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Abstract

The government of Thailand instituted compulsory licenses on several types of cardiovascular disease and antiretroviral medications in 2006. This report focuses on the debate of compulsory licensing for these drugs and whether the Thai government is justified in this policy implementation. The research finds that the compulsory licensing policy adopted by the Thai government is not justified due to the following arguments: a) Thailand's health expenditure is among the lowest, b) the country is in a strong economic position to afford western medicines, c) Thailand has high tariffs on pharmaceutical imports, d) the GPO generates millions in profit and produces low-quality generic versions, e) international pharmaceutical companies have revolutionized health care by developing safe drugs for global diseases, and f) there are alternative approaches other than compulsory licenses that could be employed.

Introduction

In November 2006, Thailand's Ministry of Public Health began instituting compulsory drug licenses for several types of cardiovascular diseases and antiretroviral (in January 2007) medications. The policy allows Thailand to either domestically produce generic versions of these drugs or import generic versions of the drugs from countries such as India and then sell these medicines through Thailand's Government Pharmaceutical Organization (GPO). Is this policy implemented by the Thai government justified? Is the suspension of patent protection validated for providing better healthcare to approximately 64 million people?²² The issue of compulsory licensing is one of the most sensitive issues the Thai government is facing today. Given the sensitivity of the topic, and the restrictions on available information on the issue, the top three sources (industry-related companies and executives) used for this research paper requested to remain anonymous.

Compulsory Licensing is the decision of a government allowing the production of a patent protected process or product without the consent of the patent holder of that process or product.²³ The World Trade Organization's

²² *Thailand Info*, United Nations Thailand, <http://www.un.or.th/thailand/population.html> (accessed 20 November 2007).

²³ *Compulsory Licensing of Pharmaceuticals & TRIPS*, World Trade Organization, www.wto.org/english/tratop_e/trips_e/public_health_faq_e.htm (accessed 20 November 2007).

Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) has some flexibility on patent protection laws.²⁴ The agreement recognizes that less developed countries will take more time to implement and regulate patent laws. This recognition allows for some flexibility in the agreement. Exceptions or flexibility occurs if the authorization efforts from the patent holder fail on reasonable terms and conditions or if the nation is facing a 'national emergency' as mentioned in the TRIPS agreement.²⁵ With recent policy implementations and law revisions, foreign investors and foreign pharmaceutical companies are skeptical on Thailand's current situation after the military coup in September 2006.

Drug research and development is a time-consuming and difficult process (approximately ten years to develop a drug). Pharmaceutical companies generate large profits, but profits are re-directed toward advancing technology and creating high-quality medicines for illnesses. The government of Thailand claims the country to be undergoing an AIDS epidemic, but in Thailand only a marginal percentage of people are HIV positive. The generic versions are less expensive but have a higher risk attached due to the low-quality copies produced by the GPO. The GPO is also generating millions in profits in the business of compulsory licensing. The recent changes in policy by the Thai government have created a snowball effect, with other nations legalizing compulsory licensing. This will not only discourage drug companies to stop innovating but also put millions of lives in jeopardy in the future. The government of Thailand instituting compulsory licenses for certain pharmaceuticals is therefore not justified.

²⁴ *The TRIPS Agreement*, World Trade Organization, http://www.wto.org/english/tratop_e/trips_e/intel2_e.htm (accessed 20 November 2007).

²⁵ *Thailand produces a compulsory license to produce generic copies of Kaletra*, Students Stop Aids Campaign, <http://www.stopaidssocieties.org.uk/2007/02/thailand-issues-a-compulsory-license-for-importing-generic-copies-of-kaletra/> (accessed 20 November 2007).

The Noise and Facts for Compulsory Licensing

Thailand is in the middle of an AIDS epidemic...

The noise and facts on both sides are easily distinguishable even though many are skeptical to talk about this topic when opinions are requested. The government of Thailand believes that the country is facing a "health emergency" and it cannot afford to treat patients with expensive western medicines produced by large pharmaceutical companies. In other words, the government says that it is unable to fulfill universal health obligations. It is estimated that approximately 1.4% of all adults in Thailand are HIV positive, which makes AIDS the leading cause of death among young adults in the country.²⁶ This percentage is hardly considered an "emergency" when compared to other countries around the world. The nation's AIDS/HIV statistic is relatively marginal to justify a compulsory license for antiretroviral medicines.

