

Written submission from The Association of the British Pharmaceutical Industry (ABPI)  
(CVT0056)

**Date: 29 June 2020**

**Key points:**

- The pharmaceutical industry is fully committed to accelerating the development, production, and equitable global access to safe, quality, effective, and affordable COVID-19 therapeutics and vaccines.
- Pharmaceutical manufacturers, over decades, have carefully built robust global supply chains to ensure patients in the UK and around the world have ongoing access to medicines that are manufactured through internationally recognised regulatory standards to ensure their quality and safety.
- The need for global supply chains is three-fold, to ensure that:
  - Supply chains are resilient and flexible.
  - Medicines are developed efficiently, delivering the best possible value to health systems like the NHS.
  - Companies can manufacture at the scale needed to provide the volume of medicines to serve all patients across the globe.
- To support continued supply resilience during the COVID-19 pandemic and into the future ABPI:
  - strongly cautions against countries imposing protectionist measures such as export restrictions and/or stockpiling requirements that will disrupt already stretched global supply chains.
  - would encourage the UK to support emerging international trade liberalisation initiatives for medical goods.
  - warns against drastic policies mandating wholesale changes to global supply chains which could fundamentally disrupt the manufacturing and supply of medicines for the NHS and patients.
- Whilst the Government and industry should work together to identify opportunities to attract advanced manufacturing to the UK, this should be done in a strategic manner that delivers benefits to patients and the NHS, supports innovation and drives economic growth.
- Our focus now must be on avoiding supply chain disruptions, whilst continuing research and development (R&D) into treatments and vaccines to beat COVID-19.

June 2020

Written submission from The Association of the British Pharmaceutical Industry (ABPI)  
(CVT0056)

*Please note, this submission is supplementary to Oral Evidence given by Dr Richard Torbett, Chief Executive, ABPI, on 23rd April 2020.*

## **About the ABPI**

The ABPI represents pharmaceutical companies of all sizes who invest in researching and developing new medicines. Our members supply cutting edge treatments that improve and save the lives of millions of people and work in partnership with Governments and the NHS so patients can access new treatments faster.

The evidence provided in this submission therefore relates to medicines developed and manufactured by the innovative pharmaceutical industry and may or may not apply to generic or over the counter medicines.

The pharmaceutical industry makes a significant contribution to the UK's economy and strength in R&D. Building on strengths such as the UK science base and a world leading intellectual property regime, the industry has invested more in R&D in the UK than any other sector, investing £4.5bn in 2018 alone and creating high skill jobs across the UK. In 2018, the UK exported £23.4Bn worth of pharmaceutical goods (6.3% of total UK exports)<sup>1</sup>, the third most valuable sector after cars and mechanical power generators.

## **The role of the pharmaceutical industry in fighting COVID-19**

1.1 There are significant global efforts underway to diagnose, treat and prevent infections from the COVID-19 virus. Pharmaceutical companies are working around the clock, using their deep scientific knowledge gained from decades of experience with similar viruses to research and develop potential treatments and vaccines, as well as diagnostics to detect whether patients are infected with COVID-19 - a key step in preventing or slowing its spread.

1.2 To date, the pharmaceutical industry has swiftly mobilised its resources to:

- provide and prioritise delivery of critical products to tackle COVID-19, whilst also meeting ongoing needs from other existing health conditions.
- research and develop new, and re-purpose existing, health technologies including preventive tools, diagnostics, treatment, medicines, and vaccines.

---

<sup>1</sup> UK Trade in Numbers, Department for International Trade, February 2019 - <https://www.gov.uk/government/statistics/uk-trade-in-numbers>

Written submission from The Association of the British Pharmaceutical Industry (ABPI)  
(CVT0056)

- ensure there is capacity to scale up manufacturing output of effective COVID-19 vaccines or therapies once they are found, and re-directed manufacturing output to assist with the delivery of urgently needed products.
- support NHS service delivery through availability of healthcare expertise.
- contribute to increased UK laboratory and testing capacity.

1.3 Recent analysis showed that 72% of COVID-19 potential vaccines are being developed by industry with the remaining 28% being by academic, public sector and other not for profit organisations<sup>2</sup>. Furthermore, companies have invested billions in technologies that have dramatically shortened the time it takes to decode viruses and develop potential vaccines.

