NEWS

## CLICKS IS A STRONG CONTENDER IN RETAIL PHARMACY INDUSTRY

A story in *Business Report* (5 August 2003) informs readers of the acquisition by Clicks Organisation, the New Clicks subsidiary, of four pharmaceutical firms. The Competition Tribunal yesterday unconditionally approved this deal. Nkonzo Hlashwayo, the Competition Commission manager of mergers and acquisitions, said the deal created huge potential for the effective distribution of drugs, particularly in rural areas.

The four pharmaceutical firms that Clicks acquired own 83 pharmacies countrywide. They are: Purchase Milton & Associates, Milton & Associates, J&G Purchase and Leon Katz — known as PM&A. They control brands including Hyperpharm, Guardian, Galleria, Pharmarama, Remedys and Medirama.

The tribunal's approval allows for Clicks to establish pharmacies under their own name. Pharmacy dispensaries will be introduced into Clicks stores. New Clicks also owns New United Pharmaceutical Distributors and has a 56% stake in the Link Investment Trust, which owns 250 Link franchise stores.

## ASPEN MANUFACTURES AFRICA'S FIRST GENERIC ARVS

Aspen Pharmacare has announced the launch of Aspen-Stavudine — the first generic antiretroviral (ARV) drug developed and manufactured in Africa.

Stephen Saad, Aspen Pharmacare Group Chief Executive Officer, said that Aspen-Stavudine presents a solution to what is largely an African problem. It fulfils the critical initial step in the company's approach toward providing quality, affordable generic ARVs for millions of HIV/AIDS sufferers. 'The product will form one element of a multi-faceted solution to containing the pandemic, the others including *inter alia*, appropriate nutrition, education, prophylaxis and other measures undertaken in government's integrated HIV/AIDS strategy,' he continued.

Aspen will sell Stavudine within the range recommended by the World Health Organisation (WHO), with Aspen's pricing being competitive with major Asian suppliers reported on by the WHO. Aspen's pricing structure against the originator is detailed in the table below:

| | Aspen-Stavudine | Zerit | % Savings |
|---|---|---|---|
| 20 mg 60s | R24.00 | R40.54 | 41% |
| 30 mg 60s | R29.00 | R40.54 | 28% |
| 40 mg 60s | R33.60 | R40.54 | 17% |

Other generics in the pipeline are for didanosine, Combivir, AZT, 3TC and nevirapine, which have been submitted to the Medicines Control Council (MCC) for registration. Once registered, Aspen anticipates selling a cocktail therapy of ARVs at below $1 (approximately R7.50) per day. These additional licences were made available to Aspen through licence agreements with Bristol-Myers Squibb (BMS), GlaxoSmithKline (GSK) and Boehringer Ingelheim (BI). As a result, Aspen infringes no patents and has complied with all WTO rules and the GATT, GATS and TRIPS agreements.

According to Saad, bio-studies results have shown Aspen generics to be consistent with the original product. Aspen is presently in the process of enhancing its manufacturing facilities with the addition of a new multi-million rand oral solid—dosage facility to service both domestic and offshore markets.

Aspen is increasing expenditure on local manufacture, development and delivery of quality, affordable generic alternatives, including attention to malaria, TB and HIV/AIDS.

## REVOLUTIONARY HIV/AIDS-MANAGEMENT PILOT FOR EASTERN CAPE

US-based Africare, a private non-profit organisation providing development and emergency assistance to Africa since 1970, will collaborate with South Africa's Disease Management Foundation (DMF) to pilot an HIV/AIDS-management initiative in the Whittelsea district some 30 km from Queenstown in the Eastern Cape.

The pilot project is intended to prove the efficiency and efficacy of a revolutionary HIV/AIDS-management system developed by the DMF in conjunction with the Rubin Sher Institute. This system, called Treatsure, is unique in that it spans the entire cycle of HIV/AIDS infection — from pre-diagnosis to death — as well as the three key areas affecting an HIV+ patient's health — nutrition, medication and exercise — while other initiatives limit their focus considerably.

Utilising telecommunications and Internet technologies, Treatsure accesses the knowledge base at the Rubin Sher Institute to provide the general practitioner with a detailed programme highlighting the patient's nutrition needs, the medication to be administered and the exercise regimen to be followed. In effect, the patient is under the care of Dr Rubin Sher and his colleagues — albeit at a distance.

There are several other impressive features with Treatsure, such as automatic medication dispatch from pharmaceutical companies, and it could be used by corporate doctors managing a large workforce or by a general practitioner in an upmarket urban suburb as easily as a doctor or nurse posted at a rural hospital.