Thailand Statistics²⁷

Estimated total population, July 2005	64,233,000
Estimated number of people living with HIV, end 2005	580,000
Adults (15+)	560,000
Women (15+)	220,000
Children (0-15)	16,000
Estimated adult HIV prevalence	1.4%
Estimated number of AIDS deaths in 2005	21,000

²⁶ Cumming-Bruce, N. 'Thailand faces new AIDS threat,' *International Herald Tribune*, November 27, 2005, <http://www.iht.com/articles/2005/11/27/news/thai.php> (accessed 25 November 2007).

Companies such as Abbott Labs and Merck & Co. don't care about Thai patients...

Non-government organizations (Doctors without Borders and Student Global AIDS Campaign) believe that pharmaceutical companies are not willing to negotiate and that company priority is placed on profits and shareholder returns over the health of millions. However, compulsory licensing in Thailand was passed in legislation without informing or notifying any pharmaceutical or industry-related companies. The situation between Abbott Labs and Thailand has changed the dynamics of the pharmaceutical industry in Thailand. Thailand announced the implementation of compulsory licensing before patent expiration for two of Abbott's antiretroviral drugs (e.g. Kaletra); Consequently, Abbott Labs responded by withdrawing the future entry of their new medications into the Thai market. Abbott Labs' spokesman indicated, "Thailand has revoked the patent on our medicine, ignoring the patent system. Under these circumstances, we have elected not to introduce new medicines there."²⁸ Protests broke out all over Thailand as activists accused the large pharmaceutical company of "depriving poor people of lifesaving medicines."²⁹ Abbott Labs is one of several large drug companies that have been targeted for withdrawing human healthcare to gain large profits. Merck & Co. is another company that encountered conflicts with the Thai government upon compulsory license issuing on their Efavirenz drug (antiretroviral). Merck claimed that it made no profits on Efavirenz in Thailand. But Thawat Suntrajarn, head of the Health Ministry's Department of

Disease Control, said foreign companies' prices are "very high, making it a big hurdle for patients to access [HIV/AIDS drugs] and the government cannot afford them. In the long run [patients] need this anti-retroviral drug to live a normal life like others."³⁰ Even after the implementation of generic versions of Efavirenz, Merck receives a 0.5% royalty of the sales of the generic drugs.³¹ However, it is pharmaceutical companies' rights to choose the market for new drug distribution. If a government decides to ignore the patent law, the pharmaceutical organizations are completely justified in removing their products from the market. Thailand cannot accuse the companies of disregarding Thai patients' well being as the government itself implemented a policy without informing them of compulsory licensing legislation.

American pharmaceutical companies and the U.S. government are bullies...

According to local industry specialists and executives, The United States plays a primary role in the compulsory licensing debate. The pharmaceutical industry-related companies that requested confidentiality stated "American bullying highlights pharmaceutical companies' profits without caring for global humanity." Several large local companies in Thailand (Bangkok) support the government's actions on recent compulsory licensing. The United States is seen as the primary problem to the lack of global distribution for medicines as the country only cares about large economic and financial growth. The belief is that the "hypocritical nation selfishly diminishes poverty's and developing nation's chance of providing a better healthcare system."³² Several local Thai companies' spokesmen

²⁷ *HIV and AIDS in Thailand 2005*, USAID, http://www.usaid.gov/our_work/global_health/aids/Countries/asia/thailand.html (accessed 25 November 2007).

²⁸ 'Abbott Laboratories won't introduce new drugs in Thailand due to breaking of patent', *International Herald Tribune*, March 14, 2007, <http://www.iht.com/articles/ap/2007/03/14/asia/AS-GEN-Thailand-Drug-Patent.php> (accessed 25 November 2007).

²⁹ 'Abbott Laboratories won't introduce new drugs in Thailand due to breaking of patent', *International Herald Tribune*, March 14, 2007, <http://www.iht.com/articles/ap/2007/03/14/asia/AS-GEN-Thailand-Drug-Patent.php> (accessed 25 November 2007).

³⁰ 'Thailand issues license to manufacture generic version of Efavirenz; snubs Merck AIDS drug monopoly', *News Target*, <http://www.newstarget.com/021232.html> (accessed 25 November 2007).

³¹ 'Thailand issues license to manufacture generic version of Efavirenz; snubs Merck AIDS drug monopoly', *News Target*, <http://www.newstarget.com/021232.html> (accessed 25 November 2007).

