



PARTNERING FOR NATION BUILDING

The Contributions of the Philippine Pharmaceutical Industry to Health and Economy





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Commissioned by the
Pharmaceutical and Healthcare Association of the Philippines

Authored by
IMS Consulting Group





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Partnering for Nation Building: The Contributions of the Philippine Pharmaceutical Industry to Health and Economy

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ISBN 978-971-91269-1-1

Published by the Pharmaceutical and Healthcare Association of the Philippines (PHAP)
Unit 502 One Corporate Plaza Condominium
845 A. Arnaiz Ave. Makati City, Philippines

Access the full report in PDF on www.phap.org.ph



About PHAP

Composed of research-based pharmaceutical companies operating in the Philippines, PHAP is dedicated to developing and providing access to quality and safe medicines and medical devices. The association works with the government, medical professions and non-government organizations to improve the country's overall healthcare situation and help Filipinos live healthier, more productive lives. PHAP supports comprehensive health reform leading to universal healthcare and the ethical promotion of pharmaceutical products.



About IMSCG

IMS Consulting Group (IMSCG) is a leading global consulting firm focused exclusively on life sciences. It delivers critical business intelligence, decision support and services that enable clients to optimize their performance and advance the quality of health care.

Saving Lives, Empowering Patients

DISCOVERING MEDICINES AND VACCINES

21

new medicines for cardiovascular diseases, cancer, respiratory diseases and diabetes launched in 2014



Innovating to battle **Non-Communicable Diseases (NCDs)**

55

life-saving vaccines made available to Filipinos to date



Patient Programs help enhance access to medicines

ENHANCING PATIENT ACCESS AND CARE



Expanded medicines distribution **nationwide**



Continuing education on disease prevention and management



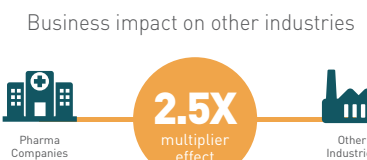
Providing wide variety of **affordable medicines**

Contributing to Economic Growth

FUELLING THE ECONOMY

P 146B

contributed to the Philippine economy in 2014



PROVIDING JOBS



Pharma Companies



Distributors & Wholesalers



Retailers

Created **thousands of jobs**, and employed more than 60,000 workers in 2010*



Pharma manufacturers bolster close to **100 other industries** in the country

*Source: 2010 Census of Philippine Business and Industry

DRIVING INNOVATION IN CLINICAL RESEARCH

Invested over **P 1B in R&D** in 2013

CONTRIBUTING TAXES, CUSTOMS AND LICENSE FEES



Pharma Industry contributes significantly by paying **taxes, customs and license fees**.

Partnering for Better Health

PATIENT GROUPS AND COMMUNITIES



Working with patient groups and communities to **enhance access to health services**

HEALTHCARE PROFESSIONALS



Partnering with healthcare professionals for **continuing medical education and quality patient care**

GOVERNMENT



Collaborating with Government to promote **Universal Health Care**, quality medicines, improved healthcare delivery, and ethical business practices

NON-GOVERNMENT ORGANIZATIONS



Forging partnerships throughout the country to improve **healthcare service delivery**

Officers and Trustees of the Pharmaceutical and Healthcare Association of the Philippines



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 Association of the Philippines

Message from the Officers and Trustees of the Pharmaceutical and Healthcare Association of the Philippines



Filipinos today are living longer, healthier and more productive lives—thanks in large part to the Government’s commitment to implement crucial health reforms, particularly the adoption of Universal Health Care as a flagship social agenda.

Our country’s health milestones were achieved through the collaboration between the Government and private-sector stakeholders, including the research-based pharmaceutical sector that PHAP represents. PHAP will continue to work with Government and other stakeholders in achieving our shared goal of enhancing the health of Filipinos. We strongly believe that a healthy citizenry is the backbone of a strong and inclusive economy that will drive national development and progress.

It is against this encouraging backdrop that we are pleased to present “Partnering for Nation Building: The Contributions of the Philippine Pharmaceutical Industry to Health and Economy.” In this report, we highlight the important role innovative medicines play in enhancing public health in the Philippines as our country contends with a growing and aging population, globalization, international health threats, and natural disasters. As the research-based pharmaceutical sector promotes greater access to healthcare for Filipino patients, we also help drive the country’s economic growth.

Saving lives and empowering patients

Research-based pharmaceutical companies in the Philippines have introduced more than 55 vaccines that prevent unnecessary deaths among the most vulnerable—children, women and the elderly. We have also launched more than 76 new molecules or combinations for the treatment of cardiovascular diseases, cancer, chronic respiratory diseases and diabetes.

Contributing to economic growth

Pharmaceutical companies, distributors and retailers employ more than 60,000 Filipinos and support close to 100 other industries in the country. The pharma industry also injects PHP 146 billion in economic output every year.

Partnering for better health

Through our humanitarian arm, the PHAPCares Foundation, PHAP undertakes meaningful corporate social responsibility programs to help the poor, sick and victims of calamities. We work with the National Government, Local Government Units and private institutions to extend humanitarian aid to those in need. Since 2003, PHAP has donated life-saving medicines and vaccines worth PHP 760 million. In 2013 alone, PHAP provided PHP 166 million worth of humanitarian aid to Filipinos, mostly to those affected by typhoon Yolanda (Haiyan).

Research-based pharmaceutical companies in the Philippines, through PHAP, will continue to work with Government and other stakeholders in enhancing Filipinos' health and driving national progress.

PHAP Officers and Trustees

Message from the President of the Philippines



MALACAÑAN PALACE
MANILA

My warmest greetings to the Pharmaceutical and Healthcare Association of the Philippines (PHAP) on the publication of "Partnering For Nation Building: The Contributions of the Philippine Pharmaceutical Industry to Health and Economy."

Our government strives to work with the private sector to enhance our healthcare system by equipping medical practitioners and ancillary staff with the knowledge and skills to better serve their patients. The pharmaceutical industry plays a crucial role in this shared task, as you continue to perform your responsibilities: To ensure that medicines and wellness products comply with global standards and are readily accessible to consumers, and to always strive to innovate, to harness your expertise and elevate the quality of the products you develop.

May this valuation study inspire more professionals to dedicate their endeavors for the benefit of mankind, and use their intelligence and ingenuity for the promotion of comprehensive healthcare in the Philippines; may you strengthen the unity and dynamism among your members, so that your industry will be more empowered to take part in nation-building.

As Southeast Asian nations converge into one economic community, let us equip the Filipino people with the tools that will allow them to participate in our collective mission. Let us transform our people into even healthier citizens capable of seizing growth opportunities afforded to them by this era of renewed hope and possibility, eager and determined to cast their stake in regional development.

Congratulations on your project, and I wish you fortitude in the years ahead.



BENIGNO S. AQUINO III

Message from the Department of Health



Greetings to the Pharmaceutical and Healthcare Association of the Philippines (PHAP), whose member companies represent trusted providers of quality and life-saving medicines in the country, including those involved in pharmaceutical research.

The Department of Health welcomes PHAP's valuable research initiative entitled "Partnering for Nation Building: The Contributions of the Philippine Pharmaceutical Industry to Health and Economy," which the Association commissioned with the IMS Consulting Group. We extend our gratitude to this study's respondents, which consisted of Government agencies, the academe, non-government organizations, patient advocacy groups, the pharmaceutical industry and other health care groups.

We find the conduct of this study a laudable initiative as it establishes evidence of the pharmaceutical industry's contributions in human development, and it gives credence to the Aquino Administration's commitments towards inclusive economic growth and Universal Health Care. It is our expectation that insights and statistics shared in this study will show the pharmaceutical sector's contributions in empowering patients, economic growth, and partnerships in health.

We look forward to more engagements with PHAP in the future, especially in the areas of pharmaceutical research and development, promotion of patients' access to medicines and corporate social responsibility, and advocacy in improving health care delivery in the country.

Congratulations and Mabuhay Kayong Lahat!



JANETTE F. LORETO-GARIN, MD, MBA-H
Secretary

Message from the Department of Trade and Industry



I commend the Pharmaceutical and Healthcare Association of the Philippines (PHAP) in commissioning this relevant and prodigious study which not only provides pertinent data on the pharmaceutical industry's strategic actions that contributed to the health and well being of our countrymen, but also supports the current administrations' agenda on overall healthcare. This is another cap on the feather of PHAP in addition to their trailblazing Code of Practice, considered one of the pioneers in the industry, and their PHAPCares Foundation Inc., which accedes to the call to act not only as an industry player engaged in profit, but also as an avenue of corporate social responsibility.

PHAP has come a long way from an association of private individuals who stood together amidst the devastation of World War II, to a collaboration of pharmaceutical manufacturers and members of the health sector confronting contemporary challenges of providing effective and affordable research-based medicines. In this time of convergence and integration of diverse markets, PHAP's research-based approach on simple cures of common ailments to complex reliefs affecting an individual's genetic makeup, add value to their services as this enable them to anticipate the needs and increasing demands of the marginalized, including senior citizens and indigents.

Significant to this study is PHAP's conscientious effort of ensuring that IMS Consulting Group collected data from key players in the industry, as well as national and international organizations, varied sectors of the academe, NGOs, and more importantly, from direct end users such as patient advocacy groups. PHAP knows too well the importance of delivering well researched, relevant and timely publications as they continue to evolve and adapt to the fast moving developments in medicinal studies, as well as act on the government's Universal Health Care program on family and healthcare, emerging diseases, and prevention and control of non-communicable diseases.

With this recent accomplishment, PHAP is all the more empowered to address the needs and demands of the market as the Philippines enters the age of globalization and now, the growing trend of regionalization and personalization. This work is not only a reference material for those in the industry, but indeed a tool to assist all stakeholders in our commitment to achieve a healthier and more prosperous nation.

Again, congratulations to PHAP! Mabuhay po kayo!



GREGORY L. DOMINGO
Secretary

Message from the Senate Committee on Health and Demography



Congratulations to the Pharmaceutical and Healthcare Association of the Philippines on your publication!

As Chairman of the Committee on Health in the Senate and as a public servant, I believe that it will take the joint efforts between all stakeholders for us to realize our goals for the health sector. This publication highlights how far we have come in terms of innovation and advancing people's health. The realization of such milestones should serve as an inspiration for us to strive for even higher goals for our countrymen.

We all hope for the time when Filipinos will be able to enjoy the benefit of a universal health care coverage. Let us all work together to make this a reality.

May you never tire of your efforts. The country needs movement from all sectors of society; backing up the government's endeavors to provide prosperity and health for all Filipinos.

Congratulations again, and more power!

All the best!



TEOFISTO "TG" GUINGONA III
Chairman

Message from the Senate Committee on Trade



My warmest congratulations to the officials and members of the Pharmaceutical and Healthcare Association of the Philippines (PHAP) on your publication entitled "Partnering for Nation Building: The Contributions of the Philippine Pharmaceutical Industry to Health and Economy".

It is important for the public to know the important contributions of the pharmaceutical industry in the country's economy and the Filipino people's health as well.

Sa pamamagitan nito, maipapaabot natin sa sambayanang Pilipino ang malaking ambag ng inyong sektor tungo sa mas malusog at mas maunlad na Pilipinas.

This publication may also serve as inspiration to the industry to strive more as you fulfill your crucial role in keeping the Philippines healthy.

Hangad ko ang lalo pang paglago ng inyong sektor at tagumpay sa mga darating pang proyekto at programa.

Asahan ninyong patuloy akong makikipagtulungan sa inyo upang mabigyan ng sapat na tulong ang ating mga kababayan pagdating sa kanilang kalusugan at nutrisyon.

Muli, binabati ko kayo, maraming salamat at mabuhay!

In the spirit of health care development and nation building,



BAM AQUINO
Chairman

Message from the Philippine Alliance of Patient Organizations (PAPO)

I would like to commend the Pharmaceutical and Healthcare Association of the Philippines (PHAP), for successfully determining their contribution to the economy of the country.

The study entitled “Partnering For Nation Building: The Contributions of the Philippine Pharmaceutical Industry to Health and Economy” is a testament to the power of PHAP members and their potential to influence the future of the country.

I enjoin you to bring this same strength to bear in engaging patient groups. In this endeavor, you can establish greater success that can increase your relevance in improving the lives of the Filipino.

Continue to engage patient groups to empower them. Enable them to have coherent voices that crystalize the demand to the government and health providers. As you do, you would also discover greater excellence for your members.

I wish you more power and encourage you to shift your measures from success, to even greater significance in public healthcare. I urge you to be a major mover in improving the lives of the patients.



Marian Fatima Garcia-Lorenzo

MARIAN FATIMA GARCIA-LORENZO
President



Executive Summary

The Philippines is one of the fastest growing economies in the Asia Pacific. The country’s gross domestic product (GDP) grew by 7.2% in 2013 and strong economic growth is expected from 2014 to 2019 (International Monetary Fund 2014). However, the country is faced with major challenges including post-Typhoon Yolanda reconstruction, Universal Health Care attainment and poverty alleviation.

The pharmaceutical industry is a key contributor to the country’s ongoing economic growth and a major provider of support to Filipino patients and communities in need. Commissioned by the Pharmaceutical & Healthcare Association of the Philippines (PHAP) and authored by IMS Consulting Group Singapore, the study aims to quantify the industry’s value to the Philippine economy, healthcare system, and society.

The study found that the pharmaceutical industry in the Philippines is contributing to nation building in three main ways:



1. Saving lives and empowering patients

Pneumonia is the second leading cause of infant mortality in the Philippines, accounting for almost 12% of all infant deaths in the country. Tuberculosis, influenza and bronchitis accounted for almost 700,000 deaths in 2010 (DOH PHS 2010).



The pharmaceutical industry in the Philippines is helping ease the burden of communicable and non-communicable diseases (NCDs).

To date, research-based pharmaceutical companies have made available to the Philippines more than **55 vaccines** against measles, pneumonia, diarrhea and rubella (IMS MIDAS 2014).

Over the last three years, the pharmaceutical industry in the Philippines has launched **76 new molecules or combinations** that help **reduce deaths** caused by the major NCDs. Cardiovascular disease, cancer, diabetes and respiratory diseases, accounted for roughly 53% of all deaths globally in 2014 (WHO 2014). In cancer alone, the industry launched five new molecules or combination products in 2014 (IMS MIDAS 2014).

The industry empowers Filipino patients by promoting health education, and disease awareness, prevention and management. Patient understanding is enhanced through their doctors who participate in continuing medical education activities. Patient communication about diseases takes place in mass media, clinics and hospitals, the Internet and even mobile applications. The industry also supports continuing medical education (CME) activities for local doctors.

The industry provides Filipinos with a wide variety of **high-quality, affordable** essential medicines and vaccines, including originator drugs, branded generics and un-branded generics through a nationwide distribution network consisting of retail drugstore outlets, hospitals, and institutional accounts. As of 2012, there were close to 50,000 retail outlets and more than 6,000 drug distributors nationwide (National Tax Research Center).

To complement the nationwide distribution network, pharmaceutical companies field professional medical representatives across the archipelago to inform healthcare professionals about the latest medical treatments and solutions and how these benefit patients.

Research-based pharmaceutical companies also provide **support mechanisms for patient populations in need**, such as elderly and indigent patients, through patient access and compliance programs, and special access programs for life-saving cancer drugs.



2. Contributing to economic growth

In 2014, research-based pharmaceutical and generics manufacturers generated a total output of PHP 146Bn (IMS MIDAS 2014). From 2006-2012, the Bureau of Internal Revenue (BIR) collected a total of PHP 119Bn in taxes from the broader pharmaceutical industry, comprised of pharmaceutical companies, distributors and retailers (NTRC 2014).

In 2010, pharmaceutical companies, distributors and retailers employed more than 60,000 Filipinos (Census of Philippine Business and Industry). Pharmaceutical manufacturers **bolster close to 100 other industries**, including the chemical industry. Every peso that pharmaceutical manufacturers spend generates 2.5 pesos of output in other local industries¹ (NSCB 2006).

The industry is working to secure a healthier future for Filipinos through **sustained research and development** on new medicines and vaccines, building capability, creating employment, and nurturing the local scientific community. The industry is currently conducting **461 clinical trials in the Philippines**, placing the country third after Singapore and Thailand in most number of ongoing industry clinical trials. Most of these clinical trials are part of global clinical trial programs and therefore adhere to strict international standards.