1.4 However, the commitment of the innovative industry does not stop there. As part of the new global Access to COVID-19 Tools Accelerator, **industry is fully committed to accelerating the development, production and equitable global access to safe, quality, effective, and affordable COVID-19 therapeutics and vaccines.**

## The impact of COVID-19 on pharmaceutical supply chains

2.1 Pharmaceutical manufacturers, over decades, have carefully built robust global supply chains to ensure patients in the UK and around the world have ongoing access to medicines that are manufactured through internationally recognised regulatory standards to ensure their quality and safety. **The need for global supply chains is three-fold, to ensure that:**

- **Supply chains are resilient and flexible.** Geographical concentration of production (regionally or nationally) can make supply chains more vulnerable to external shocks. Diversification is key to the success of supply chains, enabling manufacturers to make adjustments as needed to ensure stability and avoid potential shortages and disruptions
- **Medicines are developed efficiently, delivering the best possible value to health systems like the NHS.** The NHS, like all other healthcare systems in the world, seeks to find efficiencies so that we can deliver high quality healthcare at the best possible price. Global supply chains support these expectations.
- **Companies can manufacture at the scale needed to provide the volume of medicines to serve all patients across the globe.**

---

<sup>2</sup> Nature, The COVID-19 Vaccine development landscape <https://www.nature.com/articles/d41573-020-00073-5>  
June 2020

### **Current status of the supply of branded medicines to the NHS**

- 2.2 The global supply chain has proven to be resilient, and industry has largely been able to meet the exceptional demand for prescription medicines. Of the 12,000 different prescription medicines used by the NHS, during the COVID response period to date, only a very small number<sup>3</sup> have triggered a 'Supply disruption alert'. In each case, negative impacts have been limited by sourcing alternative supplies or through publishing advice on the management of affected patients.
- 2.3 There have undoubtedly been challenges in certain medicine classes, driven by extraordinary demand – but through resilient supply chains and contingencies, international coordination and information sharing within global companies, and an enormous effort on behalf of industry to ramp up and where necessary redirect manufacturing, patients have continued to be able to access the critical medicines they need
- 2.4 However, when building supply chain resilience, it is critically important to focus and balance supply and demand factors. To date, supply chain resilience has focussed on increasing supply and we would encourage future approaches to be better informed by accurate NHS demand forecasts.
- 2.5 **We would encourage enhanced collective dialogue between manufacturers and the NHS to ensure suppliers can gauge their production and supply to actual national demand.** This may be particularly relevant when multiple suppliers may be able to satisfy market demands e.g. generic medicines which may require active co-ordination of information flow, or allowance given for information share between manufacturers, similar to what has been introduced by Efpia at European level, and Australia.

### **Ensuring continued supply resilience during the COVID-19 pandemic and into the future**

- 3.3 At this time, more than ever, industry welcomes measures which facilitate trade such as eliminating tariffs on medicines and medical and protective equipment. **We also strongly caution against countries imposing protectionist measures such as export restrictions and/or stockpiling requirements that will disrupt already stretched global supply chains.** This is particularly true for branded medicines, with a single corporate manufacturer, where it is critical that the manufacturer is allowed complete freedom to react to national and global demands.

---

<sup>3</sup> MHRA central alerting system <https://www.cas.mhra.gov.uk/SearchAlerts.aspx>  
June 2020

Written submission from The Association of the British Pharmaceutical Industry (ABPI)  
(CVT0056)

- 3.4 With its new and independent trade agenda, the UK has the chance to establish itself as an advocate for free trade. We are supportive of the work the Department of International Trade has been undertaking during this pandemic to ensure supply chains continue to function. **Following the recent G20 trade ministers' statement<sup>4</sup> , we would also call for the UK to build on this by supporting emerging international trade liberalisation initiatives for medical goods** (e.g. tariff reductions, customs facilitation, expansion of the WTO Pharmaceutical Tariff Elimination Agreement).
- 3.5 Longer term, **drastic policies mandating wholesale changes to global supply chains could fundamentally disrupt the manufacturing and supply of medicines for the NHS and patients** - it would be neither desirable nor possible for each of the 12,000 medicines supplied to the NHS to be manufactured here in the UK
- 3.6 **Whilst the Government and industry should certainly work together to identify opportunities to attract advanced manufacturing to the UK, this should be done in a strategic manner that delivers benefits to patients and the NHS, supports innovation and drives economic growth.** Our focus must be on avoiding supply chain disruptions, whilst continuing R&D into treatments and vaccines to beat COVID-19.

---

<sup>4</sup> G20 Trade and Investment, ministerial statement,  
[https://g20.org/en/media/Documents/G20\\_Trade%20&%20Investment\\_Ministerial\\_Statement\\_EN.pdf](https://g20.org/en/media/Documents/G20_Trade%20&%20Investment_Ministerial_Statement_EN.pdf)  
June 2020