³² Local industry specialists and executives that requested to remain anonymous for providing information and personal perspective.

support the local “anti-American” view highlighting that the US has a strong standing against Thailand’s compulsory licensing decisions, but the US itself has compulsory licensing on the following: Dell’s bus technology for personal computers, satellite technology for the US government, night vision glasses for the US army, air pollution technology and nuclear technology for the US government, and cablesatellite television for the US government.

The local perspective of American pharmaceutical organizations seems skewed because if these companies lacked a presence in Thailand, the country would not have access to many of the new, high-quality, life-saving drugs as American companies manufacture most HIV/AIDS and cardiovascular medicines used in the Thai market.

The local perspective is that the decision in favor of compulsory licensing of pharmaceuticals has improved the healthcare of millions in the short term. Many now have access to antiretroviral drugs that were not available or were not affordable before the introduction of generic versions. Recently, countries such as Brazil and South Africa have also adopted compulsory licensing in support of this perspective³³. According to local industry-related companies, the government of Thailand is within its legal rights when implementing these policies. Supporters of compulsory licensing policies believe that a nation itself knows and recognizes the needs of its citizens and provides healthcare solutions for health epidemics as a priority. According to the World Bank, it is estimated that Thailand could reduce the cost of therapy of AIDS/HIV by 90% through the introduction of compulsory licensing by importing generics from India and selling them through the GPO. The forecasted savings of US\$3.3 billion

³³ *Compulsory Licensing of Pharmaceuticals & TRIPS*, World Trade Organization, www.wto.org/english/tratop_e/trips_e/public_health_faqs_e.htm (accessed 25 November 2007).

dollars is estimated in the next 20 years.³⁴ Therefore the outcome of compulsory licensing will not only help the government in the long run, but also more importantly help save lives by creating and expanding the access to medicines across Thailand. This argument will be discussed later as Thailand’s health expenditure is extremely low in comparison to other countries and the country is more focused on increasing military budget rather than improving health care.

The Noise & Facts against Compulsory Licensing

The Thai government is not justified in instituting compulsory licenses. It is true that the policy provides increased access to medication at a lower price, but the approach taken by the Ministry of Public Health in Thailand conflicts with the pharmaceutical industry’s ability to develop essential medicines for Thailand. In effect, the Thai government is placing an entry barrier for future medicines into the country. As previously stated, there are several reasons that were used to justify the policy, including the AIDS epidemic “crisis” in Thailand, the large profits of pharmaceutical companies, and the United States not caring for the global well being of humanity. However, each of these reasons has been elaborated and fabricated to justify a solution that only benefits one side.

Thailand’s Health Expenditure is among the lowest...

The government of Thailand announced that AIDS and HIV in Thailand is a national health emergency. It can hardly be considered an “epidemic” when less than 2% (1.4% to be specific) of the nation’s population is suffering

³⁴ Revenga, A. et al., *The Economics of Effective AIDS treatment: evaluating policy options for Thailand* (East Asia & Pacific, 2006), http://www.wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000310607_20060926124315&searchMenuPK=64187283&theSitePK=523679 (accessed 15 November 2007).

from the disease. This statistic pales in comparison to other countries levels of HIV and AIDS such as Zimbabwe with 22% and Botswana with 24%.³⁵ If HIV and AIDS is such a pressing problem faced by the Thai people today, why isn't the government spending more of its budget on health care for the country? Thailand spends a mere 3.3% of its GDP on total health expenditure according to the World Health Organization's 2006 World Health Report.³⁶ This figure is quite low when compared to other middle-income and lower-income nations considered equivalent to Thailand. In addition, Thailand has a low number of physicians for its population (3.5 per 10 000 population) when compared to other Southeast Asian nations (Philippines at 12.6 and Malaysia at 7.1).³⁷ In comparison, Thailand's military spending is expected to increase by 24% in 2008, which is supported by the military coup on September 19, 2006 (33% increase in military expenditure since then).³⁸ Instead of focusing on its military expenditure, the government should concentrate on increasing the investment in local health care, which will help enhance and improve the overall public health care system in Thailand.

