

PHARMACEUTICALS

GIRP marks 50 years in Cannes



Ms. Derecque, Ms. Golinelli, Mr. Jenny at the 50 year celebrations in Cannes

Early last week GIRP, the European association representing European pharmaceutical full-line wholesalers, marked its 50 year anniversary. Since its founding in 1960, it has developed as a true focal point of understanding and competency for the medicines distribution sector. Its members' main pursuit is to ensure the safe and efficient delivery of all medicines to all patients in Europe. Patients can fully be assured access to medicines through the full-line wholesalers' public service role and function. New Europe reports from the event of this week's GIRP Annual General Meeting, which took place early last week in Cannes, France.

Full-line wholesalers – an irreplaceable partner for authorities

Addressing nearly 200 delegates at the GIRP Annual General Meeting, Ms. Danielle Golinelli from the Department for Health Products & Health Practice at the French Ministry of Health spoke of full-line wholesaling as a controlled, quality-assured, public service that is appreciated by authorities. The intervention of manufacturers and wholesalers within the distribution chain "is subject to a public service framework", the deputy director of the department explained.

As the Annual General Meeting got under way, Ms. Golinelli explained that "each manufacturer and wholesaler must ensure the safe and continuous supply of all medicines to pharmacies", which the French authorities are very keen to preserve. "Selective distribution does not take account of market specificities and could make the chain more fragile", she added. Mr. Jean Marimbert, Director General of Afssaps, France's healthcare products regulatory agency, spoke of pharmaceutical full-line wholesaling "as the perfect example of a sector that must balance market economy and public service principles". According to Marimbert, full-line wholesalers are "innovative companies", which guarantee high safety and quality standards while complying to the requirements of a legal public service obligation. France seems to be "appreciative" of the current role of full-line wholesaling for ensuring quality, traceability and access, with the head of the agency indicating that most politicians are committed to keeping the existing distribution system. However, there is a need to "strike the right balance" between market economies and public services Marimbert

stressed, but we are "optimistic" for the future he said.

Dr. Thomas Trümper President of German pharmaceutical full-line wholesaling association PHAGRO told New Europe on the sidelines of the Annual General Meeting that the adopted German public service obligation has been a "fantastic" first step in the recognition of the contribution full-line wholesalers make to the healthcare system. According to the association's head, the full-line wholesaling business is and remains an "important and irreplaceable partner". This has been fully endorsed by the German government through a public services order, which is an important mean through which Germany will be successful in "preserving the pivotal role and function" full-line wholesalers play in today's health care services. Since the public service responsibility was placed on full-line wholesalers and their right to receive supplies of all medicines has been enshrined in German law, the system has been working very well, Trümper added. However, a more adequate remuneration system to reflect the duties of full-line wholesalers needs adopting.

Medicines safety – a well balanced solution

GIRP Director General Monika Derecque-Pois urged members of the European Parliament and Member States representatives of the Council of the European Union to seek out a "balanced solution" to manage the issue of falsified medicines. This comes at a time when the European Parliament and Council is pushing forward legislation as part of the "pharma package". Speaking to journalists at a press conference on Monday, Derecque-Pois stressed her members "do not support wholesaler batch number recording, but see full merit in product verification at the point of dispense" with the possibility to verify medicines in the wholesaling channel as the best result-orientated option available. The "recording of batch numbers" would not lead to increased supply chain safety she explained. Instead it would bring inefficiencies and significantly impact the speed of delivery of medicines, which is so heavily relied upon by pharmacies. Falsified medicines can be caught at the point of dispense through product verification systems which are currently being tried and tested. An automated system which captures product information would require all medicines to

contain a batch number, expiry date and a national identification number. This information needs to be contained on the pack, in addition to a randomised serial number, in a machine readable, harmonized code.

According to the association's head, the decision regarding the application of the safety features should be determined on a risk-based approach related to the risk of the products and not the channel of distribution or its complexity.

