Geography Lessons

With AIDS meds costing all the tea in China, why are they so cheap in India? Fluconazole's no fluke.

April 1, 2001 By Daniel Berman

If companies could patent, and so fix global prices for food, the price of bread would be twice as high in a Guatemalan pueblo as in a Beverly Hills bakery. Ridiculous...right? Well, so it is with Pfizer's fluconazole (Diflucan), the most egregious example of the madness of global AIDS drug pricing. For many of the 95 percent of the world's PWAs without access to HAART, the price of Diflucan is a matter of life and death.

Fluconazole, an anti-fungal commonly used against thrush, is also the main treatment -- effective but lifelong -- for cryptococcal meningitis, which, if untreated, can kill the immune-suppressed in less than a month. Many doctors with *Médecins sans Frontières* (MSF) must helplessly watch their patients in developing countries die for lack of the drug. So last June, MSF, where I manage the Access to Essential Medicines Campaign, conducted a study of the drug's price in eight countries, looking at generics as well as Pfizer's brand-name version.

The results were striking. A Thai PWA can buy generic fluconazole for 29 cents per capsule, while a Guatemalan pays $27.60 for the same dose of Diflucan. The crucial difference: whether or not the drug is patented in each country. (Even the brand-name price dips in places that produce a generic.) If AIDS-ravaged South Africa were to import the Thai generic, the cost of a year's treatment would drop from $2,970 to $104 -- boosting drug access.

Pfizer's pricing policy has worked badly for PWAs but well for the company: Worldwide sales of Diflucan surpassed $1 billion in 1999. For 12 years, Pfizer has enjoyed a monopoly on the drug in many countries that recognize drug patents. Its patent won't expire until 2004 in the U.S. and even later elsewhere. So far, Pfizer has refused to slash Diflucan's price or grant licenses to developing nations to produce or import generics, though it did offer South Africa a drug donation. "We don't believe reducing the price will mean that the medication will get to large numbers of people," a Pfizer manager told *The Wall Street Journal.*

MSF has called on Pfizer to lower the price of Diflucan to generic levels in developing nations. But limited deals with drug-makers are only the beginning. In a public health emergency, national governments can negotiate prices based on global price comparisons, register generic producers and issue compulsory licenses to override patents. Despite the risk of sanctions, MSF urges them to do so now.

This article was adapted from a report that appeared in The Lancet*, 12.16.00.*

Wholesale prices of a 200 mg daily dose of fluconazole, June 2000:

Spain
$10.57 Pfizer
$6.29 Vita (local generic)

USA
$12.20 Pfizer

Guatemala
$27.60 Pfizer
$11.84* Pfizer
$3* Bussie (Colombian generic)

India
$0.64 Cipla (local generic)

Kenya
$10.50 Pfizer

Thailand
$6.20 Pfizer
$0.29 Biolab (local generic)

South Africa
$8.25 Pfizer

***Reduced bulk price**

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