NCDs in the Philippines **resulted in USD 10Bn in lost GDP** in 2010. The burden of NCDs in the country is expected to increase three-fold by 2030 (VISES 2014). Over 40% of the pharmaceutical industry's portfolio (research-based and generics companies) **consist of medicines for the top two NCDs in the country, diabetes and cardiovascular diseases** (IMS MIDAS 2013). By easing NCD burden in the country, the industry enhances labor productivity and supports a healthier, more productive population, thereby boosting the economy.

¹ Multiplier effect is calculated from the 2006 I-O table. It is derived by summing the pharmaceutical sector's column elements (inputs) in the inverse matrix



3. Partnering for better health



The research based pharmaceutical industry continues to work with the government on healthcare policy initiatives in order to achieve key Millennium Development Goals such as reducing maternal and infant mortality in the country.

Through PHAP, the industry **promotes ethical business principles and practices. PHAP is the first pharmaceutical industry group in the country to adopt its own code of practice to promote integrity and compliance among its industry members.**

PHAP has established the Integrity and Proficiency Program for the Pharmaceutical Sector (IPPS), a comprehensive employee training and development tool that promotes integrity, transparency, independence, and patients' interests and well-being.

Working with the Philippine Food and Drug Administration, the industry ensures the **quality, safety and efficacy of medicines and vaccines** by establishing standards in manufacturing, registration and supply chain management. The industry fully supports the government's goals for Universal Healthcare (*Kalusugan Pangkalahatan*) and has been working with various government agencies to improve overall healthcare delivery in the country. To this end, the industry supports screening and vaccination programs, training for healthcare workers, and mass-based diseases education campaigns.

Through PHAP, the research-based pharmaceutical community works with other stakeholders including professional medical organizations to enhance healthcare delivery in the country. PHAP undertakes corporate social responsibility programs and collaborative discussions with the government on health reforms and enhancing ethical standards in the industry.

In the wake of several natural disasters that hit the country in 2013, almost three million Filipinos still rely on some form of aid and support to access clean

water and sanitation facilities. Through PHAPCares Foundation, the research-based pharmaceutical industry, has collaborated with the national government, local government units and other private institutions in providing humanitarian aid and donating **life-saving medicines and vaccines worth PHP 760 million** since 2003. In 2013, the industry donated approximately PHP 166 million worth of medicines and vaccines (PHAPCares 2013).

Research-based pharmaceutical companies support capacity building programs and CME activities that help **44,000 Filipino healthcare professionals annually stay updated on the latest clinical guidelines, treatment options and disease management trends** (IMS Health Philippines 2013). Pharmaceutical companies also collaborate with patient organizations including the Philippine Alliance of Patient Organization (PAPO) to ensure optimal quality of care and enhance the quality of life of patients and their families.

The pharmaceutical industry is committed to contributing to the country's economic and social development. We believe that there are still several untapped opportunities for increased public-private partnerships to improve the quality of healthcare delivery in the country. Among the potential areas for collaboration are healthcare policy reform and sustaining the gains of Universal Healthcare, including promoting patient participation in healthcare agenda discussions among others.

"Beyond 2016, the DOH will focus on the unfinished business of addressing inequities to achieve the targets for the reduction of MMR (Maternal Mortality Ratio), malnutrition, HIV, and NCDs; and improve access of the poor and the vulnerable population to quality health services."
- Health Secretary Janette L. Garin

"There is legitimacy in the process when the private sector has a stake in public healthcare delivery. The private sector participation creates a demand-driven healthcare environment." - Ms Czarina M. Medina-Guce, Executive Director, Union of Local Authorities of the Philippines (ULAP)



Introduction

The Philippine economy has exhibited strong growth, with a rise in GDP exceeding that of most Asia-Pacific countries. Despite suffering several natural disasters, the Philippines posted 7.2% GDP growth in 2013. The country is expected to achieve double-digit GDP growth through 2019 (IMF 2014). The country's economy will remain strong due to several factors:

- Remittances from overseas Filipino workers (OFWs) accounted for almost 9% of GDP in 2013 and will continue to be a significant driver of the economy in 2014 and beyond (BSP 2014)
- The Philippine population is among the fastest growing in Asia-Pacific and is expected to increase by 16% over the next 10 years (NEDA 2013)
- Significant geographical expansion and investment in 21 "Next Wave" cities such as Davao, Laguna, Bacolod, Iloilo, Cavite
- Increasing number of public-private partnerships are being formed, with 10 development partnerships currently slated for implementation and another 47 being evaluated (PPP Center 2014)

Still, the country faces significant hurdles:



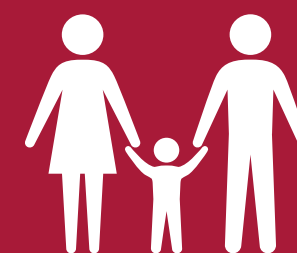
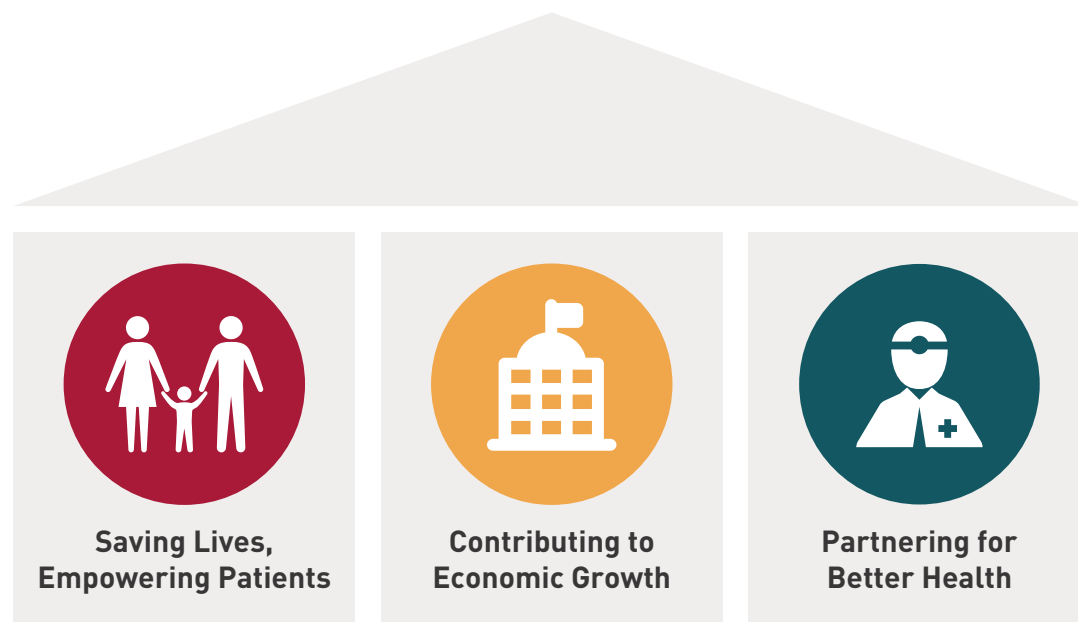
- Poverty remains endemic, with an estimated 28% of the population living in poverty in 2012 (NEDA 2012). Unemployment rates are higher than elsewhere in Asia-Pacific, and half the population lives in rural areas (IMF 2014).
- The healthcare system bears the multiple burden of high incidence of communicable diseases, increasing prevalence of non-communicable diseases and the country's vulnerability to natural calamities.

- Reconstruction after several natural disasters in 2013 has been an uphill battle. More than three million Filipinos still rely on some form of assistance to access food, clean water, sanitation facilities, and health care (NDRRMC 2014).

Considerable public and private spending is devoted to medicines, accounting for one third of all healthcare expenses in the Philippines. The Philippines is also the only country in Asia- Pacific where the growth rate of pharmaceutical sales is expected to increase relative to historical growth. This growth is fuelled by a large generics market that is increasing patient access to medicines as well as the launch of innovative molecules to combat rising NCDs. The industry is committed to furthering the government’s healthcare agenda by helping provide greater access to quality healthcare and medicines, and promoting corporate social responsibility to help those in need, providing patient education and continuing medical education for healthcare professionals, and expanding treatment options in underserved urban and rural areas.

In the following pages, we profile the pharmaceutical industry and the value it brings to Philippine health, economy, and society (Fig. 1).

Figure 1: Contributions of the Philippine pharmaceutical industry to nation-building



**Saving Lives,
Empowering Patients**

DISCOVERING MEDICINES AND VACCINES

21 

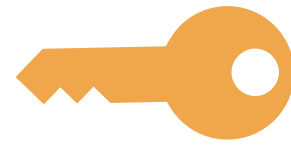
new medicines for cardiovascular diseases, cancer, respiratory diseases and diabetes launched in 2014



Innovating to battle **Non-Communicable Diseases (NCDs)**

55 

life-saving vaccines made available to Filipinos to date

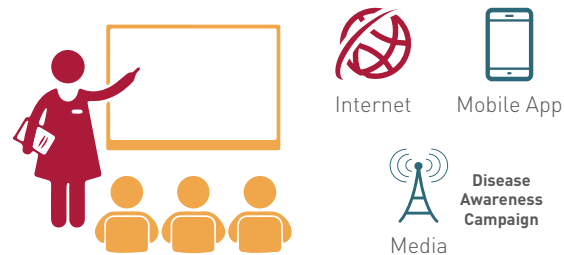


Patient Programs help enhance access to medicines

ENHANCING PATIENT ACCESS AND CARE



Expanded medicines distribution **nationwide**



Continuing education on disease prevention and management



Providing wide variety of **affordable medicines**

FIGHTING INFECTIOUS DISEASES

A 2010 UNAIDS Report on the Global AIDS Epidemic identified the Philippines as one of seven countries where new cases of communicable diseases increased by more than 25% from 2001 to 2009 (WHO 2014). Tuberculosis (TB), malaria and HIV continue to account for a large number of deaths in the Philippines.

In 2003, the Philippines lost over 500,000 disability-adjusted-life-years (DALYs) due to illness and premature mortality from TB, accounting for 9% of all years of life lost that year (DOH PHS 2010). Pneumonia claims the lives of two infants out of every 1,000 born (DOH PHS 2010).

Between January 1 and July 5, 2014, the Department of Health (DOH) National Epidemiology Center reported 16,214 confirmed measles cases with 91 deaths due to complications like pneumonia. In September 2014, President Benigno Aquino III led the DOH's nationwide measles immunization campaign to address Millennium Development Goal #4 of reducing child mortality. The campaign aimed to immunize an estimated 11 million children (0-5 years old) against measles and rubella (DOH 2014).

Over the past five years, the industry has made available in the Philippines 55 vaccines that prevent childhood mortality and combat a variety of communicable diseases such as pneumonia and diarrhea. Of these, 17 vaccines prevent bacterial infections while 26 prevent viral infections (IMS MIDAS 2014).

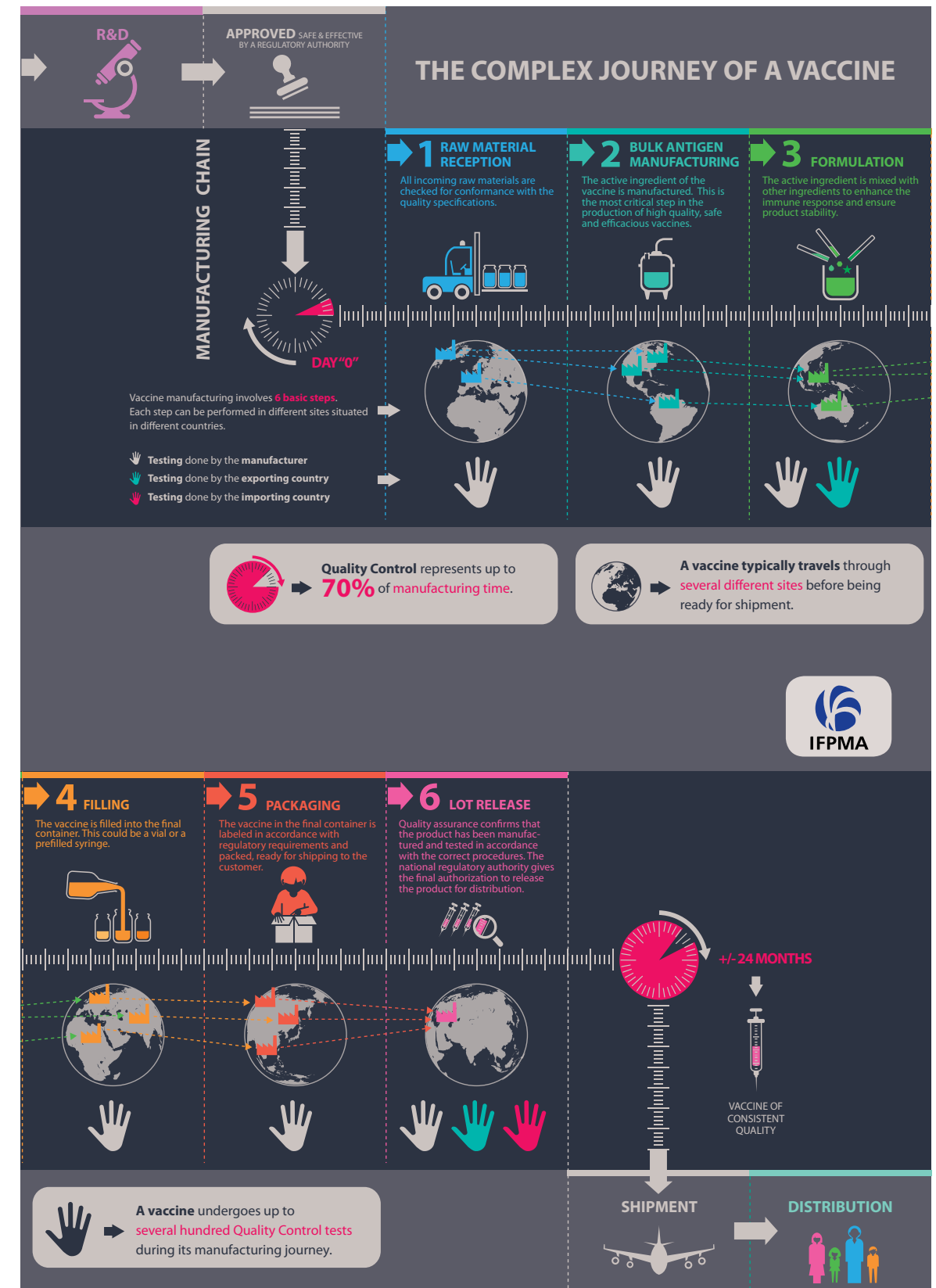
Research-based pharmaceutical companies invest a significant amount of time and resources in manufacturing vaccines. It takes a vaccine up to 15 years to go from early-stage research, manufacturing to marketing (Fig.2). The manufacturing process alone takes approximately 24 months from sourcing raw materials to packaging and releasing the product for distribution. Vaccines have to go through several hundred quality





control tests during the manufacturing process. Various cost factors are involved in the development process. These include value-added taxes, customs and duties, and wholesale and retail margins. These cost factors contribute to the overall cost to the healthcare system. The cost of health is multi-factorial, with vaccine prices being just one component (IFPMA 2014).

