



GENERIC PHARMACEUTICAL ASSOCIATION

For Immediate Release
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December 4, 2007
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GPhA Praises Senate for Its Approval of U.S.-Peru Free Trade Agreement

Arlington, VA—The Generic Pharmaceutical Association (GPhA) today praised the U.S. Senate for voting to approve the U.S.-Peru Free Trade Agreement (FTA). This marked the first time that a FTA included provisions to foster pharmaceutical innovation, yet ensured that America's trading partners have access to safe and affordable medicines.

“The U.S.-Peru Free Trade Agreement takes significant steps to promote competition without stifling innovation, which is good for consumers and good for a strong, vibrant pharmaceutical industry,” said GPhA President and CEO Kathleen Jaeger. “This agreement shows that the important role generic drugs play in providing American consumers with affordable medicines can also be shared by people in other nations. We are pleased that both the Senate and the House of Representatives have approved this historic agreement.”

Earlier this year, Congressional Democrats and the Bush Administration negotiated substantial improvements to pharmaceutical-related provisions in free trade agreements, which are reflected in the Peru agreement approved today. Under the Peru agreement, patent extensions for brand pharmaceutical products are not mandatory; patent disputes will be resolved through the legal system, instead of through the drug approval process; and generic medicines should become available in Peru no later than they are available in the United States. Previously, some trade agreements had exceeded U.S. law and World Trade Organization commitments by providing for an unlimited number of patent extensions for brand products and other measures that could unnecessarily delay generic competition in our trade partners.

Finally, there is an obligation in the trade agreement text that clearly states Peru may take measures to protect public health in accordance with the World Trade Organization Declaration on TRIPS and Public Health.

“We have long promoted balancing pharmaceutical innovation with access to affordable medicines in free trade agreements. Today's vote sends a strong message that this balance can be achieved.

“GPhA looks forward to Congressional action next year on the pending free trade deals with Colombia and Panama, which include the same improvements to the pharmaceutical provisions as the Peru agreement,” Jaeger concluded.

GPhA represents the manufacturers and distributors of finished generic pharmaceuticals, manufacturers and distributors of bulk active pharmaceutical chemicals, and suppliers of other goods and services to the generic drug industry. Generics represent 63% of the total prescriptions dispensed in the United States, but only 20% of all dollars spent on prescription drugs.

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