

CHECK AGAINST DELIVERY

THE UNITED NATIONS UNDERSCORES THE URGENT NEED TO EXPAND ACCESS TO HIV/AIDS MEDICATION IN THE RUSSIAN FEDERATION

**remarks by Professor Lars Kallings,
General Secretary Special Envoy on HIV/AIDS for Eastern
Europe and Central Asia, at the Press Conference for
World AIDS Day 2003 in the Russian Federation, Central
House of Journalists**

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Dear Ladies and Gentleman,

The United Nations welcomes the draft legislation introduced by the Canadian government that would amend the country's patent laws to allow Canadian drug makers to manufacture and export lower-cost generic medicines to developing countries.

Canada is the first G8 government to undertake a WTO agreement to help developing countries protect public health and ensure access to medicines, including medicines for people living with HIV. With this legislation, companies in Canada will be able to produce generic versions of antiretroviral drugs for HIV and export them to resource constrained countries that do not presently have the capacity to manufacture the medicines themselves.

In many countries, only 1% of people living with HIV/AIDS who are in need of treatment have access to these drugs. It is vital that global manufacturing capacity be increased to provide accessible HIV drugs to the millions of people who need them.

Canada's move is part of a growing global movement now underway to dramatically scale up the world's response to the AIDS epidemic, which includes the "3x5" initiative launched by World Health Organization, UNAIDS, the Global Fund to Fight AIDS, TB and Malaria, the new United States Government's global AIDS initiative, the Clinton Foundation and the pharmaceutical industry.

For example, treating HIV/AIDS patients in Africa with generic drugs averages as little as \$250 per person, per year, compared with a cost per person between \$5,000 and \$10,000 for the same drugs under patent in Western countries. It is unacceptable to have millions of people dying unnecessarily every year when their lives could be significantly prolonged simply because their governments cannot pay inflated prices for drugs.

As noted by the Ambassador, the United Nations salutes Canada for showing leadership on this issue. Now the time is here for other industrialized countries to follow Canada's lead, and implement similar initiatives in their own countries.

If we look at the cost of treatment in Russia, we realize that the prices of these drugs in Russia are higher than almost any anywhere else in the world. Between USD6,000-12,000 per patient, per year. The cost of these drugs is so high that there is currently only enough funding in Russia to provide treatment for less than 2,000 patients. But if Russia has already reported over 250,000 cases of HIV/AIDS, then all of these hundreds of thousands of patients will need access to treatment in the next ten years. If Russia would continue to pay the same prices for these medications, it would soon cost Russia over \$1.5B per year to treat all of the patients registered with HIV/AIDS. This amount of money is larger than the entire annual budget of the Russian Ministry of Health, and is clearly unsustainable.

It is not for me to suggest what Russian should do, but some alternative avenues are obvious.

There is no reason to wait for the pharmaceutical firms to voluntarily reduce their prices. It will not happen. Rather Russia needs to take the initiative to start negotiating significant price reductions in the cost of HIV/AIDS drugs with the pharmaceutical firms. This has been done in other countries with success when government has made this a priority.

Another way to show leadership on this issue is to start purchasing generic versions of drugs. These drugs are already available from India, and will soon be available from Canada.

However, Russia is a prime candidate for implementing such its own initiative on generic production of antiretroviral drugs. Russia has a robust pharmaceutical industry with great production capacity.

Society or a company can also gain economically by treatment HIV-related illness. In communities where, for different reasons, have not dealt efficiently with the threat of AIDS, the business sector has been essential to maintain an effective workforce by paying for antiretroviral treatment and promotion of preventive measures. For instance, AngloGold, one of South Africa's top mining groups, has calculated that the HIV/AIDS programmes for its employees cost \$5 for each ounce of gold produced, but inaction would cost \$9 an ounce. Money speaks, as they say...

In general, the corporate sector is now a major partner in the fight against HIV/AIDS, along with government, the UN System, and the civil society. It is to be hoped that Russian business companies will also join their counterparts in other countries to should the social responsibility of HIV/AIDS, including social programmes.

Thank you.