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## Investing into domestic Manufacturing of Critical Medication and Vaccines for the Federal Government

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# Investing into domestic Manufacturing of Critical Medication and Vaccines for the Federal Government

By: Sharon Low

While the federal government has made numerous public announcements regarding their stimulus plan and promises to increase the domestic capacity to produce personal protective equipment, vaccines, and medical equipment<sup>1</sup>, a critical aspect that has been neglected is the serious and ongoing shortages of critical medication. The government has promised to provide 4.28 billion to expand testing and contact tracing capacities, 7.5 billion towards PPE, and 500 million to the provinces and territories for “critical health care system needs and support for mitigation effects.” While these efforts as part of Trudeau’s Safe Restart Agreement<sup>2</sup> are a good place to begin reducing the strain on the public healthcare system as a result of COVID-19, they neglect to highlight the importance of putting in place policies that ensure our healthcare system is able to function using only domestic resources.

These large funds/investment are an enormous missed opportunity to create jobs for Canadians and decrease our dependency on imported medical supplies. According to the Financial Post, “Canada imports roughly 70 per cent of its finished prescription drug supply and about 90 per cent of the components used in drugs that are manufactured here come from abroad.”<sup>3</sup> Canada and other western countries import medication from China and India not only because of the cheaper labour costs but because of their ability to efficiently and effectively meet the quality and environmental standards required. While it is unrealistic to expect that all critical medications would be produced domestically as a result of high costs and infrastructure costs, a small number of critical drugs could be manufactured by a Crown corporation or other nationally subsidized organizations to booster our ability to produce drugs rather than rely on an incomplete stockpile. There have been concerns that creating an all-Canadian production system could cut off crucial advances in medical development but the point is not to create a novel Canadian system but to secure supply chains that will remain available regardless of the actions of international trade partners.

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<sup>1</sup> <https://pm.gc.ca/en/news/news-releases/2020/03/31/prime-minister-announces-new-partnerships-canadian-industries-fight#:~:text=The%20Government%20of%20Canada%20is%20investing%20%242%20billion%20to%20support,%2C%20gowns%2C%20and%20hand%20sanitizer.>

<sup>2</sup> <https://pm.gc.ca/en/news/news-releases/2020/09/16/prime-minister-announces-next-steps-safe-restart-agreement#:~:text=The%20Safe%20Restart%20Agreement%20focuses,contact%20tracing%2C%20and%20data%20management>

<sup>3</sup> <https://financialpost.com/news/economy/shockproofing-canada-pharmaceuticals-are-a-global-game-and-team-spirit-is-in-trouble>

The reality of the situation is that Canada has experienced shortages of medication for the last 10 years as a result of manufacturing disruptions (often due to quality control issues); countries such as India manufacture the majority of generic drugs available on the market, frequently using pharmaceutical ingredients imported from China. A recent Health Canada communique shared with stakeholders mentioned that that manufacturing disruptions now account for 62% of drug shortages.<sup>4</sup> With the COVID situation, the drug supply chain has been further disrupted, highlighting issues that have been present for year but have not been severe enough to warrant legislative action.

Even beyond manufacturing disruptions, the federal government has been cutting the number of stockpile storage locations for critical medical supplies by one third in the past two years according to the Globe and Mail.<sup>5</sup> Canada's National Emergency Strategic Stockpile according to the Government of Canada "contains supplies that provinces and territories can request in emergencies, such as infectious disease outbreaks, natural disasters and other public health events, when their own resources are not enough. These supplies include a variety of items such as: medical equipment and supplies, pharmaceuticals, social service supplies, such as beds and blankets."<sup>6</sup> Intuitively, it is easy to see that these critical are drugs should not only have been part of the stockpile, but the shortages also suggest that we were not ready for the pandemic in the first place.

To better safeguard the availability of medical supplies available in Canada, tougher government oversight and regulation of pharmaceutical companies responsible for producing/importing critical drugs is necessary. While maintaining the balance between self-reliance and international cooperation during pandemic is especially difficult, the federal government must place further emphasis on creating policies and legislature which guarantee that Canada has the domestic capacity to produce/import adequate critical medical supplies to better protect Canadians in the short and long term.

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<sup>4</sup> <https://www.newswire.ca/news-releases/canada-announces-new-measures-to-prevent-drug-shortages-806326349.html>

<sup>5</sup> <https://www.theglobeandmail.com/politics/article-canada-cut-number-of-stockpile-storage-locations-for-critical-medical/>

<sup>6</sup> <https://www.canada.ca/en/public-health/services/emergency-preparedness-response/national-emergency-strategic-stockpile.html>