

EFE: Exigencias de EEUU sobre protección a fármacos atrancan TLC

U.S. Demands over Pharmaceutical Protection Hold Up Free Trade Agreement

By César Muñoz Acebes

Washington, DC, October 20 - The U.S. Free Trade Agreement with Perú, Ecuador, and Colombia could depend on whether these countries accept the special protections that Washington is demanding for its pharmaceutical products, which according to critics will cost millions of dollars and the lives of many people fighting illnesses.

This topic, along with the issue of agriculture, is the most difficult for negotiators who are holding a “results” meeting in Washington to give a final push to the process that they want to end by the end of November.

The agricultural negotiation is a tug of war between both sides: the Andean countries are trying to delay the removal of duties on products that the United States produces more competitively, such as corn, poultry, rice, and beans, while seeking increased access into the U.S. market for their flowers, tobacco, fruits, and vegetables.

On the other hand, with regards to pharmaceuticals, the game consists of an inflexible pressure on the part of the U.S. for Andean negotiators to accept, at the very least, the conditions stipulated in the free trade agreement that Washington signed with Guatemala, Honduras, El Salvador, Costa Rica, Guatemala, and the Dominican Republic.

That agreement bolsters the monopoly of brand name drugs over the market and stalls the introduction of their generic versions, all for the benefit of U.S. pharmaceutical companies.

The problem lies in that the demands from the United States will literally cost lives, according to critics.

Miguel Cortés, President of Ifarma, a Colombian organization that carries out studies about medicines, told EFE during a telephone interview that if the US proposal is agreed to, the prices of drugs will increase by 70 percent.

Were the proposal approved, 2.5 million Colombians wouldn't be able to afford treatment and an additional 2,500 AIDS victims would die each year in the country, according to the study that Ifarma produced for the Panamerican Health Organization.

For now, the Andean countries have refused to accept the demands of the United States.

“It's necessary that the final stipulations allow us to preserve the goal of public health and the cost of medicines,” said Ambassador Carlos Alzamora, the Peruvian government's advisor for the negotiations.

Neither the Office of the US Trade Representative nor the Pharmaceutical Research and Manufacturers of America (PhRMA) wanted to speak with EFE about the issue.

The sector has fought tooth and nail to defend its monopolies over pharmaceutical drugs, arguing that monopolies provide an economic incentive to conduct further research for new remedies.

Specifically, Washington has asked for five years of “data exclusivity” protection for medicines, without exceptions, which impedes the sale of much cheaper generic drugs during that time period.

This demand goes beyond what has been laid out by the World Trade Organization (WTO), which says that governments should protect data from “unfair” commercial use, but doesn’t specify a period of exclusive protection.

The Andean countries have offered to the United States three years of monopoly protection, but with a mechanism to break this protection for public health reasons, like the mechanism that exists with patents.

Iferma has calculated that in Colombia alone, the cost for the state and for private individuals of five-year “data exclusivity” protection would total \$290 million dollars by 2010.

Furthermore, public health would feel the effects, according to Javier Iguíñiz, head of the Economics Department at the Pontificia Universidad Católica in Peru.

Iguíñiz told EFE that nowadays it’s necessary to update medicines often due to the mutations of viruses. Because of these mutations, in five years time many treatments may already be obsolete.

The United States has also asked that extensions be given to pharmaceutical monopolies in cases where there are bureaucratic delays in the process of granting patents, as well as more transparency for the processes in patent registration offices.

These petitions have been accepted in part by the Andean countries.

A general agreement depends now not on technical negotiators, but rather on the politicians from both sides, who will have to decide where the equilibrium lies between pharmaceutical industry protection and the lives of the ill.

**Note: This article was translated by the staff of Public Citizen’s Global Trade Watch.*