

UNCTAD-WHO Global Webinar
Invest in quality local production in low-income countries
to address supply bottlenecks during the pandemic

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Opening statement by

James Zhan

Director, Investment and Enterprise, UNCTAD

Distinguished Panelists,

Excellencies, Ladies and Gentlemen,

Thank you for joining us today for this important webinar on investing in quality local production in low-income countries to address supply bottlenecks during and beyond the global pandemic.

I wish to thank our long-term partner, the World Health Organization, for co-organizing this event with UNCTAD. Thank you, Ms. Emer Cooke, Director of WHO Regulation and Prequalification Department, for joining us to address the event; and thank you, Ms. Jicui Dong, for your close collaboration with my colleague Christoph to moderate the event.

COVID-19 raises **three fundamental challenges** for the pharmaceutical sector, and more broadly for public health system:

- Tackling vulnerability of the international production and supply chains,
- Mobilizing production capacity to satisfy global demand for large volumes of urgently needed novel treatments, diagnostics and vaccines, and
- Improving the accessibility and affordability of badly needed medicines and equipment by poor people in low-income countries.

The objective of this webinar is to exchange views on how to address the above triple changes through global partnerships with local producers in low-income countries. From the UNCTAD perspective, investment in local productive capacity is essential to help low-income country-based manufacturers engage in COVID-19-related partnerships.

For the international supply chains, the manufacturing of most pharmaceutical key ingredients and materials is concentrated in a few places. Some of them are experiencing serious disruptions of their supply chains for potential COVID-19 treatments and personal protective equipment (PPE). Could the production in more locations, particularly in those with lower production costs, provide more stability to pharmaceutical and medical equipment supply chains?

For production capacity, once a drug or vaccine for COVID-19 is available, massive demand is likely to outstrip supply. This necessitates an expansion of global production capacity through new industrial alliances, parallel manufacturing by multiple companies in multiple locations, and creative approaches to intellectual property.

For vaccines, the demand will be even higher. According to *The Economist*, worldwide vaccine production – which is currently at over 5 billion doses of vaccine a year - will not be sufficient to meet the new demand. There are scientific and technological limitations to the repurposing of existing capacities to manufacture a COVID vaccine. As there is no excess capacity, using existing manufacturing facilities may cut down the number of those regular vaccines being made. According to WHO, polio vaccination campaigns have already been put on hold, and in some countries, routine immunization services are being scaled back or shut down. When vaccination coverage goes down, more outbreaks will occur, including of life-threatening diseases like measles and polio.

In fact, some middle and low-income countries have already succeeded in establishing a local pharmaceutical or vaccines industry that is capable of complying with international quality standards. Other countries are actively supporting the development of their domestic pharmaceutical industry, in cooperation with development partners such as UNCTAD and WHO, as well as bilateral donors. Can these country-based producers play a role in meeting global demand for COVID-19-related treatments and vaccines? The answer is they can, and they should. For many countries, this is an essential question of public health security. It is evident that the existing global productive capacity for Covid-19 medicines and vaccines (once available for production) cannot meet the global demand, and the poor countries will be left behind. Leaving anyone behind can risk everyone in the relapse of the pandemic!

To avoid this scenario, it is important to engage in partnerships among governments, local producers, international investors and development partners. The objective of this webinar is to start a conversation with all stakeholders on the key actions that would be needed to promote these partnerships.

- What are the priorities for public health systems and industrial development strategies in low-income countries?
- What are the needs of domestic producers in terms of quality upgrading and government support?
- And what are the expectations of international investors and technology holders when considering cooperation?

UNCTAD is prepared to continue its effort to explore practical solutions. I hope that today's webinar will set the scene for further engagement and future actions, in collaboration with governments, the private sector, civil society and a larger group of UN agencies. Together, we can create a global enabling framework and national ecosystem to enable local manufacturing to contribute to both local and global public health endeavour, and ultimately to achieving SDGs 3 and 9.

Thank you.