrading production standards.

Ahmed Abdel Latif, Program Manager for Innovation, Technology and IP at ICTSD, spoke next. He described the stakeholder consultations which had been undertaken to explore the views of stakeholders and identify strategies for promoting LP and TT. He described the outcomes of three regional consultations.

In Africa production value is largely concentrated on South Africa. Common obstacles include small markets, poor infrastructure, expensive credit and lack of adequate human resources. Technical assistance needs include: enhanced capacity to meet WHO pre-qualification standards, financial support to meet GMP requirements. Critical success factors include: a common market in the region; harmonization of regulatory requirements; focus on API production; improved links between industry and universities.

Latin America has capacity for APIs and bulk manufacture. Firms are frustrated by fragmented regulatory systems and the barriers this presents to scale. Firms moving towards newer products face barriers with originator companies. Priorities: regional harmonization and mutual recognition with WHO support with respect to quality and safety.

In Asia human resources are critical. Government policies, including health insurance, can provide market security for local firms. R&D budgets still quite low. Priorities: bioequivalence centres.

1. United Nations Conference on Trade and Development

2. International Centre for Trade and Sustainable Development

3. See the Report of the Commission on IP, Innovation and Public Health for elaboration of these categories: <http://www.who.int/intellectualproperty/en/>

This presentation was followed by a landscape study of pharmaceuticals, vaccines and *in vitro* diagnostics.

Finally Padmashree Gehl Sampath provided an overview of local production in 2004 and analysed determining factors. The link between local production and access is not a simple connection between production, competition and lower prices. Both local production and access are much more complex than simply a function of price at any time.