IMPACT ON ACCESS TO MEDICINES FROM TRIPS-PLUS: A CASE STUDY OF THAI-US FTA

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Abstract. This study assessed the impact of the Thai-US Free Trade Agreement (FTA) on access to medicines in Thailand. We first interpreted the text of the sixth round of Thai-US negotiations in 2006 on intellectual property rights (IPR). The impact was estimated using a macroeconomic model of the impact of changes in IPR. The estimated impact is based on a comparison between the current IPR situation and the proposed changes to IPR. The FTA text involves the period of patent extension from the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS Agreement). The provisions involve the period of patent extension, which have to do with compensation for delays in patent registration and/or drug registration, data exclusivity that would result in a delay in generic drug entry, and the enforcing role of the Thai Food and Drug Administration of patent linkages. As a worst case scenario for this single provision, a 10 year patent extension would be given to compensate for delays in patent registration and/or drug registration. The impact on access to medicine, in the year 2027, would be: 1) A 32% increase in the medicine price index, 2) spending on medicines would increase to approximately USD 11,191 million, (USD1= THB 33.9 on September 2, 2009), and 3) the domestic industry could loss USD 3.3 million. These results suggest there would be a severe restriction on the access to medicines under the TRIPS-Plus proposal. IPR protection of pharmaceuticals per the TRIPS-Plus proposal should be excluded from FTA negotiations.

Key words: free trade agreement, impact, access to medicines

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