

# Press Release

## Changes in medicines procurement policies urgently needed to ensure secure supply of essential medicines

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Reform of the procurement policies applied to generic medicines is needed to ensure greater security of supply for patients and health systems.

Medicines for Europe's newly published position paper explores how the current design of procurement rules in EU Member States, often aimed exclusively at reducing costs, has led to the consolidation of supply and increased risks for supply security. To address this issue, the paper recommends incorporating security of supply as an objective in tender design and introducing pro-competitive Most Economically Advantageous Tender (MEAT) criteria to incentivise manufacturers to invest in more robust supply chains.

*"We strongly support the ambition of the European Commission to issue EU guidance on procurement, which we consider one of the key actions that would contribute to mitigating shortages, by reducing the counterproductive economic incentives that are largely responsible for them. With 9 out of 10 medicines placed on the first Union list of Critical medicines being generic medicines, we need to act now. Our position paper outlines key recommendations for future reform, both in the way we design tenders and select the best bidders. We need to maintain multiple suppliers in tenders, improve demand predictability, avoid disproportionate penalties. We advocate for award criteria that look beyond the lowest price, recognising the significance of investments in robust supply chains and environmental sustainability."* said Arnaud Maheas, Chair of the Generic Market Access Committee at Medicines for Europe.

The paper offers concrete proposals on how to better design tenders, including:

- Securing Diversity of Suppliers by designing multiple winners in tenders or ensuring several suppliers are active on the market,
- Increasing demand predictability with sufficient lead-time and realistic volume estimates,
- Preventing disproportionate penalties for suppliers and introducing the possibility of adjusting pricing in justified cases,
- Introducing MEAT criteria based on EU priorities to incorporate environmental sustainability and supply chain reliability in procurement.

For more information and to access the full position paper, please visit

<https://www.medicinesforeurope.com/wp-content/uploads/2024/01/Position-paper-proposal-for-EU-procurement-guidelines-Final.pdf>

## Medicines for Europe

**Medicines for Europe** represents the generic, biosimilar and value-added medicines industries across Europe. Its vision is to provide sustainable access to high quality medicines, based on 5 important pillars: patients, quality, value, sustainability and partnership. Its members directly employ 190,000 people at over 400 manufacturing

and 126 R&D sites in Europe, and invest up to 17% of their turnover in R&D investment. Medicines for Europe member companies across Europe are both increasing access to medicines and driving improved health outcomes. They play a key role in creating sustainable European healthcare systems by continuing to provide high quality, effective generic medicines, whilst also innovating to create new biosimilar medicines and bringing to market value added medicines, which deliver better health outcomes, greater efficiency and/or improved safety in the hospital setting for patients. For more information, please follow us at [www.medicinesforeurope.com](http://www.medicinesforeurope.com) and on Twitter @medicinesforEU.