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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3506

Mr T S Mjadu (MK) to ask the Minister of Trade, Industry and Competition:

In view of the Republic's current compulsory licensing process being more cumbersome than required (details furnished), and considering that the Republic has a medicine price burden where originator drugs can cost up to 80% more than generic equivalents, and only 26% of essential medicines are available at affordable prices in the private sector, what (a) number of times has the Republic successfully used the current High Court based compulsory licensing procedure in the past 10 years, (b) number of streamlined licences does his department anticipate could be issued in the first year after the Bill's enactment and (c) is the target reduction in procurement costs that his department expects from allowing parallel importation of cheaper, equivalent products for essential medicines or products needed during a disaster? NW3716E

REPLY:

- (a) The Republic has never issued a compulsory license. None of the cases brought in High Court to date were successful. However, a number of Voluntary License Agreements have been concluded with local manufacturers in South Africa to produce essential medicine.
- (b) The number of streamlined licenses anticipated may be determined only through research and impact assessments that may be conducted to support the development of a Bill.
- (c) It will depend on the medicine being procured and whether the specific conditions for the medicine are met. The target reduction in procurement costs



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through parallel importation can best be advised by the Department of Health, supported by the Medicines Control Council.

The Medicines and Related Substances Control Act of 1965, as amended, sets out specific conditions for patented medicines to be parallel imported into South Africa.

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