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Position Paper | 09.12.2020

Affordable and Accessible Medicines for All

Greens/EFA action plan

Current regulations on the pharmaceutical sector are not appropriate to provide EU citizens with affordable and accessible medicines and treatments.

The exclusivity system in the EU allows pharmaceutical companies to enjoy a monopoly position in the market to earn back investments in the development of medicines. However, in order to obtain these exclusive rights, the EU does not require pharmaceutical companies to be transparent about their actual costs of development and production. In other words: companies can charge excessive prices for medicines for years, even if they already earned back their initial investments.

At the same time, pharmaceutical companies receive public financial support – at both national and EU level – for the development of medicines. These grants or subsidies are not conditional on the accessibility or affordability of the medicines that are being developed with this support. Consequently, it is possible for the pharmaceutical industry to profit from public financial support and at the same time charge excessive prices when government institutions want to buy these products. By making strategic use of this system, the pharmaceutical industry is now one of the most profitable sectors in the world.

- The international intellectual property framework guarantees that pharmaceutical companies obtain protection on the medicines they are developing for 20 years (from the moment that research shows potential). When a patent has lapsed, pharmaceutical companies in the EU can opt for Supplementary Protection Certificates (SPCs), which can extend patent rights for a maximum of five years. An additional six-month extension is available if the SPC relates to a medicinal product for children (Reg (EC) No 1901/2006)
- In addition to patents and the SPCs, companies that develop treatments for rare diseases (so-called “orphan drugs”) can benefit from up to 10 years of exclusivities. To qualify for orphan designation, a manufacturer has to show that fewer than five per ten thousand people will use the medicine.

We need to alter the current innovation model for pharmaceuticals if we want to ensure accessible and affordable medicines for all. Ensuring access to all medicines for patients in need is a core human rights obligation, linked with the principles of equality, non-discrimination and transparency. As long as the EU system is solely based on exclusive rights- which lacks transparency about the actual costs of research and development- the system does not necessarily result in the medicines we need most urgently

nor to better medicines, but to those medicines that make most business sense for pharmaceutical companies at often exorbitant prices. Over the years, the price of innovative medicines has been on the rise. For example, in the past ten years, the cost of new cancer medicines has increased by 348%, showing only marginal benefits for the patients. This leads to difficult dilemmas for our society: should we keep reimbursing expensive medicines or deny patients access to medicines to limit healthcare spending.

Pharmaceutical companies refer to high costs of research and development, and the fact that they also have to take into account failures. Innovation does indeed have a cost, but it is currently impossible to determine a fair compensation because the research and development costs are a black box. Profits are often not reinvested in the further development of medicines, but are put in profitable financial constructions. This is problematic because in this way, EU funds that go into the development of medicines with the aim of improving public health, are partially flowing into the pockets of private shareholders.

The pharmaceutical strategy offers us an opportunity to change this system. The Commission and EU Member States have made themselves too dependent on the pharmaceutical industry for the research, development and production of essential medicines and medical devices. The new pharmaceutical strategy offers the opportunity to prioritize the public health needs of Europeans over the profits of shareholders. In order to ensure accessible and affordable medicines, now and in the future, the EU should take up the actions

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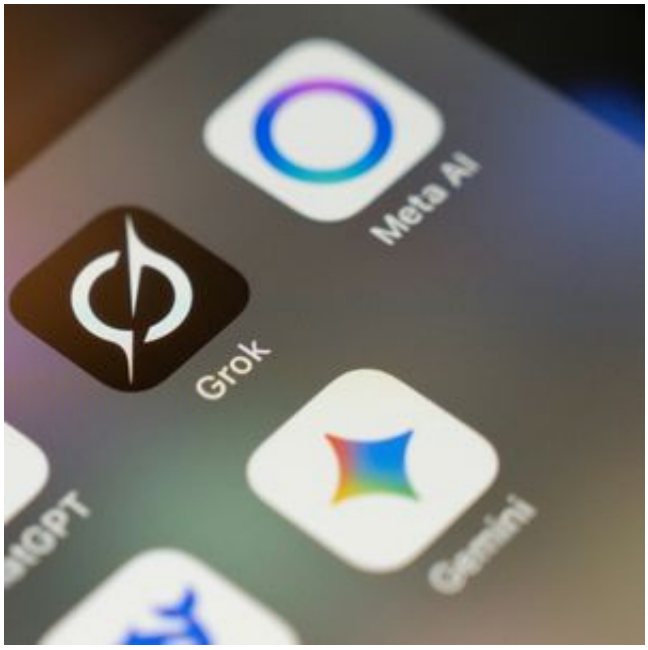


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Responsible MEPs



Kim Van Sparrentak

Vice-President

Contact person



Axel Singhofen

Advisor on Health and Environment Policy

Attached documents

Greens EFA action plan for affordable and accessible medicines

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