



**competition commission**  
south africa

Media Release  
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### **International pharmaceutical companies investigated for cancer medicine prices**

The Commission has initiated separate investigations against three global pharmaceutical companies operating in South Africa, for their suspected excessive pricing of cancer medicines.

The companies are Roche Holding AG (Roche), Pfizer Inc (Pfizer) and Aspen Pharmacare Holdings Ltd (Aspen).

#### **ABUSE OF DOMINANCE INVESTIGATION AGAINST ROCHE**

The Commission has initiated an investigation against Roche relating to the provision of lifesaving breast cancer medicine in the country. It has reason to believe that Roche and its USA-based biotechnology company, Genentech Inc. (Genentech) have and continue to engage in excessive pricing, price discrimination and/or exclusionary conduct in the provision of breast cancer medicine in South Africa.

Breast cancer is the leading form of cancer affecting women in South Africa. Medication known as Trastuzumab is recommended as an essential medicine by the World Health Organisation and is primarily used to treat breast cancer and some types of stomach cancer.

In South Africa, only Roche's branded versions of Trastuzumab are available and are sold under the names Herceptin and Herclon. Genentech provides exclusive marketing rights to Roche for Trastuzumab.

Breast cancer treatment is unaffordable in South Africa and many medical aid schemes refuse to pay for the treatment based on cost. For example, a 12-month course of Herceptin in the private sector costs over R500 000, or more, if a higher dosage is required. As a result of exorbitant prices, most breast cancer patients in both the private and public sectors are unable to get treatment.

#### **EXCESSIVE PRICING INVESTIGATION AGAINST PFIZER**

The Commission has also initiated an investigation against Pfizer for suspected excessive pricing of lung cancer medication in South Africa. Pfizer is the only provider of a lung cancer treatment medication known as xalkori crizotinib in South Africa.

The Commission has information that suggests lung cancer treatment is unaffordable in South Africa and medical aid schemes refuse to pay for the treatment.

Information available to the Commission shows xalkori crizotinib cost about R152 000.00 for 250mg when bought through an agent, Equity (Pty) Ltd. Further information suggests that there was a price

reduction to R72 000.00 per month for 250mg. This conduct is suggestive of abusive behaviour in respect of the supply of xalkori crizotinib in South Africa.

## **EXCESSIVE PRICING INVESTIGATION AGAINST ASPEN**

The Commission also has information that gives rise to a reasonable suspicion that Aspen has and continues to engage in excessive pricing in the provision of certain cancer medicines in the country, including:

- a) Leukeran (active ingredient chlorambucil) is a chemotherapy medication used to treat chronic lymphocytic leukemia, Hodgkin lymphoma, and non-Hodgkin lymphoma;
- b) Alkeran (active ingredient melphalan) is typically used to treat multiple myeloma (bone marrow cancer) and epithelial ovarian cancer; and
- c) Myleran (active ingredient busulfan) is used in pediatrics and adults as a conditioning agent prior to bone marrow transplantation, especially in chronic myelogenous leukemia (CML) and other leukemias, lymphomas, and myeloproliferative disorders.

In terms of Myleran, Aspen appears to be the only supplier of a generic version of busulfan in tablet form. No other products containing the same active ingredient appears to have been registered by the Medicines Control Council (MCC).

Aspen's Leukeran brand is listed as a generic and there does not seem to be a listing for an originator product in the country. As with Leukeran, Aspen's Alkeran brand is the only product listed locally which contains melphalan.

"The Commission has identified the healthcare sector, and in particular pharmaceuticals, as a priority sector for its enforcement efforts due to the likely negative impact that anti-competitive conduct in that sector would have on consumers in general and specifically the poor and vulnerable," said the Commissioner, Tembinkosi Bonakele.

The Commissioner added that the three investigations have been prioritised and all relevant resources are in place to ensure the investigation is concluded soonest. The matter is of grave national concern.

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### **For more information.**

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