

HEALTH-EU: Cheaper Medicines for AIDS Welcomed

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BRUSSELS, Nov 1 (IPS) - A leading development group has welcomed EU proposals to allow export of cheap medicines to poor countries fighting HIV/AIDS and other killer diseases.

The European Commission, the European Union (EU) executive, proposed a regulation Friday (Oct. 29) to allow generic pharmaceutical manufacturers to produce patented medicines for export to "countries in need."

Under a system to be known as 'compulsory licensing', poor countries facing public health crises will be able to override patents on expensive drugs and order cheaper copies from generic manufacturers in other countries.

The country seeking the cheap medicine would have to notify the World Trade Organisation (WTO) that it is applying for the medicine covered by the licence. Patent holders would receive a small payment for the service.

Under the current system, governments can only issue compulsory licenses for use within their own countries and are banned from exporting to the majority of countries that have no domestic pharmaceuticals industry for the needed medicines.

The EU says the new system will help "ensure that medicines get to the patients who need them and to protect patent holders."

The commission adds that the proposals will prohibit re-importation of medicines produced under the system into the EU and will allow patent holders to use existing national laws to enforce their rights if the drugs were smuggled back in.

The proposals implement a decision made at the WTO last August to lift restrictions on the export of generic medicines.

Outgoing EU trade commissioner Pascal Lamy said Friday that the proposals demonstrated the EU's commitment to the Doha Development trade round.

"By adopting this proposal the EU leads the way in ensuring access to affordable medicines for poor countries," he told media representatives. "It shows that we are delivering on our promises in the Doha Development Agenda."

Internal market commissioner Frits Bolkestein said the proposals would help save lives in developing countries.

”The WTO decision and our proposed regulation can help save lives by helping countries in need to acquire affordable medicines, without undermining the patent system, which is one of the main incentives for the research and development of new medicines,” he added.

The development group Oxfam said the EU was sending ”a positive political signal” to developing countries. ”With 14 million people dying every year from infectious diseases, it is essential that developing countries feel confident about supplying cheaper generic medicines to their citizens in the face of hostility from the giant drug companies and the United States government,” Michael Bailey, senior policy advisor at Oxfam said in a statement.

But the group urged the EU to ensure the regulation does not lead to ”too much red tape” that could slow poor nations' efforts to get cheap drugs in a health emergency.

”The legal mechanism agreed by the WTO is complex, and even if a developing country fights through the red tape, its market may not be large enough to allow generic companies to offer lower prices,” said Bailey.

”The European Commission and the World Health Organisation will need to monitor carefully how this legislative change works in practice, across the full range of diseases affecting developing countries,” he added.

Oxfam is urging the EU to extend its proposals.

”The longer term solution is for generic production to be the norm in developing countries, not the exception,” said Bailey.

The regulation will need to be approved by the bloc's 25 national governments and the European Parliament. It is expected to be submitted for approval early next year.
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