


Ensuring access of innovative medicines
Co-creating the new life sciences ecosystem
Building partnerships across the spectrum
in Indonesia



International Pharmaceutical
Manufacturers Group

IPMG

IPMG manifesto for a national strategy for new medicines & vaccines in Indonesia



Indonesia's introduction of a national health insurance scheme (JKN) in 2014 marks a significant milestone in public health policy. Successfully expanding health coverage to over 280 million people is not only a remarkable achievement but also a testament to the country's commitment to improving the well-being of its citizens. IPMG applauds and supports this ambitious endeavor that sets a strong foundation for continued progress in healthcare access and equity.

IPMG remains concerned that the current healthcare system in Indonesia does not prioritize access to innovative medicines. A fragmented legislative environment and the lack of strategic coordination is hindering the availability of new treatments, negatively affecting the quality of care and undermining the trust of Indonesians in their healthcare system.

The policy vacuum around new medicines is reflected in the numbers (see next slide). This has to change. Indonesia is a contestant in a regional competition for a better health service. However, its ability to compete is being hampered and held back. Despite a solid economic performance in the last decade, transforming economic growth into better health outcomes has lagged behind neighboring countries.



This manifesto lays out workable and practical suggestions for a comprehensive national strategy for new medicines and vaccines that will contribute to equitable access, promote innovation, manages costs, and aligns healthcare policies with national and global health priorities.

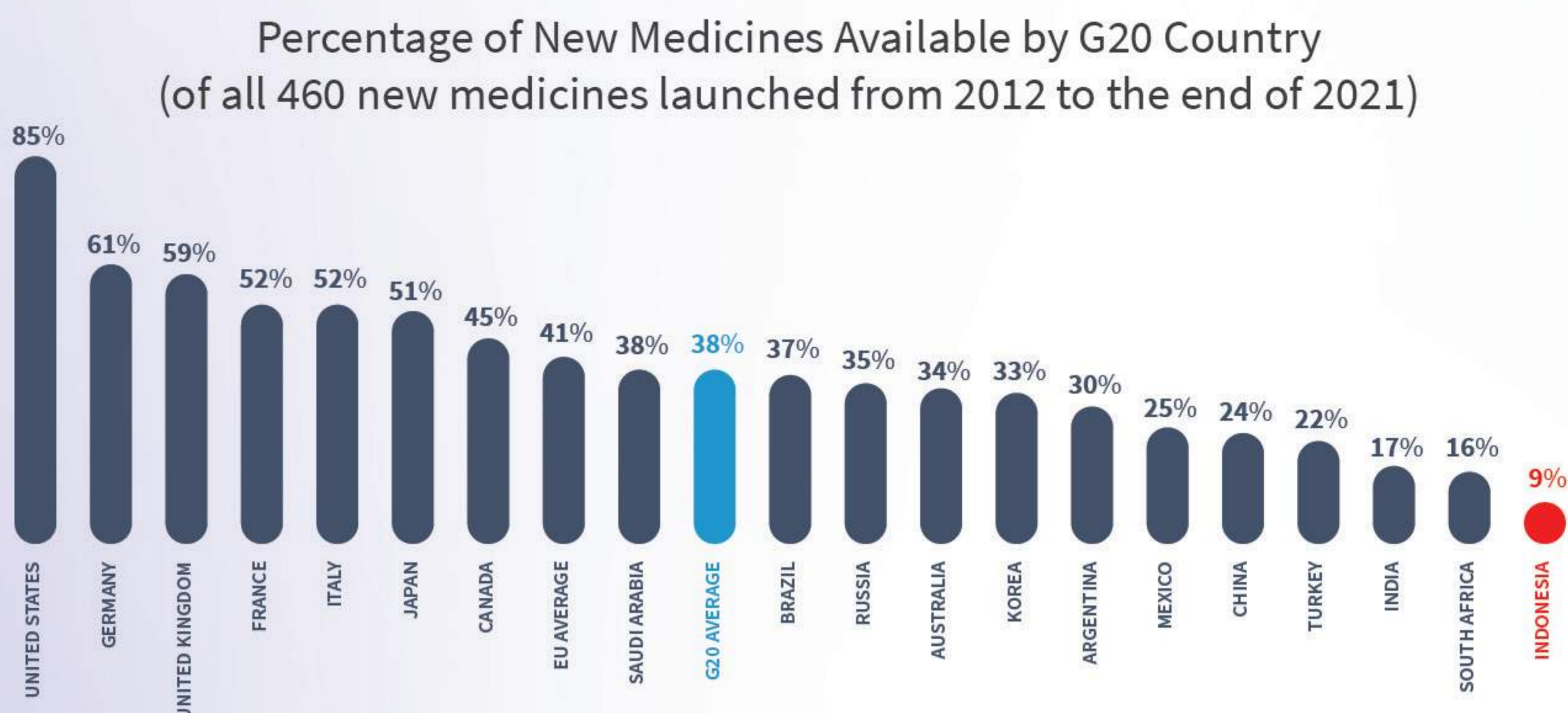
These measures can support the sustainability of and restore trust in the national healthcare system. The potential benefits are immense, with trillions of rupiah of savings at stake from improved outcomes as well as the opportunity to reduce the number of Indonesians travelling abroad for medical treatment.

