

Geopolitics and the Global Pharmaceutical Supply Chain

A perspective from Indian Pharmaceutical Alliance (IPA)

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Changing geopolitical landscape

❑ VUCA World

- COVID-19 pandemic
- Rising geopolitical tensions (E.g. Russia-Ukraine War)
- Renewed inflation pressure and global economic slowdown
- Climate change

❑ **Every region relies on trade** with others for more than **25 % of at least one important type of good. No region is close to being self-sufficient.***

- International Trade based on comparative advantage and concentration, getting efficiency in procurement systems

❑ Uncertainty in **Demand and Supply**

❑ **Call to Action – Reimagining Supply Chain**

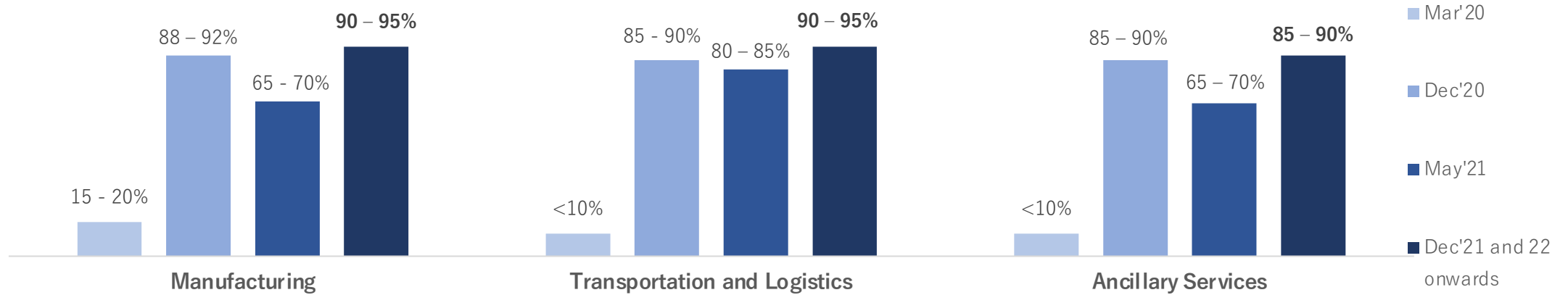
- New era in supply chain: Diversification and Criticality from national priority perspective

COVID-19 Learnings

❑ Consistent supply of medicines to over 200 countries

- Indian industry, government and regulators worked together and took necessary actions in an unpredictable environment

❑ Integrated efforts amongst stakeholders helped to meet the demand



Source: Data accounts for 79 plants and 64,000 employees across pharma clusters

❑ Coordination, communication and collaboration amongst WHO, IGBA members and other global organizations

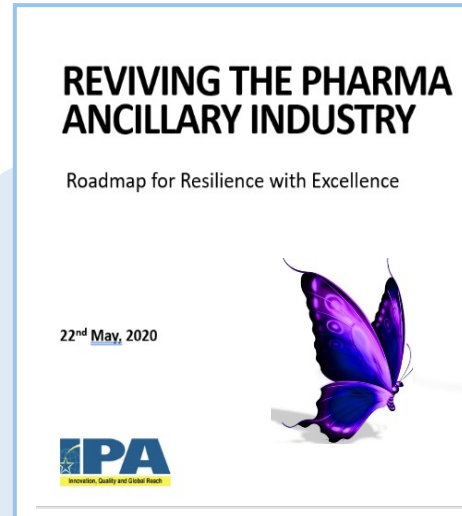
- Export restrictions and supply issues resolved through evidence-based advocacy and consistent communication
- The global generics industry stepped up to the plate to meet the challenges
- Operational efficiency got impacted because of overall high costs, logistic challenges and opaqueness in information systems

Integrated efforts towards building resilient supply chain

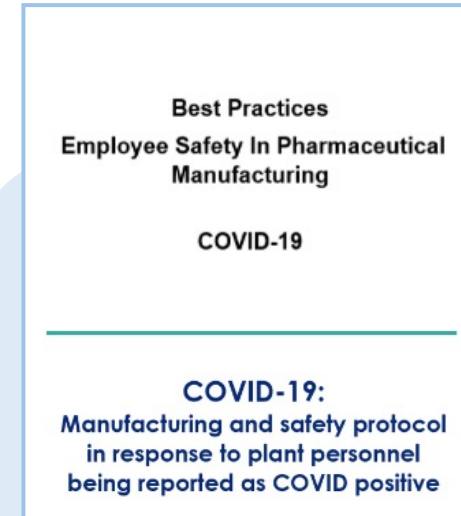


White paper on **Reviving the domestic API Industry** in Collaboration with PwC

Announcement of **Production Linked Incentive Schemes for 53 APIs** and 3 Bulk Drug clusters



White paper on **Reviving the Pharma Ancillary Industry** in



Best Practices on -

- **Employee Safety** Guidelines
- Handling Cases
- COVID-19 Containment
- Workplace Operations



White paper on **Future of Work – Quality** in Collaboration

Way Forward – Six Areas of Consideration

- ❑ Building **resilient and diversified supply chains**
 - Mapping current gaps for diversification. API/KSMs concentration in select markets
- ❑ Creating a **global cooperative framework** among nations with **investments in critical areas, technology exchange and procurement commitment**
- ❑ Developing **information-sharing and crisis-response mechanism**
 - Government-to-government cooperation to address supply chain vulnerabilities & disruptions
 - Sharing best practices
 - Reducing the impact of disruption by engaging with relevant stakeholders
- ❑ Establishing **transparency in the supply chain**
 - Balance between corporate risks and Environmental Social and Corporate Governance agenda for resilient and sustainable supply chains

Way Forward – Six Areas of Consideration

- ❑ Augmenting **digital infrastructure for public good**
 - Technology-enabled data delivery systems to be strengthened by organizations/nations
 - Integrated digital healthcare platforms for disease profiling and better flow of goods and services

- ❑ Strengthening **supply chain and logistics infrastructure**
 - Integrating land, air, waterway, the maritime and port facilities
 - Collaborating with private sectors to bridge the gaps
 - Monitoring the bottlenecks and taking corrective actions

Global collaboration on identified areas, technology and capability building is fundamental for resilient and sustainable supply chains

Thank You

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