New trade agreement to increase cost of medicines

A group of health and community organisations have expressed concerns to the Australian Government about the negotiations for the Regional Comprehensive Economic Partnership (RCEP) and the potential risks they entail for public health. Intellectual property proposals made by Japan and South Korea for the RCEP that would compromise access to medicines in the region are of particular concern.

“Measures in both proposals are not only substantially beyond the requirements of the World Trade Organization’s TRIPS Agreement, but go well beyond the current domestic intellectual property laws of many of the RCEP negotiating countries. Their adoption would delay the market entry of generic medicines, thus increasing the costs of medicine subsidies to Australian taxpayers and significantly reducing access to affordable medicines,” explained Dr Deborah Gleeson, spokesperson for the Public Health Association of Australia.

“These risks extend beyond the region for all low and middle income countries that rely on generics from RCEP negotiating countries, like India. The introduction of controversial in-transit border seizures could well block the legitimate trade of generic medicines between low and middle income countries.

“These concerns cannot be simply dismissed as scaremongering. The adverse impact of TRIPS-plus IP protection provisions have been measured empirically in several countries.

“We note that in Australia, the Productivity Commission recommended that the Government should not seek to include IP provisions in bilateral and regional trade agreements – and that any proposed IP provisions should only be included after an economic assessment of their impact on patients and on partner countries. The Government has repeatedly expressed concern about the long term sustainability of the PBS. Australia should surely avoid provisions that would increase pharmaceutical expenditure.

“In addition, the Government should work to ensure that the RCEP does not introduce ‘TRIPS Plus’ intellectual property protections in low and middle income countries. Moreover, RCEP should preserve and affirm countries’ ability to use legal flexibilities under the TRIPS Agreement and the Doha Declaration on TRIPS and public health. We would also strongly urge the Government to oppose the inclusion of Investor-State Dispute Settlement (ISDS) provisions in RCEP, as they are antithetical to the protection of public health. We remind the Government that the protection of public health is not just sensible social policy – the long term protection of public health is essential to economic growth.

“We join a growing movement of international experts – including those in the United Nations - who recently called for greater transparency in trade negotiations, particularly in light of the number of public interest issues at stake. We ask that the Government commit to the utmost transparency in the RCEP negotiations, and to consulting substantively with civil society organisations.

“Above all, we call for the release of treaty text before endorsement by Cabinet, to enable time for independent assessment of the implications – including health impact assessments – prior to ratification. Anything less, we would argue, would be undemocratic,” said Dr Gleeson.

For further information/comment:
Dr Deborah Gleeson, spokesperson, Public Health Association of Australia 0423 209 029
Dr Belinda Townsend, spokesperson, Public Health Association of Australia 0431 055 149