Figure 2: The Complex Journey of a Vaccine



Source: Reprinted with permission from IFPMA

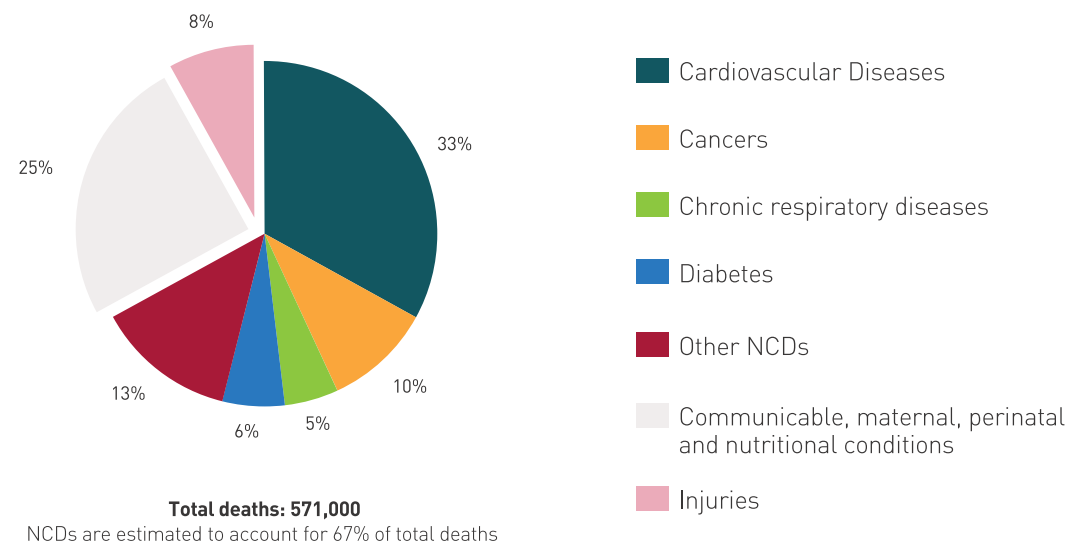
INNOVATING TO BATTLE NON-COMMUNICABLE DISEASES (NCDS)

The number of Filipinos who die due to the four main NCDs in the country (cardiovascular disease, cancer, diabetes, and respiratory disease) has been increasing significantly over the past decade. Filipinos between the ages 30 and 70 have a 28% probability of dying from an NCD (WHO NCD Profile 2014). Many Filipino adults are exposed to tobacco and alcohol use, unhealthy diets and physical inactivity which put them at risk for NCDs (WHO NCD Profile 2014). DOH initiatives to control and manage NCDs have been supported by the WHO. These include:

- Including NCDs as a priority thrust under “*Kalusugang Pangkalahatan*” (Universal Health Care) and Millennium Development Goal (MDG) Max Initiative; and
- Implementing tobacco control initiatives, such as advocacy for smoke-free places and passage of “Sin Tax” law to increase taxes on tobacco and alcohol products.

Through the launch of over 76 new molecules or combinations over the last three years, the industry has helped reduce mortality from the top NCDs in the country: cardiovascular disease, cancer, diabetes and respiratory diseases, which accounted for 53% of mortality in 2014 [Fig. 3,4].

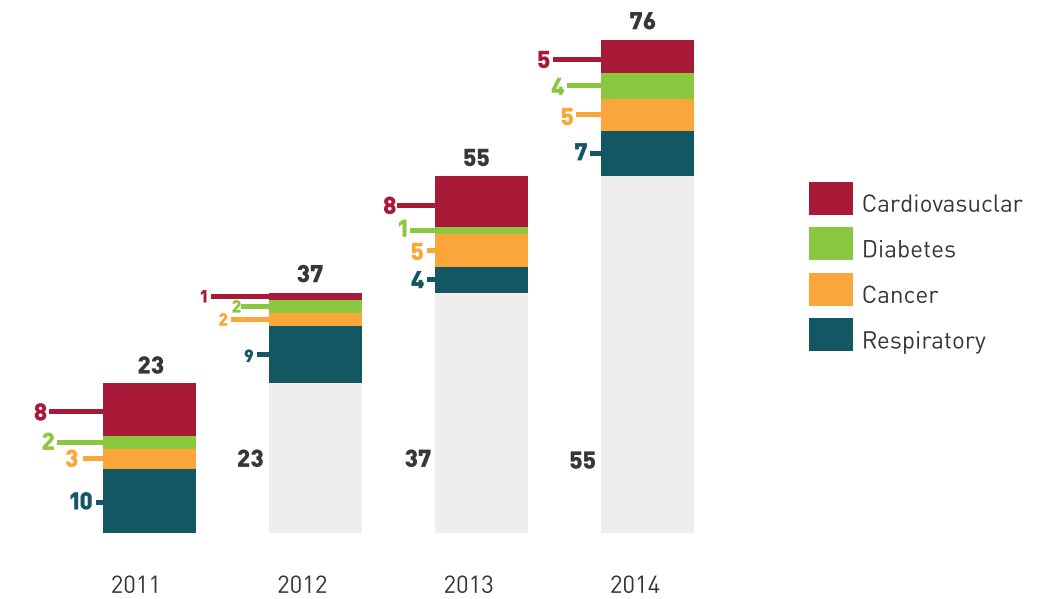
Figure 3: Mortality in the Philippines (% of total deaths, all ages, both sexes)



Source: WHO Non Communicable Diseases (NCD) Country Profiles, 2014

Over the last three years, a total of 76 new molecules or combinations for the country's top four NCDs were introduced. In cancer alone, five new molecules or combination products were launched in 2014.

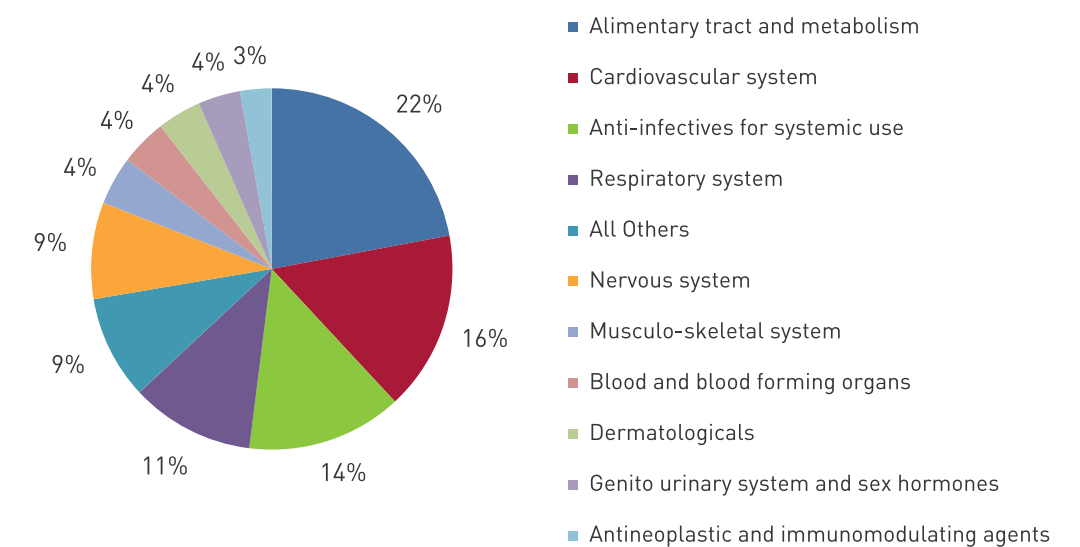
Figure 4: Launch of Medicines for major Non-Communicable Diseases



Source: IMS Health Philippines, MAT Q3 2011 – 2014

Metabolic, alimentary, and cardiovascular (CV) medicines represent almost 40% of pharmaceutical sales in the country, highlighting their high utilization (Fig. 5). For example, there are over 160 molecules available in the Philippines today to combat cardiovascular conditions. Similarly, doctors can choose from over 100 molecules for the treatment of cancer (IMS Health Philippines 2014).

Figure 5: Philippine Pharmaceutical Market by Therapeutic Area (%)



Source: IMS Market Prognosis 2014

While the pharmaceutical sector's contribution to innovation is often associated with the launch of new molecules, it is also reflected in the path paved by off-patent molecules that open the market for a wide range of generics, making medicines accessible to the Filipino patients.

"The industry could be given research and tax incentives in the future to reward innovation that address the country's healthcare priorities..."
- Health Secretary Janette L. Garin

The pharmaceutical industry helped populations such as senior citizens and indigent patients, through special access programs. Patient access through affordability schemes is one of the top two key success factors for research-based pharmaceutical companies (IMS Health Pharma General Manager Survey 2014).

INCREASING ACCESS TO MEDICINES

"When PhilHealth decided to pay more for certain diseases, and became a guaranteed payor for complete quality care through the Z benefit packages, some pharmaceutical companies made offers of price reduction to help us make standard quality treatments of certain catastrophic illnesses a reality. We were able to get medicine price reductions of up to 80% of current list prices for different medications including anti-cancer medicines, anti-cancer support medicines, vaccines, and anti-rejection medicines."
- Dr. Robert Louie P. So, VP and Chief Audit Executive, PhilHealth

PHILHEALTH Z BENEFIT PACKAGES
Acute Lymphocytic / Lymphoblastic Leukemia
"Breast Cancer (stage 0 to IIIA)"
"Prostate Cancer (low to intermediate risk)"
End-state renal disease eligible for requiring kidney transplantation (low risk)
Coronary Artery Bypass Graft Surgery (standard risk) Surgery for Tetralogy of Fallot in Children
Surgery for Ventricular Septal Defect in Children
"Cervical Cancer Chemoradiation with Cobalt and Brachytherapy (low dose) or Primary surgery for Stage IA1, IA2 – IIA1
Chemoradiation with Linear Accelerator and Brachytherapy (high dose)"
"Z MORPH (Mobility, Orthosis, Rehabilitation, Prosthesis Help) - first right and/or left below the knee"
Selected Orthopedic Implants

Pharmaceutical companies alongside drugstores and hospitals also provide discounts for medicines purchased by senior citizens. In addition, some pharmaceutical companies help ease the financial burden of chronic care through patient compliance and adherence programs.

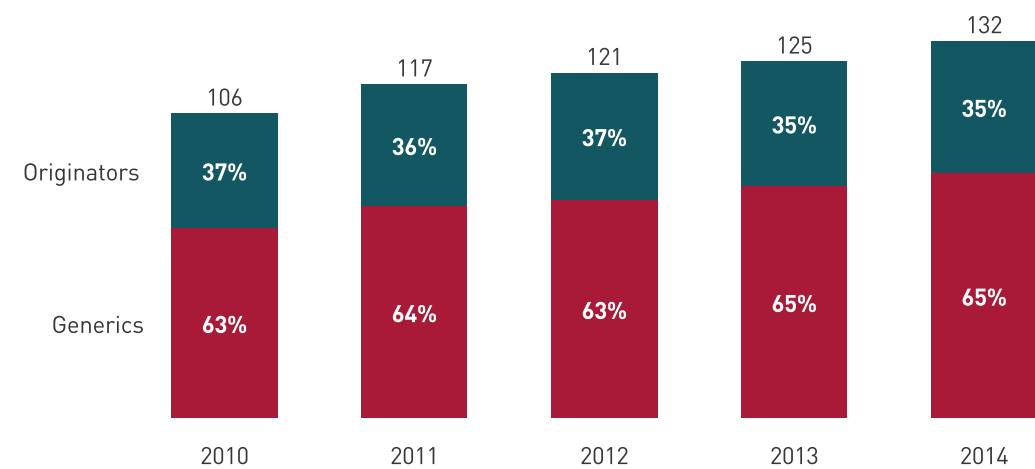
Research-based pharmaceutical companies collaborated with the Philippine Charity Sweepstakes Office (PCSO) to establish a formulary that provides indigent beneficiaries of the Individual Medical Assistance Program (IMAP) with highly discounted medicines (Horario 2014).

MEDICINE AVAILABILITY AND AFFORDABILITY

The pharmaceutical industry provides Filipino patients with a wide range of high-quality, affordable essential medicines and vaccines to choose from, including innovative drugs, branded generics and generics.

Between 80% and 90% of essential medicines, as defined by the WHO, are already off-patent, thereby giving consumers more affordable options (IMS MIDAS 2014). The availability of both originator and generic pharmaceutical products allows patients and physicians to choose medicines based on their own preferences and needs. As illustrated by Figure 6, generics account for 65% of the total pharmaceutical market, with an annual growth of 6% since 2010. Originator products account for only 35% of the pharmaceutical market in the Philippines. The Philippines has a higher utilization rate of lower-cost generics than other Asia-Pacific countries with comparable GDPs (IMS Market Prognosis, IMS MIDAS 2010-2014).

Figure 6: Utilization of Pharmaceutical Products by Value over Time (%)



Source: IMS MIDAS, MAT Q3 2010-2014

Furthermore, prescription trends indicate that generic prescribing by physicians has also increased by 7 percentage points since 2011 (from 66% in June 2011 to 73% in June 2014) and will enhance patient access, which is further supported by the nationwide expansion of generics-only drugstore chains (Source: IMS PMDI Prescription Share Data, 2011-2014).

“Through bulk procurement of pharmaceutical products, wherein pharmaceutical companies could offer lower prices, the government saves money that can be used to purchase more medicines thereby benefiting more patients...” - Health Secretary Janette L. Garin

The pharmaceutical industry, through their trained medical representatives, help cascade information to healthcare professionals all over the country.

The industry’s commitment to continuing medical education spans both private and public sectors and covers the broad spectrum of healthcare professionals: doctors, dentists, nurses, pharmacists, pharmacy assistants, midwives and hospital workers, among others. The industry believes the pursuit of better healthcare delivery needs a wholistic approach that engages all healthcare professionals.

An important aspect of accessibility of medicines and vaccines is their availability at the point of need. Nationwide distribution across drugstores, public and private hospitals, and doctor’s clinics among others is therefore crucial.

The pharmaceutical industry brings medicines and vaccines closer to patients through an expanded channel network throughout the archipelago.



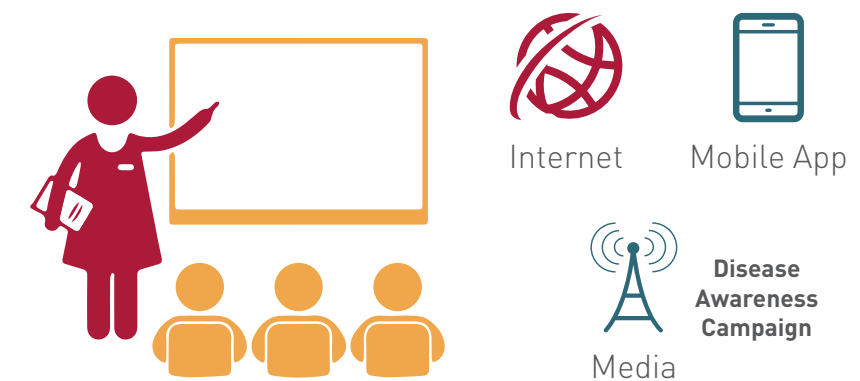
PATIENT EMPOWERMENT

With the advent of the internet and social media, patients no longer rely solely on healthcare providers for health information.

The Philippines has one of the highest social media engagement rates in the world, with 96% of Filipino netizens using social media—more than any other country in Southeast Asia (Greene 2014).

The pharmaceutical industry utilizes various communication platforms, including partnership programs with government, NGOs and patient organizations, and the use of internet and social media, to empower patients with health information.

While the digital revolution is one of the recent trends in engaging patients on health matters, the industry’s commitment to educate patients and their caregivers on diseases and disease management has always been there—be it at the doctor’s clinic, mainstream media, government health centers or through organized patient and caregiver education sessions.



Educating patients and caregivers is crucial to improving quality of life. By educating people about lifestyle choices that endanger health, they become better equipped to safeguard their health through conscious and informed decision-making.





Contributing to economic growth

FUELLING THE ECONOMY

P 146B
 contributed to the Philippine economy in 2014

Business impact on other industries



Pharma Companies

2.5X

multiplier effect



Other Industries

PROVIDING JOBS



Pharma Companies



Distributors & Wholesalers



Retailers



Created **thousands of jobs**, and employed more than 60,000 workers in 2010*

Pharma manufacturers bolster close to **100 other industries** in the country

DRIVING INNOVATION IN CLINICAL RESEARCH

Invested over
P 1B in R&D
 in 2013

CONTRIBUTING TAXES, CUSTOMS AND LICENSE FEES



Pharma Industry contributes significantly by paying **taxes, customs and license fees.**

GDP CONTRIBUTION

The **total output** of pharmaceutical companies, including research based pharmaceutical companies and generic companies was **146Bn pesos in 2014** (IMS MIDAS, 2014). IMS Health forecasts the pharmaceutical market to grow by 4.5% year-on-year over the next five years, reaching 164Bn pesos by 2018.



The pharmaceutical manufacturing sector (defined as pharmaceuticals, medicinal chemicals, and botanical products) ranked in the top 22% of 240 sectors in the Philippines when measured by total output (NSCB 2006 Table²). In addition, 17 drug manufacturers, 12 wholesalers and 10 retailers were included in BusinessWorld's 2012 Top 1000 corporations in the Philippines based on their output contribution.

EMPLOYMENT CONTRIBUTION

The pharmaceutical industry is an important creator of high-value jobs in the Philippine economy, ranging from scientific and managerial positions to technical roles in manufacturing to administrative positions. In 2010, the pharmaceutical industry employed more than 60,000 Filipinos, according to the Census of Philippine Business and Industry (CPBI) conducted by the National Statistics Office. The number of employees in retail and wholesale of pharmaceutical products alone comprises 17 percent of the total employment for the entire wholesale and retail trade sector of the CPBI (Reyes 2011). Drugstore chains like Mercury Drug employ more than 11,000 people nationwide and serve patients through over 1000 outlets (IMS Survey of Mercury Drug 2014).



