



Health is Global: Proposals for a UK government-wide strategy March 2007

Response from the APG, 31 May 2007

1. The Role of the Department of Health

The American Pharmaceutical Group (APG) of companies welcomes the *Health is Global* report from the Chief Medical Officer. We would agree that good health:

- is a vital necessity for developing societies
- assists them in the building of stable, prosperous countries
- is an area in which developed countries have an ethical duty to help.

The Department of Health has worked closely with the Department of International Development over the years, both of which have had contact with the APG, and has an important role on health matters in the developing world given its:

- contacts in a number of developing countries
- role in the WHO
- obvious degree of expertise in health issues
- particular interest in the deployment of health professionals.

2. The Focus

The paper emphasises the “need to focus and prioritise” and we recommend that:

- Help should be given to those countries where it is most needed. This means those countries that are poorest – the Low Income Countries (LICs) – and/or carry disproportionate disease burdens. Middle Income Countries would not normally be included
- The Department concentrates on the most serious diseases, rather than be over-ambitious. The 2005 Gleneagles Summit rightly identified HIV, AIDs, TB, malaria and polio for its action programme in Africa (p43, *Health is Global*)
- An adequate health structure is explicitly recognised as the most important requisite for providing good treatment and medicines. This requires the absence of violent civil conflict, an effective government, a recognition of the importance of healthcare and an adequate number of trained health professionals.

The very last point is particularly relevant to the Department of Health. The World Health Report 2006 estimated a global shortage of about 4.3m health workers, with developing countries, particularly Africa, most affected. A number of recommendations were set out in the report by Lord Crisp, Global Health Partnerships (March 2007), which we strongly support and we recommend be highlighted in any future departmental document.

3. The Pharmaceutical Sector

The report asks about affordable medicines and the delivery of healthcare. APG member companies are committed to enhancing access to medicines in Africa and elsewhere through a variety of measures, including:

- Research and development of new medicines for diseases disproportionately affecting developing countries.
- Humanitarian programmes, product donations and product access programmes that provide medicines at significant discounts, or at no profit levels.
- Capacity building programmes, ranging from local healthcare professional skills development, to technology transfers going to companies based in LICs.

The members of the APG already make a real difference to the quality of healthcare and lives around the world through individual initiatives and philanthropic programmes. Examples of the industry's initiatives are set out in its brochure "Access to Medicines".

Some 94% to 98% of medicines on WHO's list of essential medicines are off-patent (*source: a framework for good practice in the pharmaceutical industry, Department for International Development, March 2005*). For new essential medicines under patent, the TRIPS agreement provides for least developed countries to manufacture them under licence or to import them from other countries that manufacture them under licence.

Differential pricing refers to situations where company prices are varied across markets to take account of social welfare and the ability to pay. APG companies, acting individually, have contributed significantly through voluntary differential pricing systems for key products. However, this is not a solution in itself – largely because challenges remain in developing in-country healthcare capacity.

Health is Global highlights the new private sector collaboration in which industry is working with governments and international agencies to deliver health benefits (p55). The point was made also in the report by Lord Crisp in his section on the private sector, with specific reference to working with the pharmaceutical sector.

The Inter-Ministerial Group on Strengthening Health Capacity in Developing Countries, which is chaired by the Department of Health, may wish to consider how it can take these proposals forward.

The report asks about tax incentives for research on affordable medicines. The APG welcomes the current UK tax incentives, but the fact is that R&D into medicines takes place on a global, rather than national level, and this needs to be recognised. Current UK R&D incentives favour small and medium enterprises (SMEs). Yet it is the larger companies which invariably bear the heavy financial burden of global clinical programmes. A new approach is needed.

4. The APG

The American Pharmaceutical Group (APG) was established in 1985 to improve understanding of the industry, and consists of all the major American companies in the UK. The aims of the APG include encouraging access to medicines in developing countries, working in partnership with the Government. APG website: www.apg.uk.com