

FEBRUARY 2025

FACT SHEET:

Competition Commission Investigation - Insulin

It is time to end the double standard in diabetes care !!

The South African Competition Commission is investigating pharmaceutical corporations Novo Nordisk (Pty) and Sanofi-Aventis South Africa (Pty) Ltd for potential anti-competitive practices in the insulin pen market.



 The **long overdue investigation** will examine whether multiple device patents and proprietary designs are being used to exclude competition and prevent the entry of alternative suppliers.

The investigation stems from Novo Nordisk's October 2023 decision to **cease tendering for insulin pens** to the SA National Department of Health, instead offering only insulin vials.

This change left SA's public healthcare sector **without a contracted supplier of insulin pens** for 2024, potentially affecting thousands of diabetes patients.



DID YOU KNOW:

-  Diabetes is considered a major public health crisis in SA, where it is now the number one cause of death for women and second leading cause of death for men. Just under 5 million people are estimated to have diabetes in SA.
-  Despite their clinical advantages, insulin pens remain largely unavailable and unaffordable in low- and middle-income countries (LMICs).
-  Ahead of World Diabetes Day in 2024, HJI, TAC and MSF called on pharmaceutical corporations Eli Lilly, Novo Nordisk, Sanofi, and other insulin manufacturers to make all insulin pen devices (human and analogue) available at US\$1 per pen in all LMICs, based on data published by MSF estimating that insulin pens could cost as little as \$0.94 per pen, including a profit.
-  In 2023, Novo Nordisk also signed an exclusive deal with SA manufacturer Aspen Pharmacare to supply human insulin in vials for Africa. However, the detailed conditions of this agreement have not been made public, and it worryingly appears that Novo may be preventing Aspen from producing human insulin in pens, which is what is primarily needed in SA to keep treatment mechanisms constant for people who shifted to using pens in 2014.



WHY IS THIS INVESTIGATION IMPORTANT?

1. The Crisis

Diabetes represents a critical health challenge in SA, ranking as the leading cause of death among women and the second leading cause of death among men. *Just under 5 million people are estimated to live with diabetes in SA*, yet access to modern insulin delivery systems is becoming increasingly restricted.

2. The Manufacturing Problem

Novo Nordisk, the largest corporation in Europe, *has decided to halt the manufacturing and supply of human insulin pens to SA and globally*. This decision appears driven by their shift toward producing more profitable GLP-1 medicines (Ozempic and Wegovy) for high-income countries, forcing many patients to revert from insulin pens to vials and syringes.

3. The Double Standard

While people in high-income countries continue to receive insulin pens as the standard of care, patients here face rationing and restricted access to pens; rather, Novo offered human insulin in vials instead of pens for this last tender. *This perpetuates an unacceptable double standard in diabetes care between wealthy and developing nations*. Research shows that 82 percent of people with diabetes prefer insulin pens due to improved accuracy, ease of use, and reduced stigma.

4. The Economic Reality

Current research published in the Journal of the American Medical Association demonstrates that *insulin pens could be manufactured and sold profitably for approximately one dollar per pen*. However, prices remain significantly higher, ranging from nearly two dollars in SA to over ninety dollars in the United States. Meanwhile, Novo Nordisk's share price rose over 50 percent in 2023, with projected revenue of 37.4 billion Euros in 2024.

5. The Historical Context

Insulin was discovered over 100 years ago, with its original patent sold for just one dollar to ensure universal access. Today, three companies - Novo Nordisk, Eli Lilly, and Sanofi - control approximately 90 percent of the global insulin market. *This concentration of power has led to pricing and supply decisions that prioritize profit over access to essential medicines*.

6. The Impact

SA pioneered a shift toward insulin pen use in the public sector in 2014, demonstrating leadership in improving diabetes care. The current manufacturing decisions threaten to reverse this progress, affecting millions of patients who depend on insulin pens for their daily diabetes management. This regression in care standards particularly impacts on those who must inject insulin multiple times daily at work, school, or in public settings.

Information collated from MSF

There can be no room for monopolistic behaviour by big pharma when it comes to lifesaving medicines and devices, who are now, for diabetes care, trying to take SA back to the dark ages.



WHAT SHOULD SA DO:



The SA government should take action to hold both these and other companies accountable and to better regulate the medicine licensing, access, and pricing landscape, especially as the health department prepares to become the country's single medical products procurer under National Health Insurance (NHI).



The Competition Commission should also look into the licensing agreement between Novo Nordisk and Aspen Pharmacare, which may also be contributing to a generic monopoly on diabetes products.



The Competition Commission should also examine whether the recent shift in manufacturing focus towards weight loss pens has contributed to insulin pen supply issues, potentially harming diabetes patients who must now revert to using vials.

The power of pharmaceutical corporations to make business decisions that affect the government's ability to provide the standard of care needed to save people's lives must come to an end.