² Data based on 2006 I-O tables of the Philippines (most updated version available).

TAXES, CUSTOMS DUTIES AND LICENSES FEES

From 2006-2012, the BIR collected a total of PHP 119Bn in taxes from manufacturers, wholesalers and retailers of the pharmaceutical industry. In 2012 alone, manufacturers, wholesalers and retailers paid PHP 20Bn in taxes (NTRC 2014).

BUSINESS IMPACT ON OTHER INDUSTRIES

Pharmaceutical manufacturers (pharmaceuticals, medicinal chemicals and botanical products) indirectly support almost 100 other local industries (medical, dental, chemical product manufacturing and other health-related industries). In 2006, the pharmaceutical manufacturing sector was ranked among the top 22% of suppliers to other sectors (NSCB 2006 Table). The pharmaceutical manufacturing sector's output multiplier is 2.53. This means that for every peso worth of new final demand from the pharmaceutical sector, there is 2.53 pesos worth of additional output from all other sectors in the economy. Only 43 sectors (out of 240) have a higher output multiplier, putting pharmaceuticals within the top 25% of the economy (NSCB 2006 Table).

Furthermore, any given research-based pharmaceutical company will engage up to 350 vendors and suppliers in one year (IMS Industry Survey of Research Based Pharmaceutical Companies 2014).



DRIVING INNOVATION

The research-based pharmaceutical industry bolsters innovation through sustained research and development of new medicines and vaccines.

There are currently 461 ongoing local clinical trials in the Philippines, which ranks third in Southeast Asia after Singapore and Thailand in the number of pharma industry-sponsored clinical trials (NIH). Based on a 2009 report by the European Medicines Agency, the Philippines is number 8 among the top 10 countries worldwide with an annual growth in clinical trials of 30.9% (Centerwatch).



In 2013, the Philippine Council for Health Research and Development (PCHRD) registered 113 research studies, 74 of which were clinical trials. This figure is nearly a three-fold increase in the number of registered studies since 2012. In addition, 65 of these 113 studies were funded by Contract Research Organizations (CROs) and research-based pharmaceutical companies. The total budget of all 65 industry-sponsored clinical trials could easily reach over PHP 1 Billion (PHRR 2013)³. Research-based pharmaceutical companies conducting local clinical trials are also partnering with CROs based in the Philippines.

According to the Philippine FDA, this practice has had a notable positive impact on the quality of clinical research conducted in the Philippines. Such clinical studies not only strengthen local researchers' capabilities, but also accelerate the availability of drugs in the country by expediting regulatory approval.



LABOR PRODUCTIVITY

NCDs account for 61 percent of all deaths in the Philippines (WHO NCD 2014).

NCDs resulted in 10Bn USD in lost GDP for the country in 2010, a figure which is expected to increase three-fold by 2030 (VISES 2014).

Annual productivity losses from premature deaths for four smoking-related diseases alone—lung cancer, cardiovascular diseases, coronary artery disease, and chronic obstructive pulmonary diseases – ranged from USD 65.4Mn to USD 1.08Bn based on conservative Peto-



³ Estimated based on PHP 685m Pesos spent by 38 privately funded programs.

Lopez estimates (DOH 2012). The government recognizes the urgent need to promote healthy living among Filipinos to prevent the onset of NCDs. Since 2003 when the Tobacco Regulation Act became a law in the Philippines, the government has been implementing tobacco control policies mainly through the DOH (DOH 2012).



In 2012, Republic Act 10351 or an Act Restructuring the Excise Tax on Alcohol and Tobacco Products was signed into law. The law envisions better health outcomes for Filipinos through the reduction of alcohol and tobacco consumption. According to the law, about 80 percent of the remaining incremental revenues will be allocated for Universal Healthcare under the National Health Insurance Program (NHIP) while 20 percent will be allotted for medical assistance and health facilities enhancement program (DOF 2013).

Pharmaceutical companies are also increasing their efforts to combat NCDs. In addition to launching drugs against NCDs, they partner with medical societies and patient groups to increase awareness on diseases and how to better manage them. Pharmaceutical companies also partner with public and private corporations to promote disease prevention and wellness as well as an active and healthy lifestyle.





Partnering for Better Health

PATIENT GROUPS AND COMMUNITIES



Working with patient groups and communities to **enhance access to health services**

HEALTHCARE PROFESSIONALS



Partnering with healthcare professionals for **continuing medical education and quality patient care**

GOVERNMENT



Collaborating with Government to promote **Universal Health Care**, quality medicines, improved healthcare delivery, and ethical business practices

NON-GOVERNMENT ORGANIZATIONS



Forging partnerships throughout the country to improve **healthcare service delivery**

The industry believes that the Philippine healthcare ecosystem is best nurtured through a broad-based collaboration among various stakeholders: patients and communities, healthcare professionals, government, and co-participants in the healthcare sector.

PARTNERSHIPS WITH THE GOVERNMENT

Quality, Efficacious and Safe Medicines

Research-based pharmaceutical companies strictly adhere to the quality and regulatory standards of international regulatory bodies, such as the US FDA and European Medicines Agency, among others. The industry's commitment to quality, efficacious and safe medicines and vaccines is embedded right from the initial stages of drug discovery all the way to marketing activities and monitoring of any adverse events as part of pharmacovigilance.

Research-based pharmaceutical companies undergo an elaborate and complex process of checks and balances to uphold the highest standards in its operations: from drug discovery, the conduct of clinical studies, to the preparation of its technical dossier for submission to the FDA. This also includes a highly disciplined process for liaising with regulators to ensure that quality standards are met at all times.

Good Manufacturing Practice (GMP) is governed by international standards and strict controls are in place to protect the integrity of medicines and vaccines as they go through the various stages of the supply chain so that each medicine and vaccine is able to deliver the patient benefit that it has been registered for. The process of ensuring the supply of quality, efficacious and safe medicines is a highly-regulated process, one which the industry fully embraces and complies with. The industry's commitment and discipline go beyond just meeting regulations, with pharmaceutical companies working closely with the FDA to constantly raise the standards and assist in the capability and capacity-building of local regulators.



Achieving Millennium Development Goals

A key focus of the government is **achieving the Millennium Development Goals**, particularly the reduction of Maternal and Infant Mortality in the country. To this end, the DOH has implemented the following: Essential Newborn Care (ENC); Maternal, Neonatal, Child Health and Nutrition (MNCHN) Strategy; and Child Health Strategy (*Garantisadong Pambata*).

“The country’s maternal mortality is currently 220 deaths per 100,000. Our target is to reduce this to 50 deaths per 100,000. To achieve this target, the DOH has improved our hospital facilities and PhilHealth coverage to encourage Filipino women to deliver their babies in properly equipped health facilities manned by trained health workers and healthcare professionals. Today, institutions are delivering 80% of babies due to hospital infrastructure improvements and PhilHealth coverage.” - Dr. Teodoro Herbosa, former Undersecretary, Department of Health (DOH)

Research-based pharmaceutical companies are also addressing Millennium Development Goals through partnerships with the DOH and other organizations providing medicine, funding, training and collaboration in disease awareness campaigns.

Promoting integrity in the healthcare sector

“Unethical and excessive drug promotion and advertising affect the individual judgment of physicians, mislead patients in choosing their best treatment options and raise the price of medicines. We would like to have a collaborative engagement with the industry to ensure that drug promotion and advertising happen within a transparent and ethically sound framework in accordance with the globally accepted standard.” - Health Secretary Janette L. Garin



Ethical and appropriate business practices in the pharmaceutical and medical device industries have been identified and recognized by the WHO and the Asia Pacific Economic Cooperation (APEC) member countries as consistent with the people's right to health and promoting people's access to safe, effective and quality pharmaceutical and medical device products.

Ethical relationships are crucial to the pharmaceutical industry's mission of developing and making quality medicines available. Ethical interactions help ensure that medical decisions are made in the best interests of patients (PhRMA 2011).

The research-based pharmaceutical industry, through PHAP, has consistently promoted ethical conduct in the Philippine healthcare sector. The industry has strongly supported the establishment of an ethical code of practice and continuously envisions a Philippine pharmaceutical industry that complies with the highest ethical standards for the benefit of patients.



Ratified in 1999, the PHAP Code of Pharmaceutical Marketing Practices is fully aligned with international codes for the biopharmaceutical sector as well as applicable national laws and regulations. Strict adherence to the PHAP Code is a requirement for PHAP membership. It is being implemented by an independent Ethics Committee composed of health and governance experts.

To help ensure that interactions with healthcare professionals, medical institutions and patient organizations are at all times ethical, appropriate and professional, PHAP established the Integrity and Proficiency Program for the Pharmaceutical Sector (IPPS) in 2013. The program replaces the Medical Representatives Accreditation Program first established in the year 2000.



The IPPS is a comprehensive training and development tool for PHAP members that focuses on patient interest and well-being. It promotes principles such as integrity, transparency, independence, accountability and above all, patient focus.

The Professional Regulation Commission (PRC) certified the IPPS as an accredited training program at par with government and regulatory standards. IPPS enables healthcare representatives from PHAP member companies to be accredited professionally.

Both the PHAP Code and the IPPS are aligned with the Mexico City Principles for Voluntary Codes of Business Ethics in the Biopharmaceutical Sector, often referred to as the Mexico City Principles (MCP). The MCP was officially endorsed by APEC Ministers for adoption by all industry sectors of the member countries on a voluntary basis. It provides for an effective platform for self-regulation in the pharmaceutical sector. The Philippines is a signatory to the APEC Declaration signifying support for the Mexico City Principles.

In promoting an ethical environment for the healthcare sector, the Philippine FDA issued Circular No. 2013-024 pertaining to the "Adoption and Implementation of the Mexico City Principles for Voluntary Codes of Business Ethics in the Biopharmaceutical Sector."

The industry, through PHAP, continues to support the regional and national vision of an ethical environment for the healthcare sector by the year 2020 as embodied in the APEC Nanjing Declaration – *Promoting Ethical Environments in the Medical Device and Biopharmaceutical Sectors through 2020*.

PARTNERSHIPS WITH COMMUNITIES

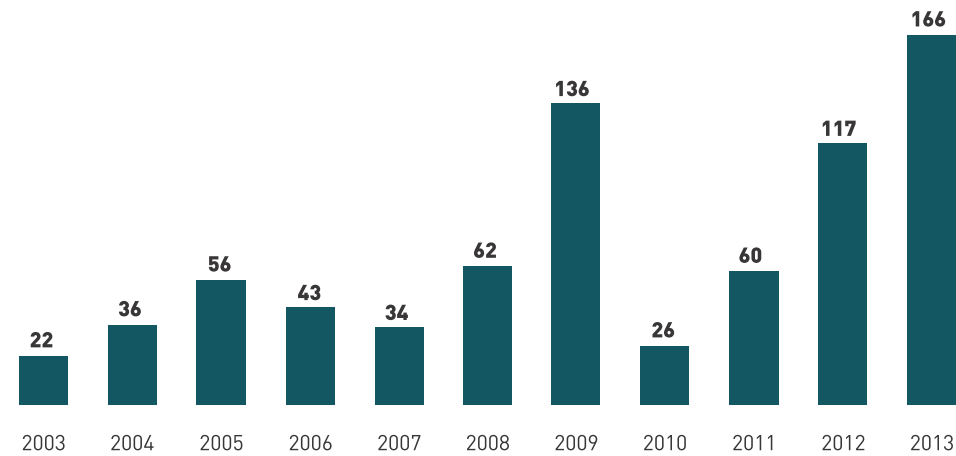
Strong corporate citizenship is yet another proof of the pharmaceutical industry's commitment to nation-building. Be it through its community-based programs supporting the less privileged or its responsiveness to the call for humanitarian efforts in times of calamities, PHAP has continually demonstrated how it takes its corporate social responsibility to heart.

Through the PHAPCares Foundation, PHAP members have donated close to P800 million worth of life-saving medicines and vaccines since 2003.

The research-based pharmaceutical industry has also stepped in and provided significant aid towards disaster relief. In coordination with local government units and the Office of Civil Defense, the pharmaceutical industry provided cash and in-kind donations to the victims of Typhoon Yolanda, and conducted pro bono medical missions. In total, PHAP members donated approximately 2.4 tons of medicines worth about Php110Mn to typhoon Yolanda victims.



Figure 8: Total Medicine Donation by PHAPCares Foundation 2010-2013 (PHP, Million)



Source: Based on PHAPCares Audited Financial Statements

The industry’s humanitarian efforts go beyond the donation of pharmaceutical products. PHAP member companies are engaged with the Philippine Government and international organizations in the development of medicines for tropical diseases as well as jointly working with stakeholders in the elimination of certain diseases.

PARTNERSHIPS WITH HEALTHCARE PROFESSIONALS

PHAP member companies are deeply committed to partner with healthcare professionals through training and education programs, as well as development of clinical guidelines and education on disease management trends.

IMS Health data shows that approximately 44,000 physicians are reached by the research-based pharmaceutical companies annually through a variety of Continuing Medical Education (CME) programs, including train-the-trainer sessions and Good Clinical Practice (GCP) workshops. Over the past four years, the industry’s CME coverage of healthcare professionals has increased by 4% in total. These CME programs are designed to cascade scientific information to healthcare providers, as well as to prepare them to better diagnose and treat their patients. In areas of the country where there are no specialists, research-based pharmaceutical companies are boosting general practitioners’ knowledge and understanding of complex medical disease as well as addressing significant capability gaps.

PARTNERSHIPS WITH PATIENT ORGANIZATIONS

The research based pharmaceutical industry **collaborates with patient organizations such as the Philippine Alliance of Patient Organization (PAPO)**, to build capabilities and capacity to extend their reach and impact to patients (Fig 9).

“[Research-based] pharmaceutical companies are looking to partner with patient groups in order to connect with patients. They want to understand what works with patients so they can adjust their medicines or shift prices.”
-Ms Girlie Garcia-Lorenzo, President, PAPO

Figure 9: Examples of successful CSR Initiatives in the development of patient support groups

Name of Initiative	Therapeutic Area	Partners for Initiative	Purpose
Diabetes Camp	Diabetes	Major societies	Improve diabetes care in children
Cancer partnerships with ICan Serve Foundation and Carewell Foundation	Cancer	ICan Serve Foundation and Carewell Foundation	Address patient issues particularly on access to treatment, strengthen partnerships to help shape public health policies on access to treatment and healthcare services
Making More Health	Various	Ashoka Philippines	Implement the Activity Plan, including identifying, selecting and supporting 8 Ashoka Fellows within a global Fellowship. Fellows become part of a global support network of peers and strategic partners from whom they will benefit for life.

Source: IMS Health Survey of Research Based Pharmaceutical Companies 2014

Many of the industry’s collaboration with patient organizations focus on improving patients’ understanding of their conditions and how to assist them and their caregivers in enhancing the quality of care. The possibilities for the future are very promising. The pharmaceutical industry believes that patient involvement is key to a thriving healthcare ecosystem. To build a patient-centric healthcare infrastructure, the voice of patients must be heard. Patients must be empowered to participate in the debate on healthcare policy, the shaping of legislation, and the design of healthcare delivery. To help achieve this, PHAP will increasingly engage patient organizations and communities, beyond what has been done in the past.



PARTNERSHIPS WITH NON-GOVERNMENT ORGANIZATIONS

The promotion of ethical conduct is a core belief upheld by PHAP, one of the first industry associations in the Philippines to adopt its own Code of Practice.

PHAP also fully supports the private sector's "Integrity Initiative" that aims to drum up support for the Government's national good governance campaign. In 2012, PHAP expressed its formal commitment to the mission of the Integrity Initiative by signing the "Integrity Pledge".

PHAP is also an active member of the Medicines Transparency Alliance (MeTA), a multi-stakeholder coalition composed of partners in the government, private sector, civil society, academe, health professional associations and international development partners.

Working with other industry associations, advocacy groups, the academe, and journalists, PHAP and its members remain highly-engaged participants in shaping the healthcare agenda in both the local and international scene.

PHAP is the sole member in the Philippines of the Geneva-based International Federation of Pharmaceutical Manufacturers and Associations (IFPMA) and the World Self-Medication Industry (WSMI).

PHAP also remains a staunch partner of the Government and non-government organizations in pursuing robust discussions on matters that impact health. It is through these open and transparent dialogues that the industry is able to provide its collective expertise and share both local and international best practices.



