



Right to Medicine

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Introduction:

The pharmaceutical industry is a major strategic industry, affecting development and production, as well as its contribution to increasing growth rates, where the disease is considered one of the most important threats to national security considering that manpower in Egypt is an important element of economic development. As the right to medicine is one of the fundamental human rights, and Egypt is one of the countries that has suffered severely from drug problems where there was no interest in them in previous years, until it became a complex crisis that is difficult to deal with.

Egypt has witnessed a great crisis where basic medicine has disappeared from pharmacies, and some factories have stopped making some medicines because they can no longer import the raw materials after the rise in the price of the dollar against the Egyptian pound. It is even more concerning to see that government policies give more leverage to the global market as the stronger decision-maker in the medicine crisis without the existence of legal mechanisms that citizens can resort to ask and defend their right to medicine.

Egypt's drug crises have deep roots, and needs decisive solutions to address them, especially since they are reflected back to the citizen who finds it difficult, and possibly impossible to access some types of treatment and medicine, in addition to the high prices of other varieties due to monopoly and the black market.



The issue of monopoly in the drug market drew the attention of the government, especially after the current Egyptian administration decided to eliminate any monopolistic practices in the field of medicines, and to eliminate the monopoly system. Some measures had to be applied, including the need to provide strong alternatives to imported medicine in Egypt, President Abdel Fattah El-Sisi decided to create a pharmaceutical city to put an end to the drug crisis in Egypt, and to start a new era in which the right to medicine is the right of all.

The legal framework governing the right to medicine

Health rights are one of the main rights of human beings, the right to medicine is an essential part of the right to health, access to medicine is the most important criteria for measuring governments' commitment to the health of their people, and the right to health includes general obligations under international human rights law, and States parties must respect The right and its protections and work to implement it gradually in accordance with its available resources and without a reversal of the steps achieved and implemented, and be aware of the importance of the right to access basic medicines, which states included in the texts of their constitutions, the right to medicine is a human right.

Article 25 of the Universal Declaration of Human Rights 1948 recognizes the right to health by stating that:

"Everyone has a right to a standard of living sufficient to ensure the health and well-being of him and his family, especially in terms of food, clothing, housing and medical care..."



Article 12 of the International Covenant on Economic, Social and Cultural Rights 1966 defines the right to health as

"... Every human being has **the right to be in the highest level of physical and mental health that can be achieved.**" However, this definition does not provide a specific definition of the content of the **right to health since it is unclear whether "enjoyment of the highest level"** should be seen in the light of a State's national circumstances or in the light of the global economy.

Article 18 of the Egyptian Constitution 2014.

"Every citizen has the right to health and integrated health care in accordance with quality standards, and the state ensures that the public health service facilities that serve and support the people are maintained and that they are able to increase their efficiency and equitable geographical spread.

The state is committed to allocating at least 3 percent of government spending to health, gradually escalating to global rates.

The state is committed to establishing a comprehensive health insurance system for all Egyptians that covers all diseases, and the law regulates the contribution of citizens to or exempt them from their contributions according to their income rates.

It is an offence to refrain from providing treatment in its various forms to every human being in emergencies, or to risk life.



The State is committed to improving the conditions of doctors, nursing bodies and health workers.

All health facilities, products and materials and health-related advertising are subject to state control, and the state encourages the participation of the private and civil sectors in health-care services in accordance with the law."

The right to medicine is clearly one of the most important elements of the global health-care system, and the United Nations Human Rights Organization considers it an integral part of the principle of the right to health. In addition, medicine is essential for people in all societies because of its direct relationship to the right to physical integrity and life. In general, the principle of the right to medicine cannot be achieved without strong policies that ensure:

1. Easy access to basic medicine for all members of society without distinguishing between different groups.
2. Availability and effectiveness of medicines.
3. Fair procurement practices and procedures and supply chains. Unfortunately, there are many dilemmas that hinder Egypt's ability to achieve the principles of the right to medicine. More clearly, extreme inequality and discrimination in access to essential medicines.
4. There is a significant disparity between the public and private health sectors. The public health service suffers from poor regulation and quality due to low spending on it from the state budget, prompting citizens to spend on services out of their own pocket.

