

Brazil bypasses US giant for Indian drugs

Brazilian President Luiz Inacio Lula da Silva has allowed his country to ignore US pharmaceutical giant Merck's patent on AIDS drug Efavirenz and opted for a cheaper generic alternative from India.

With a decree he signed Friday, Brazil will be able to import generic versions of Efavirenz from three companies in India - and the price for the drugs will be 72 percent lower than the price charged by Merck.

The Brazilian ministry of health had been negotiating with Merck for three years to bring down the Efavirenz price.

Lula had criticized Merck for charging higher prices to Brazil than to other countries, an attitude he regarded as 'disrespectful'.

According to the ministry, Merck charges Brazil \$1.59 per capsule but Thailand pays only 64 cents.

Merck initially proposed a 2 percent reduction in the Efavirenz price, which the Brazilians rejected.

On April 25, the Brazilian government classified the drug as one 'of public interest' and asked Merck to present another proposal within seven days.

Merck offered a 30 percent price cut but the Brazilian authorities still considered it unsatisfactory because it was possible to buy the generic version of the medicine for as low as \$0.45.

Minister of Health Jose Gomes Temporao then advised President Lula to sign the decree establishing the 'compulsory license' for the anti-HIV drug allowing Brazil to import the drug at lower prices from other overseas suppliers or even produce it locally.

Health authorities expect the new measure to save up to \$30 million in 2007, as 75,000 of the 200,000 AIDS patients whose treatment is funded by the government are expected to use Efavirenz by the end of the year.

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