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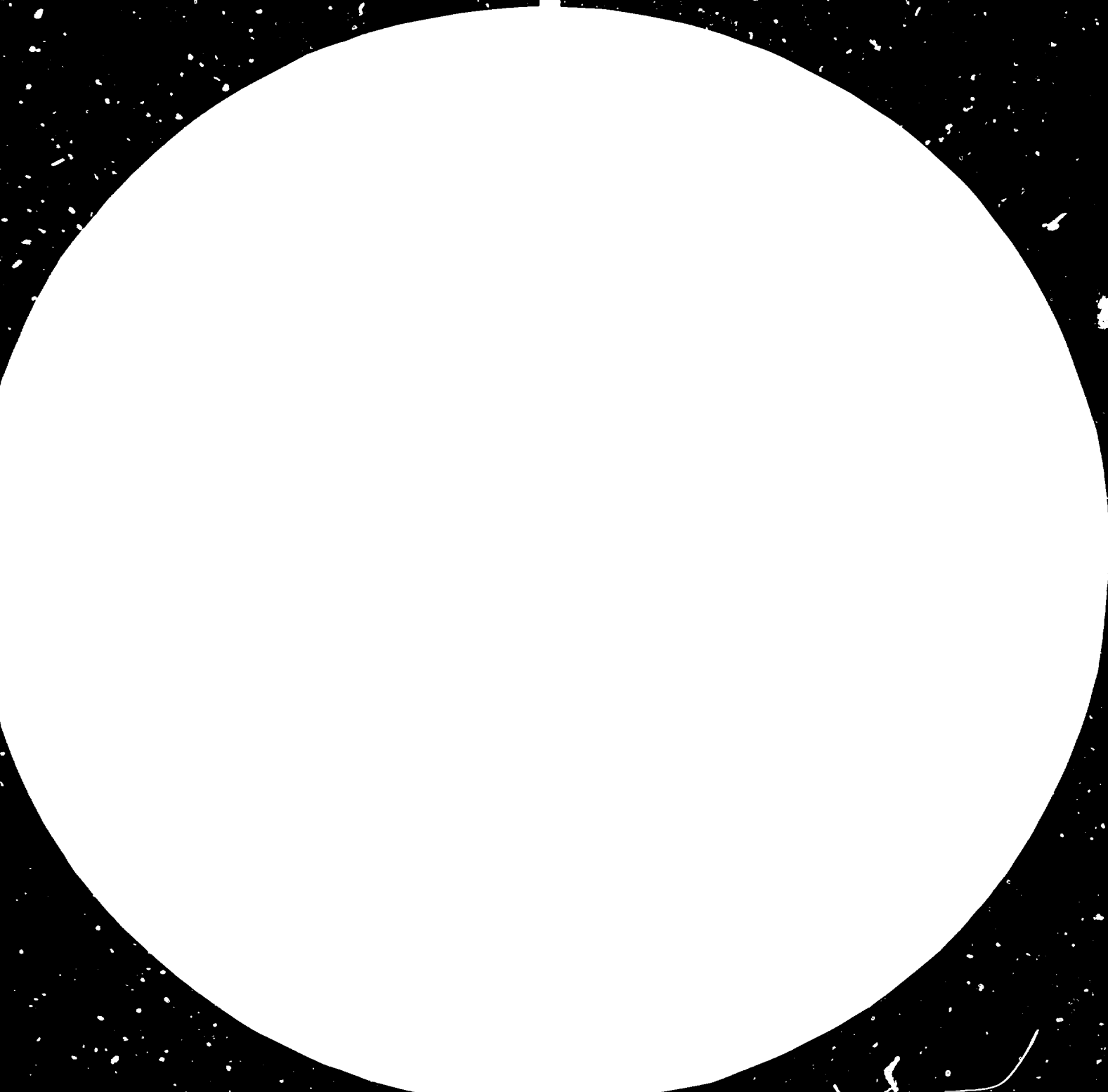
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W. J. McEwen, Jr., Editor, *Journal of Applied Optics*,
Vol. 10, No. 1, pp. 1-2, 1971.

