

## THE PRICE OF KALETRA IN THAILAND

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One fact often overlooked in coverage of the Thailand compulsory license is just how poor the country is, and how many people with AIDS there are to treat. Thailand is a county with under \$3,000 GDP per capita (compared to over \$40,000 in the U.S.), and an AIDS rate over twice as high as the U.S. (1.5% vs. 0.6% in the U.S.).

One measure of comparative affordability that includes universal treatment goals looks to prices adjusted for BOTH GDP/capita and the prevalence of the disease in the target country. This measure justifiably assumes that the goal of universal access will require lower prices in countries that are particularly hard hit by a given health condition.

Thailand is a pretty clear example of how low prices need to be to accomplish universal access in hard hit countries.

Even using the price for Thailand most recently offered by Abbott, albeit not yet accepted by the Thais (\$1,000 per patient per year), the price is about 10 TIMES HIGHER THAN THE U.S. price adjusted for GDP per person with AIDS.

If the price of Kaletra in the US was the same percentage of GDP per capita with AIDS as it is offered by Abbott in Thailand, the U.S. price would be \$41,924, not including the 2-3 other medicines needed to create a fully effective AIDS treatment cocktail. Conversely, if Thailand paid the same amount of its GDP per capita with AIDS as the U.S. does, the price in Thailand would be \$93 /year.

To get to \$93 a year, past experience with first-line AIDS drugs suggests that robust competition among generic suppliers (which have reduced the cost of a first-line complete cocktail from over \$10,000 to under \$200 a year in 7 years), not unilateral price cuts by a monopolist, will be the only effective driver towards affordability. If Thailand acts in a way that protects its future interests as well as its present, it will reject Abbott's offer and help create a competitive global market for second-line AIDS drugs.

	United States	Thailand
GDP per capita	\$41,948	\$2,751
GDP per person with HIV/AIDS	\$13,070,005	\$309,884
Price per person per year	\$4,586	\$1,000
Price as % of GDP per capita	10.9%	36.4%
Price as \$ of GDP per PWA	0.03%	0.32%

The Population and GDP data are from the World Bank and the number of people with HIV/AIDS is from the CIA World Factbook. The US price is the 2006 Average Wholesale Price as published in the Red Book.

For more information on the compulsory licensing dispute in Thailand, see [www.pijip.org](http://www.pijip.org).