PITC vs Pfizer

WHEN Pfizer Inc. haled to court the Philippine International Trading Corp. (PITC), it unwittingly unveiled a pricing program for its drugs that shows a huge disparity between the prices it quotes for the same drugs in India and the Philippines.

Now, PITC president Roberto Pagdanganan, a former marketing czar of Unilever, can take the multinational on its own play and show the world how Pfizer prices its products. And what a price differential it is that if it were a stock market, an investor can buy the Pfizer products in India and sell the same in the Philippines, and earn an obscene amount.

It is a good thing that Pfizer initiated the civil suit against PITC and the Bureau of Food and Drugs (BFAD) for alleged patent infringement relative to amlodipine besylate marketed by Pfizer under the brand name Norvasc, a drug used for the treatment of hypertension. With that suit, Secretary Pagdanganan had no choice but to come out swinging—and with good reason. In responding to the charge sheet, the PITC head uncorked the huge price differential on Pfizer drugs.

We understand that the Pfizer suit, docketed as Civil Case 06-172, alleges that "through its illegal acts PITC aims to enrich itself . . . significantly eroding the market shares, revenue profits and goodwill which Pfizer built through the years."

In response to this, Secretary Pagdanganan refuted Pfizer's allegation and bared that PITC's goal

MARKET FILES
Lito U. Gagni

has been, and will continue to be, to provide the Filipino people with access to medicines at prices they can afford. This is spelled out in the Medium Term Philippine Development Plan (MTPDP), which seeks to reduce the price of essential medicines by half.

Under the Philippine Constitution, particularly Article XIII, Section 11, the state upholds the right to promote the health of its citizenry, and to find all legal means necessary to provide medicines and health services at affordable costs. It is this constitutional guarantee that was the basis for the inclusion of a major commitment under the MTPDP to "reduce the prices of medicines commonly bought by the poor to half of their 2001 levels by 2010."

The Philippine government initiated the parallel importation program for pharmaceuticals as early as 2000, noting that it was a viable and legal option available to the State to reduce medicine prices in the market. Parallel importation is a program used by many countries worldwide, including Japan and the European Union, to bring in lower-priced drugs from other markets.

> Norvasc is sold for P44.75 per 5 mg tablet, and P74.57 per 10 mg tablet. The same medicine is sold by Pfizer in India under the brand name Amlogard at the equivalent of P5.98 per 5 mg tablet and P8.96 per 10 mg tablet.

Citing verified information, Secretary Pagdanganan said that in 2005, the annual sales of Norvasc in the Philippines reached P1.2 billion. Based on recent price surveys, Pagdanganan added that Norvasc is sold for P44.75 per 5 mg tablet, and P74.57 per 10 mg tablet. The same medicine is sold by Pfizer in India under the brand name Amlogard at the equivalent of P5.98 per 5 mg tablet and P8.96 per 10 mg tablet.

"Perhaps instead of harassing PITC and BFAD through legal maneuvers, "Pfizer should explain such huge price disparity that pose a terrible disadvantage to the Filipino people," Secretary Pagdanganan said at the Tuesday Club. Thus, while Norvasc and Amlogard are both made by Pfizer, it sells amlodipine besylate in the Philippines at prices which are 650 percent and 730 percent higher than in India for the 5 mg and 10 mg tablets, respectively. In Pakistan, the same Norvasc is sold at the equivalent of P8.74 per 5 mg tablet, and P17.09 for the 10 mg tablet.

The responsibility of the government to make health-care goods and services available at affordable costs is upheld by the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the 2001 Doha Declaration which recognize the primacy of national interest and public health.

A recent WHO survey indicates that less than 30 percent of Filipinos have access to medicines, principally because of the high prices prevailing in the market, according to Secretary Pagdanganan. For him, Pfizer should instead seriously review its present pricing structures so that medicines, such as Norvasc, can be made available at lower than current prices.

Business Mirror
22 March 2006
Page A11