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UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Distr.
LIMITED
UNIDO/PC.33
21 January 1982
ENGLISH

Round Table Meeting on the Development
of the Pharmaceutical Industry
Mohammedia, Morocco

2-3 December 1981

REPORT *

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P R E F A C E :

The Second General Conference of the United Nations Industrial Development Organization (UNIDO), held at Lima, Peru, in March 1975, recommended that UNIDO should include among its activities a system of continuing consultations between developed and developing countries with the object of raising the developing countries' share in world industrial output through increased international co-operation.^{1/}

The General Assembly, at its seventh special session in September 1975, in its resolution 3362 (S-VII), decided that the System of Consultations called for by the Lima Declaration and Plan of Action should be established at global, regional, interregional and sectoral levels,^{2/} and that UNIDO, at the request of the countries concerned, should provide a forum for the negotiation of agreements in the field of industry between developed and developing countries and among developing countries themselves.

The System of Consultations has been established under the guidance of the Industrial Development Board.

1/ Report of the Second General Conference of the United Nations Industrial Development Organization (ID/CONF.3/31), chapter IV, "The Lima Declaration and Plan of Action on Industrial Development and Co-operation", para. 66.

2/ Official Records of the General Assembly, Seventh Special Session, Supplement No. 1, para. 3.

The Board at its fourteenth session in 1980 decided to establish the System of Consultations on a permanent basis with the following main characteristics, including those described in its past decisions:

(a) The System of Consultations should be an instrument through which the United Nations Industrial Development Organization (UNIDO) would serve as a forum for developed and developing countries in their contacts and consultations directed towards the industrialization of developing countries;^{3/}

(b) Consultations would also permit negotiations among interested parties at their request, at the same time as or after Consultations;^{4/}

(c) Participants of each member country should include officials of Governments as well as representatives of industry, labour, consumer groups and others, as deemed appropriate by each Government;^{5/}

(d) Final reports of the Consultations should include such conclusions and recommendations as agreed upon by consensus by the participants as well as other significant views expressed during the discussion;^{6/}

The First Consultation on the Pharmaceutical Industry was convened in Estoril, Portugal, from 1 to 5 December 1980^{7/} As a follow-up of the First Consultation UNIDO convened a Round Table Meeting on the Pharmaceutical Industry in Mohammedia, Morocco, from 2-3 December 1981.

^{3/} Ibid., Thirty-fifth Session, Supplement No. 16, para. 151(a).

^{4/} Ibid., para. 151(b)

^{5/} Ibid., para. 152.

^{6/} Ibid., Thirty-second Session, Supplement No. 16, para. 163.

^{7/} See Report of the Meeting (ID/254).

INTRODUCTION :

The Round Table Meeting on the development of the pharmaceutical industry was held at the Meridien Hotel, Mohammedia, Morocco, from 2-3 December 1981.

The meeting was attended by 22 participants (see Annex I).

ORGANIZATION OF THE MEETING :

1. The meeting was opened by the Minister of Commerce, Industry and Tourism, Mr. Azzedine Guessous

2. The meeting was also addressed by Ms. Hlass, co-ordinator of UN activities in Morocco and by Mr. Tazi, President of the National Council of Pharmacists, the UNIDO counterpart in the organization of this meeting. Finally, Mr. Hacini, Head of the Negotiations Branch, addressed the meeting, explaining in general the system of consultations and specifying in particular the objectives regarding the organization of this round table meeting.

3. Mr. Tazi, President of the National Council of Pharmacists, was elected Chairman of this meeting.

4. As an agenda the meeting agreed to comment

a) on UNIDO's approach on the follow-up actions of the Lisbon recommendations and

b) on the composition of the ad hoc panel of experts for contractual arrangements for the production of drugs as well as for the committee in charge of the technical and economic aspects of the production of drugs.

5. The documents distributed to the participants are listed in Annex II.

C O N C L U S I O N S A N D R E C O M M E N D A T I O N S :

ISSUE NO. 1: AVAILABILITY, PRICING OF ESSENTIAL BULK DRUGS
AND INTERMEDIATES

1. The First Consultation on the Pharmaceutical Industry, held in Lisbon recognized the existence of a problem with regard to prices of bulk drugs and intermediates. The Committee of Experts to be set up in line with the recommendation no. 1 of the First Consultation should pay particular attention to intermediates for which there are only limited sources of supply with a view to improve their economic availability at mutually acceptable terms and conditions, so as to assist the developing countries in the successful production of bulk drugs.
2. In addition, the Committee should pay special attention to those bulk drugs for which there are only limited sources of supply.
3. The UNIDO should invite representation for participation in the Committee's work of those manufacturers of intermediates and bulk drugs for which there are only limited sources of supply.
4. UNIDO should prepare a directory with names of manufacturers and suppliers of the 26 essential drugs and their intermediates, with details and specifications. Whenever requested by a developing country to provide information on indicative prices for those essential drugs, UNIDO will use its best endeavors to do so. The directory may also include similar information on additional essential drugs needed by developing countries. The directory should be updated periodically.

