



**SPC1:** Special Conference on Global Health Threats

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**Issue:** Measures to combat the counterfeiting and reselling of consumer hygiene products and medicine

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Committee: Special Conference on Global Health Threats (SPC1)

Issue: Measures to combat the counterfeiting and reselling of consumer hygiene products and medicine

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## I. Introduction

Consumer hygiene products and medicine are essential services and products required to ensure the wellbeing of people who are suffering from or have the potential of suffering from a particular disease, or any other medical condition. With many lives at stake, the medicine industry is a multi-million dollar industry where people are willing to spend vast amounts of money to acquire the health products that they need, which can be vital in some cases. As

there is a high demand and medicine/hygiene products can be highly expensive, alternative black markets emerged as a result, where such products are counterfeited and/or resold. Counterfeit versions of the products are not the original, making their effect questionable and even dangerous on the consumer. They pose a huge threat to the citizens who take such medicine without being aware of the dangerous nature of the counterfeit drugs, or to those who do not have any other chance but to consume the counterfeit versions of the drugs due to the economic burden accompanying the original products. On top of the economic problems the black markets cause to a government due to their undetectable tax-avoiding nature, it poses a significant risk to the well-being of the citizens. It thus needs to be tackled by the governments. Image 1 should help understand how deceiving counterfeit drugs can be, which shows why governments need to take immediate action before counterfeit medicine producers threaten the lives of many citizens for the sake of their own economic gains.



Image 1: Comparison of a fake and an original drug

Center for Medicine in the Public Interest in the United States reported that only in 2010, 75 billion dollars worth of counterfeit medicine was sold, which is expected to have grown incredibly over the last 10 years, which shows the magnitude of counterfeit medicine markets and their global impact.

With the theme of TIMUN 2020 being “Crisis and Global Governance,” delegates of SPC1 should be aiming to tackle one aspect of the most relevant and current crisis at hand, the COVID-19 pandemic. With



global governance, not only the counterfeiting and reselling of hygiene products and medicine would be fought against nationally, but also internationally, which would stop the international black markets of such products and medicine.

## II. Involved Countries and Organizations

### People's Republic of China (PRC)

China is one of the biggest production centers of counterfeit drugs. The government has taken a few initiatives to tackle counterfeit medicine production and consumption in their borders, which can give the delegates ideas on how to develop their own resolutions. One example of such measures is the amendments to law and increases in the penalties given to those who produce and sell counterfeit medicine. These also applied to intentionally reducing the quality of authentic medicine or deprivations in the manufacturing process. Another measure the Chinese government implemented is forming a task force specifically for targeting and preventing the production and trading of counterfeit medicine. Lastly, they increased technical capacity as well as sampling and inspection routines.

### India

According to the International Federation of Pharmaceutical Manufacturers & Associations, India is the leading country in the production of counterfeit medicine. Approximately 25% of all drugs in India are counterfeit/fake. It is an ever-growing industry that currently has a value of 4.25 billion US Dollars. The government is trying to fight these increasing numbers of counterfeit medicines. For instance, the government released a Jan Aushadhi Initiative that aims to provide quality medicine at affordable prices. As a part of the initiative, five drugs were pulled and collected back due to the lack of quality in their production. In 2019-2020, 4 more drugs are thought to be pulled back by the government as a part of this initiative. The problem mostly arises due to the lack of drug testing facilities. For instance, in India, there are only 47 drug testing facilities and 20-30 test laboratories that can differentiate between authentic and counterfeit drugs.

### The United States (USA) Food and Drug Administration (FDA)

Although its scope is the United States, the FDA is the responsible body when it comes to food and drug-related issues in a country where counterfeiting medicine is very prominent. As it says on the FDA website, "FDA takes all reports of suspect counterfeits seriously and, to combat counterfeit medicines, is working with other agencies and the private sector to help protect the nation's drug supply from the threat of counterfeits." Thus, other nations located in Asia can take the workings of the FDA as a model to initiate effective detection and removal of counterfeit or resold products from the market.



## World Health Organization (WHO)

WHO is the leading UN agency that focuses specifically on health, which is why WHO plays a significant role in all the issues regarding global health concerns. It gathers all the information about counterfeit medicines and leads the raising awareness projects that are aimed to showcase the dangers of consuming counterfeit/resold hygiene products or medicine. The assistance of WHO is fundamental when fighting against counterfeit/resold medicine markets as it has the proper knowledge and funds to assist countries while taking measures against counterfeit medicine markets, in other words, it will act as an international unit between countries for them to work collaboratively.

