



2021 Fair Pricing Forum

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Good morning.

“I have three main messages for you today:

- First, we hear you, and we are sensitive to the debate about cost and pricing.
- Second, we are seeing great transformative new treatments reaching patients, and we are making progress through new partnerships in reaching many more patients also in LMICs, but
- And lastly, we need to do more and need to do better, and we can only do so if we agree to start a joint journey, not only on discussing the notion of Fair Pricing, but seeking solutions to make our medicines affordable and accessible in many more countries.”

This is what I said at the Fair Pricing Forum in Johannesburg. Two years on; with 3 million people who have lost their lives to the coronavirus, how well have we, the biopharmaceutical industry responded to this public health crisis like no other. What is the score card? What can we learn from it?

As an industry, we have responded in an unprecedented manner to all three counts.

The way the innovative and generic biopharmaceutical industry, together with biotechs, academics have responded is unprecedented. In just one year, we have not just one but several safe and highly effective vaccines. And we also have some new and repurposed treatments.

FROM THE OUTSET of the pandemic, even when we had no idea how fast and where we would land, we committed to socially responsible pricing.

FROM THE OUTSET, we committed to equitable and fair access to tests, treatments, and vaccines and signalled this by joining as a founding partner the Access to COVID-19 Tools (ACT) Accelerator coalition. WE did not just join the club, we matched it with actions. The target of 2 billion doses for COVAX Facility in 2021 were secured a matter of weeks after the 1st vaccines were approved by the WHO. These doses are provided at “best/lowest” price. Because of unprecedented collaborations involving developing and developed world vaccine manufacturers, we have a realistic chance of making 10 billion vaccines doses this year. This is more than the world has ever produced for a single virus; trebling world vaccine capacity in a year.

There is no room for complacency, but we should acknowledge that we are on a path to access – when we witnessed in March the first deliveries of doses being delivered to Kigali, Accra, Abidjan and Nairobi at the same time as Tokyo.

And as an industry, in our response to the pandemic, we have lived up to our conviction that innovation is meaningless if people cannot access it. We have not done it alone, far from it. But while we celebrate the efforts of science and innovation reaching patients:

- we should not forget the at risk investment and manufacture that have been taken by the industry to develop and scale up the manufacturing. While for a few, in particular the biotech companies, the risks have been offset by BARDA; but not for all.
- we should not forget that quite a few companies have had to put a halt to their research in order to be effective and responsible, offered their expertise to their own competitors. Others are still working on finding new effective COVID-19 treatments which are proving elusive.
- we should not forget that in the early days of the pandemic, there were very real concerns that patients may not be able to get treatments for their existing conditions. We have avoided so far the shortages that so many feared.
- We should not forget that we still have to ensure that non-COVID patients receive their medicines, vaccines and treatments, that work is still underway.
- We should not forget, that other innovative treatments are being worked on, but we are fighting an uphill struggle in the light of the pandemic.
- Lastly, we should not forget that we would have not had several vaccines being administered within a year, had it not been for the incentive system that exists today, AND, however unprecedented the situation we are in today, continued innovation is unlikely to happen in the future without the continued incentives to invest.

So, to answer the question: How can governments and other stakeholders better collaborate to achieve affordable and fair pricing, considering also some of the recent lessons learnt during the COVID-19 pandemic?

My answer, is that we need to focus on the realities that are impacting our ability to respond effectively today; and prepare for the uncertain future by acknowledging the strengths and added value of all involved; and that includes the innovation eco-system.

The realities that invite you to consider over the coming days is that “fair pricing and fair access” is a constant process of adjustment that needs to take into account:

- fostering innovation. By rewarding medicines with an added therapeutic benefit, we stimulate research & development. This will benefit future generations and address unmet health needs. The innovations and roll out that have been achieved with COVID-19 cannot be assumed to be the norm. The approach we have taken for the coronavirus public health pandemic IS NOT BUSINESS AS USUAL. We have been able to respond in the manner that we have IS because there is a functioning innovation eco-system. The fundamentals that have enabled our industry’s readiness to swiftly take on the COVID challenge should not be compromised.
- Second, affordability and access to care and innovation for today’s patients is essential. Using pricing concerns as a surrogate for talking about inadequate access falls far short of addressing the complexity of the challenges. I do not want to fudge the affordability question at all, but we risk failure of achieving equitable access if we lose sight of the fact that pricing is just ONE part in a much larger system.

Here today I want to emphasize industry's willingness to build on and continue exploring new avenues of innovative reimbursement models such as paying for performance (outcomes), risk sharing, or even paying in variable annuities, as well as engaging in dialogue on how to make these medicines more affordable and accessible in LMICs.

- Last but not the least of the balancing act between “fair pricing and fair access” – we need sustainable budgets for health systems, of which medicines are one element.

It is all the more pressing considering the cost the global economy US\$ 28 trillion in lost output by 2025.

We **MUST** start thinking about how to get health systems back on track. The lesson here is indeed collaboration. More dialogue is certainly required to find the right balance between access and medical progress, with the proper incentives for innovation, and the need for sustainable budgets. Not one at the cost of the other. Multi-stakeholder engagement, public and private sectors working together is the only chance we have to keep our promise to the meet these goals and the SDGs.

Together, we need to think wisely about preparing against future pandemics; including those we know about, such as the rise anti-microbial resistance. **BUT** we also have to continue fostering innovation for unmet medical needs, which can save or enhance patients' lives. We all have a shared responsibility to find ways for patients to have access to today's medicines and for future patients to benefit from new, yet to be developed medicines.

COVID demonstrates to that partnerships are the only way forward. Partnerships are nothing new to the biopharmaceutical industry. We has been active in this field for decades, we have over 250 partnerships across the industry. There is Access Accelerated, Medicines Patent Pool or GAVI. With COVID-19, we reap the benefits, of these established partnerships.

So to conclude: and using the same hope I expressed two years ago in Joburg:

Notwithstanding the very different views and experiences represented by this panel and in this room, I hope you will see that there is more that unites us than divides us.

I believe the pandemic has shown us that this is possible.