

Getting it Right:

A people's guide to renegotiating NAFTA



NAFTA Helps Big Pharma Keep Drug Costs High

Big Pharma is often represented in the negotiation of free trade agreements and the renegotiation of the North American Free Trade Agreement (NAFTA) is no different. Contrary to the doctrine of “free trade,” which argues that there should be no barriers to trade, pharmaceutical companies use trade agreements to preserve their drug patents, allowing them to trade without competition. In essence, pharmaceutical companies use trade agreements like NAFTA to engage in protectionism.

In recent negotiations for the Trans-Pacific Partnership (TPP), many Canadians were concerned that drug costs would increase because of provisions lengthening patents on biologic drugs from five to eight years. Biologics are a lucrative new class of drugs made from human or animal organisms including cells, tissues and genes. Biologics include drugs such as insulin, or drugs that treat inflammatory bowel disease, hepatitis or rheumatoid arthritis.

According to a recent study by the Canadian Institute for Health Information, much of the spending on pharmaceutical drugs in Canada goes towards this class of this increasingly costly group of drugs. Drugs such as Humira, Remicade and Enbrel cost, on average, \$19,163 a patient each year.

While the U.S. has pulled out of the TPP, and with the remaining 11 countries coming to a deal behind closed doors, it is not yet clear what the remaining 11 countries will decide. For NAFTA renegotiations, the U.S. wants the same patent-lengthening provisions that were proposed in the TPP. These provisions make drugs much less affordable and put the creation of a national pharmacare program in jeopardy. As drugs patents are protected, drug prices rise. This makes pharmacare more unaffordable.

When implemented, pharmacare is expected to save Canadians as much as \$14 billion. Canada is the only country with a public health care plan that does not include the cost of prescription drugs.

- It is estimated that the TPP-like provisions the U.S. is seeking in NAFTA renegotiations would add more than \$800 million to prescription drug costs in Canada.
- In 2016, Canadians spent \$30 billion to fill more than 600 million prescriptions. Canadians already pay the second highest costs out of all OECD countries for drug costs. These high costs mean that many people cannot afford the medications they need.
- Drug costs are the fastest rising costs in health care, outpacing physicians or hospitals. According to the Canadian Institute for Health Information these costs are estimated to rise 4.2 per cent in 2017.
- In a recent House of Commons committee meeting on health, the Assistant Deputy Health Minister admitted that, “High prescription drug costs will rise under pending free trade agreements.”
- While patent protections have increased in trade agreements, research and development in the pharmaceutical industry decreased.

Canada must not let big U.S. pharmaceutical interests get their way in NAFTA.

Take action!

Contact your Member of Parliament today and tell them that Big Pharma shouldn't be allowed to protect patent extensions in NAFTA.

For more information about what is at stake in NAFTA, visit canadians.org/NAFTA. For more information about the Council of Canadians campaign for a national pharmacare program, visit canadians.org/pharmacare or call us toll-free at 1-800-387-7177.