

## Opening Remarks

### Margaret Chan, Director-General, WHO

Mr Pascal Lamy, Dr Francis Gurry, distinguished experts, ladies and gentlemen,

I am pleased to host this meeting at WHO and extend my warmest welcome to all of you.

By again focusing these technical discussions on access to medicines, we are standing on a common ground in the mandates and expertise of our three agencies that empowers us to address one of the most pressing issues in public health today.

Public health needs innovation, and it needs access to good quality medical products. These are long-standing needs. But recent trends have forced governments everywhere to look at the efficiency and fairness of their health services. This includes a close look at pharmaceutical expenditures, and this close look inevitably turns to questions of affordability, including access to generic medical products.

The financial crisis hit the world like a sudden jolt. Money is tight, and public health, within individual countries and internationally, is feeling the pinch. In this new era of economic austerity, global health initiatives and agencies, like the Global Fund, the GAVI Alliance, and WHO itself, now face serious financial shortfalls.

Since the start of this century, public health has been on a winning streak. The past decade brought remarkable gains for health, largely through the scaled-up delivery of commodities, including medicines and vaccines. As just one example, the number of young child deaths worldwide dropped last year to its lowest level in nearly six decades.

No one wants the current momentum to stall. The big question now is this: can these gains be sustained in an era of austerity?

Health care costs are rising. Public expectations for health care are rising. Ambitions of health officials are rising as more and more governments move towards universal coverage, seeking to extend financial protection to the sick and poor.

Demands are rising as chronic noncommunicable diseases shift their burden from wealthy populations to the poor and disadvantaged. Diseases like cardiovascular disease, hypertension, diabetes, and cancer now impose 80% of their burden on low- and middle-income countries. Many of these patients will require long-term, if not life-long, access to medicines.

Who will foot the bill? How will this trend affect the current laudable drive towards universal coverage?

Given the concentration of these diseases among the poor, some way must be found to make chronic treatments more affordable. For health systems in the developing world, these are the diseases that will truly break the bank.

Public health now finds itself caught in a cross-current of rising expectations and ambitions, set against rising demands and costs, at a time when funds are stagnant or shrinking. In such a situation, introducing greater efficiency is a far better option than cutting budgets and services.

Last year's World Health Report set out policies and practical actions for financing health services, with a strong emphasis on moving towards universal coverage. Nearly all countries want to move in this direction but are worried about the costs.

The report wisely emphasizes ways to improve efficiency in the delivery of health care. Let me give you a relevant example.

The report estimates that countries could save about 60% of their pharmaceutical expenditures by shifting from originator medicines to generic products. But this is done in only a few wealthy and middle-income countries. A long-standing problem is the lack of essential procurement and regulatory

capacities in many developing countries. More recently, both the procurement and the production of lower-priced generic products have been made more difficult by yet another trend: the globalization of patent protection.

Prior to the TRIPS agreement, countries were free to choose not to grant patents on medicines. Health officials could purchase lower-priced generic medicines without having to consider the patent status. Those days are over.

Today, health officials seeking to use their budgets efficiently, by procuring lower-cost generic products, must do so with a good understanding of patent status. This situation has created a critical need for capacity to manage and apply intellectual property in the developing world.

Ladies and gentlemen,

The issues being explored today address the need for more transparent and accessible data on patents to support decisions about freedom to operate.

The Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property specifically calls for access to user-friendly global databases which contain public information on the administrative status of health-related patents.

Last year, the South-East Asia and Western Pacific Regions of WHO jointly issued a step-by-step guide explaining how to conduct patent searches for medicines. You will be hearing from the author of this guide, Tahir Amin, later today.

The guide aims to help health officials navigate more easily through a landscape of patent information that is complex, sometimes murky, and often riddled with tricky pitfalls.

You will also hear a report on the patent status of medicines included in the WHO model list of essential medicines. Let me thank WIPO staff for facilitating WHO collaboration with the Franklin Pierce Law Center at the University of New Hampshire.

These model lists, which date back to 1977, help focus priorities for the pharmaceutical sector as a whole. They promote a higher quality of care, better management of medicines, and the cost-effective use of health resources.

In selecting medicines for the list, price has been an important consideration, but patent status has not. The few studies of patent status for medicines on the list, conducted in 1991 and 2004, indicate that around 5% to 6% are patent protected in some way.

The study you will hear about today reviews the patent status of all 58 medicines added to the list, since 2003, in a large number of countries. The results will be an important guide for countries seeking to procure essential medicines at the most affordable prices.

Ladies and gentlemen,

I have a final comment.

In recent weeks, all eyes have been watching scenes of civil unrest in the Middle East. Many leaders at the World Economic Forum in Davos linked this unrest and instability to the failure of governments to improve people's lives.

They pointed to entrenched poverty, to large numbers of unemployed youth, to rising food prices, and above all, to vast inequalities within and between countries. In the view of top leaders, reducing global imbalances has become the new political and economic imperative.

I believe these observations extend to the health sector.

I make this point because I believe it underscores the extremely important nature of the work that our three agencies are jointly undertaking. Improving access to medicines is a fundamental, feasible way to improve equity and distribute the benefits of progress more evenly.

A world that is greatly out of balance in matters of health is neither stable nor secure.

Thank you.