Pharmaceutical production in Egypt



The pharmaceutical sector is one of the most important sectors of particular importance among the rest of the manufacturing industry for a number of reasons, including:

- It is one of the core industries that affect human health and is closely linked to the health care sector.
- It is one of the necessary industries that affect human health and is closely linked to a different sector.
- Medicines are an inflexible commodity in demand, so that demand continues even as their prices rise, as their unavailability affects human health, and if some alternatives are available, demand for them sometimes remains inflexible but depending on the degree of this flexibility. Demand for it is caused by a high incidence of diseases, especially chronic diseases.
- Stages of drug production: The manufacture of all pharmaceuticals goes through three stages. The initial and main stages include the production of basic chemical pharmaceuticals (BPCs) and active pharmaceutical ingredients (APIs).
- Phase II involves converting BPCs, essential chemicals and the active component into doses of tablets, capsules, topical creams, ointments, powders, injections, etc.
- The third phase includes the final packaging, storage and distribution of products by sellers, for the packaging of Egyptian pharmaceutical companies, the pharmaceutical industry enters the second and third phases only, due to the near-total reliance on imported active substances (the number of pharmaceutical factories in Egypt reaches 158), while those that manufacture the necessary raw materials. The manufacture of medicines does not exceed two manufacturers as will be shown later.



- The public sector contributes to the pharmaceutical industry in Egypt by a very small percentage of only 6%, through 11 companies engaged in the manufacture, export and import of medicines and natural supplies, which is affiliated with the holding company for medicines, chemicals and medical supplies, while 94% of the market share goes to the private sector; The private sector, both domestic and multinational, in the pharmaceutical market, where the latter acquired 69%, while the former acquired 31% of the share of the pharmaceutical market in 2018.

Volume of pharmaceutical production in Egypt.

Egypt's drug market is estimated at EGP 400 billion, with pharmaceutical production contributing 1.3% of GDP in 2016-2017, with investments in Egypt's pharmaceutical industry estimated at 80 billion drug packages per year, of which similar medicines account for the largest proportion of 69.3% of total pharmaceutical packages produced (volume).

While sales of patented drugs and similar drugs to foreign companies combined, the total number of production companies was 89 producing 1,566 medical items, compared with 209 companies producing similar drugs in 4,184 medical categories in the private sector. In addition to 1,400 companies engaged in manufacturing for others, one of Egypt's most important companies produced similar drugs in 2017. Pharco leads the list with a market share of 7% versus 5% for Epico and Amon in second place, while Alexandria, a subsidiary of pharmaceutical holding company and Adwia, is at the bottom with 1%.

Egypt's drug crises



The Egyptian drug crises varied between monopoly and counterfeit medicines and the phenomenon of the drug shortages , in addition to the impact of the financial policy of the Egyptian government 2016, and then came the corona pandemic to make the pharmaceutical crisis more difficult.

Obstacles faced by Egypt's pharmaceutical industry.

- Counterfeit medicines: The Egyptian market trades about 7% of counterfeit drugs worldwide, the low efficiency of the active substance in some drugs and the unknown source, and the recycling of drugs that have expired or are nearing the end of their validity.
- Monopoly: Monopoly cannot be separated from high prices, the disappearance of certain types and the disbursement of medicines by doctors for the benefit of companies, disregarding the needs of the patient.

The Phenomenon of Medicine Shortages

The crisis of drug shortages has been imposed on the Egyptian market and on the patient who suffers from his inability to find the medicines prescribed to him for many years, mostly cheap types (Jamahiriya). The Ministry of Health announced a list of 98 drugs missing in the Egyptian market.

They are exacerbated by the "shortage of medicines", which reach more than 8,000 of the 14,000 drugs circulating in the Egyptian pharmaceutical market, in addition to the fact that 22% of registered medicines are not produced in the drug market.



The role of the public sector in the productivity of medicines or support for a limited list of medicines, as well as the lack of manufacturing of raw materials internally, despite the proportion of the public sector in the drug market was 70 % in 1980, compared to only 3 % now.

Drug sales have grown steadily over previous years, reaching their initial peak in 2016, up significantly from 2015, due to a wave of price hikes approved by the Cabinet in May 2016 of about 20% for drugs below 30 pounds, as a direct result of the shortage of about 4,000 types of medicines on the market.

Also, the disappearance of many types of insulin medicine "Novo Rapid, Novo Mix, Victoza, Octapid and Trisiba" for diabetics, and during 2018 continued complaints of high import costs and the monopoly of foreign companies to the market, reached 7% which is the prevailing rate.