ISSUE NO. 2: CONTRACTUAL ARRANGEMENTS

In line with the recommendation no. 2 of the First Consultation on the Pharmaceutical Industry held in Lisbon, UNIDO should prepare a document based on the following guidelines:

1. The document should:
 - (a) be primarily addressed to parties negotiating transfer of technology agreements;
 - (b) constitute an operational tool for enterprises in developing countries;
 - (c) draw attention to particular problems faced by developing countries in this field, particularly by least developed countries;
 - (d) duly consider the main factors that hamper the successful transfer of technology and the development of the pharmaceutical industry in developing countries.

2. In the preparation of the document the following main principles should be taken into account:
 - (a) TOT should contribute to the identification and solution of economic and social problems related to the production and use of pharmaceuticals in developing countries, with an aim at substantially improving, at adequate costs and quality, the availability of essential drugs in developing countries;
 - (b) The parties to a TOT agreement should be responsive to the health, drug, industrial and other relevant policies of the receiving country, including import substitution, development of technical skills, promotion of local innovation, etc.;

- (c) Licensing agreements should contain fair and responsive terms and conditions, including payments, and be no less favourable for the recipient than the terms and conditions usually applied by the supplier or other reliable sources for similar technologies under similar circumstances;
 - (d) The agreement should, in particular,
 - (i) ensure the absorption of technology transferred by local personnel;
 - (ii) allow the use, as far as possible, of locally available materials and services;
 - (iii) facilitate and, in any case, do not restrict the adaptation and further development of technology received;
 - (iv) include adequate guarantees for the performance of the parties obligations;
 - (v) provide full information on the characteristics of the technology and drugs to be manufactured, specially in respect of possible hazards and side effects;
 - (vi) do not contain unjustified restraints on the recipient's use of the technology.
3. The Panel of Experts to be convened by UNIDO should pay particular attention to the preparation of terms and conditions, variations thereof and background notes relating to agreements for the manufacture of intermediates and bulk drugs. This should be without prejudice to considering the other types of arrangements as described in UNIDO document PC/19. The already large experience of developing countries in agreements for the formulation of dosage forms should be adequately considered when dealing with arrangements for the transfer of technology for that purpose.
4. Among other items to be including in such agreements, the Panel should give special attention to the following:

- supply of intermediates and other major raw materials;
 - transfer of improvements;
 - conditions of remunerations;
 - guarantees;
 - use of the technology after the expiration of the agreement;
 - export of products;
 - training of local personnel.
 - confidentiality.
5. The document should also identify the restrictive clauses to be excluded from technology transfer agreements.

Terms of Reference for ad hoc panel of experts for contractual arrangements
(See paragraph 2 of Report of the First Consultation on Pharmaceutical Industry)

1. "To consider the content of items which could be incorporated into a document consisting of various contractual arrangements between parties interested in transfer of technology in the pharmaceutical industry, complete with the necessary background notes, on various terms, conditions and variations thereof, that could be included in contractual agreements".

2. UNIDO detailed study (See paragraph 3 of First Consultation Meeting)

The UNIDO secretariat needs to undertake a detailed study of relevant issues to be taken into account when negotiating transfer of technology agreements incorporating the experience of developed countries. Document PC.19 needs to be revised and expanded to cover these matters. This study should also include the factors that need to be considered before entering into final transfer of technology negotiations, e.g. market studies, economic feasibility studies availability of technical infrastructure, etc. Emphasis should be given to the necessity of evaluating the efficiency of the particular technology under consideration.

3. Advice on composition of ad hoc panel experts for contractual arrangements

The ad hoc panel should be as small as possible and not more than 12 in number. There should be equitable geographical distribution with at least one representative from a country at an early stage in pharmaceutical industrialization. The panel should include individuals with experience as licensors and licensees and with legal and technical knowledge. They should, if possible, have had practical up-to-date knowledge and experience of transferring technology to developing countries from either developed or other developing countries.