Sustainable remuneration – full-line wholesalers pressure for change

The President of GIRP, Mr. René Jenny, has called for stakeholders and decision makers to find a sustainable way for patients to access all medicines while ensuring the supply and distribution system remains workable. Speaking at a GIRP press briefing, Jenny claimed that changes to delivery modes and medicines procurement processes threaten the future of full-line wholesaling. The current remuneration approach cannot be maintained when one considers the basic economics of the model. Remuneration schemes do not offer sufficient margins to cover the costs of storage, handling and supply of low-priced medicines. Systems of remuneration are based on a margin scheme that relies on striking a "delicate balance between generating revenues from high and low-priced products in such a way that together they contribute in real terms towards covering the costs involved in operating a full-line wholesaling model for all medicines".

"This is cross subsidisation", he explained. When selective distribution takes place there is an "unbalancing effect" on the full-line wholesaling model. Selective distributors supplying only the higher priced medicines, for example, are earning high revenues, but leave less of the high-priced products to be distributed by full-line wholesalers, and therefore less money to subsidise the cost of supplying the lower priced drugs.

He said removing these products from the full-line wholesaler product range would mean that full-line wholesalers cannot serve as a one-stop-shop for pharmacies and other healthcare providers and patients would have significantly more difficulties accessing their medicines.

Therefore, the GIRP President called for a sustainable remuneration model for the distribution of all medicines.



New Europe content partner



A new Asia-Europe partnership for development

By Shada Islam

It used to be fairly simple – but it did not get results. Aid from rich industrialized countries to poorer ones was seen as the key to growth and development. Ministers and officials spent hours haggling over aid packages and critics routinely referred "hand-outs" to poor countries. Official aid from rich to poor countries remains a vital tool in the combat against poverty. However, for many middle-income countries in Asia, such assistance is dwarfed by private sector financial transfers. In the 21st Century, working for growth and development is no longer merely about increasing development aid. This is particularly true in Asia where many countries are progressing from low-income to middle-income status. True, while extreme poverty is still a reality in Asia, many countries in the region have developed through domestic effort, trade and access to private financial flows – with little aid. Andris Piebalgs, European Commissioner responsible for development told an ASEM conference in Yogyakarta, Indonesia, on May 26, the changes prompted by Asia's rise demand a rethink of EU development aid to the region. "We can't treat China the same way as Cambodia," he said. Certainly, poverty-alleviation is still an over-arching global challenge. The meeting in Indonesia noted countries' commitment to pursue the goal of poverty eradication and achieve the anti-poverty Millennium Development Goals (MDGs), adopted by world leaders in 2000 – and which call on developed countries to set aside 0.7 per cent of their GNI (gross national income) for Official Development Assistance (ODA) by 2015. Sustainable development hinges on more than aid. As Koos Richelle, Director General for Development at the European Commission pointed out in Manila, aid has "never got countries out of poverty." Growth and development comes from "the policy of the country and efforts of the people," he said. Crucially, ensuring growth requires the mobilization of a range of "non-aid" policies to support development. It is conditional on good governance – including fair taxation and anti-corruption action – adopted by national governments. The focus is on political and economic reform and building market economies. Development cannot be imposed from outside, it has to be "owned" by countries. In other words, development cooperation is no longer about charity, it is about enlightened mutual self-interest. These and other issues need to be explored further within the ASEM context. First, because the EU is the largest provider of ODA in the world, giving almost 4 billion euros a year in assistance to the less well-off Asian countries which are members of ASEM. Second, there are still many people living in extreme poverty in Asia. Third, there is a compelling need for stronger cooperation and coordination between the EU and Asian countries which are also aid donors, including Japan and China and also India. Fourth, the EU and Asian countries need to reassess whether aid development cooperation should continue to play a significant role in Asia's middle income countries and emerging economies – China, India, Indonesia, Malaysia and Thailand – or whether it is time to look at other ways of raising development resources. "EU aid should act as a catalyst for additional investment," Pielbags told the meeting in Yogyakarta, "...it should be used in a way that one euro generates two or more additional euros." The ASEM 8 summit in Brussels on October 4-5 will provide another opportunity for Asian and European leaders to elaborate on forging a new partnership which goes further – much further – than aid.

Shada Islam is a journalist in Brussels with a long experience of EU-Asia relations. This article, part of a series of articles being published in cooperation with the European Commission in the run-up to the ASEM 8 summit in Brussels on October 4-5, reflects the views of the author