The phenomenon of the disappearance or shortage of medicines has now had known periodic timings among pharmacists, controlled by manufacturers and importers, for example the drug market has experienced confusion following the disappearance of the drug "Farkobril Plus", and the shortcomings of medicines exceeded 1500 items, including more than 500 without alternatives, and the emergence of some pharmaceutical varieties banned from circulation in the world market within Egypt.

Fiscal policy and high drug prices

The Egyptian government's decision to float its currency in November 2016 negatively affected the performance of the pharmaceutical sector, which was clearly reflected in the crisis of high production costs, as a result of the high cost of importing intermediate inputs. Exports have clearly fluctuated up and down around the same rate over the past decade.



The floating of the Egyptian pound doubled the cost of production inputs, which had a double impact on the trade balance of the pharmaceutical industry:

- On the one hand, producers have not been able to lower the prices of their products in overseas markets.
- On the other hand, import revenues decreased as a direct result of the near-total reliance on imported active substances in the pharmaceutical industry.

The pharmaceutical industry faced a real crisis after the floatation of the currency, due to the need for hard currency to buy raw material, as 80% of the raw materials employed in the pharmaceutical industry are imported, which was reflected in the increase in the price of medicine.

Pharmacy chains monopolize medicines and give the Egyptian market a basic drug, which is priced tens of times higher, and some illegally sell contraband drugs that are not registered with the Ministry of Health, which harms the health of the Egyptian citizen.

It is clear that dealing with the box system represents a monopoly of pharmaceutical companies to produce certain drugs, each company sells the drug at the price it sets, which resulted in the monopoly of only two companies for medicine, and the high price of medicine, although there are other companies that can produce medicine at lower prices, and there are 51 new manufacturers of the drug does not find a product to produce, and resulted in the greed of pharmaceutical companies we find that the prices of active substances imported from abroad do not correspond to the price of selling the drug for the public, sometimes up to 40 times the normal price.



For example, Lipitor cholesterol drug price per kilogram of which is "307 dollars", the cost of a packet of 10 mg concentration is 14 piastres but sold for 40 pounds and the 80 mg packet cost 1 pound and sold to the public for 105 pounds, blafix for the treatment of clots priced at "492 dollars" the cost of one packet is 7 pounds but sold to the public for 205 pounds.

The role of the government sector in the field of medicine has declined, and its share has decreased from 60% in the 1990s to 3% at present, and private sector companies have been forced to control most of the market share of medicine in Egypt.

There are 26 multinational companies (sales account for about 50% to 55% of sales in the country).

There are also 210 regional companies, joint ventures or local private sector companies, with sales accounting for about 25% to 30% of the Egyptian pharmaceutical market.

Egyptian government public sector companies accounted for EGP 1.78 billion, accounting for 6.4% of the total market, with a very low growth rate of 3%.

That's why after the floatation decision in November 2016, these companies and interest groups pressured the government and the regime, to shift prices to meet their demands, so the private sector and foreign partner dominated Egypt's drug market.

Corona and the drug crisis in Egypt

Egypt is the largest consumer of medicines in the Middle East, and the total of the drug market in Egypt is estimated at EGP 25 billion annually, of which 15% is the cost of importing raw materials used in the pharmaceutical industry.



Egypt imports 90% of the raw materials used in local production (efficient materials and packaging supplies,

Egypt's imports of pharmaceutical products amounted to about \$2.61 billion for 2019.

Egypt imports most medical raw materials from two countries: 55% from China and 45% from India, and during the global pandemic COVID-19, Egypt was severely affected, with drug imports falling by about 10% from March to May 2019.

The fluctuations in exchange rates, and the increase in the cost of medicine to patients, is a major obstacle to the right to medicine, especially if this is linked to knowing that the share of Egyptian citizens in medicines is one of the lowest rates in the Middle East, while Egypt is classified as one of the largest markets of medicine.

Millions of people around the world die every year, mostly in low-income developing countries, due to the lack of medicines and lack of access to all, according to WHO reports, 30% of the world's population suffers from a shortage of biopharmaceuticals, and 90% of the population of developing countries, including Egypt, buy medicine beyond their financial capacity.

Medicine is an important strategic commodity, indispensable, and the importance of the drug was greatly demonstrated during the Corona pandemic, and the Corona pandemic uncovered the flaws of the pharmaceutical industry in a scandalous way and the development of the pharmaceutical industry has become a must, as the continued disruption of supply from China and India reflected the decline in imports of medicines and pharmacy preparations during the first quarter of 2020 by about 29% compared to 2019, with the shortage of stocks of some pharmaceutical companies.



