





there is general acceptance that the heavily discounted prices available for these programmes will not be available to developed country purchasers.

We therefore welcome the support expressed by the European Commission, and the G7 at their meeting in Okinawa in December 2000, for the concept of preventing parallel trade or diversion of products to higher priced markets in return for wider application of differential pricing for developing countries. Although the full framework required to extend differential pricing does not currently exist, the company is working hard with all stakeholders to make products available at discounted prices while the framework develops.

We must acknowledge, however, that to make real progress in tackling access to medicines in developing countries, and particularly the HIV/AIDS pandemic, increased donor funding from the developed world is needed to enhance healthcare capacity and to facilitate the purchase of the anti-retroviral medicines. Even at such significantly reduced prices, the cost of many therapies and the associated health care infrastructure that is necessary to deliver this to patients is way beyond the means of many developing country governments. We therefore welcome the proposal of the UK government and others for establishing an international purchase fund. This will mean a consistent guarantee for purchase of vaccines and medicines. GlaxoSmithKline has already pledged to sell our anti-viral medicines at sharply reduced prices to such funds. However, while the pharmaceutical industry has a role to play in improving access, significant barriers exist, most notably poverty, inadequate public spending and weak healthcare infrastructures. These problems must be addressed as a shared responsibility by all sectors of society, including governments in both the developed and developing world, international agencies, non-governmental agencies and pharmaceutical companies.