We urge the next government to recognize the critical importance of having a national strategy for new medicines coming to the market and engage in a true partnership with the industry centered on the principles of collaboration, transparency of delivery, and a unified approach to health and growth.

Indonesia **Has Fewer New Medicines** Available Than Any Other G20 Country

Only 9% of New Medicines Are Available in Indonesia

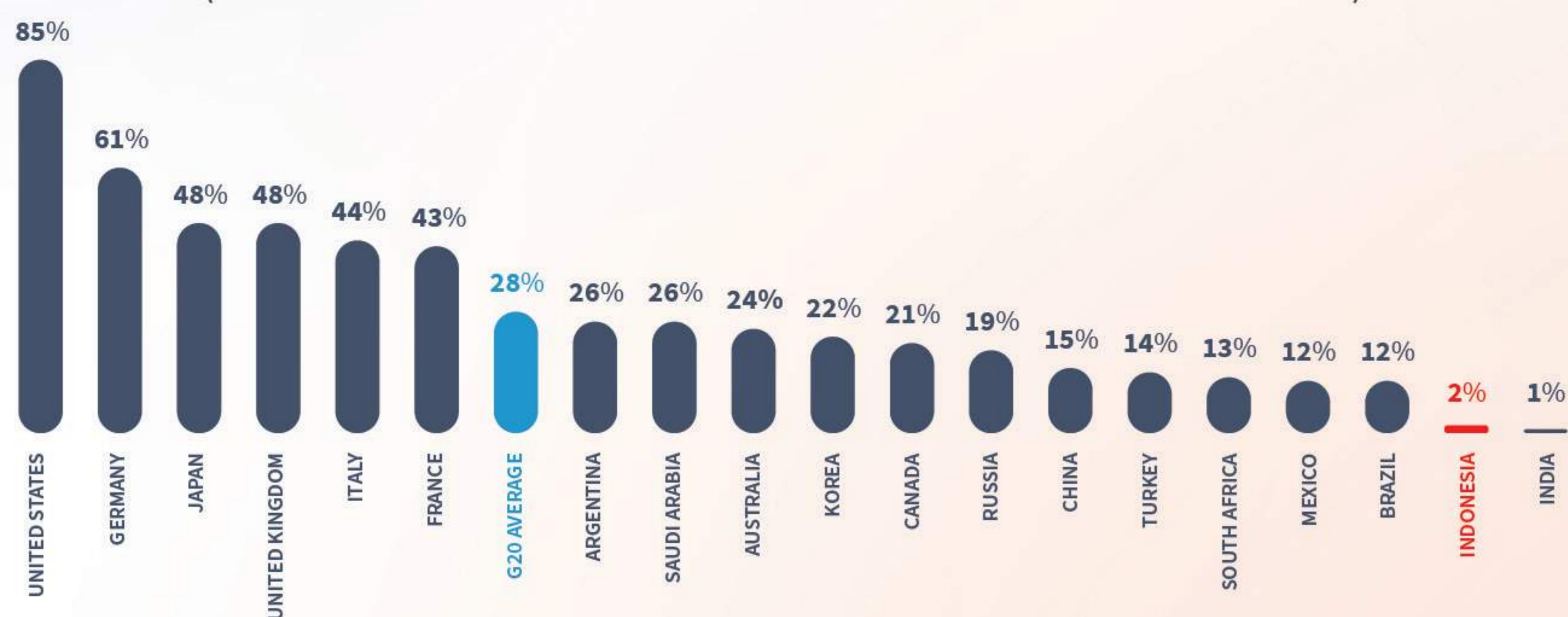
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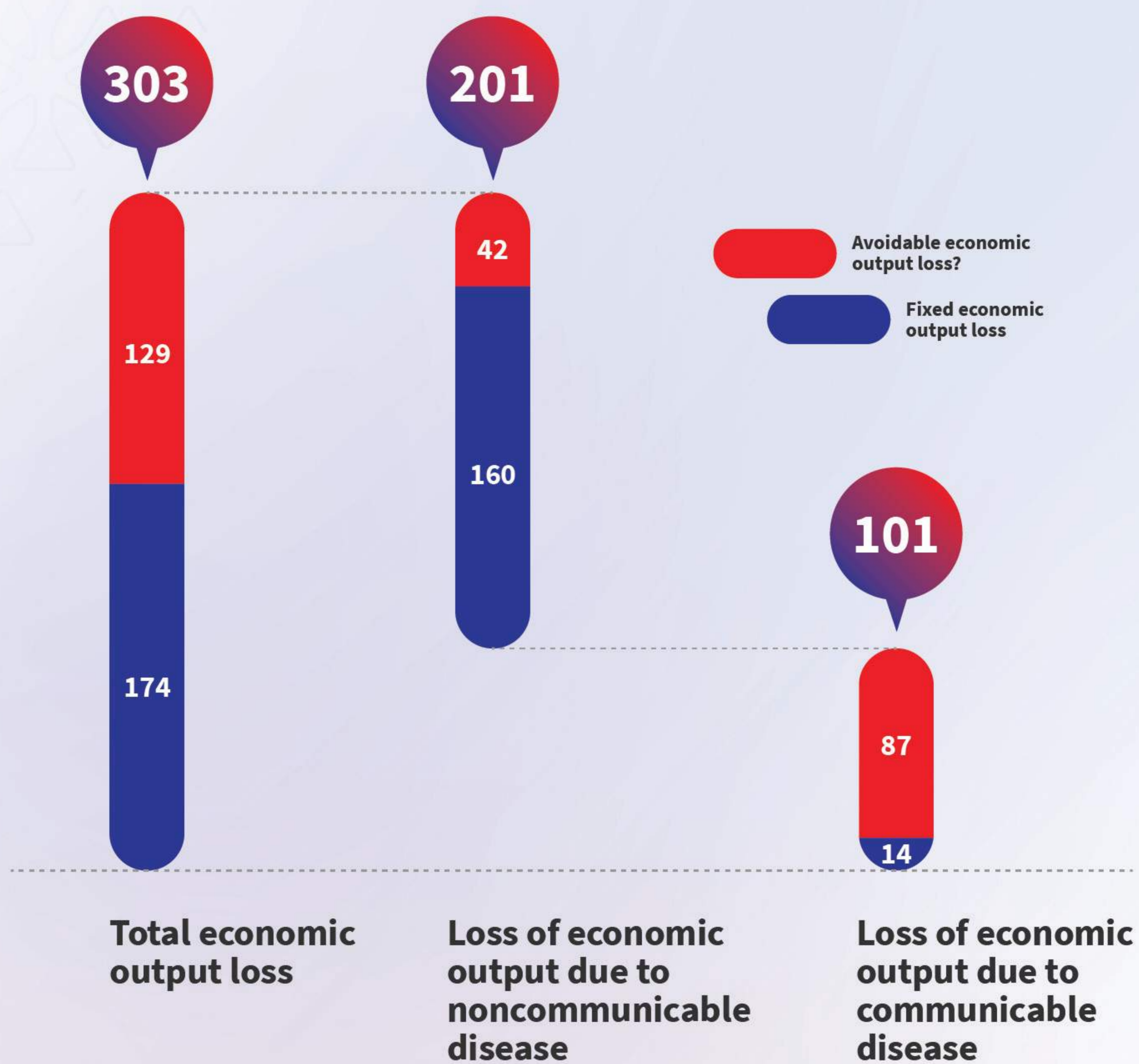
Indonesia's National Health Insurance (JKN) **Covers the Fewest New Medicines** Among G20, Just Ahead of India