**Recommendations for
future collaborations**

"We need to look at health as a commitment to social healthcare beyond products and activities such as medicine and R&D. We need to broaden the social dialogue with Congress, government and other stakeholders. PHAP can help remind society that health is a social outcome and requires a concerted effort across stakeholders in the society" - **Prof. Jacinto C. Gavino, Jr., Core Faculty, Asian Institute of Management**

"The Department of Social Welfare and Development is working with the pharma sector to improve the overall inclusive growth for the nation. Potential areas for contribution under CSR could include PHAP extending partnership to the LGU so that quality medicine is accessible to poor at that level. Overall, we would like to see that partnerships are extended to more regions which are prone to disasters and calamities, poorer regions, regions which are geographically challenging and inaccessible." - **Undersecretary Florita R. Villar, DSWD, Policy and Plans Group**



Healthcare is everybody's concern. It strikes at the core of the human being: good health is a major determinant of productivity and quality of life.

Several milestones have been achieved through the Government's commitment to Universal Healthcare. However, more needs to be accomplished to achieve a truly progressive healthcare system that supports the aspirations of every Filipino to access quality healthcare services.

Though the road is long, continuous progress along this journey is possible, with the engagement of all committed parties.

The pharmaceutical industry commits to collaborating with various stakeholders: healthcare professionals, patient groups, trade and business partners, government and non-government organizations, and the academe, in the pursuit of improved healthcare for all Filipinos who seek better access to medicines, effective, equitable healthcare delivery and enhanced quality of life.

To deliver on this commitment, the pharmaceutical industry will pursue three opportunities:



Sustaining collaboration to preserve the gains of Universal Health Care

1. Sustained collaboration with the government to preserve the gains from *Kalusugang Pangkalahatan* (UHC) and to fully realize the ambition of achieving sustainable Universal Healthcare. Efforts will include support for ongoing government programs as well as providing specific suggestions on how to further healthcare reform. It could also mean a more active role for the private sector in strengthening government and non-government institutions that are involved in UHC. The private sector is very much prepared to provide talent and resources to support specific projects that upgrade the capability of different sectors in the way it strategizes, implements, monitors and responds to healthcare priorities in the country.



Supporting patients and their families to participate in shaping the healthcare agenda

2. Support patients and their caregivers in participating more actively in the ongoing dialogue on the country's healthcare agenda. This will involve helping patient organizations to get better organized and therefore gain stronger participation in healthcare policy making. This could mean increased access for patient representatives to legislators and decision makers as well as increased visibility of how choices made in the public and private sectors inevitably impact on their pursuit of improved productivity and quality of life.



Reinforcing healthcare delivery at the grassroots

3. Working together to build multi-stakeholder programs among the Department of Health, Local Government Units (LGUs) and the stakeholders and members of the pharmaceutical industry in order to improve healthcare delivery at the grassroots, resulting in improved program implementation and ultimately, better healthcare outcomes.

The Philippine healthcare system, by design, has a unique configuration where policies and programs are developed centrally with the Department of Health in the lead, implementation of which thereafter is passed on to the local government units. Inherently, challenges in program delivery will be encountered given the country's archipelagic nature which creates challenges in the recruitment of qualified health personnel, logistics and program monitoring. Moreover, multiple, competing priorities at the community level also play a role.



For these reasons, achieving greater healthcare delivery integration that is fit for purpose within the local context will be an ongoing study in design and execution best achieved through active, multi-stakeholder dialogue between the Department of Health, law-making bodies, local government units, local and international NGOs, professional organizations, private institutions, academe, healthcare professionals and patients. Many players in the pharmaceutical industry can participate and even facilitate these dialogues. As multinational companies operate in many countries, they can bring experts who can share on best practices from other healthcare systems so that the Philippines can evolve its own "fit-for-purpose" wholly integrated healthcare delivery system, one that is able to effectively implement universal healthcare objectives at the grassroots and throughout all levels of society.



Without doubt, the wheels have been set in motion for the sustained improvement of healthcare in the Philippines. Beyond providing medicines and vaccines, the Philippine pharmaceutical industry is committed to being an active partner and participant in nation building, guided by the knowledge that the road to a healthier, more prosperous nation starts with a productive citizenry able to reach its full potential.



Appendix

FAST FACTS

Research and Development (PhRMA 2009)

Time to develop a drug = 10 to 15 years

Years of R&D for each successful vaccine = 10 years and above

Time to manufacture a vaccine = 24 months

Development Costs (Forbes, 2012)

R&D cost to develop a single drug = PHP 178-534 Bn

Value of Medicines (IMS)

IMS MIDAS total sales (in '000s PHP)

2011 = 128,000,000

2012 = 132,000,000

2013 = 139,000,000

2014 = 146,000,000

Five-year Growth Rate Forecast (IMS Market Prognosis Asia)

2014 = 4.5

2015 = 4.4

2016 = 4.7

2017 = 5.0

2018 = 5.0

Non Communicable Disease composition >50% of total sales

76 new molecules / combinations launched over past 3 years in Cancer, CV, Respiratory and Diabetes

Brand vs. generic market composition (2014) 35:65



PHAP Members

Abbott Laboratories
www.abbott.com
 Date Founded: 1937

Leo Augusto R. Yap, Jr.
 General Manager
 Established Pharmaceuticals Division



For 125 years, we at Abbott have been focused on helping people achieve their full potential through good health. We advance solutions to support healthier societies and aim to be the leading global diversified healthcare company of the 21st century.

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 Fort Bonifacio, Taguig City,
 1634 Philippines

702 8500

Central Nervous System / Women's Health
 Respiratory & Gastro / Cardio / Vitamins

A. Menarini Philippines, Inc.
www.menariniapac.com
 Date Founded: April 25, 2005

Ninia E. Torres
 General Manager



To commercialize differentiated healthcare brands of superior quality to the benefit of all stakeholders.

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 11th Avenue corner 28th Street,
 Bonifacio High Street,
 Bonifacio Global City, Taguig City

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 Gastroenterology / Pain & Inflammation
 Oncology / Dermatology / Women's
 Health / Respiratory / CNS & Consumer Health

3333888
 3333800

Alcon Laboratories Phils., Inc.
www.alcon.com
 Date Founded: February 1970

Shalav Modi
 General Manager



Alcon has one mission: to provide innovative products that enhance quality of life by helping other people see better.

801 8th Floor, Tower 1,
 Rockwell Business Center
 Block 4, Meralco Compound,
 Ortigas Avenue, Pasig City,
 Philippines 1600

772 5266
 555 6596
 555 6566

Surgical / Pharmaceutical / Vision Care

Aspen Philippines Inc.
www.aspen.ph
Date Founded: January 2012

Marcelina T. Itchon
President and CEO



To deliver value to all stakeholders as a responsible corporate citizen that provides quality, affordable medicines and products globally.

Cardiovascular And Metabolics / Thrombotics
Women's Health / Consumer Healthcare
Thyroid Disorders / Urate & Uric Acid Disorders
Adrenal Disorders / Infection
Inflammatory Disorders / Oncology
Organ Transplant Rejection / Autoimmune Disorders

10th Floor Trade & Financial Tower
7th Ave. cor 32nd St.
Bonifacio Global City Taguig City

792 8000

Bayer Philippines Inc.
www.bayer.com
Date Founded: 1962

Jennifer Yong
General Manager
Pharmaceutical Division



Science for a better life

36th Floor,
PBCOM Tower,
Ayala Avenue, Makati City

887 9700

Cardiology / Oncology / Women healthcare
Primary care / Ophthalmology

Astrazeneca Pharmaceuticals (Phils.), Inc.
www.astrazeneca.com and www.astrazeneca.com.ph
Date Founded: September 13, 1999

Gagan Singh
Country President



Backed by strong science and wide-ranging commercial skills, we are committed to the sustainable development of our business and to the delivery of new medicines that bring benefit to the patients and to the society in general.

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Infection / Neuroscience / Oncology
Respiratory and Inflammation

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777 8700

Blue Sky Trading Co., Inc.
www.bluesky.com.ph
Date Founded: 1977

Benjamin
G. Tantiensu
President



416 Dasmariñas St.,
Binondo,
Manila, Philippines

241 8501 to 04

Consumer Healthcare Division
Medical Supplies Division
Medical Equipment Sales & Service Division
Radiological Division / Special Projects Division
Engineering- Industrial / Environmental

Astellas Pharma Philippines, Inc.
www.astellas.com.ph
Date Founded: April 15, 1997

Isamu Sakurai
President & General Manager



We are the leading light and hope in improving the health and quality of life of the Filipino people by providing innovative, reliable and cost effective pharmaceutical products geared towards contributing significantly to the Astellas Group.

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Anti-emetic / Overactive bladder (OAB)
Anti-Hypertensive

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www.boehringer-ingelheim.ph
Date Founded: December 7, 1966

Erik Musalem
Country Managing Director



Value Through Innovation

23rd Floor, Citibank Tower
8741 Paseo de Roxas,
Makati City

867 0800

Respiratory / Cardiovascular / Metabolic

Calmoseptine Phils., Inc.
www.calmoseptine.com
Date Founded: May 2001

Ma. Trinidad
Rosal Borrromeo
President



To provide the Filipino people the best topical healthcare for Wounds and help establish the economy of the country.

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Mandaue City Cebu Phil.,

032 - 344 6535
032 - 344 6810
032 - 420 7581

Topical for skin

Eli Lilly (Philippines) , Inc
www.lilly.com.ph
Date Founded: 1961

Vineet Gupta
President and General Manager



To help generate scientific innovations that meet the unmet medical needs of patients around the world, and to see that all who can benefit from our treatments have access to them.

401 -403 Tower 1,
Rockwell Business Center,
Ortigas Avenue,
Pasig City

689 7900

Diabetes / Oncology / CNS,

Galderma Philippines, Inc.
www.galderma.com
Date Founded: November 1995

Leslaw Rudy, PhD
President and Country Manager



We are committed to delivering innovative medical solutions to meet the dermatological needs of people throughout their lifetime

Unit 3001 Atlanta Centre,
#31 Annapolis St., Greenhills,
San Juan City, Philippines

470 8000

Dermatology

GlaxoSmithKline Philippines
www.gsk.com
Date Founded: 1968

Francis S. Del Val
President and Managing Director



Our mission is to improve the quality of human life by enabling people to do more, feel better and live longer.

2266 Chino Roces Ave.
Makati City Philippines,

Pharmaceutical / Vaccines and Consumer Healthcare
Asthma / COPD / Diabetes / Hypertension
Bipolar disorder / Hepatitis B / Breast / Cervical
Prostate cancers / Parkinson's disease

892 0761

Hi-Eisai Pharmaceutical, Inc.

Lourdes D. Magno
President

Date Founded: 1974



We enhance the quality of life of patients and their families by providing human health care with researchbased medicines, quality services, and access to innovative disease solutions.

We build winning partnership with our stakeholders. We promote employees' well-being and development by providing a harmonious and productive working environment.

20/F Multinational
Bancorporation Centre,
6805 Ayala Avenue,
Makati City

887 1047

Neuro / Gastro / Muscular / Oncology

Hizon Laboratories, Inc.
www.hizonlabs.com
Date Founded: 1898

Rafael H. Hizon, Jr.
CEO

To save lives and improve quality of life.



Assumption Road,
Sitio Malanim, dela Paz,
Sumulong Highway,
Antipolo City

6975933 to 35

Toll Manufacturing

Hospira Philippines Inc.
www.hospira.com.ph
Date Founded: April 2006

Stephanie M. Franco
Country Manager



To be the premier and preferred hospital products and services provider in the Philippines.

39/F Robinsons Equitable Tower
ADB Avenue cor.
POVEDA Rd. Ortigas,
Pasig City

777 7000

Pharmaceutical & Device products

Medicomm Pacific, Inc.
www.ppd.ph
Date Founded: November 1992

Melanie M. Lantin
CEO



We gather, organize, and package health care information for timely dissemination to health care professionals including physicians, midwives, nurses, pharmacists, paramedics, and self-care consumers. We provide this information through various media including print, electronic, internet, and mobile technology; all for the widest reach. We continue to search for new ways to process this information and send it through more developed technological media for easy and timely access.

4th Floor Unit 406-408,
The Taipan Place Bldg.,
F. Ortigas Jr. Road,
Ortigas Center, Pasig City

638 1461 To 68

Medical Information

IMS Health Philippines, Inc.
www.imshealth.com
Date Founded: 1968

Elena T. Lam
General Manager



To be integral to our clients' success by delivering critical business intelligence, decision support and services that enable them to optimize their performance and advance the quality of healthcare.

9/F BPI Buendia Center,
Sen. Gil J. Puyat Avenue
Makati City

588 5400

Mercury Drug Corporation
www.mercurydrug.com
Date Founded: March 1, 1945

Vivian Que-Azcona
President



To serve our customers – to have what they want, when they want it, where they want it, how they want it.

7 Mercury Avenue Cor.
C.P. Garcia Avenue, Bagumbayan,
Quezon City

911 5071 To 87

Pharma Retailing

**Johnson & Johnson
(Philippines), Inc.**
www.jnj.com
Date Founded: February 21, 1956

Wigbert Dennis
R. Funtanilla
Country Director
Hospital Channel
(Pharmaceutical and Medical Devices)



The Janssen Pharmaceutical Companies of Johnson & Johnson are dedicated to addressing and solving the most important unmet medical needs of our time

Edison Road, Bo. Ibayo,
Paranaque City

368 8000

Oncology / Immunology / Neuroscience / infectious disease
Cardiovascular / Metabolic disease / Surgery / Orthopedic
Neurological Disease / Vision Care / Diabetes care
Infection prevention / Aesthetics

Merck, Inc. Philippines
www.merck.ph
Date Founded: 1973

Ramonito T. Tampos
President and Managing Director



Merck, Inc. is committed not only to continuously provide quality pharmaceutical and chemical products and services to its customers but also endeavors to find better ways to satisfy customer expectations.

24/F GT Tower International
Building 6813
Ayala Avenue cor. H. V. del Costa
St., Salcedo Village,
1227 Makati City

815 4067
818 3632

Cardio-metabolic Care / Consumer Healthcare
Oncology / Reproductive Health

Merck Sharp & Dohme (I.A.) Corporation

www.msd.com.ph

Date Founded: January 1, 1995



Our mission is to provide superior medicines and vaccines which enhance patients' quality of life. At MSD, we employ the best people, exceptional ideas and breakthrough research to make world-leading products.

Dr. Beaver R. Tamesis
President and Managing Director

26/F Philamlife Tower,
8767 Paseo de Roxas,
Makati City

784 9500

Cardiovascular and metabolic disease
Diabetes / Infectious diseases
Respiratory / Bone / Allergy conditions / Vaccines.

Novartis Healthcare Philippines, Inc.

www.novartis.com

Date Founded: February 1997



Novartis provides science-based, innovation driven healthcare solutions that address the evolving needs of patient and societies. Headquartered in Basel, Switzerland, Novartis focuses on growing healthcare sectors where innovation plays a role: pharmaceuticals, eye care, and generic medicines. It is the only company with strong positions in each of these areas. Novartis works to improve access to healthcare globally and makes corporate responsibility an integral part of how the company operates.

Dr. Nikolaos Tripodis
President and Managing Director

Asian Reinsurance Building,
Gamboa Corner Salcedo Streets,
Legaspi Village,
Makati City

368 7777

Cardio Metabolic, Immunology and Dermatology,
Neuroscience, Respiratory, Retina, Oncology

Metro Drug, Inc. Philippines

Date Founded: 1931



MDI's purpose is to make available quality healthcare products and services to improve the lives of Filipinos. To guide MDI in the conduct of its corporate lives, MDI highly upholds and firmly believe in the values of: Spirit of "Malasakit", Honesty and Integrity, Innovation and service Excellence

Joseph Nathaniel Aguilar
General Manager

Sta. Maria Industrial Estate,
Manalac Avenue, Bagumbayan,
Taguig City

802 7575

Importer/ Distributor
Wholesaler/ Secondary Repacker - Drugs
Food Supplements/ Cosmetics/ Medical Device
Household Hazardous

Novo Nordisk Pharmaceuticals (Phils.) Inc.

www.novonordisk.com

Date Founded: July 1, 1999



We aspire to change possibilities in haemophilia, diabetes and other serious chronic conditions where we can make a difference. Our Key contribution is to discover and develop innovative biological medicines and make them accessible to patients throughout the world.

