

Statement by Ambassador J.Enkhsaikhan of Mongolia  
at the 38<sup>th</sup> Session of the Industrial Development Board of UNIDO

Vienna

24 November 2010

Mr. President,  
Mr. Director General,  
Ladies & Gentlemen,

May I join the previous speakers in congratulating you, Mr. President, on your well-deserved election and express my delegation's firm belief that under your able leadership this session will be very fruitful and successful. Furthermore, I would like to thank the Director-General for his thoughtful and thought-provoking opening statement.

Mongolia aligns itself with the statements of the Group of 77 and China, as well as that of the Asian Group and shares the views and stances expressed therein.

My delegation is pleased with the strong performance in mobilizing new resources and increasing the extra budgetary fund. This would provide an increased opportunity for implementing the projects and programs in three thematic priority areas of UNIDO.

Mr. President,

Mongolia fully supports addressing the issue of fostering local pharmaceutical industry in developing countries. My delegation firmly believes that today's discussions concerning this issue would be instrumental in exploring new avenues and identifying further measures in this regard.

The Director-General's report on UNIDO's support in fostering local pharmaceutical industry in developing countries, with special regard to essential health products provides an excellent overview of the scope of the problem and puts forward some proposals on improving access to essential drugs, supporting pharmaceutical industry in developing countries and bridging public health and industrial development agendas. The report rightly focuses on the challenges that hinder universal access to medicine both from the demand and supply sides. They include, inter alia, low purchasing power in resource-strapped environments, weak health systems, limited human resources and funding constraints. The report underlines that access-to-

drug problem is further aggravated by stock-outs and a significant penetration of substandard and counterfeit drugs. The side event on Fostering Local Pharmaceutical industry in developing countries, co-organized by Germany and UNIDO, shed more light on the problem and the issues that need to be addressed in that regard.

Mr. President,

Allow me to briefly touch upon one challenge that is connected with acquiring quality medicine – counterfeit medicine. The Director-General's report makes it abundantly clear that many developing and least developing countries do not have full access to medicines, especially to quality assured essential drugs. In many countries with a small population production of even some essential health products may not be economically sound, inducing them to import such products instead. Today more than 30 percent of drugs in Africa and some parts of Asia are counterfeit; almost 75 percent of substandard drug products are found in developing and least developing countries. Furthermore, globally trafficking in counterfeit medicine is estimated at \$ 75 bil., i.e. roughly the same as cocaine trafficking. If not addressed adequately, counterfeit medicine can have adverse effect on the economy and the health of the people. This is the case with my country. Due to a small domestic market the pharmaceutical industry in Mongolia, like in many other developing countries with small population, is not well developed and the vast majority of medicines is imported. Our experience shows that caution needs to be displayed with regard to the quality of imported medicine, since in many cases the products turn out to have dubious quality (sub-standard) and fake expiration dates. In many cases they turn out to be outright counterfeit, for which people pay high price both financially and in terms of their health. It is for this reason Mongolia has turned to UNODC for its advice and assistance in addressing this social and economic problem. A preliminary UNODC team has already visited Mongolia and the two sides have agreed to make a case study regarding counterfeit medicine in Mongolia and how to address it in a holistic manner. My delegation will be more than happy to share the outcome of the case study in the near future.

My delegation firmly believes that the efforts of UNIDO and other relevant organizations in promoting local pharmaceutical industry would contribute to sustainable manufacturing quality medicines in developing countries and thus to attaining some of the major milestones reflected in the Millennium Development Goals.

Thank you.