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A Review of Pharmaceutical Company Contributions:

HIV/AIDS, Tuberculosis, Malaria and Other Infectious Diseases

by
Center for Science in Public Policy
Washington, D.C.
October 2004

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I. Annual Contributions to HIV/AIDS, Tuberculosis, and Malaria

The contributions of pharmaceutical companies for global HIV/AIDS, tuberculosis, malaria, and other infectious diseases are substantial. The estimate for pharmaceutical companies' total

collaborative efforts among pharmaceutical corporations, humanitarian agencies, foundations, and international organizations.

Merck & Co.

The Merck Foundation provides $50 million to the Af

The AAI program has attached no monetary value to its discount drugs. Given, however, that its products of proven FDA quality, safety and efficacy are priced lower then untested copy products from India, and sold at no profit, that value has to be considerable.

GlaxoSmithKline

As a partner in the UN/AAI Program, GSK distributed daily at discounted rates, 27,000 ARV treatments of its fixed dose combination drug in 56 countries.

In 2003, GSK extended a voluntary license to the generics manufacturer Aspen Pharmacare, in South Africa. Under this agreement Aspen can now manufacture and sell key GSK ARV's across sub-Saharan Africa, in both the public and private sectors. These will be true generic products rather than copy products of uncertain quality and safety.

GSK's preferential pricing for ARV products in the UN/AAI Program extends also to vaccines. This applies to the UNICEF/WHO Expanded Programme for Immunization, but it now includes combination vaccines when purchased for use in other public immunization programmes in the developing world.

The Partnership for Quality Medicines Donations

In 2003, a survey was conducted by the Center for P

Table 1. Estimated International Contributions by Pharmaceutical Companies, 2003*

The Partnership for Quality Medicines Donations**	$ billions
Value of Donated Products	$1.400
Transport, Insurance and Handling (10%)	.140
Taxes, Custom Duties (15% of original value)	.210
In-country transport, storage, distribution, logistical services, volunteer time of doctors, nurses, pharmacists, and program management (15% of original value)	.210
Subtotal	$1.960
Cash Value of Company Projects Annualized for 2003 (separate from PQMD)***	$ .175
Total	$2.135

*This table does not include the estimated $9 million in donated transportation and insurance costs by the six companies selling drugs at cost to the UN/AAI program.

**Abbott, Becton Dickinson, Boehringer Ingelheim, Bristol-Myers Squibb, GlaxoSmithKline, Johnson and Johnson, Merck, Pfizer, and Wyeth

***Merck, Pfizer, Bristol-Myers Squibb, Eli Lilly and Company, GSK, Abbott, Astra-Zeneca, Aventis, and Roche

II. Additional Ways that Pharmaceutical Companies Contribute to Global Public Health

Beyond the scope of direct donations and cash contributions, pharmaceutical companies continue to contribute to global public health in three significant ways. First, many have agreed to share medical and technological expertise, a step that will allow countries afflicted with HIV/AIDS, tuberculosis, malaria and other infectious diseases to develop their own pharmaceutical industries. Since 2003, Eli Lilly and Company has transferred technologies for tuberculosis drugs and has mentored three countries (India, Russia, South Africa) on how to produce these drugs in their own production plants. In July of 2004, Merck agreed to license one of its ARV products to the South African pharmaceutical company, Aspen. This will allow Aspen to use Merck's patent and produce a true generic ARV, in accordance with FDA standards, for the African market.

Second, several drug companies continue to invest in the development of new medicines for HIV/AIDS, malaria, and tuberculosis, even though these drugs yield low returns when compared with drugs for cancer, hypertension, heart disease or even erectile dysfunction. Drugs for tropical diseases, and many infectious diseases, have minimal markets in developed countries compared to markets in developing countries where people generally cannot afford them, even at a zero price, because the medical infrastructure to support therapies is largely absent.

Pharmaceutical R&D industries have chosen to invest capital for AIDS, tuberculosis, malaria and infectious diseases -- in spite of severe financial set backs. Losing 27 percent of its stock value after pul he$.r2N3Fjj$$.f2N3Fj$UjEzxU-. 2N7jF3Ek$.b2N-. 2N7-zEkxxjU.r2N3Fj$$-3$. 2Nj3FjFEE7jE.f2N3F
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donate all the products necessary to combat river b

III. Private vs. Official Development Assistance Resource Flows

While the pharmaceutical industry is the largest international philanthropic donor, international assistance from the entire range of U.S. private organizations is amazingly high. Compared to $9.9 billion USG official development assistance (ODA) in 2000, U.S. international private

all of Central and Eastern Europe, Belarus, Israel, Russia, Ukraine, and a variety of island states, such as Cyprus.

3. **Private assistance at $35.1 billion is easily an undercounted figure. For instance, there is no complete accounting of international giving by religious organizations. Also, many corporations have decentralized their charitable giving to overseas operations where they are aggregated in either marketing or advertising budgets. As such, they are not reflected in the Conference Board report used as the source for corporate international giving here.**
4. **Nor does the corporate total include "cause-related**