

## **6TH ANNUAL HEALTH DIALOGUE 2001 FOR THE HEALTH INDUSTRY: ISSUES HIGHLIGHTED BY THE MINISTER OF HEALTH**

**Berita Ubat-ubatan August 2001**



In his opening address at the 6th annual health dialogue for the industries, the Minister noted that despite the economic slow-down, the local pharmaceutical and related health industries have been progressing quite well. During the period 1985 to 2000, the Drug Control Authority (DCA) of the Ministry of Health received a total of 45,955 applications for product registration, which represents an increase of 6.1% compared to those recorded from 1985 to 1999. The number of products that were successfully registered also increased by 4.0% from 23,935 in 1999 to 24,902 in 2000. Of these, 8,813 are prescription drugs, 6,072 over-the-counter (OTC) products, 8,550 traditional medicines and 1,467 cosmetics (hair-dyes and tooth-whiteners).

As for the licensing of premises, up to December 2000 the DCA had issued 1,216 licenses, of which 208 are for manufacturers, 322 for importers and 686 for wholesalers. Of the manufacturing premises, 75 are producing pharmaceuticals, 130 traditional medicines and 3 cosmetics (hair-dyes). The total number of manufacturing premises in 2000 showed an increase of 9.5% compared to 190 in 1999.

According to the Ministry of International Trade and Industry (MITI), total capital investment in the pharmaceutical industry based on the total number of projects approved during the period 1995 – 2000 amounted to RM 153 million, of which 58.3% were domestic investments and the rest foreign investments.

Malaysia's imports of medicines and pharmaceutical products, however, still outstrip its exports by RM 0.95 billion in 1999, increasing to slightly more than RM 1 billion in 2000. The total exports increased by 5.7% from RM 286.3 million in 1999 to RM 302.6 million in 2000, but at the same time imports rose even faster by 6.5% from RM1.235 billion in 1999 to RM1.315 billion in 2000.

Based on these facts and figures, the Minister urged the local pharmaceutical manufacturers to strive harder to increase their manufacturing capability and production capacity, besides strengthening their R&D in order to produce high quality, efficacious and safe products not only for the domestic market but for international markets as well. This need is even more pressing in view of the impending implementation of AFTA (Asean Free Trade Area) by 2003, when the regional market for pharmaceutical products is expected to expand greatly and become even more competitive.

The Minister emphasized that it is therefore a matter of governmental concern that the local pharmaceutical companies expand their production capabilities and capacities fast, in order to produce a wider range of pharmaceutical products. To reduce the imports of expensive drugs, Malaysia certainly needed to strengthen her local production, focusing on pharmacological classes which are largely imported, like anti-neoplastics (anti-cancer drugs) which are presently 97.8% imported, blood and haemopoietics (e.g. anticoagulants) which are 79.1% imported and cardiovascular drugs (e.g. anti-hypertensives) which are 72.0% imported.

Another issue that the Minister touched on was with regards to the implementation of a Drug Price Information System. Under the WHO's Revised Drug Strategy released in April 2001 in conjunction with the 54th World Health Assembly, one of the activities recommended towards enhancing access to essential drugs is to make drug-pricing information widely

available. In line with this, the DCA has in February this year, embarked on a computerized drug pricing module for registered products

This drug pricing module will be incorporated into the National Pharmaceutical Bureau's (NPCB) List of Registered Products Database, which is equipped with a search engine and is currently accessible through the NPCB's website at <http://www.bpfk.gov.my/>. The database provides regularly updated information on all products registered with the DCA, such as the name of the product, dosage form, strength, registration number, active ingredient, name of manufacturer, name and address of registration holder and soon, the recommended retail price of the product.

This database, including the drug price information, will benefit many parties. Most importantly, it will allow interested parties such as consumers and members of the public to make informed choices on the medicines and pharmaceutical products that they intend to purchase. It will provide the industry with faster information on newly registered products to facilitate and expedite marketing. It will help the Ministry in its monitoring of current trends in drug pricing, enabling the comparison of prices between locally manufactured and imported products according to various parameters such as active ingredients, manufacturers and packet sizes. It will also assist the Ministry in decision-making and policy formulation.

A preliminary analysis of data from a pilot study, for instance, showed considerable disparity in prices between locally manufactured generics and imported patented products. The Minister added that escalating drug prices has always been an issue of great concern to healthcare providers, consumers, patients and members of the public. In the quest to protect public health, the Ministry of Health is always mindful of that responsibility, and continues to work hand in hand with the industry towards ensuring the quality, efficacy, safety, accessibility and availability of healthcare products. In conclusion he urged the industry to cooperate closely with his Ministry at all times towards this common goal.