According to DMF chief executive officer, David Macaskill, the Hewu Hospital in Whittelsea was chosen as the pilot hospital for several reasons. A thriving textile node prior to sanctions, the area was severely economically and socially depressed when foreign companies closed their factories. Today, despite its high HIV infection rates, the community is particularly civic minded and supportive of hospital initiatives. It is this community-focus and will to forge a future for its children that make Whittelsea inhabitants likely to benefit from the Africare/DMF initiative.

Macaskill said Treatsure was developed to assist general practitioners who have limited knowledge of the disease manage their HIV+ patients holistically.

He went on, 'HIV/AIDS management is not simply a case of handing out antiretroviral drugs free of charge. Just as a doctor would monitor a patient with a heart disease and adjust his nutritional, medication and exercise regimes accordingly, so too — with Treatsure — can that same doctor manage an HIV+ patient's treatment. The Constituency for Africa will be watching Africare, DMF and Treatsure very carefully, and, if Treatsure makes a difference to the Whittelsea community, we are quietly confident we'll be able to secure the funding necessary to roll out the system to other underprivileged areas both in South Africa and the rest of the continent.'

## WORLD BANK WARNING: AIDS TO CAUSE COMPLETE ECONOMIC COLLAPSE WITHIN 3 GENERATIONS

The authors of a World Bank study of the long-term economic implications of AIDS, using South Africa as a case study, have concluded that if nothing is done to combat the [AIDS] epidemic, a complete economic collapse will occur within three generations.

Most existing models estimate a modest decline in GDP — about 0.3 - 1.5% decline in growth annually. The World Bank study sees costs as much higher because AIDS 'brings three factors together in a particularly devastating combination': firstly, by killing young adults it removes their human and job skills, knowledge, insights and life experiences; secondly, it wrecks human capital formation in the next generation by depriving children of the child-rearing, knowledge, education and abilities which they would have received if one or both parents had lived; and thirdly, the high chance that children themselves might become infected and die young makes investment in their education less attractive, even where both parents are uninfected. This sets in motion an ongoing downward spiral. The consequence is that the economy will begin to slow down, with the growing threat of collapse.

As adoption and fostering and care by the extended family decrease, the government will have to carry the burden. Because AIDS kills productive workers, the government's tax base will be threatened. Policy makers should therefore act swiftly and effectively to prevent the spread of AIDS and to treat those with the disease.

First prize is prevention, and massive efforts to do this are supposedly in place in South Africa. Treatment is still a contested terrain, but the third level of problem - coping with the impact of AIDS deaths - is already here.

The fate of the orphaned generation is the central concern of the World Bank study. In the absence of AIDS, fewer than 2% of South African children would have suffered the loss of both parents. If the epidemic is left unchecked, it will leave 20% of the generation born from 2010 onwards full orphans, about one-half will lose one parent, and a mere 30% or so will reach adulthood without experiencing the death of one or both parents, says the report.

The study examines alternative strategies to ensure that orphans are raised as effective, productive adults. It examines 'pooling' - i.e. all children are raised in exactly the same way within an extended family structure. Due to the high level of premature adult mortality, pooling would be unlikely to remain a viable option. Children would become burdens on the state and the state would intervene with either lump-sum subsidies or school attendance subsidies to prop up one-parent families, with the heavy fiscal burden this would imply.

Finance Minister Trevor Manuel dismissed the report as an unhelpful 'scare story'. He warned about the use of faulty assumptions in economic models. Mike Waters, the Democratic Alliance spokesman on AIDS, replying to Manuel, makes the point that while one can debate some of the report's results and assumptions, there is no arguing with the conclusions. Government should take the warnings as a stimulus to tackle the problem, and reverse the progress of the disease. He points out that even state-owned institutions like Spoornet and Transnet, and state tertiary educational institutions, are beginning to realise that ARV treatment is essential, said Waters.

The common preconception that it is only the 'poorest of the poor' who are vulnerable to AIDS - people who carry little weight as consumers or producers - is clearly disproved in data from industry, and the teaching and health care professions. Some cynics believe that government hopes to offload all the treatment burden for the employed onto employers and private sector health care, and that AIDS will kill only the poor. The World Bank study demonstrates that this is far from being a cost-free, never mind humane, option.

Drs Iraj Abedian and Johan Botha, both of the Standard Bank, reject the conclusions. They argue that, for instance, long-term growth is not in reality driven by labour skills, and that parents are key to transmitting these skills, or that skills must be locally sourced. More importantly, societies do not necessarily sit back and let catastrophe roll over them. But

responses are already occurring in South Africa. However resistant some members of government might be, those with a survival instinct are making plans. And that, of course, will be South Africa's greatest challenge. Government has announced plans (10 August 2003) for a rollout of ARV therapy. Budgetary and administrative challenges will be great and will require co-ordination of health, education and social development authorities. This will be a daunting task, but there are multitudes of individuals and organisations gearing up to do their bit.

The full report is available on the web at
**www.worldbank.org**

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