Recommendation 969 (1983)[1]

Sale of European pharmaceutical products in the countries of the Third World

Parliamentary Assembly

The Assembly,

1. Considering that all populations of the world have the right to health and should therefore have access to modern, appropriate medicine ;

2. Considering also that the member states of the Council of Europe should collaborate in international fora to promote improved standards of health within all populations of the world ;

3. Observing that today a vast majority of the developing countries have neither the health infrastructure nor the funds to make essential drugs available to their populations, or even when they do, these drugs do not always comply with safety, price and labelling norms of the producing countries ;

4. Aware that the health and safety regulations of some of the developing countries cannot be implemented in such a way as to curtail imports of products not complying with certain standards, thus creating health hazards for the population, although this situation is now improved by the existence of the World Health Organisation's Certification Scheme on the quality of pharmaceutical products moving in international commerce ;

5. Convinced that the prime responsibility as regards the health care and drug policy for their population lies with each of the developing countries, which cannot solve their problems without a comprehensive policy to meet their specific needs ;

6. Believing, however, that the producing countries have a moral responsibility to assist developing countries in their efforts to provide better health care by supplying drugs of good quality available at favourable prices ;

7. Noting that the international trade of pharmaceutical products is an expanding health care business representing an annual turnover of nearly 100 thousand million dollars and that it is a sector which has increased its capacity despite the general economic recession ;

8. Noting, furthermore, that the Western European pharmaceutical industry occupies the first place in the world market with a share of about 25% ;

9. Considering that some of the drugs in circulation in developing countries correspond to the category of "essential drugs" as described by the World Health Organisation, most of the rest being unsuited or unnecessary pharmaceuticals, too great a burden for individual and national budgets ;

10. Considering that in almost all developing countries the category "prescription-only medicines" does not exist, and that this fact must be taken into account by the companies selling drugs to these countries, which otherwise might take advantage of this situation to promote their production without the necessary self-restraint or labelling precautions, sometimes even with questionable marketing practices ;

---

1. Assembly debate on 27 and 28 September 1983 (11th and 12th Sittings) (see Doc. 5113, report of the Committee on Social and Health Questions). Text adopted by the Assembly on 28 September 1983 (12th Sitting).

11. Considering that practices such as transfer pricing, which is the device by which companies export funds by charging local subsidiaries inflated prices for products supplied by the parent company, often bring up the prices of some drugs to prohibitive levels ;

12. Considering that there are comprehensive and diverse procedures for the control of drugs within the Western European countries, backed up by European guidelines such as the European Pharmacopoeia, Council of Europe (Partial Agreement in the Social and Public Health Field) recommendations and European Community directives, all aimed at regulating the quality, use and advertising of drugs circulating within national frontiers or between Western European countries ;

13. Considering, however, that these procedures or guidelines do not apply as regards pharmaceutical products intended exclusively for export to states not members of these European institutions ;

14. Convinced that further support and encouragement should be given to pharmaceutical companies that are willing to invest in research into tropical diseases ;

15. Welcoming the fact that the International Federation of Pharmaceutical Manufacturers Associations (IFPMA) has introduced, following an initiative put forward in WHO and in the absence of any binding international instrument, a self-regulatory Code of Marketing Practices, and urging that its principles be enforced with effective deterrents, that WHO should monitor these practices, and that breaches of it should be communicated to international agencies such as the World Health Assembly ;

16. Convinced that, in its present state, the North-South drug trade, with a few exceptions of goodwill, represents a striking illustration of unequal exchange with the ultimate consequence of sustaining underdevelopment in the Third World, and believing that a more balanced trade of pharmaceutical products is likely in the long run to be more beneficial to the drug industry in Europe and to health care in the Third World,

17. Recommends that the Committee of Ministers :

a. invite the governments of the member states to give their full political support to the development of an effective code of marketing practices in the field of pharmaceuticals, which was already discussed in WHO in 1978 ;

b. invite the governments of the member states to participate more actively in the "Certification Scheme on the quality of pharmaceutical products moving in international commerce" which is mainly an information scheme for the benefit of importing countries and is endorsed by the European industry ;

c. invite the governments of the member states to give their full political support to the extension of the procedures and guidelines referred to in paragraph 12 to pharmaceutical products intended exclusively for export to Third World countries ;

d. instruct the competent expert committee of the Council of Europe to prepare guidelines for member governments taking into account the following principles :

1. the sale of pharmaceutical products cannot be considered as an ordinary trade since it involves human health and well-being. Member states, therefore, should revise, if necessary, their health aid programmes, in order to assist developing countries with drug evaluation and improved access to useful drug information ;

2. companies which are willing to invest in research programmes on tropical diseases and prepared to promote the transfer of essential drug technology, on favourable terms, to the least developed countries ought to be encouraged ;

3. companies should be asked to respect more the purpose behind the WHO selection of essential drugs and not to push, by advertising campaigns and unethical pressures on public health professionals, expensive and irrational drugs ;

4. big research-based companies, which until now mainly exported brand-named products, but are now tending to produce also generic drugs which no longer enjoy patent protection and are therefore cheaper for the consumer, should be encouraged rather than to leave this field to low-quality imitators ;

5. plans by the governments of developing countries to rationalise their drug policies either by the creation of central purchasing agencies, the promotion of generic names or by other similar means should not be obstructed, provided that high standards of quality are observed.