

The first is a simple declaration that the supplier is indeed that manufacturer, complies with both GMP and what is described in the DMF or the CEP, and that the customer will be informed if there are manufacturing changes. A second point would be yearly updates addressing the annual product quality review, the annual stability study, and change control. And third, copies of any inspection reports by credible health authorities.

Noting that audits are not likely to be done more frequently than once every three years, Villax commented that, for example, “if you get an updated stability study, you will know at least that one extra batch has been done that year. And you will get some data. I think this is important if you are a QP [qualified person].”

- The EFCG benchmarking exercise involves a series of specific questions that the EU and member state health authorities need to consider and address if the API GMP program is going to achieve its intended goals (*see box on p. 12*).

The intention of the survey is to determine authority readiness to enforce the new requirements. It “asks questions such as how many inspectors do you have, what kind of training have they been the object of, what is your plan, how many of you audit, in which geographies, etc.,” Villax explained.

Ironically, he pointed out, “those that are supposed to be checked [are] asking whether the police have the resources” to do so. The issue is being raised “because we haven’t been given any sense that things are what they ought to be. So we are worried, and we are doing something about it.”

The survey is intended to help regulators target “what they should be training their inspectors to do,” Villax commented, “because in our contacts with a number of inspectors...it becomes quite apparent that the inspectors don’t always know what they should be asking.”

EFCG has been raising the types of questions included in the survey “at the European Parliament and most recently the French Parliament,” and bringing the issues to the attention of the trade press so that the complexities involved can be better understood and addressed, Villax said. Associations in the member states will help the EFCG executives with the initiative, and EFCG is looking for additional volunteer support in the effort, particularly from Ireland, UK, Belgium and the Scandinavian countries.

- In September 2005, APIC/CEPIC released a comprehensive 70-page guideline for API manufacturers on developing a quality management system.

With references to FDA’s systems-oriented 21st century quality initiative, the APIC guideline integrates current GMP requirements as defined in ICH Q7A into the ISO 9001 quality management system framework.

Hovione CEO Analyzes Changing Marketplace

In his presentation at the Berlin conference, Villax provided an in-depth analysis of the changing API marketplace in Europe and how it is being impacted by Asian competition, to help explain the importance of the regulatory issues.

- Villax suggested that the current situation for the European industry was made worse by the exaggerated expectations of the boom mentality that existed in the 1999-2000 period.

At that time, projections were circulating of 15% per annum growth, with companies making aggressive acquisitions and creating inflated goals for expansion over relatively short timeframes. The shorter-term projections did not make sense, the Hovione CEO noted, since “it takes a very long time” to develop a product, get it approved and launch it.

At the same time, Villax noted, there were some contrarians “like Honeywell exiting the business – saying that pharma chemical manufacture is highly capital intensive and is a business plagued by over-capacity, clinical trial failures, limited new drug approvals, new drug marketing disappointments and price wars.”

- A review of sales of pharmaceutical fine chemicals by the larger European players shows average growth in the 2002-04 period to have been -14%. “So compared to the expectations and the amount of money spent, the net results were really 180 degrees opposite,” Villax pointed out.

He commented that “the stock market bubble really didn’t help” the situation. “It made money available for management to do these humongous errors. There was, in my view, huge wealth destruction, only to be followed by job destruction. At a moment when we should have really been building our fine chemicals industry to be strong and lean to put up the fight against Asia, we did the exact opposite – we weakened ourselves dramatically.”