As a result of the additional demand for vitamins and protective supplies increased the pressure on the global stocks of crude, and extended its impact to the Egyptian market, which suffered during that period, witnessed a period of worsening crisis, a shortage of certain types of medicines and vitamins and the complete disappearance of some of them, which led to a clear rise in their prices, and the scarcity of protective supplies for muzzles, medical paws and sterilization products such as alcohol and others, which led to the rise in prices to double.

It was necessary to end the monopoly of pharmaceutical companies to produce certain drugs, and to allow existing factories to produce local alternatives for the Egyptian citizen to reduce the high prices of medicine, and the process of developing the pharmaceutical industry has become one of the biggest challenges facing Egypt, and the pharmaceutical city opened by President Sisi, will be a qualitative shift in the pharmaceutical sector over the next 10 years.

It was necessary to keep up with the development of the drug industry, otherwise the government would buy drugs from abroad, which might force us to have a specific drug policy.

Egyptian Pharmaceutical City

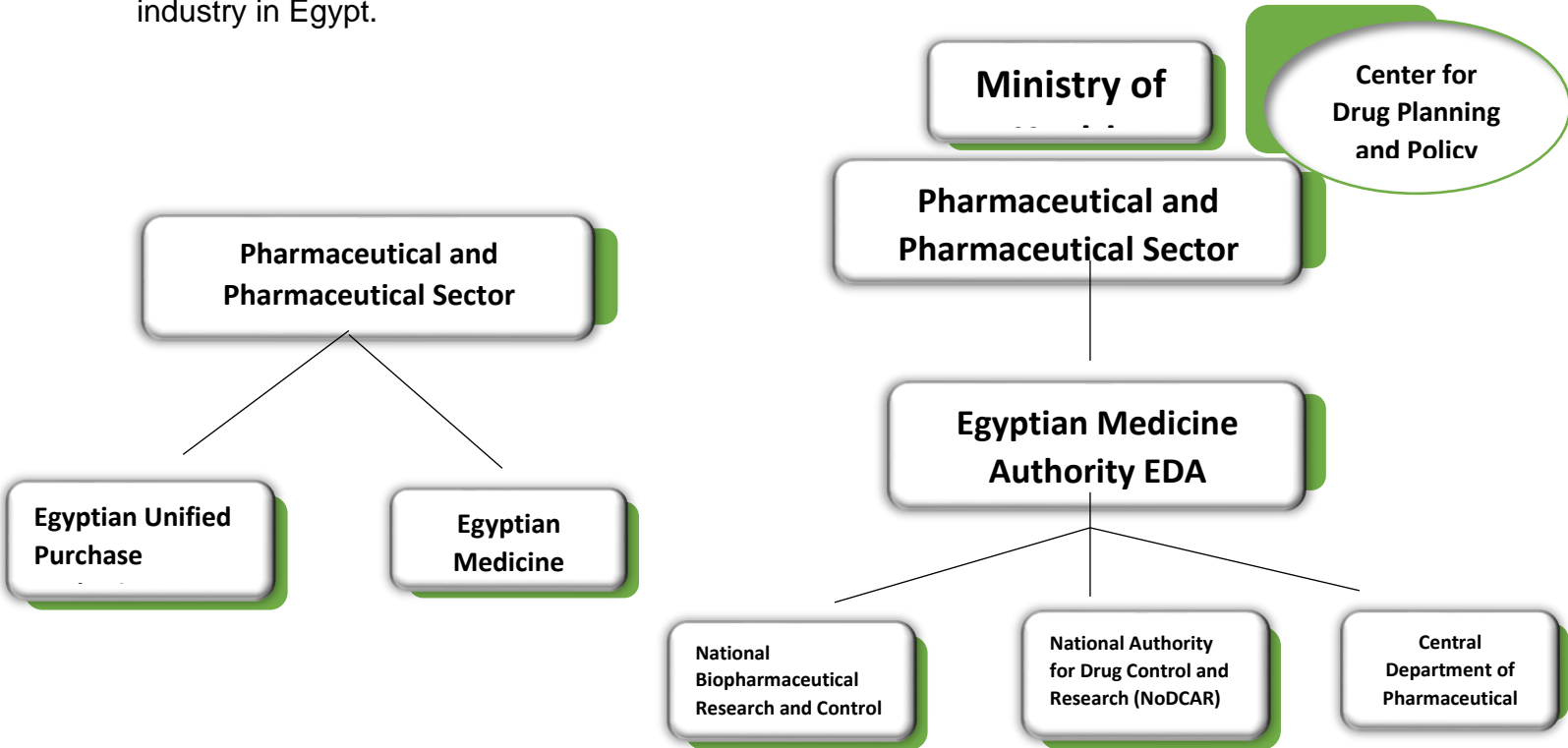
The Egyptian state has sought to develop comprehensive national drug policies within the framework of comprehensive insurance that take into account economic and social factors, characterized by transparency and consistency with the state's obligations to international human rights laws and to consider the issue of drug pricing as part of the health system.