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LIST OF PARTICIPANTS

Argentina

Sebastian Bago
Laboratorios Bago S.A.
Especialidades Medicinales
Bernardo de Irigoyen 248
Buenos Aires,

China

Sun Kan
Assistant Manager CNPIC
CNPIC, Liu PU Kang
Beijing,

Egypt

Ahmed Ali Aboul-Enein, Chairman and Managing Director
Chemical Industries Development
Pyramids Avenue - Giza
Cairo,

France

Léon Barréteau, Administrateur civil
Ministère de l'industrie
101, rue de Grenelle
Paris,

D. Eiret
Ministry of Industry, Pharmaceutical Div.
66 Rue de Bellechasse 75007
Paris

Germany, Federal Republic of

Hans Wagner, Head
Pharmaceutical Factory - D712
Hoechst AG
Postfach 80.03.20
D-6230 Frankfurt/Main 30

Hungary

G. Vago
Union of Pharmaceutical Industries
Lehel Ute 11
113^o Budapest.V

India

V. Venkitanarayanan
Joint Secretary
Department of Chemicals and Fertilizers
Government of India
New Delhi, 110001

Mr. P.N. Devarajan
Chairman and Managing Director
INDIAN DRUGS AND PHARM. LTD.
New Delhi, India

Mexico

Fernán Fernández-Viana
Coordinador General
Comisión Intersecretarial Industria Farmacéutica
Hermosillo 26
México 7, D.F.

Morocco

El Mokhtar Tazi
Président du Conseil National des Pharmaciens
287, Bd. Liberté
Casablanca

Cheikh Lahlou Jaouad
Pharmacien Directeur
41, Rue Mohamed Diouri
Casablanca

A. Chawki
Conseil National De L'ordre des Pharmaciens
Délégation Industrie Repartiteurs
Casablanca

Nigeria

I O. Yoloye
Principal Pharmacist
Pharmaceutical Manufacturing Lab.
Federal Ministry of Health
P.M. Box 2022 YABA

Pakistan

F.R.Y. Fazli
Deputy Director General (Pharmacy/Drugs Controller)
Ministry of Health and Social Welfare
Islamabad

Peru

Gerardo Garrido
Sintesis Química S.A.
Edif. Ejecutivo Pardo, Esq. Pardo/Bologuersi
Miraflores, Lima

Portugal

M.S. Alves
President, Pharmaceutical Group
Atral-Cipan
Ave. Gomes Pereira 74
1600 Lisbon

Union of Soviet Socialist Republics

A.I. Vinogradov
Head, All Union Corporation "Medzagranpostavka"
c/o United Nations Information Centre
4/16 Ulistsya Lunacharskogo
Moscow 121002

United States of America

J. Kingham
Vice-President for International Affairs
Pharmaceutical Manufacturers Association
1155 Fifteenth Street
N.W. Washington D.C. 20005

E. Davis
Vice-President
Corporate Affairs, Eli Lilly and Co.
307 East McCarty Street
Indianapolis, Indiana

International Federation of Pharmaceutical Manufacturers Association (IFPMA)

M.E. Vischer
President

S.M. Peretz
Executive Vice-President

IFPMA
Nordstrasse 15
P.O. Box 328
CH-8035 Zurich

OBSERVERS FROM MOROCCO

<u>NAME</u>	<u>LABORATORY</u>
- Monsieur BELGHAZI	- POLYMEDIC
- Monsieur BEKKARI	- LABORATOIRE LAPROPHAN
- Madame BENJELLOUN	- LABORATOIRE LAFRABIOL
- Monsieur BEN YAHIA	- SPECIA SMARIP
- Monsieur BERRADA	- B O T T U
- Monsieur BOIZETTE	- ROUSSEL DIAMANT MAROC
- Monsieur CHARDIGNY	- M A P H A R
- Monsieur EL BAHI	- R O C H E
- Monsieur GUERMAI	- G A L E N I C A
- Monsieur HAMZA	- S O P H A R M A
- Monsieur KADIRI	- AFRIC - PHAR
- Monsieur KADIRI	- S O T H E M A
- Monsieur KERDOUDI	- PHARINDUS
- Monsieur KOUHEN	- LABORATOIRE LAPROPHAN
- Monsieur LEWELLYN	- ASPRO NICHOLAS
- Monsieur NOTAISE	- S P E C I A
- Monsieur PELISSARD	- S O P H A R M A
- Monsieur TRAD	- BAYER PHARMA MAROC
- Monsieur MARTINI	- LEPPETIT PHARMAGHREB

A N N E X E I I

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