

Country Represented : United States

Council : World Health Organisation (WHO)

Agenda : Strengthening Supply Chain Resilience for Pharmaceutical Drugs

A drug, or pharmaceutical, is a substance used to prevent or cure a disease or ailment or to alleviate its symptoms. In the United States, some drugs are available over-the-counter while others can be purchased only with a doctor's prescription. Drugs can be taken orally, via a skin patch, by injection, or via an inhaler, to name the most common methods. In recent years, rare catastrophic disasters have triggered pharmaceutical supply chain disruptions, resulting in product shortages and other problems that have negatively impacted healthcare delivery.

The pharmaceutical industry, which is concerned with the development and marketing of drugs, is a key component of the health sector, which is the most profitable industry in the U.S. economy, with American drug companies bringing in an estimated \$334 billion in revenues for 2021. The U.S. pharmaceutical sector is characterized by intricate logistics, stringent regulatory frameworks, and a dynamic market landscape (*Investopedia, 2024*). As the COVID-19 pandemic roiled the global economy, significant disruptions to the flow of goods and raw materials between countries emerged. Serious medical product shortages exposed the degree to which the United States relies on foreign suppliers of active pharmaceutical ingredients (API), finished pharmaceuticals, and other indispensable medical products and components (*JSTOR*). The US supply of generic drugs is heavily dependent on the global supply chain for sources of generic active pharmaceutical ingredients (APIs) for the US pharmaceutical market. The high need for pharmaceutical drugs during the pandemic addresses the need for long-term solutions to overreliance on foreign medical product manufacturing. (*Mariana P. Socal, 2023*)

“Last year, the American people experienced a widespread and significant shortage of N95 respirators for healthcare workers and masks to protect essential workers and others, and year after year we see shortages of medicines and medical supplies like saline,” said FDA Acting Commissioner Janet Woodcock in a press release. “Pharmaceutical supply chains are essential for the national and health security and economic prosperity of the United States, yet the COVID-19 pandemic revealed just how vulnerable the supply chain is in this country. Now is the right time to take action to keep the U.S. drug supply chain secure and resilient.”

The country “remains critically dependent on imports for a range of key pharmaceutical products and APIs,” according to a White House press release. Approximately 87% of API facilities for generic drugs are overseas. While these overseas facilities have “helped reduce costs by trillions of dollars in the past decade,” reliance on them has left the nation’s healthcare system vulnerable to shortages of essential medicines.

There are many solutions that were / are being planned to be carried out by the American Government as well as multiple private organizations to strengthen the supply chain of pharmaceutical drugs (*greggworth, 2021*). For example, HHS announced it will make an initial commitment of approximately \$60 million from the Defense Production Act appropriation in the American Rescue Plan to develop novel platform technologies to increase domestic manufacturing capacity for active pharmaceutical ingredients. Moreover, the Milken Institute envisions the future of an advanced, reliable pharmaceutical supply chain for the public.

In conclusion, the United States aims for an independent, reliable, and sustainable pharmaceutical supply chain for times when emergencies like the pandemic arise.

References

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