

Basic maths

Logical conclusions

Gaëlle Krikorian

Advisor — Greens/EFA, European Parliament

Prices of sofosbuvir (12 weeks)

49 000 €

39 000 €

44 000 € ... 56 000 € ...

Bi-therapy: around 100 000 €

... You could pay 15 people with a 2000 € salary each per month ...

WHY SO HIGH?

Production Cost 80 €

$$56\ 000 - 80 = 55\ 920 \text{ €}$$

5 to 15 % goes to R&D

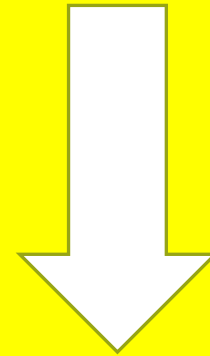
Lets do the maths:

France: 80 000 patients

$$(15 \times 55\ 820) / 100 = 8\ 388 \text{ €}$$

$$8\ 373 \times 80\ 000 = 671\ 040\ 000 = \textbf{671 million €}$$

France only (0,1% of the patients)



R&D ??

India = a market
of 100 million patients*

Ranjit Shahani

Vice chairman and managing director,
Novartis

* 1,23 billion inhabitants

***“We did not develop this
medicine for Indians.
We developed it
for western patients
who can afford it.”***

Marijn Dekkers
BAYER CEO

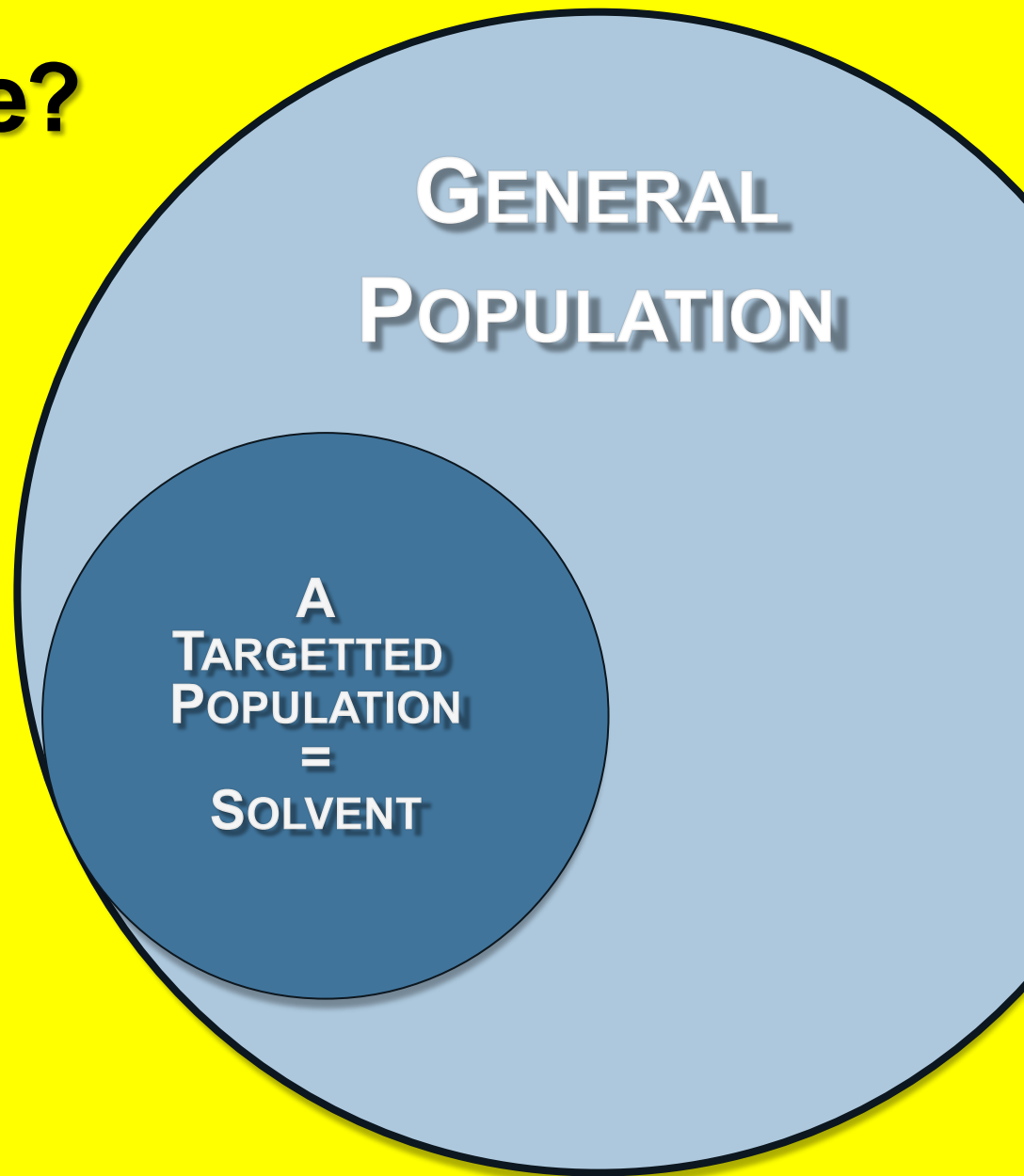
Setting the price?

Profit Rate : 30 %

X (price in €) ?

First degree equation:

$$A_x X = 30 \%$$



Industry approach



**Public health
Universal Access**

WHY ARE WE STUCK?

Monopoly situation: PATENT for 20 years

BUT

PATENTS ARE NOT AUTOMATIC

1 INVENTION = 1 PATENT

**1 NEW DRUG, 1 GOOD DRUG is not
necessarily an invention**

PATENTABILITY CRITERIA

No patent and still get rich...

WHAT DO WE DO?

The State gives the monopoly right,
... The State can suspend it: **compulsory license**

Generic competition... To reach a reasonable price

**TO AVOID RATIONING
TO ENSURE UNIVERSAL ACCESS
IN EUROPE**