



EXAMPLES OF THE IMPORTANCE OF INDIA AS THE “PHARMACY FOR THE DEVELOPING WORLD”

QUICK OVERVIEW:

- India is the **main supplier** of essential medicines for developing countries.
- **67 % of medicines exports from India go to developing countries.**
- Main procurement agencies for developing countries’ health programmes purchase their medicines in India, where there are quality products and low prices.
- Approx. **50%** of the essential medicines that **UNICEF** distributes in developing countries come from India
- **75-80%** of all medicines distributed by the **International Dispensary Association (IDA)** to developing countries are manufactured in India. (IDA is a medical supplier operating on a not-for-profit basis for distribution of essential medicines to developing countries.)
- In **Zimbabwe**, **75%** of tenders for medicines for all public sector health facilities come from Indian manufacturers
- The state procurement agency in **Lesotho**, NDSO, states it buys nearly **95%** of all ARVs from India.

Antiretroviral medicines (ARVs) for AIDS treatment:

India is the world’s primary source of affordable ARVs, as it is one of the few countries with the capacity to produce these newer medicines as generics. Therefore, all AIDS programmes use India as their main source of products.

- **80%** of ARVs **MSF** uses are purchased in India and are distributed in treatment projects in over 30 countries.
- Globally, **70%** of the treatment for patients in 87 developing countries, purchased by **UNICEF**, **IDA**, the **Global Fund (GFATM)** and the **Clinton Foundation** since July 2005 has come from Indian suppliers.
- **PEPFAR**, the US President’s AIDS initiative also purchases ARVs from India for distribution in developing countries, thus resulting in cost-savings up to 90%.
- **91%** of the generic ARVs approved by the US Food and Drug Administration for PEPFAR are from India.
- **90%** of the ARVs used in **Zimbabwe’s** national treatment programme come from India.

Raw materials:

In addition, raw materials are exported from India to other countries for local production of affordable medicines. This has been crucial to enabling national AIDS programmes, such as those in Brazil or Thailand, to provide universal free access to ARVs.

IN DETAIL:

India is the main supplier of essential medicines for developing countries. This applies not only to AIDS medicines, but to medicines to treat other diseases, as well. India is the world's leading supplier of inexpensive generic medicines, with approximately 67% of medicines exports going to developing countries.¹

1) International procurement agencies

The main procurement agencies for health programmes in developing countries, as well as national procurement agencies, purchase their medicines in India, where quality products can be purchased at low prices.

MSF:

- **40% of the money MSF spends** on oral medicines is used to buy drugs from India (if injectables are included, the average lies at 26,5%).

UNICEF:

- India ranks second on the list of suppliers for UNICEF programmes (see figure 1).
- On medicines, India has a considerable lead over all countries below it on the list, and Belgium only ranks first because of vaccines (e.g. combination vaccines are not yet being produced in India).
- If vaccines are excluded, India is the source of approx. **50% of the essential medicines** UNICEF distributes in developing countries.

Figure 1: Top 20 supplier countries for UNICEF²

... AND WHERE WE BUY IT

TOP 20 SUPPLIER COUNTRIES 2005 (millions of United States Dollars)			
Belgium	222	Pakistan	29
India	205	China	26
France	82	Kenya	21
Japan	54	Indonesia	20
Switzerland	43	Thailand	14
Denmark	40	Sudan	11
United States	33	South Africa	11
Italy	33	Sweden	10
Germany	31	United Arab Emirates	9
United Kingdom	31	Republic of Korea	9

IDA (International Dispensary Association)

- **75-80%** of all medicines distributed by IDA to developing countries are manufactured in India (IDA is a medical supplier operating on a not-for-profit basis for distribution of essential medicines to developing countries.)

2) National supply stores for public/non profit sector:

Zimbabwe

- The National Pharmaceutical Company, Natpharm, (formerly Governmental Central Stores), states 75% of tenders for supply to national health facilities are won by Indian manufacturers.

¹ World Medicines Situation, 2004, WHO (WHO/EDM/PAR/2004.5)

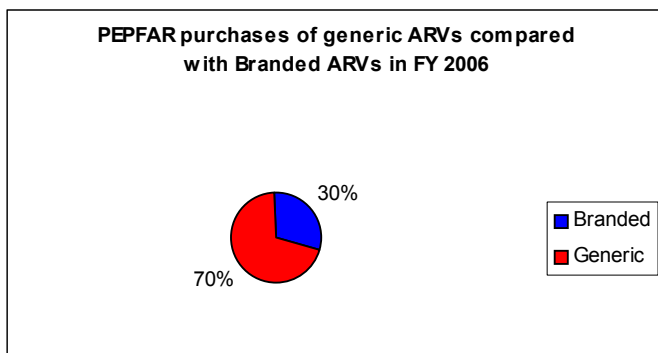
² http://www.unicef.org/supply/files/SD_AnnualReport_2005.pdf

3) Antiretrovirals – ARVs

India is the world's primary source of affordable ARVs, as it is one of the few countries with the capacity to produce these newer medicines as generics. Therefore, all AIDS programmes use India as their main source of products.

- **80%** of ARVs **MSF** uses are purchased in India and are distributed in treatment projects in more than 30 countries.
- Globally, **70%** or more of the antiretroviral pills currently used in developing countries to treat nearly two million people are manufactured by generic suppliers in India.³
- **PEPFAR**, the US President's AIDS initiative also purchases ARVs from India for distribution in developing countries. « *In every case generic prices present an opportunity for cost savings; in some cases, the branded price per pack of a drug is up to 11 times the cost of the approved generic version* »⁴.
- **91%** of the generic ARVs approved by the US Food and Drug Administration for PEPFAR are from India⁵.
- **90%** of the ARVs used in **Zimbabwe**'s national treatment programme come from India.
- The state procurement agency in **Lesotho**, NDSO, states it buys nearly 95% of all ARVs from India.

Figure 2⁴.



4) Active Pharmaceutical Ingredients (APIs)

Raw materials from India are also exported to other countries for production of affordable medicines. This has been key in the success of national AIDS programmes' ability to provide universal free access to ARVs.

As an example, generic production of medicines in Brazil is heavily dependent on APIs purchased from India. At the third meeting of the Commission on Intellectual Property Rights, Innovation and Public Health (CIPRH)⁶, Brazil stated: "*Brazil is concerned whether the application of TRIPS in India and China may affect access to APIs, and thus their treatment programme.*"

The same is true for Thailand, where the Government Pharmaceutical Organization of Thailand "*gets 90% of its raw materials for ARV production from India. /.../ More specifically, the Thai Public Health Ministry has clearly stated that their ambitious antiretroviral treatment programme would not exist without generic drugs, which would not have been possible without Indian API supply*"⁷

³ Clinton Foundation estimates, reflecting its own data and information from the WHO Global Price Reporting Mechanism, which in total provide detailed information about the purchases by UNICEF, IDA, the Global Fund (GFATM) and the Clinton Foundation of 970 million pills since July 1, 2005 across 87 low and middle income countries

⁴ Bringing Hope: Supplying ARVs for HIV/AIDS treatment, PEPFAR, May 2006 (with partial data available for fiscal year 2006).

⁵ <http://www.fda.gov/oia/pepfar.htm>

⁶ Third meeting of the Commission on Intellectual Property Rights, Innovation and Public Health (CIPRH). 2005

⁷ The Effect of Changing Intellectual Property on Pharmaceutical Industry Prospects in India and China: considerations for Access to Medicines. DFID Health Systems Resource Centre, June 2004