

ENSURING RELIABLE MEDICINE SUPPLY CHAINS

Medicine shortages are a major public health issue. Pharmacists in the EU spend almost 10 hours per week on average dealing with shortages, about three times as much time they spent on this a decade ago.

Consumer surveys show that almost 40% of households faced a shortage between January 2023 and January 2024. The most common medicines in shortage were those treating conditions that affect the central nervous system (such as anxiolytics or antiepileptics), infections, and cardiovascular diseases. Amongst those who faced a shortage, 53% experienced health problems and 27% had extra costs.

To address this, the European Commission has gathered key stakeholders under the 'Critical Medicines Alliance' to identify measures for strengthening medicines supply. This process runs alongside the revision of the EU pharmaceutical legislation and other non-legislative actions from the Commission, the European Medicines Agency, and national agencies. For example, the launch of a 'Voluntary Solidarity Mechanism' to facilitate stock redistribution in case of shortage.



This checklist presents BEUC's recommendations for strengthening the security of medicine supply in the EU.

1

PUBLIC HEALTH GOALS MUST DRIVE EU ACTION ON SUPPLY SECURITY

Political discussions on the need to strengthen medicine supply chains are framed in the context of a narrative on the need to boost the EU's 'open strategic autonomy' and competitiveness. To help consumers, the EU institutions must ensure that actions on medicine supply security are driven by public health goals. This means adopting measures that ensure medicine availability, continuous supply, and affordability.

The future Critical Medicines Act should ensure that any support to companies operating in the EU is aligned with competition rules and principles, to avoid undistorted competition in the Single Market. This support must include conditions that maximise public return on public investment, such as clauses on medicine affordability or provisions to stimulate competition in the pharmaceutical market (non-exclusive licensing). Additionally, the EU should consider creating funds to support projects that correspond with the objectives of the green transition.

2

POLICYMAKERS MUST PLACE GREATER FOCUS ON DIVERSIFYING THE SUPPLY CHAINS

To ensure a continuous supply of medicines, pharmaceutical companies should be encouraged to source from multiple suppliers. That way if one supplier of an active pharmaceutical ingredient faces supply issues, a generic company can turn to another to maintain production. This approach should be a key element in companies' **shortage prevention plans**.

The EU should also promote geographic diversification in medicine production through **partnerships and trade agreements** that benefit all parties. These trade instruments must uphold the EU's commitment to sustainability and promote trade practices that safeguard environmental and labour standards everywhere.

3

PUBLIC PROCUREMENT PRACTICES SHOULD HELP PREVENT SHORTAGES

The European Commission should encourage through guidelines that public procurement practices for medicines guarantee continued supply as much as possible. For example, public hospitals could give extra points in tenders to those pharmaceutical companies that do better in **preventing shortages**. Hospitals could also **rely on various suppliers**. The evaluation of the EU Directive on public procurement and discussions on a future Critical Medicines Act bring a chance to consider the need for additional action and best ways to go about it.

Since medicine affordability is crucial in public procurement, these practices should support both cost control and public health objectives, tailored to the healthcare system's context. This should go hand in hand with more transparency in pricing factors, such as production costs, to avoid overpaying for medicines.

4

THE COMMISSION SHOULD FACILITATE MORE JOINT PROCUREMENTS

EU joint procurement should go beyond medicines for cross-border health threats (medical countermeasures). By teaming up, governments enhance their bargaining power and their chance to secure more affordable prices. In addition, by taking part in a joint procurement, small Member States ensure that pharmaceutical companies will launch the product in their countries.

During the COVID-19 pandemic, joint purchases ensured that consumers across the EU could access vaccines quickly. An expanded voluntary joint procurement scheme would facilitate equitable access to expensive medicines, such as for rare diseases and cancer.



5

THE EU MUST ESTABLISH A COMMON STRATEGY FOR BETTER STOCKPILING

To prevent and tackle health crises more effectively, the European Commission and Member States should implement a **common stockpiling strategy** for medical countermeasures. More coordination will avoid unnecessary duplication of efforts and protect consumers across the EU equally from supply disruptions. The strategy should focus on maximising the added value of the Union's own reserves (rescEU) and enhancing cooperation amongst similar national initiatives through the 'Voluntary Solidarity Mechanism'.

Additionally, the EU pharmaceutical legislation must set common criteria requiring companies to maintain safety stocks for critical medicines. This will help avoid that measures in one country could impact others negatively. Stockpiling measures should also consider the global demand for medicine supply.

6

HERA SHOULD PROMOTE NON-PROFIT PRODUCTION MODELS

Efforts to diversify and strengthen pharmaceutical manufacturing should incorporate non-profit models. Non-profit production can not only help address shortages and public health emergencies but also facilitate access to medicines with limited commercial interest. At the EU level, these efforts should be coordinated by the Health Emergency and Preparedness Response Authority (HERA).

BEUC suggests these measures go hand in hand with strong obligations on industry and provisions in the EU pharmaceutical legislation.

