

New UNCTAD-ICTSD Policy Brief: Changes in Global Pharma & Implications for IP

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A number of changes have taken place in the global pharmaceutical marketplace over the last decade that are putting pressure on the large research and development (R&D)-based pharmaceutical transnational corporations (TNCs) to change the way they do business. The old R&D model of creating 'blockbuster' new chemical entities (NCEs) and selling them at high prices around the globe is in crisis. TNCs have begun to adapt by giving greater focus to developing country markets, acquiring generic drug manufacturers and undertaking R&D in emerging economies such as China and India.

This policy brief<http://ictsd.org/downloads/2011/07/tempest_policy_brief.pdf> by Dr. Brian Tempest, former CEO of Ranbaxy, the leading Indian generic manufacturer, examines how some of these changes interface with intellectual property (IP) policies, and suggests what that may mean for IP issues and pharmaceuticals in the years ahead. In this regard, the author posits that developing country governments are more likely to issue compulsory licenses in the future if large (R&D)-based TNCs keep the prices of new drugs highly inflated and beyond the purchasing power of developing country consumers. He further argues that if the large R&D-based TNCs do not change, they will probably be acquired by those companies that have changed and already moved into the emerging world with tiered pricing. Finally, the author considers that large R&D-based TNCs will have to come to accept an open, flexible approach to access to medicines in the developing world.

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