

Access to medicines in the developing world

According to the World Health Organization (WHO), one third of the world's population lacks regular access to essential drugs. This estimate rises to over 40% in low-income countries and over 50% in poorest countries of Asia and Africa, where infectious diseases such as tuberculosis, malaria and AIDS are the leading cause of death. Yet, most of these diseases can be prevented or treated. Some leading non-governmental organizations (NGOs) argue that drug prices and patents are the principal obstacle to access and advocate equity pricing, parallel trade and compulsory licensing. In response, the pharmaceutical industry stresses that medicines alone cannot solve the underlying problems of poverty, inadequate public health services or lack of healthcare personnel and infrastructure that beset developing countries and asserts that the protection of intellectual property rights is critical to the development of new medicines. Novartis has been a leader in improving access to medicines through programs supporting our anti malaria treatment Coartem and the Glivec International Patient Assistance Program.

Novartis Position

Novartis is dedicated to discovering, developing and successfully marketing innovative products to cure disease, ease suffering, and enhance the quality of life. However, we recognize that access to our medicines today clearly favors people who live in affluent, developed societies. Novartis recognizes the problem of limited access to medicines in developing countries and we want to be leaders and partners in finding and implementing solutions to help close the access gap.

The first step to successfully addressing the problem of access to medicines in developing countries is to acknowledge its complexity. Access to medicines in the developing world must be considered among a host of interrelated problems, which include poverty, misguided national development policies and under-funded, inequitable or otherwise inefficient health systems.

The issues of medicine prices and intellectual property rights, which are often cited with respect to access to medicines, are just two “pieces of the puzzle”. Expanding access to medicines will require sufficient, concurrent consideration of the broader societal context, as well.

Sustainable access to medicines in poor countries will require sufficient healthcare infrastructure, distribution and financing. Governments must play a principal role in addressing these problems. However, public-private partnerships to secure the necessary domestic and international financing to purchase medicines and develop critical health system infrastructure and capabilities will also be crucial. Novartis has worked in a number of successful previous and ongoing partnerships of this kind in such diseases as malaria, tuberculosis and leprosy, and we envision expanding our role in these activities. We believe that the combination of public-private partnerships, public funding of health care delivery systems and appropriate research and development (R&D) financial incentives, will all play important roles in encouraging future drug research in the diseases of poverty.

Special pricing arrangements that allow prices for individual products to be adapted to the specific need of developing countries also offer a solution, as they can provide incentives for research and offer a wider distribution of medicines at an appropriate rate of return. These arrangements must, however, be supported by important safeguards, including trade controls to prevent re-exportation of low-priced medicines to higher-priced markets and provisions to ensure that artificially low prices of medicines available in developing countries are not used subsequently as the basis for reference prices for drug reimbursement in developed countries.

Finally, it must be understood that the pharmaceutical industry cannot play a meaningful role in expanding access to medicines in poor countries without the assurance that its intellectual property (IP) rights are appropriately protected. For the research-based pharmaceutical industry, IP rights are an essential “safety net” to protect a company’s substantial investment of time and money needed to bring a drug to market and to mitigate to some degree the high risk of failure inherent in pharmaceutical R&D.

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To ensure the protection of IP rights and ensure that medically needy individuals in the developing world will have access to new medicines, Novartis strongly supports the World Trade Organization's TRIPS (Trade-related Aspects of Intellectual Property Rights) Agreement. We believe TRIPS strikes a fair balance of providing IP protection to pharmaceutical companies, while allowing countries the flexibility to provide treatment to poor people in national emergencies, such as the HIV/AIDS pandemic.