Thailand's Health Expenditure from 1999 - 2003

Member State	Total expenditure on health as % of gross domestic product				
	1999	2000	2001	2002	2003
Australia	8.7	9.0	9.2	9.3	9.5
Brazil	7.8	7.6	7.8	7.7	7.6
Canada	9.0	8.9	9.4	9.6	9.9
China	4.9	5.1	5.2	5.5	5.6
France	9.3	9.3	9.4	9.7	10.1
Germany	10.6	10.6	10.8	10.9	11.1
India	5.1	5.0	5.0	4.9	4.8
Indonesia	2.6	2.5	3.1	3.2	3.1
Japan	7.4	7.6	7.8	7.9	7.9
Malaysia	3.2	3.3	3.7	3.7	3.8
Mexico	5.6	5.6	6.0	6.0	6.2
Philippines	3.5	3.4	3.2	3.0	3.2
Singapore	4.1	3.6	4.3	4.3	4.5
Thailand	3.5	3.4	3.3	3.4	3.3
Vietnam	4.9	5.3	5.5	5.1	5.4

Source : The World Health Report 2006

³⁵ *World Health Outlook*, The United Nations, http://data.unaids.org/pub/GlobalReport/2006/Annex2_Data_en.xls (accessed 15 November 2007).

³⁶ *The World Health Report*, World Health Organization, http://www.who.int/whr/2006/annex/06_annex2_en.pdf (accessed 15 November 2007).

³⁷ *Core Health Indicators*, World Health Organization, http://www.who.int/whosis/database/core/core_select.cfm (accessed 15 November 2007).

³⁸ Don Pathan, 'Military Spending to soar a further 24%', *The Nation*, June 28, 2007, http://www.nationmultimedia.com/2007/06/28/politics/politics_30037960.php (accessed 25 November 2007).

Thailand is in a strong economic position...

The underlying question really lies within Thailand's capabilities of affording western medicines at global prices. Thailand's current GDP growth rate is approximately 5%, which is equal to the total world GDP growth rate.³⁹ According to the World Bank, Thailand is considered a middle-income country that is supported by a strong global ranking position in terms of total GDP (21st rank).⁴⁰ Thailand also ranks high economically as the second largest economy in South-East Asia following Singapore.⁴¹ With all the positive economic and social indicators of Thailand's global position, it seems that it is in a far better position compared to other related countries to finance imported pharmaceuticals. Thailand is in a strong financial and economic position in terms of potential for future growth and can afford the western medicines produced by international pharmaceutical companies.

Lowering prices by lowering tariffs...

If it is a priority for the Thai government to provide the best healthcare for the Thai people, it should focus on lowering the price of medicines. However, Thailand can make the existing western medicines cheaper in an alternative method to compulsory licensing. In addition to increasing investment and funding in the healthcare sector of the country, the government can encourage high quality western medicines to be readily and easily available in Thailand. The goal could be achieved by changing policies currently in place. Thailand places a 10% tariff on most medicines imported into the country and all

³⁹ *Thailand Data Profile*, The World Bank Group, <http://devdata.worldbank.org/external/CPProfile.asp?SelectedCountry=THA&CCODE=THA&CNAME=Thailand&PTYPE=CP> (accessed 25 November 2007).

⁴⁰ *World Development Indicators Database*, The World Bank, <http://devdata.worldbank.org/external/CPProfile.asp?SelectedCountry=THA&CCODE=THA&CNAME=Thailand&PTYPE=CP> (accessed 25 November 2007).

⁴¹ *Thailand Economic Monitor*, The World Bank, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/THAILANDEXTN/0..menuPK:333302~pagePK:141159~piPK:141110~theSitePK:333296,00.html> (accessed 25 November 2007).

medicines in Thailand carry a 7% Value Added Tax. Thus, it can be argued that the government is placing a tax on poor sick people.⁴² Lowering tax burdens placed on imported medicines will help alleviate the price burdens on the end-consumer or Thai patients and in turn make medicines more affordable.

Pharmaceutical companies give hope with their research and development...

Another significant argument is that large pharmaceutical companies are putting priority on profits and high shareholder returns over health of millions of poor people. International pharmaceutical companies are profit-generating organizations, like most other corporations and business entities. What is important is the objective of existence of such corporations. The objectives of these companies, aside from revenue, are to generate hope for the future to millions around the world through the development of new drugs and medications for serious illnesses. Research and development by global pharmaceutical companies create high quality and effective medicines that have increased longevity and well being of humans. The average life expectancy in Thailand has increased by ten years (from 61 years to 71 years) in the last 34 years (1970 to 2004).⁴³ The increase is a direct result of the innovation and development of high quality medicines made available worldwide by pharmaceutical organizations.

The Government Pharmaceutical Organization of Thailand generates millions in profits...

