



## Business Ethics for APEC SMEs Biopharmaceutical Sector

### Emerging and Other Issues in the Biopharmaceutical Sector

**The Mexico City Principles** were drafted by an Expert Working Group in September 2011 and endorsed by APEC Ministers in November 2011. Since that time, there has been notable progress in improving business ethics in APEC economies – the number of biopharmaceutical associations that have adopted a Code consistent with the Mexico City Principles has more than doubled. The **Mexico City Principles** state:

**APEC Economies should:** Work together to ensure that the APEC Principles remain relevant and effective to address new business arrangements that may emerge.

There are emerging issues that are not specifically covered within the Mexico City Principles, which are highlighted here to encourage forward planning and discussion within the biopharmaceutical sector and the wider stakeholder community across the APEC region.

#### **Emerging issues include:**

##### **Transparency**

One of the six over-arching Mexico City principles is **Transparency** which “means a general willingness to be open about all stakeholder actions while respecting legitimate commercial sensitivities and intellectual property rights”. In some APEC economies, requirements for transparency about payments and transfers of value made by biopharmaceutical enterprises to doctors and, in some cases, other healthcare professionals have been introduced. These requirements have been introduced by economies through legislation (for example, in the United States) and through biopharmaceutical industry association self-regulatory Codes (for example Australia and Japan). Should the Mexico City Principles be revised in the future, the issue of transparency about payments and transfers of value made by biopharmaceutical companies to healthcare professionals, to support education or in association with a company receiving advisory or other services, could be an item of discussion.

##### **Consistent, Broad Adoption of APEC Mexico City Principles**

A key objective of the Business Ethics for APEC SMEs Initiative is to ensure the long-term, sustainable success for the APEC region’s biopharmaceutical sector, particularly for small and medium-sized companies. Within each economy, it is important that the APEC Mexico City Principles are adopted by the whole biopharmaceutical sector, including manufacturers, third party sales and marketing intermediaries, and other stakeholders. There is more to be done to ensure that all biopharmaceutical enterprises within each economy are covered by and have successfully implemented a Code of Ethics. This encourages an equitable competitive landscape, reduces reputational risk, and facilitates new investments across borders for the entire sector.

#### **Contribute to the discussion:**

- Are there other emerging issues that you think should be brought to the table for discussion and potential inclusion in the APEC Principles?
- Consider how your organization would like to see these and other emerging issues managed within the Business Ethics for APEC SMEs initiative.