

IPA MEDIA RELEASE

Institute of Public Affairs Australia's leading free market think tank

Level 2, 410 Collins St. Melbourne ph: 03 9600 4744 ipa@ipa.org.au www.ipa.org.au

Friday, 20 July 2007

FREE MARKETS AND PROPERTY RIGHTS THE ANSWER FOR ACCESS TO HIV/AIDS MEDICINES

Government taxes and tariffs, the breakdown of health systems and ineffective distribution mechanisms in developing countries pose the greatest threat to ensuring access to HIV/AIDS medicines in the developing world.

These are the findings of *HIV/AIDS medicines for all? The consequences of ignoring the real threat to access to essential HIV/AIDS medicines*, prepared by the Institute of Public Affairs to coincide with the International AIDS Society Conference in Sydney this week.

"Myths, innuendoes and misguided blame-shifting mar the debate over making HIV/AIDS medicines accessible for the world's poor. Our research raises serious questions about the real barriers to ensuring access to essential medicines", author of the paper and Research Fellow at the Institute of Public Affairs, Tim Wilson, said today.

"The IPA's research found that corruption, an increasing prevalence of counterfeit drugs, and a misconception that generic medicines were less expensive than patented drugs, were additional factors limiting access of medicines to HIV/AIDS sufferers", Mr Wilson said. "Addressing these issues should be front of mind for policy makers, governments, and non-government organisations (NGOs) at this week's conference."

"The conference will predominately focus on the scientific progress in addressing the challenge of HIV/AIDS. It should not be distracted by simplistic rhetoric and campaigns by activists that mislead policy makers on the best way to help HIV/AIDS sufferers.

"Several leading NGOs had focussed attention and blame on patent protection as the primary block to broad access to HIV/AIDS medicines. Our study shows that this is simply not correct.

"Our research has found that government regulation, duties, taxes and tariffs can represent more than half the final costs of medicines in the developing world", Mr Wilson said.

"While these tariffs are illegal in the developed world under WTO rules, the same does not apply in the developing world. Developing countries continue to impose taxes and tariffs that limit access to essential medicines at the expense of their own people", Mr Wilson said.

IPA MEDIA RELEASE

Institute of Public Affairs Australia's leading free market think tank

Level 2, 410 Collins St. Melbourne ph: 03 9600 4744 ipa@ipa.org.au www.ipa.org.au

“The World Health Organisation’s HIV Division described the fragility of health systems as a real obstacle, especially where health infrastructure is dilapidated and supply chains do not exist.

“Poor health infrastructure, coupled with corruption, is where governments and NGOs have to place their real effort to ensure access to HIV/AIDS medicines for sufferers.”

“NGOs promote generic drugs as a means for access, but our research shows that this is not the case. A review of a Médecins Sans Frontières (MSF) study shows that of the 18 single dose AIDS medicines listed in MSF’s report, five patented medicines are cheaper than the generic variety, only four are more expensive, and the remaining nine were in comparable price range,” Mr Wilson said.

Counterfeit medicines are another serious problem that needed to be addressed, Mr Wilson said.

“Counterfeit medicines place patients at serious risk,” he said, adding, “The WHO has reported that up to a quarter of all medicines in less developed countries are counterfeit.

“These medicines can have either insufficient or no active ingredients and there have been incidents where hundreds, even hundreds of thousands, of people have died as a direct result of taking counterfeit or substandard medicines.”

Mr Wilson said that focussing on patent protection as inhibitors to access of HIV/AIDS medicines, as some leading NGOs and government have done is placing the lives of HIV/AIDS sufferers at grave risk.

“This focus is distracting policy makers from the real priorities and real and effective actions to assist access to HIV/AIDS medicines for those afflicted by the disease in the developing world,” he said.

For further information and comment:

Tim Wilson

Institute of Public Affairs

0417 356 165

HIV/AIDS Medicines for all? The consequences of ignoring the real threat to access to essential HIV/AIDS medicines is available at www.ipa.org.au.