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## News release

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### US drug companies target sick Australians

American consumers are paying up to ten times more than their Australian counterparts for life-saving medicines, yet US drug companies are trying to force Australians to pay more, according to a visiting Australian academic.

Dr Clive Hamilton, Executive Director of The Australia Institute, a leading think tank, says that US pharmaceutical firms are using negotiations over a US-Australia free trade agreement to attack Australia's renowned Pharmaceutical Benefits Scheme which delivers some of the world's lowest drug prices to sick people in Australia.

According to analysis by the Australia Institute, the wholesale price of the asthma drug Ventolin is \$26.46 in the USA but costs only \$8.83 in Australia. The price of Valium is \$22.43 in the US but only \$2.52 in Australia, while the antibiotic Keflex is ten times more expensive in the USA.

Widely used medicines such as the antidepressant Zoloft, arthritis drug Celebrex and the diuretic Lasix cost two to four times more in the USA for exactly the same drug.

The Australian Government's Pharmaceutical Benefits Scheme has been described by Boston University Professor Richard Laing as "the best drug pricing system in the world".

The PBS relies on the ability of the Government to negotiate the lowest possible prices for new drugs based on their therapeutic value. An expensive new drug that does not deliver significant additional benefits will only be bought by the Government if its price does not exceed those of similar drugs.

"American consumers are being exploited every time they walk into the drug store," said Dr Hamilton.

"Instead of exporting exorbitant US prices, the Bush Administration would do better to adopt the Australian drug pricing scheme and give a better deal to America's sick and elderly."

"While the drug companies claim that ever-higher prices are needed to fund research and development, the fact is that the industry is the most profitable in America and it spends more on advertising and marketing drugs than on research and development."

*Dr Hamilton is visiting the Center for American Progress. Contact: 571 239 4091 in Washington until Wednesday pm, then Canberra (61) (2) 6249 6221 [exec@tai.org.au](mailto:exec@tai.org.au)*

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