

AIDS Victims in South Africa Beat Back the Multinationals

by Ramtanu Maitra

Facing a rising surge of resistance from representatives of millions of AIDS victims, 39 pharmaceutical companies, including a large number of multinationals, dropped their case against the South African government to block imports of cheaper AIDS drugs. The victory, celebrated by government officials and AIDS victims together, has a potential to broaden South Africa's fight against AIDS by opening up importation of all kinds of cheaper life-saving medicines, and by handing out licenses to the companies ready to manufacture, inside South Africa, generic drugs to meet the nation's requirements.

In 1998, South Africa passed a law that would allow the country to ignore patents, and either import or manufacture generic drugs, under specific circumstances, to protect public health. The law did not apply only to the AIDS drugs. Subsequently, 39 pharmaceutical companies put their money and muscle together to challenge the law, and brought a suit against the South African government to overturn it.

With the rise of international pressure against these pharmaceutical companies (see *EIR*, March 23, 2001), both inside and outside South Africa, some of the multinationals, including Boehringer-Ingelheim, Merck & Co., and Abbott and Bristol-Myers Squibb, began to offer cheaper drugs, cutting down the cost of the three-drug cocktail recommended to arrest the spread of AIDS in human bodies, from the \$10-15,000 per patient per year price-range, to as low as \$2,000-2,500. Their objective behind the offer of cheaper drugs for Africa was to prevent the South African government from handing out licenses to manufacture cheaper generic drugs and from importing cheaper drugs from other sources.

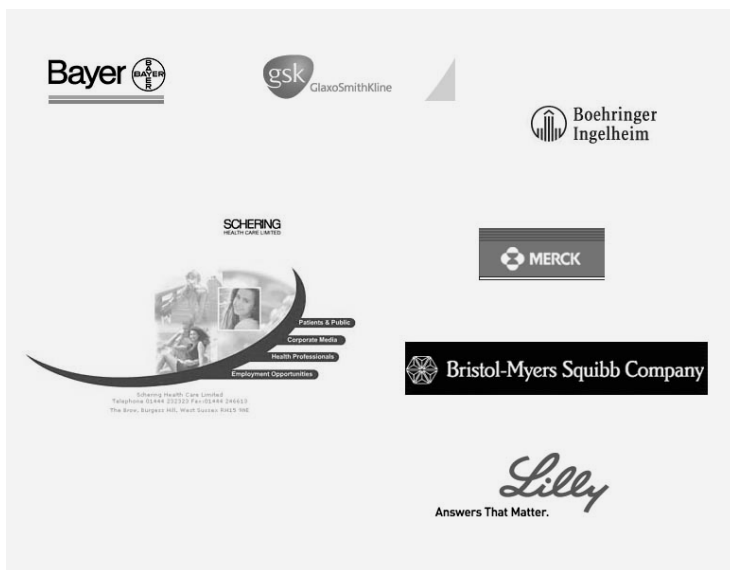
Even free-market guru Jeffrey Sachs showed up in South Africa, with his hair-blower and all, shedding crocodile tears over the AIDS victims and the high prices of three-drug cocktails, while stressing the importance of maintaining the sanctity of patent law to ensure the development of new drugs. Sachs urged the advanced nations to donate \$3.3 billion over the next five years to create a trust fund for testing, building clinics, and training health professionals. In other words, Sachs urged the taxpayers of advanced nations to channel more money into the ever-widening pockets of the multinationals and

their advisers, such as Sachs himself.

On the ground in South Africa, pressure for cheaper AIDS drugs was kept up by a number of non-governmental organizations (NGOs), of which the Médecins Sans Frontières (MSF), Oxfam, and the Treatment Action Campaign were the most visible. When the South African court moved back the trial date from March to April, these NGOs kept hammering on the pharmaceuticals for killing off Africans. When the Indian pharmaceutical company CIPLA, which produces generic AIDS drugs and has offered to sell it to the MSF at \$350 per person per year, officially sought a license from South Africa to supply the government with generic drugs at \$600, the die was cast. It then became a classic "us versus them" situation. The multinationals smelled the problem, and hastily withdrew the petition, jeopardizing a slice of their lucrative \$4 billion market.

