

MEDIA RELEASE

UNITED STATES UNDERMINES ACCESS TO MEDICINES IN AUSTRALIA & PACIFIC

Leaked proposals for the Trans Pacific Partnership (TPP) Agreement confirm United States (US) efforts to undermine access to medicines in Australia and the Pacific, according to the Public Health Association of Australia (PHAA) and the Australian Fair Trade and Investment Network (AFTINET). "The Australian public should be concerned about the effects secret trade discussions being conducted in Peru this week could have on the affordability of medicines in Australia and other countries in the Asia Pacific region," said PHAA Spokesperson Dr Deborah Gleeson.

Leaked texts outlining US proposals for the TPP free trade agreement confirm earlier reports that the US is seeking to include provisions that would raise the cost of medicines, extend the monopoly rights of pharmaceutical companies over life-saving drugs and place new restrictions on pharmaceutical reimbursement programs like Australia's Pharmaceutical Benefits Scheme (PBS).

"These sorts of provisions have no place in trade agreements. The operation of the PBS and similar schemes in other countries should not be determined by international trade rules that can override domestic policies," said AFTINET Convenor Dr Patricia Ranald.

The TPP Agreement is a proposed regional trade agreement involving Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the United States and Vietnam.

A leaked document entitled *Annex on Transparency and Procedural Fairness for Healthcare Technologies* contains clauses that require schemes like the PBS to reimburse drug companies based on 'competitive market-derived prices' that 'appropriately recognize the value' of patented drugs and medical devices, and to establish procedures to enable drug companies to apply for increased reimbursement. "Such clauses extend the power of drug companies to determine drug prices and reduce the ability of governments to keep prices low for consumers," Dr Gleeson explained.

"This is not about transparency or fairness, but about extending pharmaceutical companies' ability to negotiate higher prices. The chapter also mandates countries to permit the direct marketing of prescription drugs to consumers and health professionals via the internet, a practice which may contribute to overprescribing. Other chapters also include provisions that will extend monopoly rights for pharmaceutical companies and delay the introduction of cheaper generic versions of medicines.

"If the US succeeds in getting these provisions into the trade agreement, this will be a major setback to global efforts to reduce the burden of non-communicable diseases, which are predicted by the World Health Organization to kill 44 million people per year by 2020. Medicines to treat conditions like cancer and hypertension, for example, will become unaffordable for much of the world's population," said Dr Gleeson.

"Australians should demand that the negotiating texts are made available for public scrutiny and debate. Any international agreements that have such big implications for health and social policy should be determined through democratic processes," added Dr Ranald.

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The leaked texts are available from <http://www.citizenstrade.org/ctc/blog/2011/10/22/leaked-trans-pacific-fta-texts-reveal-u-s-undermining-access-to-medicine/>