Critics accuse large pharmaceutical companies for being profit driven and not caring about the lives of people who cannot

afford the medicines. However, the GPO that distributes the generic drugs in Thailand is a profit generating entity itself. It is focused on profit margins and not its role of distributing medicines to the Thai patients. Further questions can be raised over whether the GPO is pricing generic versions of medicines fairly. The Government Pharmaceutical Organization of Thailand (GPO) reported a net profit of 989.02 million Baht for the operating year of 2005.⁴⁴ This is the hypocritical state-enterprise that accuses pharmaceutical companies of being profit driven. Further more, the financial information of the GPO is not available to the public. The government's subsidiary (GPO) that claims to exist to ensure the overall health care of Thai patients and for the distribution of essential medicines all over the country is a for-profit organization. This is compelling evidence that the GPO is only instituting compulsory licensing for the profit advantage of producing generics. Further more, government financials in Thailand are not publicized without the authorization of officials.⁴⁵ The result would be a twisted perspective, as the government itself does not believe in transparency.

GPO's Financials in 2005

RETAINED EARNINGS STATEMENT		
For the Years Ending September 30, 2005 and 2004		
	2005 (Baht)	2004 (Baht)
Retained Earnings Before Adjustments at the Beginning of the Year	5,497,179,051.51	4,954,204,479.84
Less Adjustments after Accumulated Impacts on Changes in Accounting	13,918,120.18	13,491,487.58
Retained Earnings after Adjustments at the Beginning of the Year	5,511,097,171.69	4,967,695,967.22
Less Allocation of Net Profit for Contribution as State Income	(303,430,000.00)	(240,580,000.00)
Total	5,207,667,171.69	4,727,115,967.22
Add Net Profit of the Year	989,017,011.19	783,981,203.97
Retained Earnings at the End of the Year	6,196,684,182.88	5,511,097,171.69

Notes: accompanying the financial statements are an integral part of the financial statement

Source: GPO Annual Report 2005

⁴² Olcay, M. *Pharmaceutical Tariffs: What is their policy on prices, protection of local industry and revenue generation?* World Health Organization's Commission on Intellectual Property Rights, Innovation and Public Health Report, May 2005.

⁴³ *World Bank's Health, Nutrition and Population Data Platform*, World Bank, <http://devdata.worldbank.org/hnpstats/query/default.html> (accessed 25 November 2007).

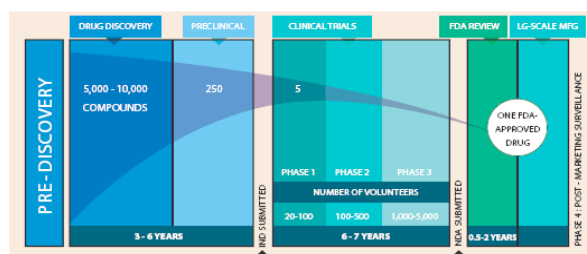
⁴⁴ Government Pharmaceutical Organization, *2005 Annual Report* (Bangkok, Thailand: GPO 2005), p. 44.

⁴⁵ This information was provided confidentially through anonymous sources, as government financials access needs authorization.

Drug Development is extremely time-consuming, expensive and risky...

The research and development of medicines in the pharmaceutical industry is extremely difficult, tedious, risky, and expensive. Common perceptions underestimate how difficult and the amount of time that it takes to produce a new medicine. There is a high failure rate and unexpected side effects often appear in the development process. Scientists and researchers spend a vast amount of time trying to eliminate defects but there are high costs incurred with the experiments and research. It is estimated that most new medicines take approximately ten years and that only one in every five medicines pass human trials. For every ten medicines that are finally available in the market,⁴⁶ only three are able to successfully cover their research and development costs.⁴⁷ According to the International Herald Tribune, Pfizer abandoned the production of a drug (Torcetrapib for heart disease) after spending approximately US\$ 1 billion in research and development.⁴⁸ Implementing compulsory licenses for these kinds of medicines reduces the incentive for pharmaceutical companies to initiate the production of new innovative medicines.

Drug Development Process Overview



Source : www.innovation.org

⁴⁶ Gradowski, H.G. (2002) 'Returns on Research and Development for 1990s New Drug Introductions', *Pharmacoeconomics* 20, Suppl 3, 11-29.

⁴⁷ *Inside Drug Discovery*, Pharmaceutical Research and Manufacturers of America, www.innovation.org (accessed 29 November 2007).

⁴⁸ *Pfizer Stops All Torcetrapib Clinical Trials in Interest of Patient Safety*, US Department of Health & Human Services, <http://www.fda.gov/bbs/topics/NEWS/2006/NEW01514.html> (accessed 29 November 2007).