## The International Criminal Police Organization (Interpol)

In the fight against counterfeit and resold medicine/hygiene products markets, Interpol works to uncover the illegal transaction of such products and carry out operations to locate and arrest the ones responsible, as it is an international police organization. As reported by WHO on their website, "In 2009, 20 million pills, bottles, and sachets of counterfeit and illegal medicines were seized in a five-month operation coordinated by the **International Criminal Police Organization (Interpol) across China** and seven of its south-east Asian neighbors; 33 people were arrested and 100 retail outlets closed."

## United Nations Office on Drugs and Crime (UNODC)

It is the leading UN agency when it comes to drug and medicine-related problems, after WHO. They have acted upon this issue and passed a resolution against the illicit counterfeit medicine trafficking. To see the details of the resolution, please refer to the "Past Resolutions and Treaties" section of this report. UNODC also released a guide on how to combat crime related to falsified medical products, which can be accessed via the link:

<https://www.unodc.org/unodc/en/frontpage/2019/May/unodc-launches-a-guide-to-combat-falsified-medical-product-related-crime.html?ref=fs1>

## III. Focused Overview of the Issue

### 1. Threats Associated with Counterfeit Medicine

There is a wide range of threats associated with consuming counterfeit medicine and reused consumer hygiene products. First, there are health threats that are posed to the individual who consumes the product. According to WHO, a large number of individuals die each year due to counterfeit medicines. This is because counterfeit medicines do not have the correct medicinal value, in other words, the active



ingredients are not correct, either in terms of amount or type. In terms of amount, counterfeit medicines may contain more, less, or no active ingredient at all than the amount that is necessary for the drug to be safe to consume. In terms of type, counterfeit medicine may not have any proper active ingredients, and according to WHO, dangerous chemicals like mercury, cement, arsenic, and even rat poison are common substitutes of active ingredients in counterfeit medicine. In the case that they are reused, they may not have been stored properly or their date of consumption might have expired, thus contaminating the drug and posing further health risks.

Another type of threat counterfeit medicines hold is concerning the economy. As counterfeit medicine markets are growing substantially around the world, especially in LEDCs, a parallel freeloading economy is developed that can affect the economic well-being of a nation due to many sales going unnoticed, from which the government can take taxes, or the government can also regulate such markets so that safety is ensured and human rights are protected, which is not possible when there form illegal markets for counterfeit medicine.

## 2. Counterfeit and Reselling of Hygiene Products and Medicine Amidst the COVID-19 Pandemic

Especially amidst the COVID-19 pandemic, demand for hygiene products increased significantly. As a precaution to avoid catching the novel coronavirus, masks, disinfectants, and other hygiene products were purchased in vast quantities, increasing their price along the way as the supplies decreased. As there was an excess demand, counterfeiting of such products has been extremely common. The low-quality masks and disinfectants that are sold on black markets may not only fail to prevent the coronavirus, but it can cause other health problems such as but not limited to skin irritation. When it comes to reselling, it is as dangerous as the counterfeited products, if not more, as it can help transmit the disease from the person who had previously used the product to the one who begins using it next. Reselling can appear mostly in cases where the demand for the product is high and the supply is low, similar to the environment that yields to counterfeiting.

With many safety measures in place, governments and international bodies are fighting hard against the counterfeit medicine markets. However, private firms who are taking advantage of the necessity of such products at these hard times increase their prices beyond the point of affordability of many citizens, forcing them to settle for lower-quality versions of the products which are in most cases counterfeit or resold versions of the products.

## 3. Counterfeit and Reselling of Hygiene Products and Medicine In Asia

According to a large organization in the field of medicine, the Pharmaceutical Security Institute, which is also highly involved in drug security, counterfeit medicine trading in Asia is the biggest in the world.



Interpol detected and took over 7 million dollars worth of counterfeit drugs in Asia in one year, 2016. There have been incidents where WHO and other official bodies issued formal statements warning citizens located in Asian countries against counterfeit and falsified medicines that became very prominent in the region, such as for falsified hepatitis C medicines in 2016.

To demonstrate the severity of the problem, in 2017, approximately 200 deaths were reported in Pakistan due to the consumption of contaminated heart medication (Bichell, 2017). When putting this problem into perspective, one must also take the economic discrepancies between nations and different socioeconomic groups. For instance, for Less Economically Developed Countries (LEDCs), the medicine and hygiene products that are mainly manufactured in More Economically Developed Countries (MEDCs) are relatively more expensive. As necessities such as food and shelter are what constitute a huge proportion of their income, leaving little room for expenses for health-related medicine and hygiene products, counterfeit goods are especially prevalent in these countries due to their less expensive nature. Even though income levels vary within a nation itself as well, the differences between countries and the fact that counterfeit medicines are not only prevalent in LEDCs but also MEDCS are worthy factors to take into account when understanding the international aspect of the problem as well as the effect of income inequality that accelerates it.