Mr. Jeppe Boller Theisen
General Manager

Unit 2006 One San Miguel Bldg.
One San Miguel Ave. cor Shaw Blvd.
Ortigas Center Pasig City

667 3661

Diabetes Care / Coagulation Management
Growth Hormone Therapy / Hormone Replacement

Mundipharma Distribution GmbH Philippine Branch

www.mundipharma.com.ph

Date Founded: June 16, 2005



We aspire to become a leading industry player. Through our product portfolio, core values and people, we are determined to make our company a center of excellence and a partner of choice of our key customers and we are dedicated to uplifting the lives of patients and their families.

Gerry S. Arnedo
Country Manager

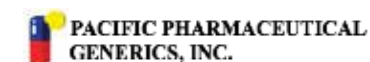
29/F Robinsons Equitable Tower,
#4 ADB Ave. cor.
Poveda St., Ortigas Center,
Pasig City

634 7866

Pain and Antisepsis / Consumer Health
Respiratory / Specialty Care / Oncology

Pacific Pharmaceutical Generics Inc.

Date Founded: July 1999



We shall address the health needs of the people by providing a complete range of quality generic medicines and healthcare products and services. We shall work towards our common goal of profitability and growth in fulfillment of our mission to our partners, suppliers and employees.

Mr. Benjamin Liuson
Chairman / CEO

459 Quezon Avenue
Quezon City

711 3933

Therapeutic Areas / Vitamins And Supplements
Non-drugs / Galenicals / Personal Care Products
Home Medical Supplies And Devices
Other Health Essentials

Panpharma Healthcare Inc.

www.panpharmahealthcare.com
Date Founded: 2001

Ray Concepcion

President & CEO



We are One Mind, One Heart in providing affordable, premium quality medicines to promote health and happiness for everyone. We are One Mind, One Heart in partnering with medical and allied professionals in saving lives. We are One Mind, One Heart in contributing to the success of our company, and in making a difference in the lives of our employees and stakeholders.

We are One Mind, One Heart in serving God, country, family, and customers.

10th floor Feliza Bldg.,
108 VA Rufino St., Legaspi Village,
Makati City

Injectable Generics & Branded Quality Products
Research / Development & Production
Parenteral Antibiotics

812 1601 to 05

PHILUSA Corporation

www.philusa.com.ph
Date Founded: October 28, 1957

Neogin A. Evangelista

President and General Manager



To be one of the country's leading marketers of quality and competitively priced personal care, household care, baby care and selected pharmaceutical products "resulting in being a source of pride for our customers, business partners, employees and shareholders".

NO. 28 Shaw Blvd.
cor. Pioneer St.,
Pasig City

Personal Care / Household Care
Baby Care / Health Wellness

631 1731 to 40

Pharmasia-Cuvest, Inc.

www.pharmasia.ph
Date Founded: 1950

Gil Cu Unjieng

Chairman / CEO



We are committed to continue working with foreign and local pharmaceutical companies in bringing relevant, excellent and cost-effective medicines to the Filipino people.

3/F Montepino Building
Adelantado cor. Gamboa and
Amorsolo St. Legaspi Villag,
Makati City

Injectable Generics & Branded Quality Products
Research / Development & Production
Parenteral Antibiotics

813 4640

Qualimed Pharma Inc.

Date Founded: August 1, 1999

Dr. Edgardo C. Tolentino

President and General Manager



To provide quality and affordable medicines

Unit 801 One Corporate Centre
Julia Vargas Ave.,
Corner Meralco Ave.,
Ortigas Center Pasig City

Antineoplastic Medicines

687 1174

Pfizer, Inc.

pfizer.com.ph
Date Founded: August 31, 1954

Violi Remo

President / Country Manager



To be premier, innovative biopharmaceutical company, and apply science and our global resources to improve health and well-being at every stage of life.

23/F Ayala Life-FGU Centre
6811 Ayala Ave.,
Makati City

Over the year, Pfizer has developed products that cover a broad array of therapeutic areas: cardiovascular metabolic, central nervous system, pain, anti-infective, urology, specialty, oncology, and vaccines, all of which aim to ensure the prevention and treatment of diseases to lead the Philippines into becoming a healthier country.

451 9200

Roche (Philippines) Inc.

www.roche.com
Date Founded: 1962

Theresa V. Martinez

General Manager



Our mission today and tomorrow is to create added value in healthcare by focusing on our expertise in pharmaceuticals and diagnostics. Roche's personalized healthcare strategy aims at providing medicines and diagnostics that enable tangible improvements in the health, quality of life, and survival of patients.

19/F One Global Place Building,
5th Avenue corner 25th Street,
Bonifacio Global City, Taguig City

Oncology /immunology / Infectious Diseases
Ophthalmology & Neuroscience
Vitro Diagnostics & Tissue-based Cancer
Diabetes Management

718 7777

Rudolf Lietz, Inc.
www.lietz.com
Date Founded: 1971

Rudolf J.H. Lietz
CEO



To be a leading provider of high-quality and innovative raw materials to pharmaceutical, food, cosmetic and other manufacturing industries in the Philippines and Vietnam; and to ensure improved quality of our clients' products, by offering full technical support and assistance exceeding clients' objectives and benchmarks.

Lietz Industrial Complex,
Edison Avenue (P. Leviste),
KM 14 SLEX 1709
Parañaque City, Metro Manila

821 7181

Raw Materials / Pharma ingredients
Antibiotics & Vitamins / coating systems & excipients

sanofi-aventis Philippines Inc.
www.sanofi.com
Date Founded: September 29, 1965

Carlito M. Realuyo
General Manager



To be the leading diversified healthcare provider promoting the well-being of Filipinos and to be the preferred, most respected and admired company in the Philippines

3F Feliza Bldg.,
108 VA Rufino St.,
Legaspi Village,
Makati City 1229

859 5555

Diabetes Solutions / Human Vaccines / Innovative
Products / Consumer Healthcare / Emerging Markets
Animal Health & Biotechnology

Swisspharma Research Laboratories, Inc.
www.sprli.com.ph
Date Founded: May 1988

Benjamin G. Tantiansu
CEO



To deliver quality products and quality services, we will:
-Implement strictly good manufacturing practices of the pharmaceutical industry. Employ state-of-the-art equipments in our manufacturing and control operations. Maintain well-established quality system. Maintain technically competent and efficient team characterized by mutual trust and respect for each other and an honest, open communication for all. Promote a sense of collaborative partnership with our clients and suppliers.

Barrio Pittland Cabuyao,
Laguna

{6349} 549 2372 to 73

Manufacturing / Research & Development
Cosmetics & Food Supplements

Takeda Pharmaceutical Phils.
www.takeda.com
Date Founded: June 12, 1781

Gabriel Georgy
President and General Manager



We strive towards better health for patients worldwide through leading innovation in medicine.

17th Flr. Zuellig Building
Makati Ave. cor Paseo de Roxas
Makati City

575 0000

Gastro Intestinal / Cardio vascular & Metabolical

Vizcarra Pharmaceutical Inc.
vizcarrapharma.com
Date Founded: August 1988

Francisco P. Sales
President



Vizcarra Pharmaceutical vows to pursue a mission that will render quality, cost-effective products and services easily accessible to the Filipino people.

Segundina Building,
464 United Nations Avenue Ermita
Manila

524 5641/42

blood derivatives
vaccines & OTC / vitamins & food supplement

Zuellig Pharma Corporation
www.zuelligpharma.com
Date Founded: October 1922

Raymund T. Azurin
President and CEO



Bringing Health to the Community

Km. 14 West Service Road
Edison Ave., cor South
Superhighway, Sun Valley
Parañaque City

908 2222
789 3444

Collaboration / Passion for Excellence / Innovation
Personal Growth / Integrity & Trust



As an association with a strong commitment to social responsibility, PHAP mandated the PHAPCares Foundation to manage the association's integrated medicine donation and social support programs for the poor and other disadvantaged Filipinos.

PHAPCares Foundation, Inc. is a non-profit, non-stock organization established by members of the Pharmaceutical and Healthcare Association of the Philippines (PHAP). Incorporated in 2003, the PHAPCares Foundation is tasked to serve as the social responsibility arm of PHAP to help improve the health and lives of Filipinos disadvantaged by sickness, poverty and disasters.

Since its founding, the PHAPCares Foundation has been in the forefront of efforts to make a difference in the lives of Filipinos through various medicine access initiatives, health information and education campaigns, and humanitarian missions in geographic areas affected by conflicts, health outbreaks and calamities.



“Reaching out, giving hope, touching lives”

PHAPCares is duly accredited by the Philippine Council for NGO Certification (PCNC) as a “Donee Institution” in accordance with the provisions of the Bureau of Internal Revenue regulations. Thus, all donations to PHAPCares shall entitle the donors to full or limited deduction pursuant to Section 34(H) (1) or (2), and exemption from donor’s tax pursuant to Section 101 (a)(3) of the National Internal Revenue Code of 1997.

In fulfillment of its mandate, the PHAPCares Foundation undertakes meaningful initiatives with government and private partners.



MEDICINE ACCESS INITIATIVES

The PHAPCares Foundations works with partner hospitals in bringing essential medicines to indigent patients free of charge. For instance, the Medicine for Indigents Program is a flagship initiative being implemented in partnership with the Department of Health (DOH). A Memorandum of Agreement was signed on September 29, 2003 to signify PHAPCares intent to donate quality medicines to DOH for distribution, free of charge, to indigent patients in DOH-managed hospitals nationwide. In choosing program beneficiaries, the DOH hospitals apply their existing beneficiary screening protocol to ensure that only indigent patients avail of free medicines from the program.



PHAPCares also provides free quality medicines to other government-managed institutions and reputable non-government organizations. Its various medicine access initiatives represent PHAPCares’ continuing commitment to contribute to the government’s campaign to make quality medicines accessible to poor and disadvantaged Filipinos.

HUMANITARIAN MISSIONS

The PHAPCares Foundation has conducted several humanitarian missions in various priority provinces as well as areas affected by conflicts, health outbreaks and natural calamities.

These humanitarian missions have evolved with our determination to establish sustainability in our efforts. At the moment, PHAPCares has adopted communities that are considered Geographically Isolated and Depressed Areas (GIDA). These communities include Sibutu in Tawi-Tawi and Del Carmen in Siargao.

OUR RESPONSE TO “YOLANDA” (HAIYAN)



PHAP continues to commit itself to efforts aimed at helping restore the health of super typhoon Yolanda victims.

Through the PHAPCares Foundation, PHAP members donated about P110 million worth of life-saving medicines and vaccines for Typhoon Yolanda victims.



Thousands of anti-tetanus vaccines, flu treatment and flu prophylaxis were also airlifted to areas heavily affected by one of world's strongest typhoons to ever make landfall.



Case studies



Saving lives, empowering patients

Aspen

2014 is a banner year for Aspen Philippines' antibacterial portfolio. In line with the company's vision to continuously offer continuing medical education to medical practitioners nationwide, Aspen partnered with the Infectious and Tropical Diseases in Pediatrics (INTROP), a section of the Department of Pediatrics of the Philippine General Hospital (PGH).

The partnership aims to bring PGH-INTROP's training module discussing the rational use of antibiotics to selected institutions nationwide. This program envisions to teach residents and review consultants on the various principles guiding antibiotics use. Consequently, this program updates them on recent trends with regard to management of common pediatric infections regardless of molecules and brand names. The attendees are given copies of the book "Rational Antibiotics Use in Pediatrics" as a reference in their practice after the training.

Through this initiative, Aspen hopes to contribute in treatment success rates and lessening antibiotics resistance now and in the future.

Aspen



In 2014, Aspen Philippines launched the school tour campaign "Kwela sa Eskwela" (Fun in School) which aims to educate elementary students on the importance of hygiene. The "Kwela sa Eskwela" program visited more than 800 schools, and reached more than 240,000 students in Metro Manila and nearby provinces. Proper hand washing, brushing of teeth, bathing and hair care were the topics discussed in the hygiene lectures.

One of the schools that "Kwela sa Eskwela" visited was the Calabrian Formation School of Taytay, Rizal. Around 349 students from Grades 1 to 6 participated in the activities that were to promote proper hygiene and head lice prevention. Not only does head lice affect students in schools, it is a condition that affects adults too. To make the activity more meaningful, parents of students found to have head lice were invited and a separate activity was prepared for them. The parents were taught how to prevent the spread of head lice in the household and what measures to take to make sure that the children would not be re-infected after head lice treatment.

GlaxoSmithKline

As one of the world's leading research-based pharmaceutical companies, GlaxoSmithKline is committed to providing the best quality medicines and vaccines, backed by extensive clinical research, at prices within reach. Since the launch of the ValueHealth program in 2004, medicines were made more affordable to Filipinos by as much as 40 to 60% for more brands that treat chronic and crippling illnesses such as asthma, Chronic Obstructive Pulmonary Disease, hypertension, and epilepsy among others.



Aside from increasing access to medicines, GSK Philippines has joined forces with the World Health Organization (WHO), the Department of Health (DOH) and the Coalition for the Elimination of Lymphatic Filariasis (CELF) to eradicate Lymphatic Filariasis (LF), the second leading permanent disability in infectious diseases.

GSK Philippines is also committed to educating patients about their condition through the various Disease Awareness Programs. These programmes include: "Win Against Asthma", "Listen to the Signs of COPD" and "Gain Power Over Cervical Cancer" among others. GSK believes that by educating patients about their condition, we help empower patients.

Medicomm Pacific

Providing innovative, pharmaceutical company-supported and healthcare professional-guided publications has always been the keystone of the organization of Medicomm Pacific Inc. This partnership with major stakeholders in the health industry resulted in the further development of the Philippine health information sector.

After developing and publishing several first-of-its-kind titles thus providing doctors, pharmacists, nurses, midwives, veterinarians and animal health practitioners with highly-credible references for use in their daily clinical practices, Medicomm Pacific pointed its R&D towards the patient.

With the evolution of the internet and the rapid growth of interconnectivity among people, Medicomm found an opportunity to help empower the patient in the management of his health, in the preservation of life. Thus was born TheFilipinoDoctor.com, the biggest portal for health content in the Philippines today with more than 350,000 visitors viewing more than 2,000,000 pages every month.

TheFilipinoDoctor.com is a doctor, hospital, clinic and drug information finder for the Filipino people and those from other countries who are seeking treatment in the Philippines.

The searchable database consists of over 25,000 Filipino doctors in more than 10,000 hospitals and clinics nationwide. The drug database has over 4,000 health products from both multinational and national companies. Presently, it has an opt-in membership database of 60,000 patients and 14,000 doctors.

Mercury Drug Foundation



The Mercury Drug Foundation regularly conducts its Bantay Kalusugan program. Through this program, the Foundation seeks to help control the number of cases; and thru education, enable the proper management of confirmed cases to prevent serious complications. Recent beneficiaries of the program were barangays Bagumbayan and Holy Spirit in Quezon City, where free health profiling and screening for hypertension, high cholesterol, diabetes and obesity were conducted.

Mercury Drug, J&J Medical, LRI-Therapharma, Medical Center Trading Corp., Pfizer and FNRI partnered with the Foundation in this program. Of the 551 residents screened, 401 were identified as potential cases and given proper advice on healthy food options and lifestyle changes to prevent progression of their cases into full-blown diseases. For monitoring and follow-thru, all the data gathered during the program were reported to the local government units.

Novartis



In January 2014, Novartis Healthcare Philippines and the Novartis Foundation in partnership with the Department of Health and Philippine Council for Health Research and Development launched the Leprosy Alert Response Network and Surveillance System (LEARNS), the country's first mobile phone-based leprosy referral system.

LEARNS enables frontline health workers to refer possible leprosy patients by simply sending a picture of the skin lesion and patient details through an ordinary mobile phone. It promotes case finding and helps reduce delays in diagnosis. LEARNS also provides disease surveillance, case management, treatment outcome reporting, message broadcasting, patient education, and report generation.

LEARNS was initially piloted in 19 municipalities in Iloilo province and the City of Iloilo, with the local government providing funding for health personnel training and public awareness advocacy. With DOH support, LEARNS has been rolled out to nine more cities in Cebu province. To date, over 600 health professionals and health workers nationwide have completed training in LEARNS. In 2015, the DOH plans to expand LEARNS coverage to more areas in regions 1, 6 and 7.



Novartis

Since 2002 through its Malaria Initiatives, Novartis Healthcare Philippines has provided without profit over 175,000 anti-malaria treatments to Filipino patients, saving an estimated 43,000 lives.

