Speech delivered by IFPMA President, Mr. Haruo Naito

IFPMA Assembly, Washington DC, 10 November 2010

Ladies and Gentlemen,

I am very pleased to welcome you to the 25th IFPMA Assembly. My name is Haruo Naito, the President and CEO of Eisai, and also the President of the IFPMA.

First of all, please allow me to express my sincere appreciation to Dr. Hiroki Nakatani, who kindly agreed to participate in this Assembly as the representative of the WHO despite his busy schedule.

I also appreciate very much the participation of our three panel moderators:

Dr. Jeffrey Sturchio, President and Chief Executive Officer, Global Council; Mr. John Damonti, President of the Bristol-Myers Squibb Foundation; and

Prof. Keizo Takemi of Tokai University.

Thank you too to all the expert speakers on the three panels.

The Assembly is the IFPMA's flagship event, held every two years, and we are very happy to be here in Washington DC again. I offer my personal thanks to PhRMA for their support in preparing this 25th IFPMA Assembly.

The world is rapidly changing now. As I think all of us would agree, the voices and influences of the low and middle income countries are becoming more influential.

Under such a changing environment, I recall Charles Darwin's famous theory of evolution. He said that any species that survives does so not necessarily because it is the strongest or the smartest or the most advanced. The species that survive are those that are most adaptive to change.

As with the natural world, so it is for our industry.

It is already clear that growth in the developed world will be impossible without the sustainable and strong economic growth of developing countries.

IMS estimate that by 2015 emerging markets will account for almost one-quarter of the global pharmaceutical market, and the growth rate in these countries is predicted to be about 15%; in contrast to growth of low single digits in developed countries. Moreover, not just infectious but also chronic diseases are now becoming a major disease burden in those emerging areas.

In healthcare and more generally, we are in the midst of a new round of globalization, and the development of low and middle income countries cannot be separated from global growth.

How to adapt to this change? We have to establish a new business model, which may be quite different from our traditional approach to business and show more flexibility towards the needs of the developing world.

This Assembly is being held under the theme of "A Shared Commitment to Global Health". That is not just a slogan. It also reflects the process of our adaptation to environmental change.

I believe that tackling the burden of disease is the fundamental issue for the development of sustained economic growth in developing countries.

However, improving global health is a challenge of such a magnitude that it can only be realistically achieved through the active engagement and cooperation of all key stakeholders, including the pharmaceutical industry.

The industry recognizes that it must be a partner in delivering improved healthcare to patients, right across the world, and must work with others to increase access to medicines, particularly in developing countries.

One area where IFPMA companies have contributed to global health is related to the recent H1N1 pandemic influenza. When H1N1 was first identified, the vaccine manufacturers had to cope with many challenges such as scientific uncertainty, limited production capacity, regulatory procedure, unpredictable demand and so on.

As president of IFPMA, I would like to express my highest appreciation to all the vaccines manufacturers for producing such effective H1N1 vaccines so quickly and providing them at the global level.

This is a great achievement, but we need to do even better on the basis of our experience from H1N1, working to improve our pandemic influenza preparedness (PIP) for future influenza pandemics.

I would now like to give a brief overview of IFPMA members' contributions toward access and capacity building in developing countries.

Between 2000 and 2007, the industry provided over 9 billion dollars' worth of health assistance, making available enough medicines, vaccines, education and training to help nearly 2 billion patients and health workers. By the end of 2009, our companies had made available nearly 3 billion treatments, and this figure will certainly be even bigger by 2015, by which time the industry is likely to have provided at least one treatment for every patient in the developing world.

So this Assembly's theme – a shared commitment to global health – recognizes that the pharmaceutical industry must maintain and increase its commitment. But it also acknowledges that we cannot make the progress needed on our own.

The IFPMA and its member companies and associations stand ready to work with governments, international organizations, NGOs and others - many of whom I'm glad to see are represented here today. We all have a shared responsibility to improve global health, and the IFPMA and its members are determined to play their part.

As IFPMA President, please allow me to outline briefly what I think has been the major progress made over the past 12 months.

Firstly, I believe that existing channels with the IFPMA's key stakeholders have been strengthened, and new ones opened up.

The IFPMA is the voice of the research-based pharmaceutical industry in Geneva. I believe that in the past 12 months that voice has reached more ears than ever before, thanks to the efforts of the staff.

I have supported these outreach efforts in my role as President, meeting with the leaders of the World Health Organization, the World Intellectual Property Organization, and of the WTO.

After meeting with high-level political representatives in Geneva I gained the strong impression that if we are frank in our dialogue with these senior people, there is always the opportunity to explore new solutions.

Secondly, I think the industry has made major steps forward in its support to the WHO in addressing Neglected Tropical Diseases, NTDs.

In October, only a month ago, I attended the launch of the WHO report on NTDs in Geneva, and spoke on behalf of the IFPMA.

On that occasion, an impressive range of IFPMA member companies announced new or increased commitments to make available medicines to address NTDs, in partnership with the WHO.