The figure to the right illustrates some of the most significant seizures caused by counterfeit medicine. Via this figure, the amount of said medicine, the date at which the seizure occurred, and the purpose of the treatment can be seen. From this information, the wide range of conditions counterfeit medicine is used to treat can be seen as each seizure was associated with a different medical condition or disorder.

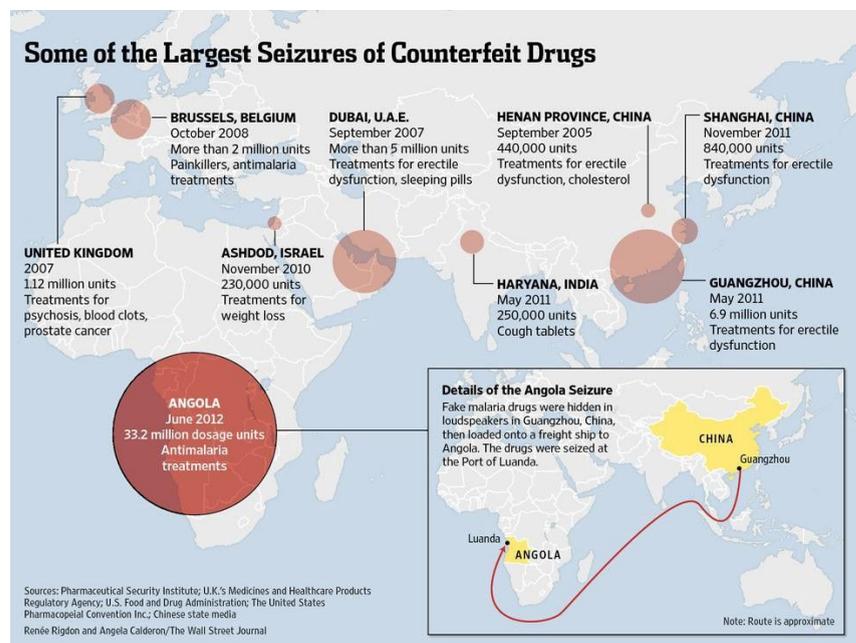


Figure 2: Infographic showing some of the most significant seizures caused by counterfeit drugs



## IV. Key Vocabulary

**Counterfeit:** The replica of the original. Counterfeit medicine, in this case, are medicines that are replicated versions of the original medicine by unauthorized bodies. In other words, counterfeit medicines are fake medicine that resembles the original but do not act as effectively as the original.

**Reselling:** Selling something that has already been used/consumed by another person.

**Illicit:** Illicit basically means activity is not in accordance with the law. In other words, it is illegal to carry out that specific activity/transaction, etc. but it is still being carried out.

**Black market:** A parallel market to the original where the government cannot regulate the prices, the quantities, or detect the transactions in general. They can sell products at lower or higher prices than their originals. They can provide goods that are normally sold out. However, these are illegal markets, meaning that the governments actively try to prevent their transactions. This also means that governments cannot control the products in these markets and they cannot ensure the products' integrity/safety. Thus, the products sold in such markets are dangerous to one's well-being, especially when the product in question is a type of medicine or hygiene product.

**Antiseptic:** Not allowing the development of bacteria that cause diseases.

## V. Important Events & Chronology

Date (Day/Month/Year)	Event
26 July 1985	The first international discussion of the counterfeit medicine problem in the Nairobi conference.
3 April 1992	The first official definition of counterfeit medicines is established.
1998	In order to increase international cooperation, allow information exchange between states, and regulate whether measures are taken against counterfeit medicine, The Permanent Forum on International Pharmaceutical Crime was established.
2005	Rapid Alert System website is formed, with which data of counterfeit medicine was made accessible and data was stored for further investigations.
February 2016	Rome Declaration was passed, with which International Medical Products Anti-Counterfeiting Taskforce (IMPACT). IMPACT works to provide international cooperation and help nations, NGOs and pharmaceutical companies on counterfeit medicine incidents.



2010	Medical Products Counterfeiting and Pharmaceutical Crime (MPCPC) was formed under Interpol.
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## VI. Past Resolutions and Treaties

- [UNODC Guide on Combating Falsified Medical Product-Related Crime](#)

This is a guide published by UNODC on how to effectively take legislative action against counterfeit and falsified medicine production. It involves different sections on the legal aspects of the issue, different procedures that take place during counterfeit medicine production, and how nations can cooperate to tackle this problem.

- [UNODC Resolution 20/6: Countering fraudulent medicines, in particular, their trafficking](#)

This is the UNODC resolution that focused on countering fraudulent medicines, which ties closely with counterfeit medicine markets. This document can yield ideas to develop, especially about the trafficking of counterfeit medicine. The ideas in this document can be combined with those in the possible solutions section of this report to produce more comprehensive solution alternatives.

