ARTEMISININ CONFERENCE 2013
ALIGNING ARTEMISININ AND ACT SUPPLIES

Break Out Session 1

ACT and Artemisinin Demand and Supply Planning

- Andrea Bosman, WHO – Chair and Rapporteur
- Jan van Erps, RBM – Co-Chair
- Caroline Bogren, WHO
- Ben Smith, i+solutions

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization

Topics for Discussion

- Manufacturer forecasts
- ACT demand and the 2013-2014 forecast
- Perceived risks in 2014
- Consequences of the forecasts on RDT/ACT demand
- Artemisinin supply to meet ACT demand
- Approaches to stabilise the artemisinin market
- Semi-synthetic artemisinin and market impact
- AMFm transition period (2013) – levers
- Expected funds for ACT procurement in 2014 and beyond and impact on mortality due to funding cuts

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization

Manufacturer Forecasts based on 2012 Deliveries (or Production Plans?)

Manufacturer	2012	2013	2014
Cipla	55m	65m	
Sanofi	73m	100m	
Ipca	70m	80m	
Novartis	100m	110m	
Ajanta	35m	40m	
Guilin	12m	20m?	
Sigma Tau	1m	8m	20m
Quality Chemicals	16m	19m	
TOTAL	**362M**	**442M**	

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization

2013-2014 ACT Demand Forecast

- Match forecast demand with available funding and manufacturer orders delivered in the previous year
- 2012 – 362 million patient treatments delivered (must include non donor funded procurement QAACTs)
- 2013 – estimate 442 million ACT treatments
- 2014 may be a reduction in numbers with countries determining whether to pay the co-payment in subsidised private sector
- All contingent upon funding but unlikely that demand will fluctuate greatly in public sector
- Divergence of opinion on this point and alternative view that demand in private sector will reduce up to 50-60%
- Important to provide certainty to growers/extractors

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization

Perceived Risks in 2014

- Need alternative and sustainable funding for subsidised private sector ACT/RDT (i.e. beyond AMFm)
- Expectation of lower volume of orders for subsidised private sector
- Price – if co-payment is reduced, the cost to first line buyers and consumer in subsidised private sector will be higher so the volume will be reduced
- Lower volumes expected for non subsidised private sector
- Uncertainty as to how far the public sector can fill the private sector gap
- Public sector tendering results in less security for manufacturers and creates difficulties in planning annual production

Consequences of RDT Scale-up on ACT Demand

- No considerable impact in the short term because of low RDT coverage, particularly in 'High Burden Countries'

Artemisinin Supply to meet ACT Demand

- Anticipate 200MT Artemisinin required in 2014
- Global inventory of 80MT
- Semi-synthetic 35MT
- Madagascar 20MT
- China/Vietnam 120MT
- Stable demand anticipated in public sector in 2014
- Existing surplus has potential to reduce price below production cost and risk of grower/extractor exit
- This fear aggravated by anticipated introduction of semi-synthetic in commercial quantities

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization

Approaches to stabilise the Artemisinin Market (1)

- Potential artemisinin association. Who will lead/organise? A2S2 work plan to be finalised with the support of RBM PSM Working Group
- Potential to create incentives to procure only from socially responsible growers/extractors, e.g. those who participate in an association
- Regulated release of semi-synthetic artemisinin
- Ensure that price/kg does not fall below production costs or exceed what is perceived to be a fair price
- Ensure timely and accurate forecasts are available to avoid over/under supply and consequent price volatility

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization

Approaches to stabilise the Artemisinin Market (2)

- Potential for transparent website monitoring of artemisinin sale and purchase transactions including unit price and quantities by country/region (potential lessons learned/information exchange from other crops)
- Real cause of the problem is demand uncertainty of the finished pharmaceutical product. Focus on this. Ideal is hard to achieve
- Recommendation not to set price ceilings
- Explore potential for buffer stocks of artemisinin

Semi-synthetic Artemisinin and Market Impact

- Extractors concerned about the utilisation/potential release by Sanofi of 35MT semi-synthetic in 2013/60MT+ 2014
- Sanofi clarified that 35MT will mainly be utilised for their requirements for ACTs in 2013
- Beyond 2014, need clearer information on mechanism for adjudication of semi-synthetic artemisinin to other manufacturers
- Clarification of the role and membership of the Commercial Oversight Committee to ensure transparency and provision of information/visibility for growers/extractors
- Maintain open communication with all interested parties to provide information/visibility on agricultural as well as semi-synthetic sources of artemisinin

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization

AMFm Transition Period (2013) – Levers

- Consideration of new levers is ongoing and not yet complete
- AMFm have requested input from countries by end January 2013
- Potential prioritisation of pediatric formulations
- Until new levers are implemented, status quo prevails
- Issue of parallel imports between neighbouring countries implementing different policies with respect to level of co-payments for first line buyers

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization

Funding for ACT Procurement in 2014 and beyond / Impact on Mortality

- Literature exists on the impact on malaria mortality on impact of stock outs due to lack of funds
- Need to increase information on countries actual needs and level of funding required (funding gap)
- Private sector quantification is unknown in countries and work is required in this area
- Enhanced and collective advocacy with respect to funding gaps for all malaria commodities and life saving role of ACTs
- Need to be realistic as to demand to create a stable market and project requirements to 2016 and beyond. Aim for smaller and constant market with QAACTs

ROLL BACK MALARIA

Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

UNITAID

World Health Organization