EDITORIAL

Affordable drugs

THE issue for most Filipinos in the legal tussle between Pfizer and the Philippine International Trading Corp. (PITC) is not intellectual property rights but the high cost of prescription drugs.

On March 1 Pfizer sued the PITC and the Bureau of Food and Drugs (BFAD) for patent infringement.

The PITC had brought in from Pakistan a handful of pills known as amlopidine besylate, marketed locally under the brand name Norvasc.

The PITC's purpose was to have it tested and registered by the BFAD in preparation for the day in 2007 when Pfizer's patent for it expires. Norvasc is a maintenance drug for hypertension that many people use. Its continued availability at affordable prices is therefore important.

Norvasc is not cheap. The price of the 5 mg pill is P44.75; the 10 mg tablet costs P74.57 each. In India the same medicine (under a different brand name) retails in pesos for P5.98 and P8.95, respectively.

We do not find it unreasonable for the PITC to prepare for the time when it could ask local manufacturers—including Pfizer—to produce a generic version that could be sold more cheaply.

This process takes at least 18 months. If the PITC waited for patent expiry on June 13, 2007, before acting, Pfizer would have that much more time to keep on selling the off-patent Norvasc.

According to the PICT, the annual sales of Norvasc in 2005 were P1.185 billion, "growing at 34.5 percent." Pfizer, therefore, stood to "lose" over P2 billion in 18 months—or, put another way, consumers of the drug would have saved a good part of that amount.

The pricing policies of pharmaceutical companies are a deep secret. No one has been able to explain why there's such a wide difference between the price of Norvasc in the Indian and Philippine markets.

In an exchange in the pages of *Science* between Dr. W. Ross Tracey of Pfizer's Department of Cardiovascular and Metabolic Diseases and Dr. Jerry Avorn of Harvard Medical School, Dr. Tracey stressed that Pfizer's principal aim in pricing its drugs was to recover within 20 years (the effective period of a patent), the costs of R&D and the US Food and Drug Administration's requirement of a lengthy testing and review procedure.

Dr. Avorn, short of accusing the pharmaceutical industry of predatory pricing, said that despite "the record profits of the last decade, [they] have not been transformed into the expected returns in new drug products."

Most of the income, he said, was spent on advertising and marketing and on the development of "me too" drugs rather than on new or improved ones.

Developing countries like the Philippines that are unable to undertake their own R&D and testing procedures have to resort to schemes such as parallel importation (bringing in lower-priced drugs from other countries), targeted consumer subsidies, or making generic versions of off-patent medicines to put the price of essential drugs within reach.

The PITC, it must be said, is covering not only the intellectual property issue but also the trade issue. Both the World Trade Organization (WTO) and the World Health Organization (WHO) recognize the "primacy of national interest in public health."

Only 30 percent of Filipinos, according to the WHO, can afford prescription drugs. Secretary Roberto Pagdanganan, the president of the PITC, said that drug companies like Pfizer should "review their present pricing structures so that medicines, such as Norvasc, can be made available at lower than current prices."

In matters of health, profit is not all. We suggest that Pfizer withdraw its civil case and allow BFAD registration under the Bolar provision that permits "early-working exception."

In this way Pfizer, a longtime partner of the country, can keep its enviable reputation intact.

Manila Times
25 March 2006
Page A4