The GPO produces low-quality, dangerous generic versions...

The government of Thailand claims that the GPO produces high quality generics for the market. However, this claim is not entirely accurate. In July 2007, the *Bangkok Post* reported that seven new cardiovascular drugs locally produced were removed from hospitals and pharmacies as they failed to clear health tests. Researchers at Khon Kaen University in Bangkok claimed, "the drugs were found to be substandard... and quality of drugs should not be traded for a cheaper price."⁴⁹ Another study at Thailand's Mahidol University (Faculty of Medicine) concluded that a generic version of an antiretroviral medicine produced by the GPO resulted in a 39.6% to 58% resistance factor among 300 patients tested.⁵⁰ Substituting quality for price is a dangerous and risky process that can endanger the lives of many Thai patients. The development of sub-standard generic medication does not put priority on the health and lives of millions of Thais.

American pharmaceutical companies have revolutionized global health care...

The United States of America is identified as a primary player by local perspective in the debate on compulsory licensing in Thailand. The United States' health care industry/system is fundamentally organized and designed in a completely different format from the rest of the world. American health insurance companies and pharmaceutical companies generate high profits that are used for further development of advanced technologies and medicines for global consumption. The American government places incentives (for social responsibility) and subsidizes these large organizations and collaborates with them to provide for the public. Most of the large pharmaceutical companies originate in the United States and

⁴⁹ Treerutkuarkul, A. '7 heart drugs removed from hospital shelves', *The Bangkok Post*, July 12, 2007.

⁵⁰ Bate, R. 'Thai-ing Pharma Down', *Wall Street Journal*, February 9, 2007, Asia Edition. http://aei.org/publications/pubID.25585/pub_detail.asp (accessed 1 December 2007).

provide innovation for the future by revolutionizing medicines to overcoming major diseases such as AIDS and cancer. Thailand needs to recognize that the future of drug innovation may lie in the United States, and that the Thai public will need more help than just cardiovascular and antiretroviral medication. To ensure the availability of future medication that overcomes serious diseases, the Thai government needs to include American pharmaceutical companies in negotiations before implementing new public policies.

Alternative approaches to compulsory licensing are possible...

At this moment, the debate on compulsory licensing is a lose-lose situation. The current approach implemented by the Thai government will discourage pharmaceutical companies from entering the Thai market, preventing access to high-quality medicines for patients. The Thai government should collaborate with drug companies and negotiate lower prices for certain medicines. Through negotiation, tiered pricing for certain antiretroviral drugs is already successfully established in some sub-Saharan African countries. Thailand also needs to prioritize its health care spending over its current military spending and lower its taxes on drug imports. Large pharmaceutical companies practice global social responsibility.

Companies are helping patients worldwide by not only providing better healthcare and medicines but also by establishing quality health programs. For example, Pfizer Inc. established *HIV/AIDS Positive Partnership Program* in Thailand, which has provided over 15 million Baht to the cause. It also began a "Micro Credit Loan" project that helps people with HIV/AIDS gain financial independence.⁵¹ The Thai government will lose out on these kinds of investments when instituting policies without cooperation or collaboration.

⁵¹ *Pfizer Community Programs*, Pfizer, http://www.pfizer.com/responsibility/community_programs/community_programs.jsp (accessed 1 December 2007).

This is a political issue as much as it is a moral and ethical issue. The Thai government needs to initiate communication without acting out legislation irrationally. Collaboration and cooperation on both sides (Thai government and pharmaceutical companies) will not only improve the public access to medicines in Thailand but will also facilitate the effort towards innovation and development of high quality medicines for the millions of lives in the future. Compulsory licensing is not justified in a nation such as Thailand, which has alternative solutions available.

Conclusion

In conclusion, the government of Thailand is not justified in instituting compulsory licenses of certain types of medicines. This is based on several reasons including: international pharmaceutical companies have developed life saving medicines that have improved quality of global health care; new drug research and development is time-consuming and expensive; Thailand is in a strong economic position to be able to afford the existing medicines; Thailand places tariffs on pharmaceutical imports; the country's health expenditure is relatively low; the GPO produces low-quality generic versions and is generating high profits itself and, finally; there are alternative approaches to compulsory licensing available to Thailand such as collaboration and negotiation. Providing universal health care is a global priority, but placing a compulsory license policy in Thailand is not the optimal solution.

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