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HEADLINE: AMCs dismissed as "political stunt".

Academics in the USA and Europe have dismissed proposals by the Group of Eight to create six pools to subsidize the development of new vaccines for treating the world's most deadly diseases as a waste of money. Under the plan, between \$800.0 million and \$6.0 billion is to be donated by the G8's members to create advanced market commitments for drugs aimed at preventing HIV/AIDS, human papillomavirus, malaria, pneumococcus, rotavirus and tuberculosis. A pilot study is to be announced in April this year.

People who need drugs can't afford them

The theory behind the project is based on the paradox that the countries with the worst disease problems have the least economic power to finance research to find cures. The Center for Global Development, a Washington DC, USA-based think-tank, claims that charities which have raised billions of dollars (including both the Rockefeller and the Bill & Melinda Gates Foundations) to fund the development of new vaccines are not enough.

However, Donald Light, a professor of comparative health systems at the University of Medicine and Dentistry of New Jersey, USA, has poured scorn on the idea of subsidizing new drug development. In a recent interview with the Wall Street Journal, Dr Light asked: "why not use this wonderful gift of billions of dollars to purchase effective vaccines that can save millions of lives right now?"

Distributing existing drugs is a problem

Another academic who has studied the economic impact of the G8 proposals is Andrew Farlow, head of economics, at Oriel College, Oxford University, UK. In response to the G8 proposals, he has predicted that the subsidies would be insufficient to generate high-performance drugs, and that far more could be done

to ensure that existing solutions are distributed, for example bed nets for keeping out malaria-carrying mosquitos, and distributing existing drugs. Dr Farlow, who is an expert on the problems of financial instability, also believes that not enough focus has been placed on the infrastructure problems of poor countries. He told the Marketletter that the potential pitfalls for a pharmaceutical company to get involved in the AMCs was likely to be high, especially as any failure to produce rapid results would be blamed on the industry.

GSK supports AMC "positive model"

A spokesman for global drugmaker GlaxoSmithKline told the Marketletter that a report in The Times, suggesting that the company's scientists were cool about the G8 plan, was "nonsense." GSK considers the AMCs to offer a "positive model that we are fully behind." The company agrees with the US government's position that competing drug firms would be stimulated into generating a new range of vaccines, through the market mechanism, but that the worst-off globally, would benefit.