Meanwhile, the Novartis Oncology Access (NOA) Program has helped an estimated 2,500 socially disadvantaged Filipino cancer patients since its launch in the Philippines in 2003. From 2008 to 2014 alone, benefits provided by the NOA Program to Filipino patients are valued at about Php16.4 Billion (USD 372M). The NOA Program is an innovative shared-contribution access program that helps underprivileged Filipino patients with cancer gain access to effective treatment.

In September 2012, Novartis Healthcare Philippines signed a MOA with PhilHealth and the National Kidney and Transplant Institute (NKTl) to provide qualified members who underwent kidney transplant at NKTl with access to evidence-based treatment protocols and high-quality anti-organ rejection medicines.

Pfizer

Pfizer is dedicated to fostering improved healthcare conditions and services by creating corporate social development programs and partnering with stakeholders to address some of the most-feared diseases of our time.

In 2011 for example, Pfizer launched the “PD (Pneumococcal Diseases) Alliance in Motion” through the Pfizer Philippines Foundation, Inc. [“PPFI”] to raise public awareness on pneumococcal diseases. In partnership with different LGUs, public hospitals, and non-profit organizations, the vaccination drive has immunized thousands of children and adults across the country.



Pfizer also actively works with medical societies to empower both doctors and patients. Pfizer partnered with the Philippine Society for Microbiology and Infectious Diseases in creating programs that address fatal infectious diseases and cascade awareness on antibiotic stewardship, launching the “ASsURE” (Antibiotics Stewardship on Antimicrobial Use and Resistance) program and the “Fight MRSA” (methicillin-resistant *Staphylococcus aureus*) campaign.

Sanofi

The company’s vision for its healthcare initiatives is to make it accessible to as many Filipinos as possible, which is why it always tries to work with as many partners as possible in its projects. It has tapped in the help of the Department of Health (DOH), Philippine Health Insurance Corporation (PhilHealth) and local government units and non-government organizations in the many access programs it has.

Under its partnership with the DOH, the company serves as the supplier for innovative medicines for the government’s “Breast Cancer Medicines Access Program” and in PhilHealth’s “Catastrophic Illness Benefit Packages” or “Z Packages”.

The company is hoping to revive its “Innovation for Life” partnership on diabetes medicines that provides education and supplies insulin to government hospitals at differential prices.

Sanofi, through Sanofi Espoir Foundation, also has a multi-year partnership with the Philippine Children’s Medical Center called “My Child Matters”. Since 2006, this program has improved the management of childhood cancer in the country: Late diagnosis of cancer was reduced from 70 to 30 percent, treatment abandonment is now at 10 percent from 80 percent, and survival rates have increased from 16 to 68 percent.

Merck Sharp & Dohme

Merck for Mothers is a 10-year, \$500 million global initiative focused on creating a world where no woman dies giving life. MSD in the Philippines, together with the Zuellig Family Foundation is committed to using our business and scientific expertise to improve maternal health in 20 Geographically Isolated And Disadvantaged Areas (GIDA) in the province of Samar.

The Barangay Health Leadership and Management Program (BHLMP) is a four-day workshop that aims to engage and empower community leaders through the creation of barangay health boards (BHB) and their own barangay health action plan. It was successfully rolled-out in the 9 priority GIDA municipalities. Through the BHLMP, municipalities were able to conduct community-level multi-stakeholder activities that enhanced participation and ownership of solutions by their respective communities.

Over the past two years of project implementation, we have come to a greater understanding of the physical and socio-political context of GIDA municipalities, and are now in the process of better understanding and addressing those needs in order to attain our goal of lowering maternal and infant mortality in those disadvantaged areas and municipalities. The program is expected to run until the end of 2015.



Contributing to economic growth

GlaxoSmithKline

GlaxoSmithKline Philippines was born from a merger between Glaxo Wellcome and SmithKline Beecham in 2001. But the legacy company was incorporated in the Philippines in 1968.

The corporate office is in Makati City while the manufacturing facility worth USD 14 million is in Cainta. The facility manufactures both pharmaceutical and consumer healthcare products for domestic and international consumption. It has 7 export markets: Malaysia, Singapore, Thailand, Vietnam, Cambodia, Hong Kong and Sri Lanka. Its annual production includes 10.5 million bottles, 600 million tablets, 84 million capsules and 7.5 million tubes.

GSK Philippines was named “Employer of the Year” by the People Management Association of the Philippines in 2010. The most coveted recognition in the area of human resources, this award is given for outstanding management of the company’s most important asset – its people.

It currently has over 800 employees in three major businesses: Pharmaceuticals, Vaccines and Consumer Healthcare with an annual sales turnover of USD 181 million in 2012.

GlaxoSmithKline



The Philippines is one of only 40 key countries globally where GlaxoSmithKline conducts its clinical trials. For this, GSK Philippine works closely with the Department of Health (DOH) and the Food and Drug Administration (FDA), Physician-investigators and Institutional Ethics Committees. In the last five years, GSK Philippines has:

- For medicines: Started 34 Phase II-IV Clinical Trials for Urology, Respiratory, Oncology, CardioMetabolic and Neurology. Almost 2,400 patients have been recruited, involving more than 100 healthcare professionals in various research institutions.

- For vaccines: Started 31 Phase II-IV Clinical Trials and recruited over 7,800 volunteers.

Pfizer

Through Pfizer Philippines Foundation Inc., Pfizer has established PEER Health, a research grant program that supports health research in the Philippines. Grantees under the program are trained on research project development, good clinical practice, and data analysis. They also receive funding for their research projects and are provided with opportunities to share the corresponding results.

In addition to its work on health, Pfizer Philippines is also a contributor to economic growth. The company was recognized by the Bureau of Internal Revenue as one of the country’s top corporate taxpayers for the year 2013 for having double digit growth in tax remittances year-on-year.

Novartis

In line with its mission to develop innovative drugs and make these available to all Filipino patients, Novartis Healthcare Philippines has invested over PHP 465 million (USD 10.7 million) in clinical trials. Among pharmaceutical companies operating in the Philippines, Novartis currently has the most number of active recruiting trials in cardiovascular medicine.

Novartis Healthcare Philippines, in partnership with the DOST and Intellectual Property Philippines, also holds annual BioCamp workshops and selects top Filipino postgraduate students in the natural sciences to represent the country in the prestigious International BioCamp.

In December 2014, Novartis signed a MOA with the DOST aimed at advancing the Philippine Drug Discovery Program, particularly in the area of natural substance and products research and development.





Partnering for Better Health

Aspen

Aspen PH has been actively conducting community projects that benefited many indigent communities in the country and was quick to respond to disaster relief operations due to the onslaught of powerful typhoons and severe flooding. The company has also partnered with many groups including the South African Embassy in bringing needed help to marginal indigenous communities and with known non-government organizations (NGOs) to uplift the condition of marginalized people in heavily-populated urban areas.

Aspen PH has partnered with Gawad Kalinga in Napindan, Taguig City in setting up a children's playground as well as conducting Health and Hygiene lecture for primary school age children. In partnership with the South African embassy, the company has visited the Reception and Study Center for Children in Quezon City for the last three years and has also conducted an art workshop among street children looked after by ChildHope Philippines Foundation. An outreach program for the children of Batak, an indigenous group of Palawan was also conducted through this partnership.



GlaxoSmithKline



GSK Philippines partners with various organizations to uplift the health and education of underprivileged Filipinos. It has several major programs, including a partnership with Save the Children that aims to save 1 million children's lives around the world in five years.

GSKP readily provides emergency relief and health recovery efforts in the event of natural disasters. It has distributed Php 61.6 million worth of medicines to partner institutions like the Philippine Red Cross, the Department of Health (DOH), the National Disaster Risk Reduction Management Council (NDRRMC), Sagip Kapamilya, and GMA Kapuso Foundation.

Apart from Disaster Relief Operations, GSK is also active in Rehabilitation Projects in the Philippines. It has adopted a barangay in the Municipality of Albueria, Leyte wherein aid included roofing materials for 500 families, medical missions as well as construction of school classrooms and playgrounds. It has teamed up with Yellow Boat of HOPE Foundation to make 20 boats for 20 families in the same province. Likewise this 2015, GSK Philippines in partnership with Gawad Kalinga, will build 50 homes in Tacloban to help Typhoon Yolanda (Haiyan) victims rebuild their lives.



More recently, GSK Philippines will launch the GSK PULSE Program, GSK's flagship, skills-based volunteering program.

A. Menarini

Operation Smile Philippines (OSP) kicked-off its new global program entitled Gift of A Thousand Smiles in June 2014. This program aims to eradicate the backlog of untreated oral clefts in the Philippines by initially conducting six simultaneous international missions in the country during the said period. After which, three to four local missions will be conducted for the rest of the year.



As an active supporter of the Operation Smile, A. Menarini Philippines, Inc. extended its support to OSP for the year by providing support to the surgical needs of 30 patients. The Menarini volunteers brought different toys, coloring books, medicines, and played cartoon shows for the kids and their parents. They mingled and interacted with the patients and their parents to manage their anxiety and allay their fears before the surgery. They provided assistance to the medical volunteers and the patients prior to and post-surgery. The volunteers also emphasized to the parents the proper care of wounds after operation.

Menarini is now on its 3rd year of partnering with OSP, and thus far, it has been a very fruitful advocacy for the Company and its employees. This noble mission of OSP, its medical volunteers and volunteer partners like Menarini, helps thousands of children throughout the country to experience transformation and have a brighter future.

Pfizer

Pfizer’s strong network of partnerships results in novel approaches to CSR and healthcare. PPFi has a partnership with the Philippine Business for Social Progress for self-sustaining barangay health centers in underserved communities. The first such Blue House was established in September 2009 in Bacacay, Albay. In 2012, PPFi launched the NayBahay Birthing Center to help improve maternal health and reduce child mortality, partnering with Minalabac, Camarines Sur for the first NayBahay.



Following the devastation of Typhoon Yolanda in 2013, Pfizer and PPFi donated through various NGOs close to Php40 million in cash and Php8 million in medicines for relief and rehabilitation efforts. In 2014, PPFi partnered with Habitat for Humanity for the building of 60 new homes for affected families of Burauen, Leyte.

Pfizer has also institutionalized employee volunteerism through its ENGAGE program, considered one of the best in the country, receiving the Gold Quill Award for Excellence in 2007 and the National Award on Volunteerism from the Philippine National Volunteer Service Coordination Agency in 2011.



Pfizer is also working in concert with the government and private sector stakeholders, including fellow research-based pharmaceutical companies, in improving access to health services and making medicines affordable through “Tulay sa Kalusugan”, an initiative of the Palawan Access to Medicines Project (PAMP).

Roche

As an innovator of products and diagnostics for the early detection, prevention, and treatment of diseases, Roche contributes on a broad range of fronts to improving people’s health and quality of life. The Company’s mission today and tomorrow is to create added value in healthcare by focusing on its expertise in pharmaceuticals and diagnostics.

In the Philippines, Roche remained steadfast and continued to expand healthcare activities into the 21st century. Roche works with the Philippine government - through the Department of Health, Philippine Health Insurance Corporation (PhilHealth), and other government institutions - as well as private institutions - hospital and healthcare facilities, doctors, other healthcare professionals, medical societies, and patient organizations.

The Company provides Filipino patients access to its drugs through patient access programs. In addition, Roche launches advocacy campaigns such as the "Embrace Time, Your Power Over Cancer" - a pioneer effort offering health security for the Filipino workforce through group cancer insurance.

Sanofi

When calamities strike, Sanofi is proud to be one of the companies first to respond. Through the Sanofi Espoir Foundation, the company continues to support the Philippines during natural disasters. For instance, when typhoon Yolanda (Haiyan) struck the country, Sanofi donated a combined 1.1 million Euros for post-disaster relief as well as the rehabilitation of destroyed healthcare facilities through the Philippine Red Cross and Medicins Du Monde. Sanofi in the Philippines also donated medicines and vaccines worth Php7M for the victims of the typhoon.

An equally important part of the company's CSR programs are the volunteer-led activities of its highly dedicated Blue Hands employee volunteer corps.

The guiding principle of the company's CSR initiatives is sustainability. Through this, Sanofi is able to make a positive contribution in improving the healthcare status of the country and that other people and organizations would also be encouraged to do their share and help in keeping such projects on full swing.



Merck

Merck, Inc., Philippines, a subsidiary of the global pharmaceutical, chemical and life science company Merck, recently turned over a P2-million water tanker to be added to the Red Cross fleet. The company donated the cheque last December and agreed for Red Cross to purchase the truck. Executive Board Member Dr. Kai Beckman from the headquarters in Darmstadt, Germany and President/Managing Director Ramonito T. Tampos of the Philippine affiliate visited the Red Cross headquarters for the ceremonial turnover. Red Cross Chairman Richard Gordon was present to accept the donation. This donation was made in light of Typhoon Yolanda, which caused catastrophic damage throughout major areas in Eastern Visayas. The truck, bearing the Merck logo, will be used to deliver potable water to the region and will also be used for future disasters.



Merck Sharp & Dohme

MSD is the Department of Health's (DOH) partner in the annual celebration of Cervical Cancer Awareness Month each May, entitled "Babae, Mahalaga Ka!" ("Woman, you are important!"). The program is supported by the Philippine Obstetrical and Gynecological Society (POGS), Society of Gynecological Oncologists of the Philippines (SGOP), and Philippine Society for Cervical Pathology and Colposcopy (PSCPC).

The campaign offers information on HPV and cervical cancer through public forums, screening for women aged 21 years and above, and referrals in 58 Department of Health-retained hospitals nationwide. For 2014, the program also empowered the Local Government Units (LGUs) who have been trained for visual inspection using acetic acid (VIA) as part of the information drive. Aside

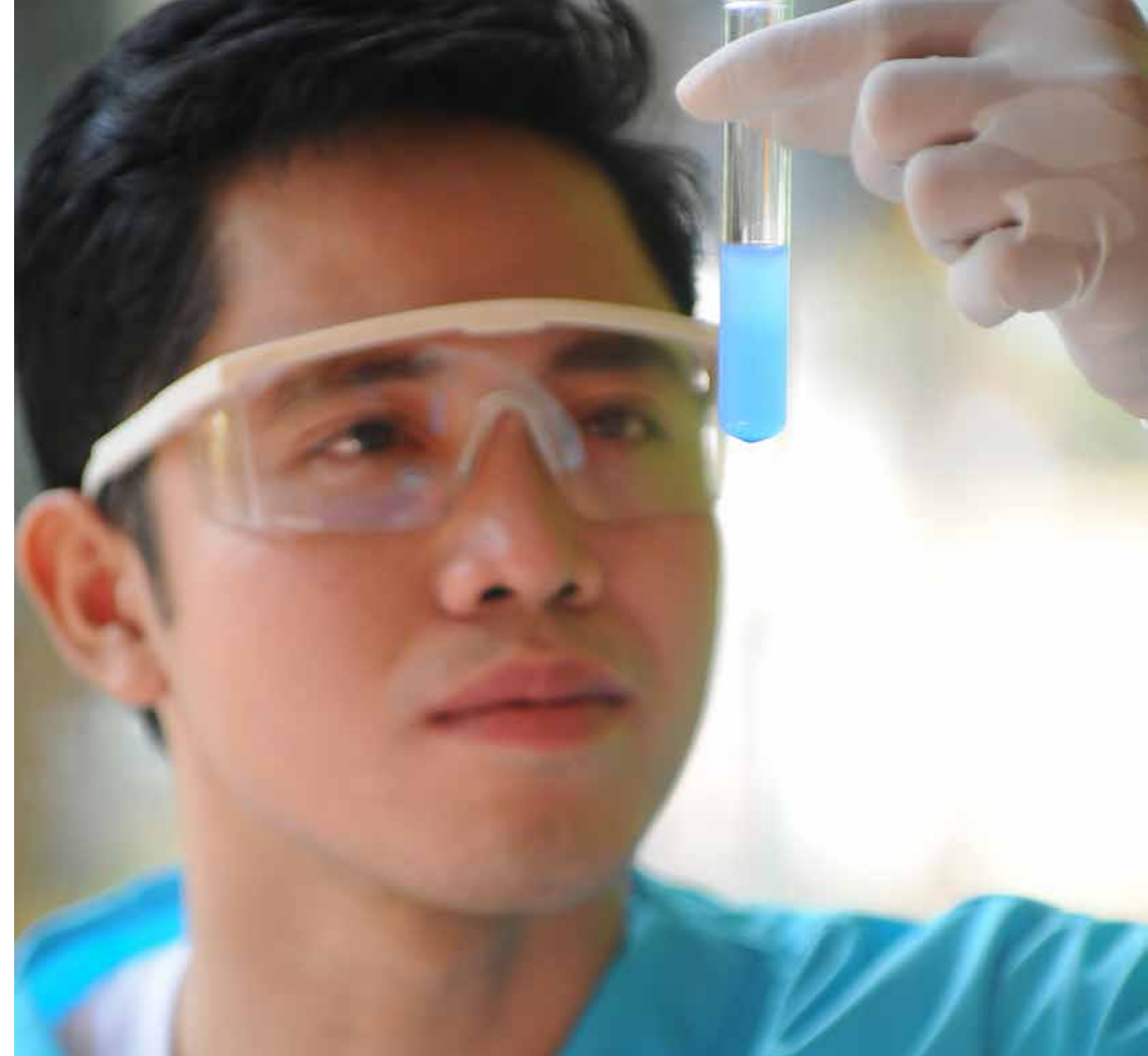
from hospitals, lay lectures and screenings through pap smear or VIA were done in community-based health facilities of selected key cities. To date, more than 30,000 women have benefited from this program throughout the country.