The Egyptian government has established a project of integrated logistics stores for medicines and medical supplies.



The establishment of the Egyptian Medicine Authority to protect citizens from the practices of pharmaceutical companies such as monopoly.

Figure 1: The previous and current regulatory structure for managing the pharmaceutical industry in Egypt.



Source: Egyptian Center for Economic Studies, Issue 18 Manufacturing Crisis, Cairo 2020

The Egyptian Medicine Authority seeks to achieve this by solving the following problems:

Lack of medicine, and the spread of the phenomenon of counterfeit and smuggled drugs.

Monopolistic practices in the drug market, and poor control over them.

The pharmaceutical city was a dream of the Egyptian state, the largest pharmaceutical manufacturing city in the Middle East, its construction has been ongoing for 3 years, becoming



the most important source of the state to provide medicine, to become accessible to different segments of society, and the pharmaceutical city is the largest city and factories in the Middle East.

The main objective of the establishment of the "City of Medicine", is to achieve the self-sufficiency of medicine, and to produce the vast majority of medicines within Egypt, so that 85% of the medicine in Egypt is produced locally, in order to reduce the rise in some prices of imported medicines that are available in the Egyptian market only at expensive prices, the prices of the drug are accessible to all and take into account the social dimension of the consumers of medicine in Egypt.

The pharmaceutical city project includes 15 production lines with a production capacity of 150 million packages per year.

The world's newest pharmaceutical machines have been imported from European and American companies, as Egypt seeks to become a regional manufacturing center.

Production of chronic diseases, such as "pressure drugs, heart, sugar, kidneys, brain, nerves, and antibiotics", as they are essential preparations that affect the lives of citizens.

The city of medicine is integrated with the Egyptian Medicine Authority in providing strategic medicines to be available to the Egyptian citizen

Manufacturing any drugs with deficiencies in the local market.

President Sisi has set his sights on the concerns of the citizen, and his excellency decided to end the difficult drug crisis by establishing the Egyptian city of medicine.



The right to medicine was in the recent past a distant dream, the simple citizen has no right even to think about it, but today it has become a reality that is being realized, and everyone has the right to medicine

Conclusion

The drug is considered national security, and is one of the most important strategic factors in any country, and the pharmaceutical industry in Egypt has faced multiple crises, related to the pricing and registration of medicine and increasing the influence of the private sector, and the shortage of some medicines, which represents a threat to the health of the citizen, especially when the alternative medicine exists at a very high price, which increases the burden of the Egyptian citizen who suffers for a living.

The most important problems of the right to medicine:

- Shortage of medicines and the disappearance of important substances, especially in times of crisis, as 50% of registered items are not available, and 4,000 items have not been produced primarily despite their registration.
- The spread of counterfeit or smuggled medicines, where the trade of counterfeit medicines represents about 10% of drug sales in Egypt, which reached about 60% billion pounds in 2018, exceeding the global rate estimated at 6%.

Pharmaceutical City and the Right to Medicine

- ✚ The national project in the pharmaceutical industry began years ago and came to light with the start of the Egyptian pharmaceutical city.



- + The pharmaceutical city is a major addition to Egypt's health sector, and the coming period will see a major boom in the pharmaceutical industry, especially when Egypt enters new industries such as pharmaceutical ores.
- + The city's primary goal is to secure vital medicines for the state.
- + Egypt looks forward to collaborating with international and international companies and opening up export prospects for the Middle East and African countries.

Future mandates issued by President Sisi

- Manufacturing raw materials for medicines in general.
- The oncology industry in particular, so that it is available in the Egyptian market easily and easily.

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