This is an example of how the pharmaceutical industry works best – when we are committed to a common goal but are given the freedom to contribute on a voluntary basis in the most effective way we can.

In my opinion, this shows that those who believe compulsory measures are necessary are wrong. So the fight against NTDs is an area where the research-based pharmaceutical industry can be justly proud. And its contributions are not limited to improving access to existing medicines.

IFPMA member companies are also helping to defeat NTDs through programs to increase R&D and strengthen local healthcare capacity.

We currently have 25 NTD research projects underway, including two vaccines in clinical trials for Dengue fever, for which no treatment currently exists. Nearly three-quarters of this R&D is via collaborative ventures.

And three new NTD therapies have been approved since 2005, including one which shortens treatment of severe sleeping sickness.

Furthermore, to boost clinical research skills in developing countries, our industry currently has 12 WHO/TDR clinical research fellows receiving training at our member companies.

After their training these Fellows will return to their home countries and help manage clinical trials there. Next year this programme will continue and we will take a new set of Fellows.

Through our experience, we also know that capacity building and technology transfer are important, and that good education and the establishment of basic infrastructure are essential.

A high level of commitment is needed from governments in developing countries, to improve basic infrastructure and increase their ability to welcome technology and knowledge.

I also hope that WHO will express further strong leadership to coordinate and facilitate capacity building. I believe the pharmaceutical industry can play an important role in supporting those activities.

One key issue in accelerating the speed of development of new drugs for NTDs is how to enhance the collaboration between the R&D-based pharmaceutical industry and doctors and scientists. In this regard, let me briefly touch upon the intellectual property system. IP is the back-bone of innovation, and it is meant to encourage both the public and private sectors to research and develop new therapies for unmet medical needs. I believe that intellectual property rights are part of a fair social system that respects discovery and shares that knowledge publicly to avoid any duplicative work. It also provides a timeframe for exclusivity. Without this, new treatments for many diseases would have never been available to patients. This system, in other words, saves or improves billions of lives all over the world.

We are exploring new ways to share our scientific and technical knowledge in specific disease areas with potential partners. This kind of openness will be a significant tool in the fight against diseases.

Thirdly, I would like to highlight the agreement that the IFPMA entered into with WADA, the World Anti-Doping Agency. In July, I signed with David Howman, Director General of WADA, a Joint Declaration on Cooperation in the Fight against Doping in Sport.

The Declaration aims to encourage voluntary cooperation between WADA and IFPMA member companies, to identify medicinal compounds with doping potential, minimize misuse of medicines still in development, improve the flow of relevant information, and facilitate development of detection methods.

With pharmaceutical companies working hand-in-hand with WADA, more resources will now be brought to bear on the scourge of doping, leading to cleaner sports and healthier athletes.

Finally I wish to say a little about the role of the IFPMA.

Today we have representatives not only from IFPMA, but also from PhRMA, EFPIA, JPMA, and many other national associations. I wish that we all continue to work together effectively and to leverage each other’s strengths.

I can underscore the significance of IFPMA’s unique role, for three reasons:

1) IFPMA is made up of 46 national associations and 25 R&D companies, representing developed and developing countries. This is a strength that we want to leverage.

2) We, the R&D pharmaceutical industry, need to increase our focus on the global health debate and on emerging and developing countries.

3) Several strategic global health debates take place in Geneva. IFPMA is the industry body with NGO status which interacts with Geneva-based stakeholders.

I believe that there are many ways in which the IFPMA and its member companies can make a contribution towards improved health across the world.

IFPMA has a very important role to play in facilitating and coordinating the industry's contribution.

I became IFPMA President one year ago, in November 2009. In that time I have been lucky enough to be served by two Director Generals of the very highest quality.

Mike Boyd was the Acting Director General when I assumed the Presidency.

He came in at short notice and immediately made his mark. Mike made sure that the industry was well-placed to work as closely as possible with the WHO on the H1N1 pandemic. I'd like to thank him for all he did for the IFPMA and wish him all the best in his new role at Pfizer.

Since January, the IFPMA Director General has been Eduardo Pisani. Eduardo continued the effort to ensure that the industry cooperated fully with the WHO in responding to the H1N1 pandemic. Eduardo has also worked hard to raise further the levels of effectiveness, focus and accountability of the organization. Eduardo, it has been a pleasure to work with you, and I look forward to continuing to support you in any way I can.

Today is the last time I will speak to you as IFPMA President. It has been a great honor to be the first Japanese and indeed the first Asian President of the IFPMA and I thank all the Members of the Federation and IFPMA staff for their trust.

I now pass the Presidency onto the very capable hands of Mr. David Brennan, the CEO of Astra Zeneca, who will be working with two industry leaders as Vice Presidents, Mr. Masafumi Nogimori, CEO of Astellas and Dr John Lechleiter, CEO of Eli Lilly.

David, I offer you my full support and wish you and the IFPMA you all the best. I hope you enjoy the role of President as much as I have.

Ladies and Gentlemen, I wish everyone an interesting event and I thank you very much for your attention.