- [WHO Resolution A72/22: Member State mechanism on substandard and falsified medical products](#)

This is a resolution from the seventy-second World Health Assembly, an international assembly led by WHO where countries meet to discuss prominent health-related problems. In its 72nd session, the World Health Assembly discussed, among other topics, the issue of substandard and falsified medical products, which can be found in the hyperlink above.

- [WHO Resolution 65.19: Substandard/spurious/falsely-labelled/falsified/counterfeit medical products](#)

This is another resolution on the ways in which medicine quality can be ensured and how counterfeit medicine can be acted on and pulled back from the markets. It has an emphasis on international cooperation and government efforts.

- [ECOSOC: Responding to the threat posed by the distribution of medicines, including counterfeit medicines, on the unregulated market: revised draft resolution](#)

This draft resolution focuses on international cooperation and works to encourage nations on following the guidelines set forth by the International Narcotics Control Board.

## VII. Failed Solution Attempts



When tackling this issue, it would be wise to approach the attempts in the past as previous attempts rather than failed solution attempts, as most of the solution alternatives have been effective to some degree but fail to stop the manufacturing of counterfeit medicine due to the magnitude of the problem. One such example is the European Union's Falsified Medicines Directive, where additional controls on manufacturers, distributors, and sellers were established such as routine checks and government reports.

You are encouraged to look at the website on the European Union's Falsified Medicines Directive for further information on what has been done regarding the issue, and how these solutions can be improved. The link for this website is: [https://ec.europa.eu/health/human-use/falsified\\_medicines\\_en](https://ec.europa.eu/health/human-use/falsified_medicines_en)

## VIII. Possible Solutions

First and foremost, companies need to ensure that they have the property rights for their products to count the production of counterfeit products illicitly. This way, the legal ground is established for any law enforcement required to tackle the problem, especially when companies detect their own products being counterfeited. It is very essential that raising awareness and education are carried out effectively, as a huge portion of the citizens who use counterfeit or resold hygiene products or medicine are not aware that they are consuming counterfeit products or the dangers that come along with consuming such products. Not only citizens but also companies should be educated about the dangers associated with counterfeiting and how they can take legal precautions to preserve the integrity of their products while also taking action against those who try to sell counterfeit versions of their products.

In order to ensure the affordability of products like masks, detergents, disinfectants that wouldn't be sold at extreme prices under normal conditions, governments can impose price ceilings (a legal maximum price that the firms cannot set higher than) - however, this policy should be assessed carefully and should be implemented on a country basis as a price ceiling has the potential of creating a shortage, which can also pose a threat to both the economy and the wellbeing of the citizens. Similarly, governments can apply tax cuts with the aim of increasing the demand for original products by lowering their associated costs or subsidize the medicine/hygiene product industries so that firms are inclined towards producing more products at a lower price. Another measure that can be taken is setting an international labeling standard that promotes integrity and ensures the authenticity of the products. As for the security precautions, governments can increase the penalty associated with selling counterfeit medicine and hygiene products and they can also increase the level of screening where appropriate, such as borders to screen for counterfeit products being brought in from outside countries.

Finally, delegates should also keep in mind the possibility that there are some governments who are deliberately allowing the production and selling of counterfeit medicine, due to both economic and political



reasons. The ways in which this can be tackled can include international conferences, or the help of international courts, agencies, and organizations that can create a medium of discussion and screening to ensure that governments are also in support of the fight against counterfeit medicines.

## IX. Useful Links

- WHO's view on counterfeit medicine and its dangers:  
<https://www.who.int/bulletin/volumes/88/4/10-020410/en/>
- FDA's website on counterfeit drugs, with links to related news, events, and frequently asked questions that can further your understanding on what counterfeit medicine markets are about as well as how the government bodies are effectively trying to detect and shut them down for the sake of their own citizens: <https://www.fda.gov/drugs/buying-using-medicine-safely/counterfeit-medicine>
- An article named "Combating Counterfeit Hygiene Products, Along With COVID-19" which is written by a Turkish columnist/lawyer that may help delegates living in Turkey put this issue into perspective, and help others understand different aspects of the issue as well as how to combat this problem:  
<https://www.mondaq.com/turkey/trademark/946264/combating-counterfeit-hygiene-products-along-with-covid-19>
- A long and comprehensive academic article that you can learn a lot from about how public health measures are coordinated to fight against counterfeit medicine markets:  
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4018649/>
- This article focuses more specifically on Asia and gives statistics that can help put this problem into perspective and understand the magnitude. It also includes possible solutions and what has been done:  
<https://www.europeanpharmaceuticalreview.com/article/92194/the-impact-of-counterfeit-drugs-in-south-and-south-east-asia/>



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