On Average, G20 Countries Have 28% of New Medicines Reimbursed by Public Insurance Plans

Percentage of New Medicines Reimbursed by Public Insurance Plans by G20 Country
(of all 460 new medicines launched from 2012 to end of 2021)



Source: PhRMA analysis of IQVIA MIDAS and country regulatory data. October 2022.



~\$130 billion a year

or 14 percent of GDP in **estimated, avoidable economic loss** due to lost productivity to disease



Moreover, Innovation driven R&D brings new treatments to patients that can transform health outcomes and their quality of life.

Timely and equitable access to standard of care services and interventions is a key component of UHC.

Indonesia is presented with a unique opportunity to shift from funding “sickness systems” to investing in health – **enabling earlier action** to prevent, diagnose and treat disease.¹

The WHO supports the inclusion of **fundamental, life-saving products** into lists of essential medicines for countries that do not have readily available standards of care – aiming **to keeping standards up to date** with new innovations.

For every **\$1 invested in improving health**, an **economic return of \$2-4** is possible.²

Embedding quality within Indonesia health system is a **\$68 Billion economic opportunity**.¹

¹ <https://www.oliverwyman.com/our-expertise/perspectives/health/2019/jan/the-future-of-the-indonesian-healthcare-ecosystem.html>

² McKinsey Global Institute. *Prioritizing Health: A prescription for prosperity*. July 2020.



Since 2014 and the launch of JKN, remarkable progress have been made:

- Expanding of coverage to 96% of 280 Million citizens.
- Securing universal coverage for high-priority services such as for maternal and child-health.
- Putting a focus on the inexorable rise of NCDs.

The ambitious health transformation plan spanned across 2021-2024 aims to improve the quality of care so the system is responsive to and meets the needs of patients.



IPMG: The Innovative Pharmaceutical Industry in Indonesia



The innovative pharmaceutical industry has the potential to drive the health and wealth of Indonesia.



Improved Healthcare Outcomes

Access to Innovative Treatments:

IPMG brings life-saving therapies and vaccines that address unmet medical needs, improving patient survival and quality of life.

Disease Control and Prevention: IPMG

Advances help reduce the burden of infectious and chronic diseases, leading to a healthier population.

Healthcare System Strengthening:

IPMG collaboration with government and healthcare providers fosters better diagnosis, treatment protocols, and infrastructure development.



Local Research and Innovation Capacity

Collaborative R&D Programs:

Partnerships between pharmaceutical companies, universities, and local researchers encourage knowledge exchange and scientific progress.

Clinical Trials and Real-World Data

(RWD): Clinical trials conducted locally provide access to new treatments, boost research infrastructure, and generate evidence tailored to the region's needs.

Technology Transfer: IPMG can help transfer advanced technologies to local institutions, fostering long-term innovation capacity.



Economic Growth and Job Creation

High-Quality Employment: IPMG creates well-paying jobs for skilled professionals, including scientists, pharmacists, and healthcare workers.

With the right policies—such as fostering innovation, building partnerships, and ensuring universal access—Indonesia can leverage the industry's expertise for sustainable growth and better health outcomes.

