

May 12, 2015



CONTACT:

Laura Rusu (202) 459 3739 lrusu@oxfamamerica.org

TPP TO UNDERMINE ACCESS TO MEDICINES

Statement by Stephanie Burgos, Senior Policy Advisor and Economic Justice Policy Manager at Oxfam America to the expert panel on major outstanding TPP issues convened by Senator Brown and Representative Levin:

Oxfam is a global organization working to right the wrongs of poverty and injustice. We believe trade can be an engine for poverty reduction and shared prosperity if the rules of trade enable working families and people living in poverty to benefit.

Trade agreements are about rules, and in the case of TPP, the rules on intellectual property and pharmaceutical pricing – which affect access to medicines – are written to benefit special interests over the public interest.

The TPP text promoted by the administration is unacceptable from a public health and development perspective because it would undermine access to affordable medicines. The rules significantly expand monopoly power and restrict generic competition, and thus keep medicine prices high.

Enabling generic competition is the only proven means of reducing medicine prices in a sustainable way. In the US, 86 percent of prescriptions are filled with generics, saving \$1.5 trillion in health care costs in the past decade. In developing countries, fewer public resources for healthcare and limited insurance coverage mean people often have to pay for medicines out of pocket. Higher medicine costs mean increased suffering, loss of livelihood and even loss of life for those at the lower end of the economic spectrum.

The administration says we should just trust them, that the TPP would cause no harm to public health. Since the devil is in the details, and the details are secret, such false assertions are getting airplay. But there are two things that we at Oxfam can say for certain from what we know about the TPP:

- First, the TPP would do more to undermine access to affordable medicines than any previous US trade agreement.
- Second, the intellectual property provisions in TPP reverse the positive step taken under the May 10th Agreement reached between Congressional leaders and the Bush administration in 2007, and thus are a step backward for public health.

The May 10th Agreement recognized the need for balance between monopoly protection and access. It enabled the use of public health safeguards and placed limits on the most harmful intellectual property provisions included at that time in US free trade agreements (FTAs). But TPP provisions go far beyond any measures negotiated in FTAs back in 2007, granting more extensive monopoly power to originator companies.

For example, TPP would enable ever-greening, which expands the scope and duration of patents far beyond the original 20-year protection period. This restricts generic competition to keep medicine prices high, even when there is no better outcome for patients. TPP also introduces new protections for biological medicines, which can have an impact here in the US, where rules enabling the pathway for generics are still hotly debated. The TPP would lock-in limits on generic competition and pre-empt future action by US Congress or the administration to bring down the exorbitant prices of some of these medicines.

Just last week the World Health Organization revised its essential medicines list, adding 36 new medicines, including biologics, and underscored “the urgent need to take action to promote equitable access and use of several new highly effective medicines, some of which are currently too costly even for high-income countries.” Yet the TPP would limit governments’ ability to expand access to these treatments due to the high cost to public health budgets and patients.

To give an example, a recent academic study on the potential impact of TPP provisions on HIV medicines in Vietnam found that with the country’s current budget for anti-retroviral medicines, less than half of Vietnam’s HIV patients now in treatment would have access to those essential medicines.

The bottom line is that the TPP’s intellectual property provisions will undermine public health and access to affordable medicines. They are incoherent and inconsistent with US global health policy. They are broadly opposed by negotiating countries. And they have no place in the TPP or future trade agreements.

/ENDS