



Health for All Now!  
People's Health Movement



Sheet 6: Big pharma

## **Health before profit ...**

## **... Let's change Europe!**

**We want a Europe that implements a medicines policy serving the people of Europe and the Global South, not Big Pharma.**

***For our health, develop medicines policies for the people, not Big Pharma***

Today, medicines are developed, produced, and marketed by commercial companies for whom profitability takes precedence over public health. The Covid-19 pandemic was, unfortunately, a dramatic illustration of this at the European level.

The European Union spent tens of billions of euros of public money on Covid-19 vaccines. These vaccines were only made possible by a massive injection of public money and advances in public research (such as the 2005 patent from the University of Pennsylvania, reducing the inflammatory nature of RNA vaccines, and the US government patent 070, which stabilises the RNA fragment using lipid microbeads).

During the Covid-19 pandemic, on one hand, the pharmaceutical industry was selling its vaccines at the highest price possible to the richest countries. On the other hand, by opposing the lifting of patents, it was depriving people in the least wealthy countries of the same vaccines. The association Global Justice Now, using data from Our World in Data, has estimated that this has cost the world more than 10,000 avoidable deaths a day.

The pharmaceutical industry's monopoly position on medicines, conferred by patents and the current intellectual property framework, and patients' expectations for access to new medicines for diseases that are poorly treated or untreated, are pushing governments to accept unjustified financial conditions.

Between 2000 and 2009, the cost of medicines increased public spending on drugs in EU Member States by 76%. This is putting pressure on the budgets of social healthcare systems in all European countries.

At the same time, the profit margins of pharmaceutical groups continue to rise, reaching almost 25%. Vincent Kiezebrink, a Somo researcher, has estimated that Moderna's profit rate on its Covid-19 vaccine is around 44%, Pfizer's around 50%. These pharmaceutical groups have become some of the most powerful forces in the economic sector.

The pharmaceutical lobby spends at least €40 million a year at the EU level. This is fifteen times more than civil society spends on public health lobbying.



Health for All Now!  
People's Health Movement



## **Various mechanisms at the European level are leading to an increase in the cost of drugs for authorities and patients:**

- Free trade and free investment treaties

These treaties (TTIP, CETA, etc.) protect the economic interests of the pharmaceutical industry. They provide, in particular, for the exclusivity of clinical trial data or the confidentiality of company information, with the threat of severe penalties. With the arbitration tribunal, the economic interests of multinationals outweigh the public interest.

- Granting European subsidies via public-private partnerships

EU institutions have financed a €5.3 billion public-private project tailored to the needs of the pharmaceutical industry (Innovative Medicines Initiative). It is the commercial companies that appropriate all the profits.

- The patent and pricing system

The mission of the European Medicines Agency (EMA) is to evaluate and monitor medicinal products in the EU in the interests of public health. Yet, it grants authorization to 90% of medicines that offer little or no added health value compared with existing medicines. This hampers the use of generic medicines. On the other hand, the price and reimbursement terms are set by the national authorities of the Member States through an opaque mechanism of agreement, allowing excess profit without EU-level regulation.

The health budget restrictions advocated by European countries are leading to the privatisation of drug costs, either paid directly by patients or via supplementary insurance (the premiums for which are rising rapidly).

In recent years, pharmaceutical companies have organised shortages of certain drugs, creating additional pressure on selling prices, without any reaction from the EU.



Health for All Now!  
People's Health Movement



- Innovative medicines

There is a lack of framework and collaboration at the European level when it comes to negotiating the prices of innovative drugs. One example: the multinational Gilead holds the patent for Sofosbuvir. The production cost of a course of Sofosbuvir is €100. The selling price was £30,000 (€35,000) in the UK, \$84,000 (€77,700) in the US, €40,000 in Belgium, and €41,000 in Italy and France. Gilead bought the research results for this treatment from a public university. After less than a year on the market, the initial investment costs were paid off completely.

## Our priorities

- Essential medicines must be "accessible, available, affordable, of good quality, and well-used" to meet the needs of billions of people in Europe and around the world.
- Where a generic resource is available, we should prioritise it through public procurement. When a medicine is sold at an abnormally high price, the production of generics of medicines before the expiry of the patent should be made possible through compulsory licenses. Consequently, the use of compulsory licenses should be facilitated. During a health crisis such as the Covid-19 pandemic, patents on all therapeutics must be lifted.
- European institutions, such as the EMA and the European Commission, must support the development of new models for research and development, production, and distribution of quality products. These models should be based on "open science" and socially responsible licensing, aligned with medical and societal needs. International cooperation must be encouraged, and public funding should be provided, without relying solely on private investors.
- There needs to be better collaboration between Member States and European institutions to assess the value of a new drug, the cost of its development, and access to all relevant information.
- There is a need to better determine the innovative nature and the societal and therapeutic need concerning alternatives already available on the drugs market (such as generic drugs and biosimilars).