In addition, over the last couple of years, MSD has donated HPV vaccines for both community-based and school-based demonstration studies to determine the feasibility of an HPV immunization program.

Novartis

Within a few days after Typhoon Haiyan devastated the country in November 2013, Novartis Healthcare Philippines established an initial calamity fund of USD22,200 that benefited 2,000 families. Novartis donated USD580,985 worth of medicines, including 10,000 doses of anti-tetanus and anti-diphtheria vaccines. To facilitate the delivery of relief goods to affected areas, Novartis lent a satellite phone to PHAPCares Foundation.

Novartis Healthcare Philippines employees collected in-kind donations and raised over USD8,000 in cash donations, which was matched by Novartis AG. The Novartis Global Donations Matching Program closed with a total of over USD790,119, which was turned over to the Red Cross. Novartis Healthcare Philippines employees also volunteered their time to help pack relief goods and participate in medical missions for typhoon victims. Novartis supported Project B.A.N.G.K.A. (*Bigay Agad NG Kabuhayan*), which provided fishing boats to typhoon-impacted fishermen in San Dionisio, Iloilo. It is also providing rehabilitation support for Palawan, which includes housing, livelihood and education for affected families in Coron and Culion.



Medicine and Vaccine Value Chain

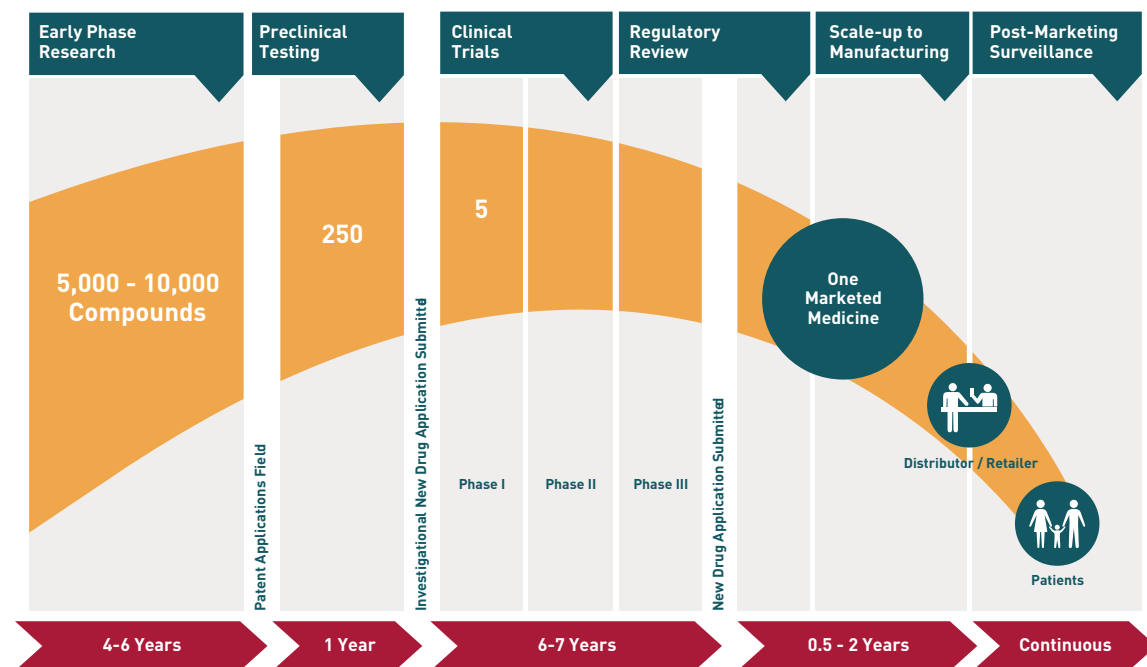
A single clinical trial can cost up to USD 100 million and the cost of R&D for a single medicine can range between USD 4 -12 billion (Herper Forbes 2012). This is in part because 19 in 20 medicines in experimental development fail (Herper Forbes 2013).

To develop a successful drug or vaccine, the value chain from R&D to the patient includes many steps, numerous disciplines, and an army of people. The increasingly complex process including production, quality control and marketing authorization demonstrates that the cost of health is multi-factorial and drug prices are just one of them.

MEDICINE VALUE CHAIN

From the first testing in the laboratory to FDA approval, the process takes an average of 10 to 15 years. For the small number of products that achieve FDA approval, post-approval research and post-marketing surveillance can continue for many additional years (Fig 11).

Figure 11: The Medicine Value Chain (adapted from IFPMA 2012)



VACCINES VALUE CHAIN

Similarly, research and development of vaccines is a long and complex process. Although there are expedited cases for vaccines development such as for the development of the two most advanced Ebola vaccines, most vaccine development typically takes 10 years or more (Fig. 12). The complexities of the manufacturing chain alone are due to three major factors:

Vaccine Complexity

- innovative vaccines are complex biological products and therefore require sophisticated equipment and processes to ensure a consistently high product quality. For example, vaccines include an antigen which is a large complex molecule primarily produced through an inherently variable biotechnological process. On the other hand, a traditional medicine contains a molecule with well-defined characteristics (which is much smaller than a vaccine antigen)

Global Manufacturing Chain

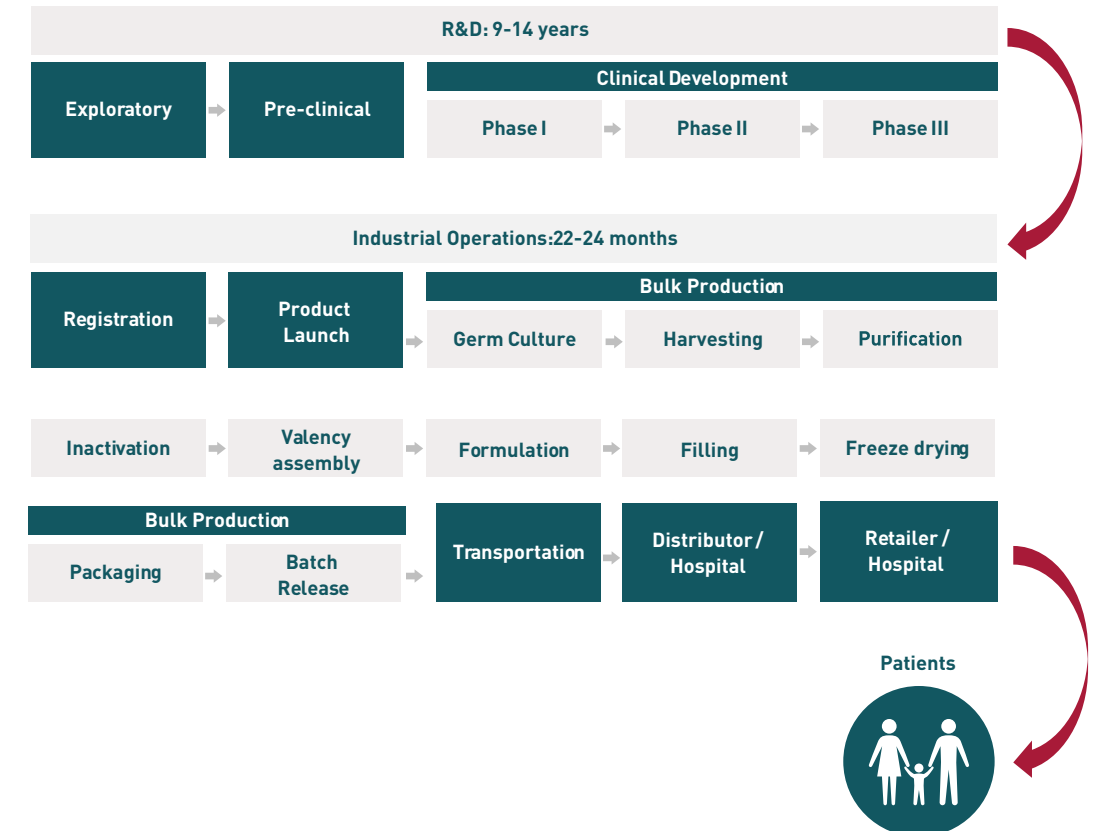
- manufacturers both increase their manufacturing capacity and seek to maximize their utilization to better meet patient demand. Multiple

manufacturing sites maybe involved in the production.

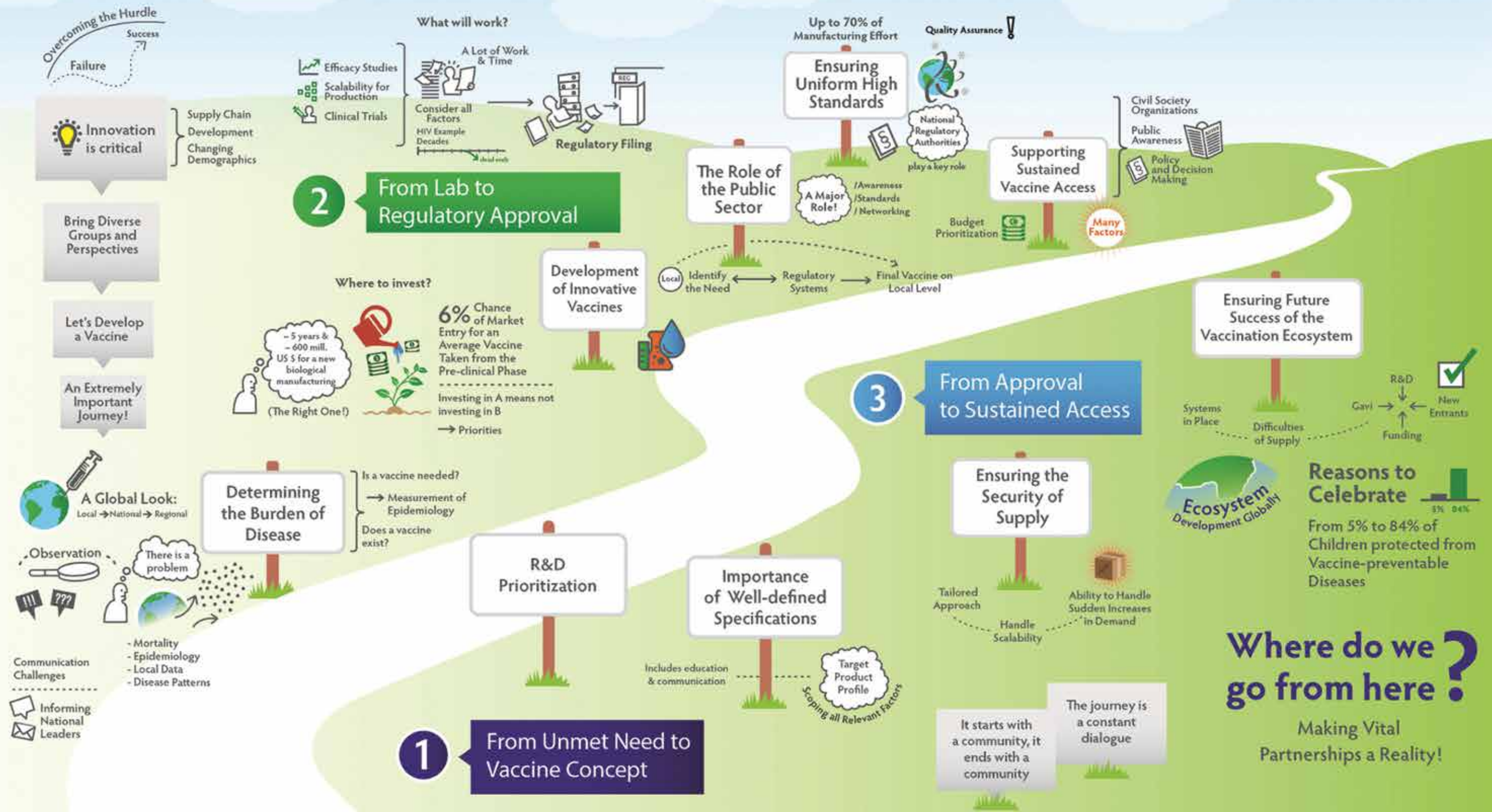
Increasingly Complex Regulatory Requirements

- regulatory authority expectations and standards have increased. As vaccines are given to a large number of healthy people, there is a strong focus on vaccine quality, safety and efficacy in assessing the benefit-risk to public health. However, regulatory challenges inhibit the timely supply of vaccines to patients due to resource constraints, duplication of regulatory reviews in several countries, and continual updates to manufacturing processes due to scientific and technical progress which require review and approval.

Figure 12: The Vaccine Value Chain (adapted from PhRMA 2009)



The Exciting Journey of Vaccines



STAKEHOLDER ACKNOWLEDGMENTS

IMS Health and the Pharmaceutical & Healthcare Association of the Philippines gratefully acknowledge the many experts who contributed to the creation of this report. We extend our thanks to:

- Dr. Janette L. Garin, Secretary, Department of Health
- Dr. Esperanza Cabral, Former Secretary of Health, Department of Health
- Mr. Jose Capistrano, President, Department of Trade and Industry – Philippine International Trading, Corp.
- Dr. Dante Dator, NKTl, a public hospital
- Dr. Lilibeth David, Undersecretary, Health Policy Finance and Research Development Cluster, Department of Health
- Dr. Manuel M. Dayrit, Former Health Secretary/Dean of School of Medicine and Public Health of Ateneo, Department of Health
- Rep. Eufranio “Franny” C. Eriguel, MD, Committee of Health, Congress
- Ms. Maria Fatima “Girlie” Garcia-Lorenzo, President, Philippine Alliance of Patient Organization
- Dr. Jacinto Gavino, Asian Institute of Management
- Dr. Melissa Guerrero, Program Director, National Center for Pharmaceutical Access and Management
- Dr. Kenneth Y. Hartigan-Go, Former Director General, Food and Drug Administration, Philippines
- Dr. Teodoro Herbosa, Former Undersecretary, Department of Health
- Ms. Czarina M. Medine-Guce, Executive Director, Union of Local Authorities of the Philippines
- Dr. Jaime Montoya, Executive Director, Philippine Council for Health Research and Development
- Dr. Regina Obligacion, Center for Drugs Regulation and Research, Food and Drug Administration
- Mr. Jeremias Paul, Jr., Secretary, Department of Finance
- Dr. Cherrylyn Rodolfo, Economist, University of Asia & the Pacific
- Dr. Robber Louie So, VP and Chief Audit Executive, Internal Audit Group, Department of Health – PhilHealth
- Ms. Florita Villar, Undersecretary, Department of Social Welfare and Development

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ACKNOWLEDGMENTS

This publication is a collaborative work of numerous individuals from Member Companies, PHAP Committees and PHAP Secretariat. It involved the coordination of Francis Del Val (GlaxoSmithKline); Christine Fajardo (Novartis); Ma. Concepcion Dancel (GlaxoSmithKline); Sherwin Reyes; Kidit Afable, Pooja Rao and Elena Lam of IMS; Violi Remo (Pfizer); Atty Dina Lucenario (Castillo, Laman, Tan, Pantaleon, San Juan Law Office); and Teodoro Padilla, Marian Pausanos and Maja Hipolito of PHAP.

We are also grateful to the International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) for providing the infographics.

Layout by M2.0 Communications

