

# “Extortion and profiteering” by pharmaceutical monopolies slammed



The South African Federation of Trade Unions (Saftu) has welcomed the Competition Commission’s investigation into price fixing allegations against pharmaceutical companies following concerns raised by Advocates for Breast Cancer, the Cancer Alliance, the Cancer Association of South Africa, and Section27.

“The pharmaceutical companies that are currently being investigated include Roche, which supplies lifesaving breast cancer medicine in South Africa, Pfizer, which supplies lung cancer medicine, and Aspen, which provides

lifesaving medicine for different forms of cancer”, Saftu said in a statement.

“The commission will follow up allegations that these companies are exploiting cancer sufferers through their monopoly position by charging excessive amounts for medicines which save lives and potentially killing those who cannot afford them”. Information in the possession of the commission confirms that breast cancer treatment is unaffordable in South Africa and many medical aid schemes refused to pay the treatment based on cost. For example, a 12-month

course of Roche’s Herceptin in the private sector cost over R500 000, or more if a higher dosage was required. As a result of exorbitant prices, most breast cancer patients in both the private and public sectors could not get treatment, Saftu said.

The commission was also looking into allegations that companies were protecting the monopoly position by getting around patent laws by patenting new versions of an existing patented product with minor changes or just a different name, to delay the introduction of generic versions of the

same medicine into the market. “One of the companies, Aspen, has just been fined 5.2 million after an appeal relating to its portfolio of oncology products distributed in Italy was dismissed”, Saftu said.

When bargaining over drug prices in Spain in 2014, Aspen is reported to have threatened to stop selling the cancer treatments unless the health minister agreed to price rises of up to 4000 percent. Another leaked email appears to reveal that staff members at Aspen even discussed destroying stocks of lifesaving medicines during this price row. This is pure blackmail and extortion. Saftu agrees with the Competition Commission that the healthcare sector, and in particular, pharmaceuticals, is a priority sector for its enforcement efforts due to the likely negative impact that anti-competitive conduct in that sector would have on consumers in general and specifically the poor and vulnerable”, Saftu said.