

CALCULATING THE IMPACT ON PHARMACEUTICAL SPENDING AND ACCESS TO MEDICINES

Preliminary Findings

24 March 2009

The analysis of the impact of intellectual property on Access to Medicines is based on the *'Guide to estimate the impact on access to medicines due to changes in intellectual property rights'*,¹ produced jointly by the World Health Organization and the Pan-American Health Organization (WHO/PAHO). The Guide presents the IPRIA (Intellectual property rights impact assessment) model, which has been applied in numerous settings and countries.² The most recent studies were conducted in partnership with a consortium of organisations including WHO, PAHO, the World Bank Institute and the International Centre for Trade and Sustainable Development (ICTSD), who have been refining the methodology.

The final report on this study will present the impact assessment of the EU's intellectual property provisions with regard to the ongoing negotiations between Colombia, Peru and the European Union. The analysis will focus specifically on the articles relating to patents, protection of data for marketing authorisation, industrial designs and observance. So far, results have been obtained only for the first two of these articles.

The following preliminary results were obtained from an analysis of the private medicine markets in Colombia and Peru, which represent approximately two thirds of the total markets in each country.

1 Patents

The extension of the patent period by 5 years could cause an increase of around 26% in the price of medicines in Peru, resulting in increased spending on medicines. This spending increase would amount to an increase of around 250 million dollars annually by 2025, which is equivalent to the healthcare spending of some 2.7 million citizens in Peru. Without an increase spending, consumption would be affected, shrinking by up to 21%.

2 Protection of Trial Data

The extension of the exclusivity period for trial data on medicines from 5 years, the current figure for Colombia (Decree 2085 of 2002) and Peru (FTA with United States) to 10 years, as proposed by the European Union, would entail an average increase in medicine prices of 11% in Colombia and 14% in Peru. This would compel an increased in medicines' spending amounting to approximately 217 and 136 million dollars per year respectively by 2025. This additional spending is equivalent to the cost of healthcare for 1.2 million people in Colombia and over 1.4 million people in Peru.

¹ ROVIRA, Joan, et al. "Guía para estimar el impacto sobre el acceso a los medicamentos de cambios en los derechos de propiedad intelectual DPI". OPS/OMS. 2005

² Colombia (2005, 2006, 2007), Guatemala (2005), Costa Rica (2005), Bolivia (2006), Costa Rica (2008), Dominican Republic (2008), Uruguay, Argentina, Malaysia and Thailand, (2006)