The innovative pharmaceutical industry in Indonesia Partnerships in 2023



439,012

Participating doctors educated



22,325

CME/Capacity Building/
Advocacy Events



128

Multi Partnership Initiatives

(Public Private Partnerships/ Health Campaign/ Initiatives in Sustainability)



3 Clinical Trials



2 Technology Transfer



Quick Facts about IPMG

26

RESEARCH-BASED PHARMACEUTICAL COMPANIES

58

WAREHOUSES

17

**MANUFACTURING
SITES**

792

PRODUCTS

1,361

SKUs

The innovative pharmaceutical industry in Indonesia

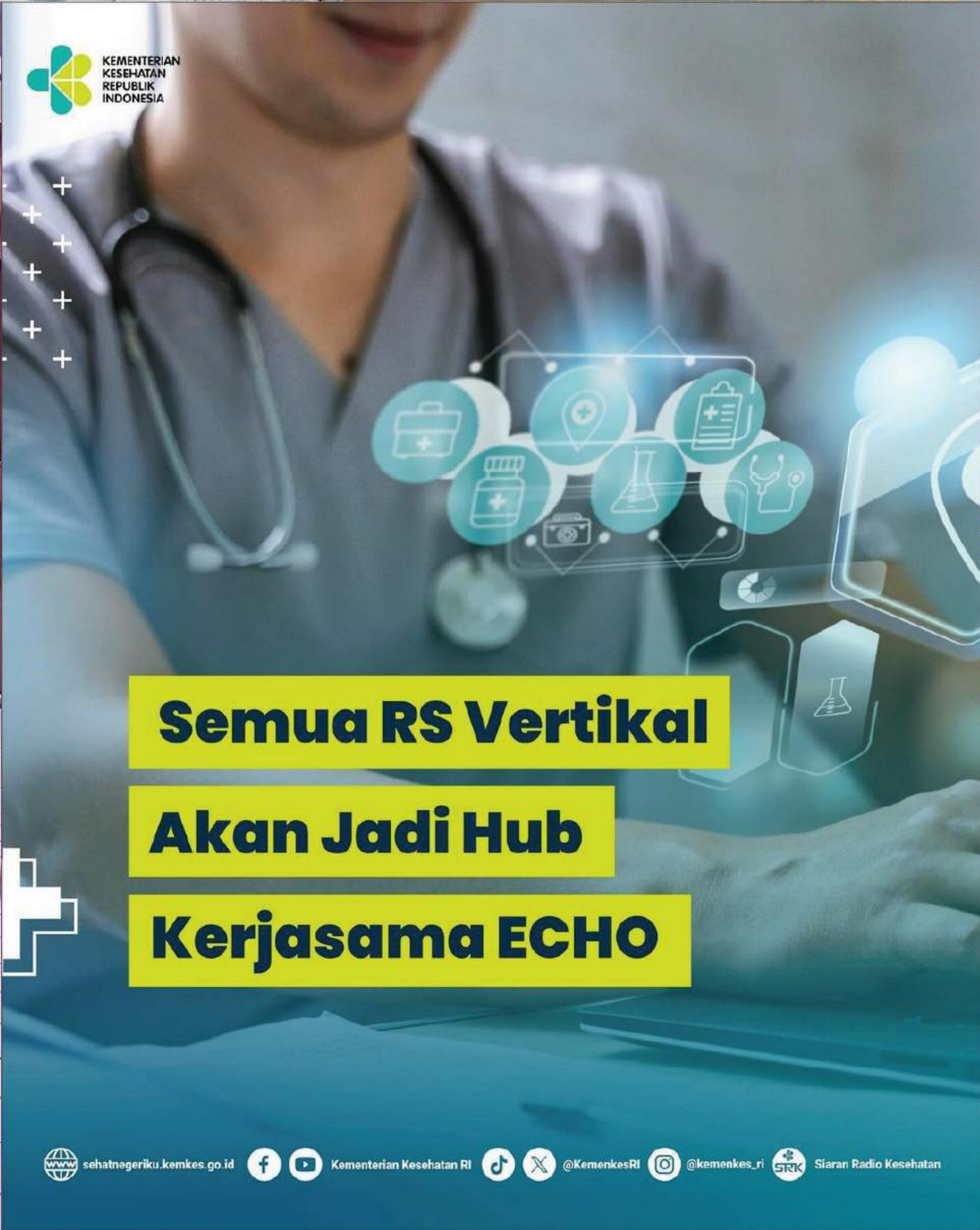
Partnerships in 2023

Pameran Inovasi dan Teknologi dalam Transformasi Kesehatan



Semua RS Vertikal Akan Jadi Hub Kerjasama ECHO

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e and support





IPMG **ASKS**

5 Asks to the Government are:

ASK 01

Mobilize a dedicated task force to develop, steer and coordinating the implementation of a “National Strategy for Innovative Medicines and Vaccines” to make Indonesia more competitive regionally

ASK 02

Review with greater priority the current “Negotiation and Pricing Model” and “Procurement and Tendering System ”in BPJS

ASK 03

Accelerate the industry’s involvement in HTA while building the capacity and capabilities of national HTA institutions

ASK 04

Strengthen Regulatory Framework (BPOM)

ASK 05

Invest in Health for a Resilient Future

ASK 01

Mobilize a dedicated task force to develop, steer and coordinating the implementation of a “National Strategy for Innovative Medicines and Vaccines” to make Indonesia more competitive regionally

A fragmented legislative environment is leading incoherent policies that negatively affect the availability of new medicines in RI. Responsibility sits with multiple institutions, creating significant silos.

Despite efforts to streamline processes and improve market competitiveness, the lack of strategic coordination and oversight stands in stark contrast to regional competitors.

A dedicated office could steer and coordinate policymaking, with a vision to improve standards of care, health outcomes, and make RI a regional leader in medical services.



ASK 02

Review with greater priority the current “Negotiation and Pricing Model” and “Procurement and Tendering System” in BPJS

We continue to believe that arbitrary price setting by the government on life-saving medicines is not good public policy.

We call for establish fair pricing strategies through negotiations between manufacturers and BPJS that uses value-based pricing models.