Where To Go from Here

The dropping of the suit by the South African pharmaceuticals and the multinationals has opened up a few options



Some of the pharmaceutical giants who have now abandoned their suit against South Africa's government—a development which opens up generic anti-AIDS drug production in Third World nations.

to South Africa. South African Health Minister Manto Tshabalala-Msimang, who took the battle to the multinationals, is scheduled to visit India soon to begin talks with CIPLA. Similar visits to Brazil and Thailand would open up more sources that can ensure a steady supply of cheaper drugs to treat AIDS patients. In India, the Hyderabad-based Hetero Ltd. is another drug company which manufactures generic AIDS drugs and is willing to sell them to South Africa at a low price.

Simultaneously, South Africa must exploit all possible openings that exist in the Trade-Related Intellectual Property (TRIPs) rights agreements, imposed on all trading nations through the World Trade Organization (WTO). TRIPs allows production of generic drugs. However, the nation concerned is allowed to manufacture generic drugs only in case of national emergencies. The Nelson Mandela Administration, which enacted the law to import cheap generic drugs, had, however, conceded to every demand of the free traders.

South Africa must now seize the moment and challenge the WTO clause, with the cooperation of such nations as Brazil, India, Thailand, and other African nations. China, which is expected to join the WTO this year, must also be brought in to join the fight. South Africa must lay down a clear formulation that will enable the nations to protect their citizens from the burden of importing expensive patented drugs.

One such formulation, floated in India, suggests that the generic drug manufacturers will be asked to pay an annual royalty to the patent-holders based upon the sale of the generic drug. Such royalty payments could be 4-5% of the annual generic drug sales in the country. The patent owners, of course, would be allowed to sell their high-price drugs at any price they like.

The second part of the plan will be to set up a global fund for treating AIDS victims. This cannot be done through the World Health Organization or such other United Nations outfits, because all of them are heavily courted by public relations officials representing the multinationals. The proposed global fund should be developed in the form of a common fund generated by countries severely affected by AIDS, or those expected to be so affected in near future.

The fund could also be used for adopting preventive measures. What these preventive measures would be, will depend upon the society in which the measures are implemented. For example, there is little doubt that the population, who are victims of generational malnutrition problems, are more vulnerable to the ravages of AIDS than those who are well fed. This means developing a program to increase the nutritional content of the diet of the people in those countries. It is a long-term preventive measure, but it is worth every penny that the country sinks into it.

The third part will be to put in place a distribution system which will give AIDS patients access to generic drugs. Brazil, among all the developing nations, has done a remarkable job in developing a distribution system whereby it has the ability to reach a vast number of AIDS victims in time to arrest the

deadly progression of the disease. India lags far behind, and so does Thailand. It seems that China does not have the infrastructure either, to respond to its needs quickly. South Africa, on the other hand, has a much better physical infrastructure than most other developing nations. There should not be any reason why every AIDS victim in South Africa cannot be reached and treated.

It is evident that no matter how satisfying it was to defeat the multinationals, that will not suffice. The cheapest generic drugs, even if they are made available in sufficient quantity and in time, will still remain unaffordable to more than 90% of AIDS victims. Most of the governments fighting this deadly disease, are those of very poor nations.

India Is Ready To Exploit Outer Space

by Ramtanu Maitra

On April 18, India's first developmental flight of the Geosynchronous Satellite Launch Vehicle (GSLV-D1) took off smoothly, carrying an experimental communications satellite, G-SAT-1. The takeoff was perfect, bringing India into an elite club of nations which have the technology to exploit outer space.

Although India needs to carry out yet another successful launch before the reliability of the GSLV is fully established, the success of the April 18 launch has opened up new possibilities for India, and discussion to that effect is heard in Delhi. The Indian Space Research Organization (ISRO), the authority in charge of India's space program, has already indicated that it is interested in "seeding" future technologies for building re-usable launch vehicles which could take off and land like aircraft. Such vehicles can be manned or controlled by automatic pilot. Russia, which has helped India in developing the supercooled fuel (or cryogenic) engine used in the GSLV, reportedly has the technology for auto-controlled re-usable launch vehicles, and is being seriously courted by Delhi on various areas of space technology cooperation.

Moon Mission

The ISRO is also lobbying for drawing up plans for a lunar probe, or an orbiter, to be followed by a Moon mission. Delhi has not cleared the plan yet.

According to ISRO scientist Dr. P.S. Goel, what is required at this point is "a green light from the government." "An unmanned lunar probe mission can be launched by 2008 if we get a go-ahead now," Dr. Goel said. ISRO chief Dr. Kasturirangan is also high on such lunar missions. "It is not a question whether we can afford it, it is whether we can afford