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## **MEDIA RELEASE**

**19/5/03**

### **Minister misleading about drug price rises in US Free Trade Negotiations**

Trade Minister Vaile's denial that US Free Trade negotiators are after the Pharmaceutical Benefits Scheme (PBS) is misleading," Dr Patricia Ranald, Principal Policy Officer at the Public Interest Advocacy Centre, said today.

Dr Ranald convenes the Australian Fair Trade and Investment Network (AFTINET) of 65 community organisations, which monitors the effect of trade agreements on social policy.

"Although the US is not seeking complete abolition of the scheme, US pharmaceutical companies said clearly in evidence to the US Trade Representative on January 16, 2003 that they want higher prices for medicines in Australia," Dr Ranald explained. "At the end of the first round of negotiations on March 21, 2003 the Chief US trade negotiator acknowledged in a press conference that the PBS was being discussed and that he would 'go back to PHARMA (the US Pharmaceutical industry body) we will see where we go'".

AFTINET is launching a new publication on May 20, which contains full documentation of these statements by US companies and the US trade negotiator.

"If changes to the PBS are negotiated in a Free Trade Agreement, they would be legally binding on Australia and future governments would find it difficult to reverse them," said Dr Ranald. "Attempts by a future government to reverse such changes could be challenged by the US as a barrier to trade," Dr Ranald added.

"US negotiators have also claimed that labelling of genetically modified food, Australian content in film and television and quarantine laws are barriers to trade," said Dr Ranald.

"Social policies like the PBS should not be negotiated in a trade agreement which can prevent future policy change," said Dr Ranald. "The talks are taking place behind closed doors and we will not know the result until the deal is done. We call on the Minister to clearly exclude the PBS and other social policies from the negotiations. These policies should be democratically decided by parliaments, not secretly negotiated in trade agreements."

Launch of **Trading Australia away?** a critical analysis of the impact of the Australia US Free Trade Agreement on Australian social policies

**12.00 noon to 1.00 pm. Tuesday 20th May , Jubilee Room, Parliament House, Macquarie St. Sydney**

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