We also call for a new transparent, predictable and efficient procurement system that ensures the purchase of high-quality medicines at reasonable prices and mitigate the risks of shortage.



ASK 03

Accelerate the industry's involvement in HTA while building the capacity and capabilities of national HTA institutions

We are increasingly concerned about the significant gap between the volume of HTAs required and the technical capacity available within Indonesia's HTA institutions.

There is a substantial backlog of over 140 products awaiting assessment, limiting Indonesian patients' access to the latest standards of care and placing Indonesia among the lowest users of new medicines within the G20 and ASEAN regions.

While respecting the independence of HTA institutions in providing objective advice to decision-makers, we urge policymakers to prioritize both industry involvement and institutional capacity-building.

By enhancing funding, resources, and training, alongside adopting a robust, transparent framework that clarifies the roles of multi-stakeholders for both appraisal and listing decisions, more HTAs can be conducted efficiently and ethically. This approach will bring innovative treatments to patients sooner without undermining the autonomy of national agencies.



ASK 04

Strengthen Regulatory Framework (BPOM)

Streamlined Approval Pathways: Faster track or accelerated pathways for critical medicines (e.g., for rare diseases, life-saving, pandemics) should be in place to reduce approval timelines.

Alignment with Global Standards: Regulatory processes should be aligned with international standards (ICH, WHO), enabling faster market access.

ASK 05

Invest in Health for a Resilient Future (more money for health, and more health for the money)

With an ageing population, increased burden of chronic disease while productivity lost to infectious diseases is still an issue, and the lessons of Covid-19, we exhort the government to enhance the healthcare system by recognizing health expenditure as an investment in the future, increasing health budgets and supporting strategic funding of infrastructure upgrades, prevention, digitalization, national clinical guidelines and reducing spending inefficiencies. Actions to address medical waste (such as clinical inefficiencies, missed prevention opportunities, fraud and abuse and overuse) need to be prioritized.



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