

Making a Killing

The Deadly Implications of Substandard
and Counterfeit Drugs

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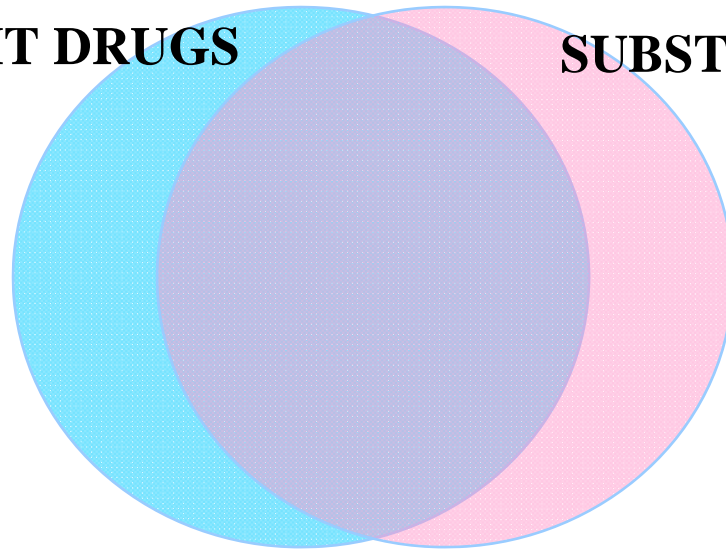
What is a counterfeit drug?

- No consistent, universally agreed-upon definition exists, making regulation and enforcement difficult.
- WHO's definition:
“A counterfeit drug is a drug that has been **deliberately and fraudulently mislabeled** with respect to identity and/or source. Counterfeiting can apply to both branded and generic products and...may include products with the correct ingredients or with the wrong ingredients, without active ingredients, with insufficient active ingredients or with fake packaging.”

Counterfeit vs. Substandard drugs

COUNTERFEIT DRUGS

*Willfully
mislabeled
as to
identity or
source*



SUBSTANDARD DRUGS

*Low quality (old,
insufficient
ingredients,
incorrect ratio of
ingredients, wrong
ingredients)*

Why is counterfeiting a problem?

- Public health threat:
 - Direct: Fake drugs containing harmful ingredients (e.g. heavy metals)
 - Indirect: Drugs with inadequate or wrong active ingredients have no curative power (e.g. many malaria deaths)
 - Wider Impacts: Drugs with only *some* of the correct ingredients can cause a patient to develop resistance to that particular drug, making it harder for the patient (and potentially the population as a whole) to be treated with effective medicines later on (drugs for TB, HIV, malaria badly affected).
- Intellectual property/brand integrity threat
 - Threatens long-term innovation and development

The Global Face of Counterfeiting

COUNTRY/ REGION	WHO/IMPACT ESTIMATE
United States	<1%
Europe	<1%
United Kingdom	<1%

COUNTRY/ REGION	WHO/IMPACT ESTIMATE
Russia	10%
CIS	20%
China	8%
Indonesia	25%
India	20%
Nigeria	16%
Kenya	30%
Lebanon	35%
Cambodia	13%

Why is there an increase in poor quality drugs?

- Low marginal cost, high marginal returns
 - Weak rules preventing fakes; poor enforcement of extant rules on good quality production.
 - low penalties for producers and traffickers
 - Product high demand means high prices
- Enabled by:
 - Complex supply chains in West and opaque ones in poorer nations
 - Corruption, low risk of capture and limited punishment
 - Ignorance of many in supply chain

Counterfeit Operations



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