



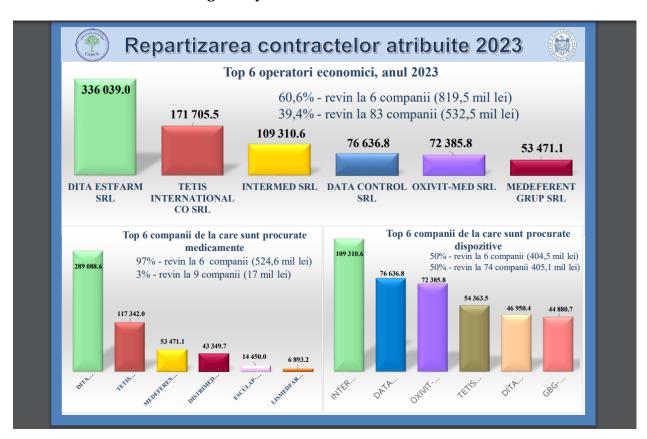
Public procurement of medicines: 6 companies share 97% of public procurement budget

In the Republic of Moldova, the budget allocated for public procurement of medicines and medical devices has been steadily increasing over the last five years. In 2023, the state purchased medicines and medical devices in the amount of 1.5 billion lei (~85,004,702 USD). The drug market has long been dependent on just a few large importers, with six companies winning more than 97% of all contracts for the import and delivery of medicines.

In 2023, the budget allocated for public procurement of medicines and medical devices amounted to 1,596,762,000 lei (over 83 million Euros or approximately 90,488,185 USD). The state, through the Centralized Public Procurement Center for Health (CAPCS), purchased medicines for public institutions worth over 700 million lei (\sim 39,668,861 USD), and medical devices worth over 879 million lei (\sim 49,812,755 USD).

According to CAPCS data, the budgets allocated for medicines have fluctuated over the last five years. Although increasing, the amount allocated for medicines is slightly below the 2021 level, i.e., 717 million lei (\sim 40,632,247 USD). For medical devices, however, the increase has been steady, and from 2019 to 2023, the budget allocated for the procurement of medical devices almost doubled, reaching 879 million lei (\sim 49,812,755 USD) in 2023.

Who Gets the Bulk of the Drug Money:



Unsurprisingly, Dita Est Farm SRL remains the company that has won the most contracts for the purchase of medicines—worth 289 million lei (\sim 16,377,572 USD). In second place, as in previous years, is Tetis International CO SRL, which concluded contracts with the state worth 117 million lei





(\sim 6,630,366 USD). In third place is Medeferent Grup SRL, which concluded contracts for the import and delivery of medicines amounting to 53 million lei (\sim 3,003,500 million USD). In fourth place is Distrimed SRL, which was to deliver medicines worth 43 million lei (\sim 2,436,801 USD) to public institutions. Esculap Farm SRL is still among the top six companies winning the largest contracts, although the figure has dropped considerably compared to 2022—from 60 million lei (\sim 3.400,188 USD) to 16 million lei (\sim 906,716 USD) in 2023. Lismed Farm SRL entered the top six in 2023, importing medicines worth more than 6 million lei (\sim 340,018 USD). The remaining contracts, with much smaller amounts, were divided among nine other companies.

As for medical devices, the awarding of contracts is similarly unbalanced. Half of the contracts awarded, worth more than 400 million lei (\sim 22,667,920 USD), go to six companies. The remaining 400 million lei will be divided among 74 other importing firms.

This year, Dita Est Farm SRL did not take the biggest contracts. The first place was taken by Intermed SRL, which won tenders worth 109 million lei. Data Control SRL is in second place, having signed contracts worth over 76 million lei (\sim 4,306,904 USD). Oxivit Med SRL won contracts to supply medical equipment worth 72 million lei (\sim 895,382 USD). Tetis International CO SRL is also among the top six most influential companies in the medical devices market, having signed contracts worth over 54 million lei (\sim 3,060,169 USD). Dita Est Farm SRL has been awarded contracts worth over 46 million lei (\sim 2,606,810 USD), and GBG MLD SRL has won public tenders for the import and delivery of medical equipment worth 44 million lei (\sim 2,493,471 USD).

Over the last ten years, Dita Est Farm has been among the importers with the largest contracts with the state. Tetis International CO SRL, Esculap Farm SRL, and Intermed SRL have also obtained substantial contracts from public tenders in recent years.

According to CAPCS, the biggest threats to the public health procurement system remain Moldova's small and unattractive market, high risks of supply chain disruptions, dependence on certain suppliers, and risks of corruption and nepotism.

Read more by following the link <u>sanatateinfo.md</u>

The project <u>Increasing the Integrity of Public Procurement</u> is implemented by the Institute for Development and Social Initiatives (IDIS) Viitorul, in partnership with the American organization Partnership for Transparency. The project aims to support public procurement reforms in Moldova that will increase transparency and fairness in public procurement by empowering citizens to hold relevant institutions accountable.

<u>IDIS Viitorul</u> is an independent think tank established in 1993 that combines social, political and economic research with strong advocacy components. The institution conducts applied monitoring research in several areas: economics, social policy, EU policies, regional development, and security and foreign policy risks.

Partnership for Transparency (PTF) is based in Washington, DC and its mission is to promote innovative civil society-led approaches to improving governance, increasing transparency, promoting the rule of law, and reducing corruption in developing and emerging countries. Since 2000, PTF has supported over 250 projects aimed at promoting NGO involvement in decisions, processes, and laws that enforce transparency and accountability in public procurement.