

# How Thailand Was Browbeaten

by Ramtanu Maitra

Thailand has more than 1 million HIV-positive patients who need anti-retroviral drugs to arrest the progression of their disease. Thailand has also the capability to produce some of these medications. But, unlike in India, where Cipla and Hetero have kept all the multinational drug companies, with their high-ticket drugs, out of the market, Thailand could not. Why?

The answer is clear: Thailand could not stave off pressure exerted by the U.S. pharmaceutical giants, which were backed by the offices of the U.S. Trade Representative (Mickey Kantor led the charge during the Clinton Administration) and Vice President Al Gore. Thailand chose to abide by the diktats of these multinationals, because almost 25% of its total exports head toward the United States. The international medical charity, Médecins Sans Frontières (MSF, Doctors Without Borders), says the United States threatened Thailand in 1998 with higher import tariffs on its traditional jewelry and wood, unless the country agreed to patented medicines. If that were not a good enough reason, as the long line of AIDS victims in front of the Chulalongkorn University Hospital in Bangkok would vociferously attest, Bangkok has no better argument to offer.

The cost of AIDS treatment in Bangkok, including the patented drugs, such as AZT, ddI and d4T, is nearly \$700 per month, compared with an average monthly wage of \$110 for an office worker.

By contrast, Thailand has the capability to produce inexpensive generic drugs. GPO, a local manufacturer, produces d4T tablets, which sell at less than 40¢ each. The same tablet marketed by the Bristol-Myers Squibb costs \$2.70. The difference in the monthly cost for the twice-daily dose, works out as \$137, which is more than 40% of the income of an average household in Bangkok.

## Arm-Twisting Deception

At the same time, GPO is forced to tread carefully. It complies fully with the intellectual property laws and will not manufacture medications that have been patented by the multinationals in Thailand. For instance, GPO can produce ddI tablets at a much lower cost. But, the U.S. pharmaceutical giant, Bristol-Myers Squibb, owns the Thai patent for ddI. So, GPO has patented the ddI powder, and it sells at almost half the price of the U.S. pharmaceutical's tablets. Back in 1992, according to the British medical journal, *The Lancet*, Thailand, under U.S. pressure, introduced a product patent



*One of Thailand's 1 million AIDS victims, in a Bangkok hospital. Thailand has not bucked the World Trade Organization and the drug multinationals; it does not produce cheap AIDS drugs, although it could.*

law and then dissolved its Pharmaceutical Patent Review Board in 1998.

One non-governmental organization (NGO) crusader, James Love, has made public a number of correspondences between the Thai government officials, including then-Deputy Prime Minister Supachai Panitchpakdi, and the U.S. Trade Representative's office. He also made public the letters that Gore's office wrote, to back the big multinationals. The letters vividly display the shameless way the Trade Representative pushed the sale of patented drugs on behalf of large drug manufacturers.

On Jan. 10, 2000, Gore appeared at the UN Security Council to discuss the global HIV-AIDS situation, and drew applause when he spoke of a change in the U.S. trade policy. But on Jan. 17, 2000, the Thai government announced it had rejected the ddI compulsory licensing, telling protesters that the rejection was based upon U.S. trade pressure.

On Jan. 19, Washington presented Bangkok with seven "talking points" in a letter, which said the United States has generally viewed compulsory licensing as "undesirable," because it undermines the intellectual property rights. However, the letter also said that if the Thai government wants to issue compulsory licenses, it must comply with several of the World Trade Organization's so-called TRIPS conditions. In citing verse and chapter of these Trade-Related Aspects of Intellectual Property Rights that Thailand must obey, the letter emphasized patent owner's rights, but conveniently omitted the user's or the government's rights.